



**CAMBRIDGESHIRE
& PETERBOROUGH**
COMBINED AUTHORITY

COMBINED AUTHORITY BOARD

Date: Wednesday, 26 June 2019

10:30 AM

Democratic Services
Dermot Pearson
Interim Monitoring Officer

The Incubator
Alconbury Weald
Cambridgeshire
PE28 4WX

Kreis Viersen Room, Shire Hall, Cambridge CB3 0AP
[Venue Address]

AGENDA

Open to Public and Press

Part 1 - Governance Items

- 1.1 Announcements, apologies for absence and declarations of interest.**
- 1.2 Minutes of the meeting on 29 May 2019**
- 1.3 Petitions**
- 1.4 Public Questions**

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Part 6 - Date of next meeting

The Combined Authority Board will meet next on Wednesday 31 July at 10.30am in the Council Chamber, Fenland Hall, County Road, March PE15 8NQ.

The Combined Authority Board comprises the following members:

Mayor James Palmer

Aamir Khalid

Councillor David Over

Councillor Anna Bailey

Councillor Chris Boden

Councillor Graham Bull

Councillor Steve Count

Councillor Lewis Herbert

Councillor John Holdich

Councillor Bridget Smith

Commissioner Jason Ablewhite

Jess Bawden

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

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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. 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 or on 01223 699171.



Agenda Item No: 1.2

CAMBRIDGESHIRE & PETERBOROUGH COMBINED AUTHORITY: MINUTES

Date: Wednesday 29 May 2019

Time: 10.30am – 1.25pm

Venue: Council Chamber, The Grange, Nutholt Lane, Ely, CB7 4EE

Present: J Palmer (Mayor)

Councillors G Bull – Huntingdonshire District Council, R Hickford - Cambridgeshire County Council, L Herbert – Cambridge City Council, J Holdich – Peterborough City Council, A Bailey - East Cambridgeshire District Council, C Boden – Fenland District Council and B Smith – South Cambridgeshire District Council

A Khalid – Chair of the Business Board

Co-opted Members: J Ablewhite (Police and Crime Commissioner) (to 12.50pm)

340. ANNOUNCEMENTS, APOLOGIES AND DECLARATIONS OF INTEREST

The Mayor was pleased to announce that he had appointed Councillor John Holdich as Statutory Deputy Mayor. He had also appointed Charles Roberts to the role of Strategic Adviser. This appointment was made under his executive powers as Mayor to a post which was identified within the recent revised structure of the Combined Authority. The Mayor also welcomed Councillors Bailey and Boden to the meeting and expressed his warm thanks to Councillor Chris Seaton, the former Leader at Fenland District Council, for his wise counsel during his time as a member of the Board.

Apologies were received from Councillor S Count, substituted by Councillor R Hickford, J Bawden (Clinical Commissioning Group) and Councillor D Over (Fire Authority).

Declarations of non-pecuniary interest were made during the course of the meeting by Councillor J Holdich in relation to Item 4.2: Greater Peterborough Inward Investment Pilot (minute 362 below refers) and Item 5.2: Skills Brokerage Contract and Future of the Careers and Enterprise Company Contract for Cambridgeshire and Peterborough (minute 366 below refers) as a member of the Opportunity Peterborough Board. A declaration of non-pecuniary interest was made by Councillor L Herbert in relation to Item 5.3: University of Peterborough – Outcome of Review and Reflect Leading to the Progression of an Outline Business Case (minute 367 below refers) as he was until recently an employee of Anglia Ruskin University.

341. MINUTES – 27 MARCH 2019

The minutes of the meeting on 27th March 2019 were agreed as an accurate record and signed by the Mayor.

342. PETITIONS

No petitions were received.

343. PUBLIC QUESTIONS

No public questions were received.

344. FORWARD PLAN

Councillor Herbert commented that he would like to have sight of the Forward Plan further ahead of meetings. The Mayor noted his request that changes since the last published Plan should be included in future.

It was resolved to note the Forward Plan

345. MEMBERSHIP OF THE COMBINED AUTHORITY

Most constituent council nominations for Board members and substitutes were shown in Appendix 1 to the report which had been tabled as part of a supplementary document pack. The exception was East Cambridgeshire District Council as the date of its annual meeting had been postponed due to a clash with the European elections. To address this it was recommended that late notifications of appointments to the Monitoring Officer should take immediate effect. The inclusion of an Independent member on the Audit and Governance and Overview and Scrutiny Committees would on this occasion tip the political balance against the majority Conservative membership of the Board, so it was proposed instead that both Committees should be delegated the authority to consider whether to appoint a single co-opted Independent member (and substitute) to each Committee to represent the independent members elected across Constituent Councils. It was recommended that the Business Board and Co-opted Member representatives to the Combined Authority Board should remain unchanged.

Councillor Boden asked that it should be noted that the substitute member for Fenland District Council would be Councillor Jan French, and not 'Jane' as stated in the report.

Councillor Smith asked for clarification of the comment that there was a need to avoid tipping the political balance of the Committees in an 'inappropriate way'. The Interim Monitoring Officer clarified that as the Conservative Party had polled a majority in the election and were therefore the majority political party, political balance rules meant that they have the equivalent majority of 52% of the seats on each Committee. Including an Independent member on Committees in place of a Conservative seat would place Conservative members in the minority.

It was resolved unanimously to:

- a) Note the Members and substitute Members appointed by Constituent Councils to the Combined Authority for the municipal 2019/2020 (tabled)

- b) Appoint the Business Boards' nominations as Member and substitute Member to represent them on the Combined Authority for the municipal year 2019/20
- c) Confirm that the following bodies be given co-opted member status for the municipal year 2019/20:
 - 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 the late notifications of appointments to the Monitoring Officer shall take immediate effect
- f) Delegate authority to both the Audit and Governance Committee and the Overview and Scrutiny Committee the power to appoint a single co-opted member (and substitute) to each Committee to represent the number of independent members elected across Constituent Councils.

346. APPOINTMENTS TO EXECUTIVE COMMITTEES, APPOINTMENT OF CHAIR AND PORTFOLIO HOLDERS

The Mayor stated that Appendix 1 to the report setting out his nominations had been tabled as part of the supplementary document pack.

Ms Sawyer, Interim Joint Chief Executive, stated that she had been notified that some members did not recognise the nominations to the Committee membership shown in the report. A report setting out the confirmed nominations from Constituent Councils would be brought to the June meeting for approval.

It was resolved to:

- a) Note and agree the Mayor's nominations to Portfolio Holder responsibilities and the membership of the committees including the Chairs of committees for 2019/20 or until such time as the revised governance arrangements are approved, as set out in Appendix 1 (tabled)

347. APPOINTMENT OF THE OVERVIEW AND SCRUTINY COMMITTEE

The Mayor stated that unfortunately an error had been made in the calculation of the number of seats for Labour and Liberal Democrat representatives on the Overview and Scrutiny Committee but this had been corrected before the Board were due to make a decision on the membership. An Addendum Report had been tabled as part of the supplementary document pack which set out the correct allocation to ensure political proportionality following the recent elections in some parts of the county.

Councillor Herbert sought clarification of which constituent council would nominate the third Labour councillor. The Interim Monitoring Officer apologised again for the error in the original calculations which had wrongly resulted in five seats being allocated to Liberal Democrat councillors and two to Labour councillors. The corrected allocation was four seats for Liberal Democrat councillors and three seats for Labour Councillors. To achieve the correct allocation officers had looked at which authority had the largest number of Labour councillors without representation on the Overview and Scrutiny

Committee. This was Cambridgeshire County Council, so Cambridgeshire County Council had been invited to nominate a Labour councillor rather than a Liberal Democrat.

It was resolved by a majority 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 2019/2020;
- b) Approve the amended political party representation on the Overview and Scrutiny Committee;
- c) Confirm the appointment of the Member and substitute Member nominated by Constituent Councils to the Overview and Scrutiny Committee for the municipal year 2019/2020 as set out in Appendix 2 of the Addendum report (tabled);
- d) To agree that the Overview and Scrutiny Committee consider the co-option of an independent member from a Constituent Council.

348. APPOINTMENT OF THE AUDIT AND GOVERNANCE COMMITTEE

Appendix 2 to the report setting out the nominations received from Constituent Councils was tabled as part of the supplementary document pack.

Councillor Herbert asked for clarification of the political balance figures shown at Appendix 3 of the original report and why these showed an additional place for a Conservative councillor. The Interim Monitoring Officer stated that Appendix 3 was an illustrative document. If the Independent councillors had political party status they would have been entitled to a seat on the Committee. The appendix was included in support of the recommendation to delegate authority to the committee to offer a seat to a co-opted member to enable Independent councillors' voice to be heard in Committee discussions, although they would not be eligible to vote. Councillor Herbert commented that he encouraged Independent councillors to consider forming a political party.

The Mayor stated that if Independent councillors chose to form a political party the allocation of seats would be reviewed to ensure political proportionality was maintained.

It was resolved 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 one independent person for the municipal year 2019/2020
- b) To 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 2019/2020 as set out in Appendix 2 (tabled)
- d) Appoint a Chair and Vice Chair of the Audit and Governance Committee for the municipal year 2018/2019.
- e) To agree that the Audit and Governance Committee consider the co-option of an independent member from a Constituent Council.

349. MANAGEMENT OF THE CAMBRIDGESHIRE AND PETERBOROUGH COMBINED AUTHORITY

The Mayor asked John Hill, Kim Sawyer, Jon Alsop and Dermot Pearson to leave the meeting room for the duration of the item.

The Mayor stated that he had received notice that Councillor Herbert wished to propose an amendment to the recommendations contained in the report.

Councillor Herbert, seconded by Councillor Smith, proposed that:

The Combined Authority Board be requested to:

~~(i) approve the appointment of John Hill and Kim Sawyer as Joint Chief Executives of the CPCA with immediate effect.~~

~~(ii) review these arrangements by 31 May 2021~~

i) *That in the absence of*

- *any proper appointment process or interview*
- *any detail in the report on the roles or secondment arrangements or salary review*

the proposal be referred to the Employment Committee to make decisions after interviews and to sort out details of roles, reporting and salaries, and the interim appointments extend for two months

ii) appoint Jon Alsop as the Section 73 Chief Finance Officer to the CPCA.

The Mayor accepted Councillor Herbert's request that the report be introduced before he spoke to his amendment.

The Interim Monitoring Officer stated that the report discharged an undertaking given to the Board at the meeting on 27 March 2019 to provide recommendations on arrangements for the role of Chief Executive for the Board to consider at its annual meeting.

Councillor Herbert commented that this explanation was thin and incomplete, and that in his view the same criticisms could be levelled at the report. An appointment process for the role of Chief Executive had been carried out via the Employment Committee in March 2019, but no appointment made. Several members had been unhappy about this and reservations had been expressed about the absence of a member of Combined Authority staff on the day to ensure due process was followed. In Councillor Herbert's view the Mayor was effectively hiring and firing staff and by-passing the Employment Committee. He judged that appointing the two Interim Joint Chief Executives whilst a permanent post holder was recruited was a defensible position. However, he judged that the only proper way to appoint a Chief Executive was through an interview process. The report before the Board contained no clear explanation of how responsibilities would be divided between the two Interim appointees and nothing about Mr Hill's role and responsibilities. Councillor Herbert did not think it appropriate for a public body to proceed in this way. Officers at such a senior level should be appointed by a due process which could be defended. The Employment Committee had been permitted to

make big decisions about the future structure of the organisation so he did not understand why it was not playing a role this time. Councillor Herbert commented that he did not believe that any of the Constituent Councils would appoint a Chief Executive in this way and that there was a perception that East Cambridgeshire was taking control of the Combined Authority.

Councillor Smith commented that she had sat on the Employment Committee in March 2019 which had considered the applicants for the Chief Executive role. There was one outstanding candidate amongst the field whom all of the Committee members had scored the highest. At that point the Mayor had exercised a veto on the appointment. In her judgement this veto system disenfranchised other Board members and was deeply disappointing. However, on that occasion the proper process had been followed and she did not understand why the same thing had not been done this time.

Councillor Bailey commented that she understood that there had been significant differences of opinion within the Employment Committee about the candidates seen in March 2019. The proposal before the Board was for two fixed term contracts with a review date and an end date. It was likely to take a permanent appointee between three and six months to leave their current job in addition to the time needed for the selection process which was a substantial amount of time given that there was less than two years left of the current Mayoral term of office. She understood that there had been no complaints about the performance of the Interim Joint Chief Executives to date and felt it was good practice and mutually beneficial to share staff across the Constituent Councils. In her view the focus now should be getting on with delivery.

On being put to the vote, the amendment was lost.

The Board turned to consideration of the substantive recommendations. The Interim Monitoring Officer stated that the way forward was entirely a matter for the Board. In such matters the Board had primacy over all of its Committees and on that basis he judged that it was an appropriate report. The addendum report tabled as part of the supplementary document pack addressed the need to appoint a new Interim Monitoring Officer when his own appointment expired at the end of May 2019.

Councillor Smith commented that she had numerous complaints about the report. She called on other members of the Board to voice publicly the reservations which they had expressed in private regarding the competency of the individuals involved. The only benefit to the arrangement which she could see from the proposed extension of the appointments of the two Interim Joint Chief Executives was a financial benefit to East Cambridgeshire District Council.

Councillor Smith requested a recorded vote. The Mayor stated that he was under no obligation to accept such a request and on this occasion he would not do so. Any Board member was though free to request that their own vote should be recorded. The Interim Monitoring Officer confirmed that this was correct.

On being put to the vote it was resolved by a majority to:

- a) Approve the appointment of John Hill and Kim Sawyer as Joint Chief Executive of the CPCA with immediate effect;
- b) Review these arrangements by 31 May 2021;
- c) Appoint Jon Alsop as the Section 73 Chief Finance Officer to the CPCA;

Councillors Herbert and Smith requested that it should be recorded that they had voted against the recommendations.

The Mayor stated that he had not commented in advance of the vote as he had not wished to potentially prejudice its outcome. However, now that the Board had made its decision he wished to place on record that he had listened with both sadness and incredulity to some of the views expressed. He did not share Councillor Smith's recollection of events at the Employment Committee meeting in March 2019. Rather, he recalled that none of the candidates considered by the Committee for the role of Chief Executive had scored highly and that whilst one had been placed slightly ahead there had been no confidence that they were the right fit for the organisation. He judged the allegations made regarding the competency of the two Interim Joint Chief Executives to be shameful. The organisation had been left in a difficult position when the previous Chief Executive had resigned and Ms Sawyer and Mr Hill had stepped in and turned the organisation around, making it the most efficient Combined Authority with the smallest staffing complement in England. Following the Board's decision he was confident that both Ms Sawyer and Mr Hill would continue the exceptional work which they had started. This would see the focus of the Combined Authority move on from governance to delivery. Government's confidence in the organisation was demonstrated by the freeing up of Business Board funding to bring forward business growth and the £227m funding for the Cambridge North Fringe. The Mayor stated that the suggestion of East Cambridgeshire influence over the Combined Authority was a myth based on politics rather than facts. Every part of the county was benefitting from the additional funding and investment which the Combined Authority was able to attract. To suggest a bias towards East Cambridgeshire was entirely without foundation.

The Interim Monitoring Officer drew the Board's attention to the additional recommendation to appoint Dermot Pearson as the new Interim Monitoring Officer when his own appointment ended on 31 May 2019. This was set out in a tabled addendum report contained in the supplementary document pack. Mr Pearson had considerable experience as a Monitoring Officer and had worked in this capacity in a number of high profile organisations.

Councillor Herbert commented that he appreciated that it was difficult to share many details of Mr Pearson's experience in a public forum, but some additional information on his background and experience would have been welcome. He would also like to know whether it would be a full-time appointment and the pay-scale to which he had been appointed. The Interim Monitoring Officer stated that Mr Pearson would be appointed on a full time basis until around the end of August 2019. This should allow sufficient time for the recruitment of a permanent appointee to take place. A copy of Mr Pearson's CV was circulated to Board members for their information.

On being put to the vote it was resolved unanimously to:

- a) Approve the appointment of Dermot Pearson as the Interim Monitoring Officer.

John Hill, Kim Sawyer, Jon Alsop and Dermot Pearson returned to the meeting room.

350. CALENDAR OF MEETING 2019/20

It was resolved to:

- a) Approve the Calendar of Meetings for 2019/2020 subject to the outcome of the review of the Constitution to be reported in June 2019 (Appendix 1)

351. MEMBERS' ALLOWANCES SCHEME

The Board considered the recommendations of the Independent Remuneration Panel (IRP) in relation to the Members' Allowances Scheme. The Interim Monitoring Officer emphasised that the recommendations had been made by an independent body and not by officers.

Councillor Smith asked whether recommendation d(i), that the Combined Authority make representations to Central Government for the role of Mayor to be regarded as fixed-term contract employment that was pensionable, was to align Cambridgeshire and Peterborough with the usual practice of other Combined Authorities. Ms Sawyer, Interim Joint Chief Executive, stated that that this was not usual practice and that if the Board chose to accept this recommendation from the IRP it would be unusual and exceptional. In the interests of transparency the IRP's full set of recommendations had been brought to the Board and it was for Board members to decide which it wished to accept. Councillor Smith proposed that recommendation d(i) be deleted from the recommendations. The Mayor stated that he would be comfortable with this change.

Councillor Boden commented that whilst the Mayor was comfortable with this proposal, he was not. The purpose of having an IRP was to obtain objective and considered recommendations. Should the current Mayor choose not to accept the proposed increase in allowance that was entirely a matter for him. However, by rejecting this recommendation the position of future Mayors would also be affected. Councillor Bailey commented that the IRP's recommendations represented a considered response which spoke to a whole piece of work. Her preference would be to accept the recommendations in full to establish an agreed position going forward. Councillor Smith commented that these were good points and that, on balance, she was content that recommendation d(i) should be retained.

The Mayor stated that if the Board chose to accept the recommendations relating to the Mayoral allowance he would not take the proposed £5,000 increase in allowance during his current term of office.

Councillor Herbert asked for clarification of the position in relation to allowances for the Chair and members of the Business Board. The Mayor stated that a report on Business Board allowances was due to be brought before the Board in July 2019.

The Chair of the Business Board commented that the private sector view was that the level of allowances proposed were around half to a third of the salary which would be expected in the private sector for a comparable role.

Councillor Herbert proposed that recommendations b) to agree the scheme for the Mayoral allowance as set out in Appendix 1 and summarised in para 2.6 (a) to (c) below and d (i) that the Combined Authority make representations to Central Government for the role of Mayor to be regarded as fixed-term contract employment that was pensionable be deferred until 2021. The amendment was not seconded.

The Mayor stated that he would be abstaining from the vote, but repeated his intention not to accept an increase in allowance during his current term of office should the Board accept the recommendations.

It was resolved by a majority to:

- a) Review the Members' Allowances Scheme (Mayor's and other Allowances)
- b) Agree the scheme for the Mayoral allowance as set out in Appendix 1 and summarised in para 2.6 (a) to (c) below;
- c) Agree the scheme for the allowances/expenses to those appointed to any independent commissions set up by the Combined Authority Commission as set out in Appendix 1 and summarised in para 2.7 (a) to (d) below;
- d) Agree:
 - (i) That the Combined Authority make representations to Central Government for the role of Mayor to be regarded as fixed-term contract employment that is pensionable.
 - (ii) Whilst outside the remit of this Panel, the IRP commented that the Constituent Authorities IRPs be requested to consider the payment of allowances to their Members serving on the Combined Authority, due to the statutory prohibition on the Combined Authority to pay such allowances.
- e) Consider the payment of allowances/expenses to those appointed to any independent commissions

352. QUARTERLY PERFORMANCE REPORTING

The Board reviewed the Quarterly Performance report which contained data to the end of April 2019. The Director of Delivery and Strategy stated that a recovery plan was in place for each of the projects rated as amber.

Councillor Herbert asked why the Kings Dyke project was rated as amber and the A10 and A47 Dualling projects were rated as green when there was a perception that these projects were not close to being delivered. The Director of Delivery and Strategy stated that the status of projects was measured against an agreed set of criteria which included being on timetable, on budget and achieving governance milestones. The Overview and Scrutiny Committee had provided some helpful input into these criteria. There were some risks around budget and timetable in relation to the Kings Dyke project, but officers were in commercial conversation with partners about these. Once this was settled the outcome would be reported in the appropriate way.

The Mayor questioned the assertion that there was a perception that the A10 and A47 Dualling projects were not on track when their green RAG rating demonstrated that they were meeting all of the assessed criteria.

Councillor Smith commented that she appreciated officers' efforts to simplify the report, but that she now found it less meaningful. She also questioned the use of 2015/16 data in relation to gross value added and the figures relating to the percentage of residents within 30 minutes travel of major employment centres. The Director of Delivery and Strategy stated that the Board had agreed that the report should be quite high level and track back to the priorities set. Some use was made of national statistical data and this did have a tendency to lag. A six month review process was in place so there might be further refinements to the reporting arrangements. He understood that the figures relating to the percentage of residents within 30 minutes travel of major employment

centres had been sourced from the Greater Cambridge Partnership, but he would clarify this outside of the meeting.

Councillor Boden commented that there had been a robust examination of performance reporting by the Overview and Scrutiny Committee which had included a discussion of the level of detail required by different audiences. The report to the Board was designed to give an indication of warning rather than detailed data. More detailed performance reports were submitted to the relevant Committees for review. On this basis he judged that the report was at the right level to provide the necessary assurance.

It was resolved to note the May Delivery Dashboard.

353. BUDGET: PROVISIONAL OUTTURN

In the absence of the Portfolio Holder for Investment and Finance the Mayor invited the Interim Chief Finance Officer to introduce the report.

The Interim Chief Finance Officer stated that the 2018/19 outturn figures contained in the report remained provisional as they were still subject to external audit. The draft financial statement for 2018/19 would be considered by the Audit and Governance Committee on 31 May 2019 and published in draft that afternoon. An additional column had been added to the 2018/19 revenue table which showed the month 10 position. This reflected the on-going development of the report's content and presentation. Paragraph 2.6 set out the variances between the predicted revenue outturn position and the annual budget across key business areas while Paragraphs 2.8 to 2.16 set out the variances within the capital programme. There was an 8.6% variance on the capital programme which related primarily to the timing of projects and which was being actively managed. The Overview and Scrutiny Committee had expressed the wish to spend some time understanding the final outturn position and this was welcomed. The Chief Finance Officer proposed that, with the consent of the meeting, recommendation (b) should be revised to make clear the proposed carry forward for both the revenue and capital budgets. No objections were raised.

Councillor Herbert asked why Appendix 2 (capital programme outturn 2018/19) showed lots of actuals to the end of March 2019 then lots of late spend variance. Officers stated that the second column containing actuals to March 2019 represented the actual spend. The predicted outturn was the figures report to the Board at its previous meeting in March 2019. The actuals column was what would be reported in the accounts.

Councillor Boden commented that he judged that there had been a massive improvement in financial budget management, although there was still room for further improvement. He asked whether the use of cumulative figures might be a better way to present the revenue and capital carry forwards. Councillor Boden further commented that he would also welcome the benefits which could be delivered by the appropriate flexing of budgets, although he would want to ensure that budget reporting continued to show clearly where the budget had come from.

The Interim Chief Finance Officer suggested that the first report should show the approved revenue budget for the year and the carry forward to produce a revised revenue budget. A similar approach could be taken in relation to the capital budget.

Councillor Herbert noted that Noel O'Neill, Interim Chief Finance Officer would be leaving the Combined Authority at the end of May 2019 and asked that a vote of thanks be recorded for his sterling service.

It was resolved by a majority to:

- a) Note the provisional outturn position against budget for the year to 31 March 2019;
- b) i. Approve the carry forward of £616,400 of revenue budget underspends to increase the 2019/20 budget and deliver the outcomes identified;
- ii. Approve the carry forward of capital underspends identified in paragraphs 2.8 to 2.16;
- c) Note progress being made in the preparation and audit of the draft Statement of Accounts for 2018/19.

354. £100M AFFORDABLE HOUSING PROGRAMME- SCHEME APPROVALS: MAY 2019 - BELLE VUE, STANGROUND, PETERBOROUGH

The Mayor stated that the report contained an appendix which was exempt from publication under Part 1, Paragraph 3 of Schedule 12A of the Local Government Act 1972 and asked whether any members of the Board wished to discuss that appendix. No member expressed the wish to do so.

The Development Manager (Residential) stated that the affordable housing programme consisted of £70m for the delivery of 500 new homes in the City of Cambridge and £100m to be used across the wider Combined Authority area to deliver an additional 2,000 homes. The programme was on track and detailed quarterly updates were provided to the Housing and Communities Committee. The first phase of construction at Belle Vue, Stanground, Peterborough was already underway and would include nine affordable housing units. If approved, the remaining 21 units would also be delivered as affordable housing units.

The Police and Crime Commissioner asked how the Housing Strategy dealt with provision of affordable housing to vulnerable people and expressed disappointment that some schemes were not yet targeting support to vulnerable individuals and groups. He commented that he was also talking about the provision of supported housing. Ms Sawyer, Chief Executive, stated that the Combined Authority's target was to provide affordable homes, so there may not be an opportunity to target these at vulnerable groups. The CPVS would however contact the RSL's who were providing affordable housing to ask them what percentage of homes which were going to vulnerable individuals and households and to consider whether the Housing Strategy could offer any further opportunities to address this.

Councillor Holdich welcomed the proposal, commenting that Peterborough City Council had a good record for providing housing for those in greatest need. However, whilst acknowledging the need to provide affordable housing to vulnerable groups and households, he emphasised the importance of creating mixed and sustainable communities.

Councillor Herbert commented that the waiting list for housing at Cambridge City currently stood at around 2,000 households so demand continued to greatly outstrip supply. Allocation was based on need so those with particular vulnerabilities would be placed higher on the waiting list.

It was resolved unanimously to:

- a) Commit grant funding of £735,000 from the £100m Affordable Housing programme to support conversion of 21 new homes from Open Market sale to Affordable Rent at Belle Vue, Stanground, Peterborough.

355. £70M CAMBRIDGE CITY COUNCIL AFFORDABLE HOUSING PROGRAMME 2019/20 BUDGET

The Board reviewed the recommendation that underspend from the 2018/19 budget should be carried forward to 2019/20 and added to the recommended budget provision for 2019/20. It was noted that performance updates for the programme were reported to the Housing and Communities Committee on a quarterly basis and most recently in April 2019. The Interim Chief Finance Officer brought to the attention of the Board that the recommendation (b) related to revenue carry forward and that the report also identified a similar carry forward of capital which would be identified in the budget for the new financial year

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 £1,505,274 from the approved 2018/19 budget into the 2019/20 financial year
- c) Approve 2019/20 budget provision of £19,102,771, giving a total budget of £20,608,045 once the carry forward from 2019/20 is included to enable the programme to continue.

356. LOCAL HIGHWAYS MAINTENANCE CAPITAL GRANT ALLOCATION 2019/20

The Combined Authority Board was consulted regarding the Mayor's intention to allocate grants totaling £23,541,459 to Cambridgeshire County Council and Peterborough City Council in line with the Department for Transport formula as set out in the table below.

The Mayor approved the allocation of grants as set below:

Constituent Council	Allocation /£
Peterborough City Council	4,958,107
Cambridgeshire County Council	18,583,352
Total	£23,541,459

357. DELEGATION OF PASSENGER TRANSPORT POWERS

The Board considered a recommendation to delegate the role of Travel Concessionaire Authority and other powers set out in paragraph 2.7 of the report to Cambridgeshire County Council and Peterborough City Council for 2019/20. This was consistent with previous practice.

It was resolved unanimously to:

- a) Agree the delegation of transport powers to Cambridgeshire County Council and Peterborough City Council for the 2019/2020 financial year - as set out in paragraph 2.7 (a).

358. PUBLIC CONSULTATION ON THE DRAFT LOCAL TRANSPORT PLAN

The Interim Head of Transport sought the Board's agreement to commence public consultation on the draft Local Transport Plan and to delegate authority to the Chief Executive, in consultation with the Chair of the Transport Committee, to allocate funding for consultation from the 2019/20 Local Transport Plan Budget allocation and to make any non-material drafting improvements to the draft before publication in line with Board Members' views. Steven Bishop from Steer was also in attendance.

Councillor Boden commented that he would await the outcome of the consultation, but from his own perspective he noted that the project map showed nothing to join up the north and the south of the county. Improved transport links between the north and south were just as important as those between the east and the west and in his view it was essential that this message was conveyed.

Councillor Smith commented that the section relating to South Cambridgeshire described it as a predominantly rural district with no settlement larger than 10,000. This was incorrect as Cambourne had over 12,000 residents. She found the draft consultation to be lightweight and weak and as a result would be abstaining from the vote. In her view it focused primarily on upgrades to the road transport network and did not give sufficient weight to high quality, affordable public transport. She acknowledged that the Plan was for consultation only at this stage, but was disappointed by what she perceived to be the failure to build in sufficient aspiration around public transport.

Councillor Holdich expressed disappointment that the draft Plan did not draw links with the spatial strategy. However, as it was a consultation document he was minded to let it go and see what response was received.

Councillor Hickford commented that he was grateful that the consultation period had been extended to allow Councils to discuss it at their September meetings.

Councillor Herbert commented that his impression was more positive than negative. Given the number of transport schemes which the Combined Authority was supporting there was a need for a strategy to pull them all together. In his view the Authority should at the end of the consultation be in a position to go back to Constituent Councils and the public with recommendations on five to eight key projects to pursue. Inclusive growth must be a part of this. Whilst accepting that the road network was an issue in parts of the county he judged that there was a lack of investment in rail which could, if addressed, be transformative in some areas. In his view the key issues were inclusivity, north/ south transport links and better engagement on public transport.

It was resolved by a majority to:

- a) Note the draft Local Transport Plan for the Cambridgeshire and Peterborough Combined Authority and approve consultation on the basis of the draft.
- b) Delegate authority to the Chief Executive, in consultation with the Chair of the Transport Committee, to allocate funding for public consultation from the 2019/20 Local Transport Plan Budget allocation and make non-material drafting improvements in line with Board Members' views to the draft Local Transport Plan before public consultation.

The Mayor stated that the Combined Authority was continually working to improve the rail network in Cambridgeshire, and in particular the link between Peterborough and London via Cambridge. There was an understanding with Network Rail and the Department for Transport that this was the right plan with more trains provided which ran later. Work was already underway through the Bus Review to continue to improve bus services. Reductions in fares for NHS workers had led to increased usage and discussions regarding the frequency of services on the Guided Busway were already taking place. The CAM Metro system would deliver public transport to rural areas on an unprecedented scale. However, there were still parts of the county with such poor road links that improvements to the road network must also form part of the wider strategy.

359. NON-STATUTORY STRATEGIC SPATIAL FRAMEWORK PHASE 2 – PUBLIC CONSULTATION

Councillor Boden commented that he had only been appointed to the Board by Fenland District Council within the last few days and taken on the role of Portfolio Holder for Spatial Planning. He had already had a good introductory discussion with the Director of Delivery and Strategy and was excited by some elements of the Non-Statutory Strategic Spatial Framework (NSSF). However, he judged that there were some gaps in the Framework as currently drafted and that it did not yet demonstrate the level of challenge, vision and ambition for the future which was needed. The proposed consultation document read as though the proposals were already agreed. In terms of presentation it would be preferable to raise questions first to encourage fresh thought and innovation, followed by suggested options rather than the reverse which currently the case. A good NSSF was not a local plan; rather, it should be a challenging document designed to resolve competing principles and to take account of the significant social and technological changes which could place within the next 30 years. Many companies and organisations within Cambridgeshire were devoting considerable time, expertise and resources to addressing exactly these questions and the Combined Authority needed to listen to what they had to say. Councillor Boden commented that he had planned to suggest amending the proposed consultation document prior to issue, but on reflection he proposed to withdraw the report and bring back a broader and more ambitious version which also better reflected links with key partners such as the police and health service, preferably to the meeting in July 2019.

Councillor Holdich commented that he would support this proposal. The current draft did not in his view provide sufficient focus on infrastructure and he judged that further work would be valuable.

Councillor Smith welcomed Councillor Boden's proposal, commenting that he had voiced the reservations which she also had with the consultation document as drafted. She would be content for the revision to take a little longer if needed in order to allow sufficient time to draw in the necessary expertise. In particular she felt that there was a

need to reach a collective position on housing delivery and the need to spread economic growth across Cambridgeshire and Peterborough.

Councillor Herbert agreed that the NSSSF needed to be strategic and forward-thinking. The Combined Authority had not yet resolved how the additional housing which it was committed to delivering related to the 100,000 new homes contained in plans around the county that were not yet being progressed. It would be important to engage Constituent Councils and he would welcome the opportunity to provide input. Councillor Boden commented that he would welcome comments from all members of the Board to inform the revision of the NSSF before it was brought back for decision.

The report was withdrawn.

360. CONNECTING CAMBRIDGESHIRE: DIGITAL CONNECTIVITY PROGRAMME UPDATE

The Board reviewed progress with the Digital Connectivity Programme over the past year and considered proposals for a new stretch target for full fibre coverage and the incorporation of fibre ducting in future transport schemes. It was noted that the programme now included a delivery plan for public access Wi-Fi in market towns by December 2019.

Councillor Bull welcomed the report and commented that he fully supported the enhanced targets. Huntingdonshire District Council would continue to work closely on this with officers from the Combined Authority.

Councillor Boden also welcomed on the report and suggested that in future it would be helpful to include both the current and profiled positions.

It was resolved unanimously to:

- a) Note the progress of the Digital Connectivity Programme during 2018/19 and outline objectives for 2019/20.
- b) Endorse the proposal to include provision of fibre ducting in all future CPCA area transport schemes as part of the forthcoming Local Transport Plan.
- c) Endorse the proposed increase to the full fibre coverage target to over 30% coverage by 2022 within the existing programme budget.

BY RECOMMENDATION TO THE COMBINED AUTHORITY BOARD

361. FOR APPROVAL AS ACCOUNTABLE BODY: I. GROWTH DEAL PROJECT PROPOSALS MAY 2019 (KEY DECISION), II. GROWTH PROGRAMME BUDGET MONITOR, III. ANNUAL DELIVERY PLAN

The Chair of the Business Board stated that the Business Board had met the previous day and was pleased to recommend two Growth Deal Project Proposals to the Combined Authority Board for approval. The Mayor thanked the Chair and Members of the Business Board for their detailed consideration of all of the proposals which had been submitted to the Combined Authority Board for approval as Accountable Body.

It was resolved by a majority to:

1. GROWTH DEAL PROJECT PROPOSALS MAY 2019 (KD2019/008)

- a) Approve those schemes recommended by the Business Board at its meeting on 28 May 2019.

2. GROWTH PROGRAMME BUDGET MONITOR

- a) Agree the submission of the Growth Deal monitoring report to Government to end Q4 2018/19.
- b) Agree the launch and to note the spec of call for next round of Local Growth Fund (LGF) projects.

3. ANNUAL DELIVERY PLAN

- a) Approve the final Annual Delivery Plan for 2019-20 for submission to Government.

362. GREATER PETERBOROUGH INWARD INVESTMENT PILOT

A declaration of non-pecuniary interest in this item was made by Councillor J Holdich as a member of the Opportunity Peterborough Board.

On the recommendation of the Business Board, the Combined Authority Board considered arrangements for a one year contract on inward investment support activity with the objective of creating new jobs and boosting productivity.

Councillor Boden commented that there still appeared to be considerable confusion in the use of the terms 'Peterborough' and 'Greater Peterborough'. Three specific economic units had been identified in the Cambridgeshire and Peterborough Independent Economic Review (CPIER) report and it was vital to be clear and consistent in the use of this terminology.

Councillor Herbert commented that he was supportive of the work being done by Opportunity Peterborough. However, under the new staffing structure at the Combined Authority there was no longer a Head of Inward Investment and he was not sure that this and other proposals were being looked at in a joined up way.

Councillor Holdich commented that the proposal related to a pilot project and would be an extension of the work already being done. As such, he commended the proposals to the Board.

It was resolved by a majority to:

- a) Consider the proposal for a pilot one-year inward investment service for Greater Peterborough area; and
- b) Approve the one-year contract funds to Peterborough City.

363. GROWTH COMPANY STRATEGIC OUTLINE BUSINESS CASE

The Mayor stated that the report contained an appendix which was exempt from publication under Part 1, Paragraph 3 of Schedule 12A of the Local Government Act

1972 and asked whether any members of the Board wished to discuss that appendix. No member expressed the wish to do so.

On the recommendation of the Business Board, the Combined Authority Board had approved the Local Industrial Strategy on 27 March 2019. This contained the creation of a new Growth Company for Cambridgeshire and Peterborough as a major new innovation. Following further work the Business Board now recommended that the Combined Authority Board approve the development of an Outline Business Case for September 2019 and authorise officers to form a Company Limited by Guarantee in June 2019. There was a time-limited opportunity to establish the Growth Company in time for it to make an application for funding. The £2m which it was proposed to invest in the new Growth Company would attract a further £19.6m of funding. A further report would be brought back to the Board in September 2019 which would offer the opportunity to review the position and to stop the project should the Board choose.

Councillor Boden commented that he hoped that the proposals would prove successful, but that the Board must not be afraid to stop the project in September 2019 if it was not proceeding as hoped.

Councillor Herbert commented that there was a lot of informative detail in the exempt appendix to the report, but that he did not wish the meeting to go into closed session to discuss this. He asked whether it would be possible to publish a redacted Strategic Outline Business Case. He asked who would sit on the Board of the Growth Company, how it would be accountable and what influence the Growth Company Board would have over spend. Officers stated that it was proposed in the short term to slot the Growth Company into the Housing Company arrangements. The Housing Company Board would comprise of members of the Combined Authority Board and a report would be brought back to the Board to make these appointments. In the longer term the governance arrangements would form part of the report which would be brought back to the Board in September 2019. Officers would also review the information contained in the exempt appendix and see whether there was more information which could appropriately be included in the public report in September.

It was resolved by a majority to:

- a) Approve the development of an Outline Business Case for September 2019;
- b) Authorise Officers to form a Company Limited by Guarantee in June 2019
- c) Agree the funding strategy for the services and authorise Officers to:
 - i) Submit proposals for external funding to Local Growth Fund, Growing Places Fund, European social Fund and European Regional Development Fund;
 - ii) Submit, through the subsequent Outline Business Case proposals for internal funding from within the already agreed Medium Term Financial Plan of the Business Board and its Enterprise Zone receipts.

The Police and Crime Commissioner left the meeting.

364. ASSURANCE FRAMEWORK

The single Assurance Framework was agreed by the Business Board and the Combined Authority Board in March 2019. Final checks had now been undertaken against the Government guidance and reporting requirements and an updated single Assurance Framework produced. For completeness, this revised version was being brought back to both the Business Board and the Combined Authority Board for sign-off. The Department for Business, Energy and Industrial Strategy (BEIS) advice was that was that the Assurance Framework was expected to be kept under review so it would be brought back to the Board periodically.

Councillor Smith commented that the amended Assurance Framework had been included in the supplementary document pack tabled at the meeting which did not allow time for Board members to review it properly. Officers stated that they had only just received comments from BEIS so it was a judgement call on whether to bring it as a tabled paper to the Business Board and Combined Authority in May 2019 to provide members with early sight of the revised document or to delay until the following meeting when it could be published a week before the meeting in the usual way.

The Mayor stated that the recommendation to agree the revised single Assurance Framework had come from the Business Board which had detailed oversight of this document. The Combined Authority Board needed to trust the Business Board to discharge this responsibility. The Business Board had considered the Assurance Framework when it had met the previous afternoon so it was not possible for the Combined Authority Board to have sight of its comments before today. Councillor Smith commented that she accepted that this was the role of the Business Board, but that as a point of principle it was bad practice for late papers to be presented at such short notice.

Councillor Herbert commented that it was not clear from the report that the Business Board served a geographical area almost twice the size of the area served by the Combined Authority. He asked how long this would remain the case given that the Local Enterprise Partnership review had recommended that the Business Board's geographical coverage should be co-terminus with that of the Combined Authority. The Mayor stated that the Business Board area would become co-terminus with that of the Combined Authority. In the meantime, the projects that it was supporting in neighbouring counties such as the investment in a Haverhill business park agreed the previous day could also have a positive impact on Cambridgeshire businesses and residents.

It was resolved by a majority to:

- a) Agree the revised single Assurance Framework (tabled), which is in line with the Ministry of Housing, Communities & Local Government's revised National Local Growth Assurance Framework for Mayoral Combined Authorities with a Single Pot and Local Enterprise Partnership.

The Mayor offered his thanks to Aamir Khalid for his work as Chair of the Business Board as he would be stepping down from this role following his appointment as the new CEO of TWI Ltd. Mr Khalid thanked the Mayor and commented that he had seen significant developments in the role of the Business Board during his period as chair. Whilst he was stepping down from this role he would remain on the Business Board and continue to support its work.

365. CREATION OF CAMBRIDGESHIRE & PETERBOROUGH EMPLOYMENT & SKILLS BOARD INCORPORATING SKILLS ADVISORY PANEL AND ADULT EDUCATION BUDGET GOVERNANCE ARRANGEMENTS

On the recommendation of the Skills Committee, the Combined Authority Board considered a recommendation to approve the creation of a Cambridgeshire & Peterborough Employment & Skills Board, its proposed terms of reference and governance. This had been referenced in the Devolution Deal and would condense the work of three bodies into one.

Councillor Holdich commented that that funding for the Adult Education Budget would be top-sliced to focus on the modern skills that Cambridgeshire required.

Councillor Smith suggested that membership be widened to include the Greater Cambridgeshire Partnership. Officers confirmed that a collaborative approach would continue to be taken in relation to both business and public sector partners.

It was resolved by a majority to:

- a) Agree to the creation of a Cambridgeshire & Peterborough Employment & Skills Board
- b) Agree to the proposed Cambridgeshire & Peterborough Employment & Skills Board Terms of Reference
- c) Approve the proposed Terms of Reference and Governance.

366. SKILLS BROKERAGE CONTACT AND FUTURE OF THE CAREERS AND ENTERPRISE COMPANY CONTRACT FOR CAMBRIDGESHIRE AND PETERBOROUGH

A declaration of non-pecuniary interest in this item was made by Councillor J Holdich as a member of the Opportunity Peterborough Board.

Councillor Holdich commented that skills brokerage was already taking place across Cambridgeshire and Peterborough. Opportunity Peterborough was supporting the north of the county whilst Form the Future was supporting the south. The pilot project would run for a year with lessons being learned over that period.

Councillor Smith commented that there was always a risk that the value of a pilot project could be undermined if it was underfunded and asked if the proposed level of funding was sufficient. It would be important to invest properly in seeding skills development now to feed future economic development. Officers stated that the figures proposed represented officers' best estimate for the work required based on the current position. The results of the pilot project would be reported to the Board in a year's time, via the Skills Committee.

It was resolved unanimously to:

- a) Agree to the grant of £272,500 for Skills Brokerage to Peterborough City Council as accountable body for Opportunity Peterborough for the delivery of the Skills Contract.

- b) Agree to a revised contract with the Careers and Enterprise Company (CEC) to August 2020 and linking the match funding provided to Peterborough City Council for Opportunity Peterborough.
- c) Agree to the grant of £37,500 to Form the Future, funded via the revised CEC contract, to provide 50% funding for 1.5 Full Time Equivalents for Cambridge and South Cambridgeshire skills brokerage delivery.

367. UNIVERSITY OF PETERBOROUGH - OUTCOMES OF REVIEW AND REFLECT LEADING TO THE PROGRESSION OF AN OUTLINE BUSINESS CASE

A declaration of non-pecuniary interest was made by Councillor L Herbert in relation to this item as he was until recently an employee of Anglia Ruskin University.

On the recommendation of the Skills Committee, the Combined Authority Board considered the proposals arising from the review and reflect process. The Interim Chief Finance Officer stated that a detailed report had been submitted to the Skills Committee which identified exactly how the funding would be spent. The proposal was to release £300,000 of allocated capital funds for 2019/20 together with £235,000 revenue funding. No revenue budget had been set for this project, but there was £1m available for feasibility studies within the revenue budget. The Board had asked previously to be consulted when it was proposed to release funds from this budget and its agreement was now being sought.

Councillor Herbert commented that he was fully supportive of the project, but felt there was a need for a more transparent update to the Board on where the project stood, the proposed route to market and the funding position.

Councillor Holdich commented that he would be happy to provide an update report, but that it would be better to do so after the consultants' report had been received and considered. This was likely to be around September 2019. The application for accreditation to the Office of Students had been submitted and, if successful, would be worth around £100m in funding.

Councillor Smith commented that she felt that there had been inadequate research into the nature and level of actual demand and asked what further work was planned. She also asked what the added value of attending the University of Peterborough would be in comparison to other higher education providers. She further commented that she had been greatly impressed by the inspirational leadership evident at the new university at Milton Keynes. Officers stated that they were currently collating responses to a survey of 200 business in and around Peterborough which sought to identify the workforce skills they required. It was acknowledged that the University of Peterborough would need a unique selling point to establish its place amongst providers and by working with the Business Board, local businesses and the Skills Committee it would be possible to identify and address the skills needs of priority sectors. A strong investment strategy would also be needed. Santander PLC was supporting the new university at Milton Keynes and the University of Peterborough would need support of that type. The changes could not all be introduced immediately so a blended approach was required to move towards a course offer which would better meet the skills needs of the local economy and encourage graduates to stay and contribute to the local economy.

It was resolved unanimously to:

- a) Note the findings of the reviews that recommend the way forward for the University of Peterborough to be developed to meet the outcomes of the

- b) Approve:
- i. Running an academic partner review, comparison and selection process that includes PRC, ARU and others.
 - ii. Release £300,000 of capital funding identified in the 2019/20 Capital Programme to deliver items 3 and 5 of the programme outlined in Table B in the report and power is delegated to the Chief Executive, in consultation with the Chairman of the Skills Committee, to approve/agree Officer Decision Notices to maintain the momentum in project delivery for items 3 of Table B – Timescales for commitment and spend of funding. Progress will be reported back to the Skills Committee in July.
 - iii. Approve the release of £235,000 from the non-transport feasibility funding in the revenue budget for 2019/20 to deliver items 1, 2, 4 and 6 in Table B in the report and power is delegated to the Chief Executive, in consultation with the Chairman of the Skills Committee, to approve/agree Officer Decision Notices to maintain the momentum in project delivery for items 1, 2 and 4 of table B – Timescale for commitment and spend of funding. Progress will be reported back to the Skills Committee in July.
 - iv. The Action plan and Timescales set out, noting they both enable meeting the original objective of 2000 students on the Embankment site by 2022.
 - v. Officers procuring expert consultants to support the execution of that Action plan to these timescales.
 - vi. Agree to a review, through the Outline Business Case Process, of the current assumptions regarding:
 - a. The level of CPCA capital investment in the build; and
 - b. The Governance Process of the University Programme.
- c) Delegate authority to the Chief Executive to enter into the contractual relationships following the procurement of the external consultants required to undertake the activities specified.
- d) The definition of the University as set out in 2.5 of the report.

The Mayor stated that the Combined Authority was committed not just to creating a university at Peterborough, but to creating the best possible university. Discussions were already taking place with potential investors to support this ambition.

368. SKILLS STRATEGY

On the recommendation of the Skills Committee, the Combined Authority Board considered the proposed approval and adoption of the Skills Strategy.

Councillor Holdich commented that the Skills Strategy was a robust and evidence-based document which had been drafted by an expert author group following significant consultation with business, the Adult Education Board and providers.

Councillor Smith described the Skills Strategy as full of aspiration, but quite lightweight in describing in how those aspirations would be turned in to reality. Officers stated that this detail would be contained in the delivery plans. The Adult Education Board delivery plan was already available and the Skills, Talent and Apprenticeship Hub delivery plan was being progressed via the Growth Company.

Councillor Holdich commented that the Skills Committee was working well and welcomed input from members.

It was resolved unanimously to:

- a) Approve and adopt the Skills Strategy at Appendix A of the Business Board report.

369. DATE OF NEXT MEETING

The Combined Authority Board would meet next on Wednesday, 26 June 2019 at 10:30am in the Kreis Viersen Room, Shire Hall, Cambridge CB3 0AP

(Mayor)



CAMBRIDGESHIRE AND PETERBOROUGH COMBINED AUTHORITY BOARD	AGENDA ITEM No: 1.6
26 JUNE 2019	PUBLIC REPORT

APPOINTMENTS TO EXECUTIVE COMMITTEES

1.0 PURPOSE

- 1.1. At its meeting on 25 July 2018, the Combined Authority Board agreed to establish three committees. The Constitution was amended accordingly at its meeting on 26 September 2018.
- 1.2. On 29 May 2019 the Board agreed the Mayor's nominations to Portfolio Holder responsibilities and the membership of the committees for 2019/20, or until such time as the revised governance arrangements are agreed. It was noted at the meeting that a number of the Committee allocations were to be changed following appointments of new leaders a constituent councils. This report gives an update to Board on the membership arrangements.

<u>DECISION REQUIRED</u>	
Lead Member:	James Palmer, Mayor
Lead Officer:	Dermot Pearson, Interim Monitoring Officer
Forward Plan Ref: N/A	Key Decision: No
<p>The Combined Authority Board is recommended to:</p> <p>(a) note and agree the updates to the membership of the committees for 2019/20 or until such time as the revised governance arrangements are approved, as set out in Appendix 1.</p>	<p>Voting arrangements</p> <p>(a) Simple majority of all Members.</p>

2.0 BACKGROUND

- 2.1. 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.
- 2.2. The Combined Authority is currently reviewing its Constitution and governance arrangements which may have an impact on the functions and membership of the committees. It is expected that a report on the proposed new arrangements will be brought to the Board in July 2019.
- 2.3. The Board agreed the Mayor's nominations for allocated Portfolio Holder responsibilities and the membership of committees for 2019/20 at its Annual meeting on 29 May 2019. Appendix 1 of the report sets out revised allocations following that meeting.
- 2.4. The Board is asked to agree the amendments to these allocations for 2019/20 or until such time as the revised governance arrangements are approved.

3.0 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.

4.0 LEGAL IMPLICATIONS

- 4.1. The responsibilities of Portfolio Holders are set out in Chapter 4 paragraph 3 of the Constitution. The committees' terms of reference are also set out in the Constitution
- 4.2. The legal implications are set out in this report.

5.0 SIGNIFICANT IMPLICATIONS

- 5.1. There are no additional implications in this report.

6.0 APPENDICES

- 6.1. Appendix 1 – Portfolio Holder Responsibilities and membership – allocations

<u>Source Documents</u>	<u>Location</u>
Report and decisions of the CA Board dated 25 July 2018	https://cambridgeshirepeterboroughcagov.cmis.uk.com/Meetings/tabid/70/ctl/ViewMeetingPublic/mid/397/Meeting/912/Committee/63/Default.aspx
Report and decisions of the CA Board dated 26 September 2018	https://cambridgeshirepeterboroughcagov.cmis.uk.com/Meetings/tabid/70/ctl/ViewMeetingPublic/mid/397/Meeting/913/Committee/63/Default.aspx
Report and decisions of the CA Board dated 29 May 2019	https://cambridgeshirepeterboroughcagov.cmis.uk.com/Meetings/tabid/70/ctl/ViewMeetingPublic/mid/397/Meeting/855/Committee/63/Default.aspx

Portfolio Holder Responsibilities and Committee Membership

Portfolio Holder Responsibilities

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

Committee Allocation

Transport Committee (5 seats)

		Portfolio Holder Responsibilities/Member	Board Member	Substitute
1	Chair	Portfolio Holder for Transport	James Palmer, Mayor	Vacancy Cllr Joshua Schumann
2	Member	Member for Cambridgeshire County Council	Cllr Ian Bates	Cllr Roger Hickford
3	Member	Member for Peterborough City Council	Cllr Peter Hiller	Cllr John Holdich
4	Member	Member for Cambridge City Council	Cllr Lewis Herbert Cllr Mike Sargeant	Cllr Aiden Van de Weyer
5	Member	Member for Fenland District Council	Cllr Chris Boden	Vacancy

Skills Committee (4 seats)

		Portfolio Holder Responsibilities/Member	Board Member	Substitute
1	Chair	Portfolio Holder for Skills	Cllr John Holdich	Cllr Lynne Ayres
2	Member	Member for Huntingdonshire District Council	Cllr Graham Bull	Cllr Ryan Fuller
3	Member	Member of East Cambridgeshire District Council	Cllr Anna Bailey	Vacancy Cllr Lis Every
4	Member	Member for South Cambs District Council	Cllr Eileen Wilson	Cllr Aidan Van de Weyer

Housing and Communities Committee (4 seats)

		Portfolio Holder Responsibilities/Member	Board Member	Substitute
1	Chair	Portfolio Holder for Housing	Cllr Graham Bull	Cllr Anna Bailey
2	Member	Member for Huntingdonshire District Council	Cllr Ryan Fuller	Vacancy
3	Member	Member of Fenland District Council	Cllr Denise Laws	Cllr David Oliver
4	Member	Member for South Cambs District Council	Cllr Bridget Smith	Cllr Richard Johnson

Notes

(a) **Portfolio Holder** should also be Chair

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

(c) 3 seats to go to either **Member for Cambridge City Council** or **South Cambs District Council**



CAMBRIDGESHIRE AND PETERBOROUGH COMBINED AUTHORITY BOARD	AGENDA ITEM No: 2.1
26 JUNE 2019	PUBLIC REPORT

BUDGET MONITOR UPDATE

1.0 PURPOSE

- 1.1 This report provides an update of the 2019-20 budget position reflecting the Board's decision in May to authorise the carry forward of identified revenue and capital balances from the year ended 31 March 2019.

<u>DECISION REQUIRED</u>	
Lead Member:	Councillor Steve Count, Portfolio for Investment and Finance
Lead Officer:	Jon Alsop, Section 73 Officer
Forward Plan Ref: Not applicable Key Decision: No	
The Combined Authority Board is recommended to: a) note the updated financial position of the Combined Authority for the year b) note the status of the Statement of Accounts for 2018/19	Voting arrangements N/A

2.0 BACKGROUND

Budget 2019/20 Update

- 2.1. At its January 2019 meeting the CPCA Board approved the Medium Term Financial Plan, including balanced revenue and capital budgets for 2019-20. The Board decision on the 27th May 2019 amended this budget by approving the carry forward of identified underspends from 2018/19 based on the

provisional outturn position for the Combined Authority for the year ended 31 March 2019. This paper presents the revised budgetary position for the 2019-20 financial year.

REVENUE BUDGET

- 2.2. A summary of the revenue budgetary position of the Authority is shown in the table below, a more detailed breakdown of forecast income and expenditure for the year is shown at **Appendix 1**.

2019/20 Revenue	Original Budget per MTFP (£'000)	Agreed 18/19 Carry Forward (£'000)	Revised 2019 20 Budget (£'000)	Para ref:
Income				
Grant Income	(23,099.2)	0.0	(23,099.2)	
Total Income	(23,099.2)	0.0	(23,099.2)	
Expenditure				
Mayor's Office	353.7	0.0	353.7	
Operational Budget:				
Combined Authority Staffing	5,045.2	0.0	5,045.2	
External Support Services	375.0	0.0	375.0	
Corporate Overheads	474.2	0.0	474.2	
Governance	67.0	0.0	67.0	
Election Provision	260.0	0.0	260.0	
Financing Costs	(800.0)	0.0	(800.0)	
Capacity Funding	125.0	0.0	125.0	2.6(a)
Workstream/Programme Budget:				
Non-transport Feasibility Studies	1,000.0	0.0	1,000.0	2.6(b)
Transport Feasibility Studies	500.0	0.0	500.0	2.6(b)
Transport	3,850.0	323.5	4,173.5	2.4(a)
Business and Skills	11,766.1	63.0	11,829.1	2.4(b)
Economic Strategy	539.9	18.9	558.8	2.4(c)
Strategy and Performance	505.9	211.0	716.9	2.4(d)
Total Expenditure	24,062.0	616.4	24,678.4	
Total (Income) less Total Expenditure	962.8	616.4	1,579.2	

- 2.3. The revised budget position for the year to 31 March 2020, as shown in the table above, indicates an expected drawdown from revenue reserves for the year of £1,579.2k. This is made up of the original revenue budget for the year of £962.8k as set out in the approved Medium-Term Financial Plan (MTFP) and the £616.4k of identified carry forwards to specific budgets as approved at the May 2019 Board. As the increase in drawdown is due to carried forward underspends from the previous financial year, there is no additional call on the Combined Authority's revenue reserves as a result of these changes.

2.4. The approved revenue carry forwards from 2018/19 to 2019/20 were as follows:

- (a) Transport: £323.5k, which is made up of £196.5k towards the feasibility project for the Huntingdon Strategic River Crossing, which was approved by the Board in March 2019, and £127k towards the next stage of the development of the Cambridge Autonomous Metro.
- (b) Business and Skills: £63k to fund future Local Industrial Strategy (LIS) and Skills Strategy objectives.
- (c) Economic Strategy: £18.9k towards the ongoing development of Market Town masterplans
- (d) Strategy and Performance: £111.5k for phase 2 of the Strategic Spatial Framework and the requirement of the Board for the Non-Statutory Spatial Framework to reflect the recommendations of the CPIER report and the Local Transport Plan, £80k to continue the work of the land Commission in 2019/20, and £19.5k towards the continuing development of a new corporate website.

2.5. The summary headings included under 'Workstream/Programme budget' in the table above have been updated to reflect the new Directorate structure that is being implemented following the Chief Executives' recent review of the organisation. The revised headings will provide a greater degree of accountability over areas of the budget to specific Directors and Heads of service.

2.6. There are three budget lines in the summary table which are new in 2019/20. These are 'Capacity Funding', 'Non-transport Feasibility Studies' and 'Transport Feasibility Studies'. The operation of these funds, approved in the Medium Term Financial Plan (MTFP) are as follows:

- (a) Capacity Funding – The CPCA will be required to develop emerging concepts that are not currently known. Allocating this funding ensures the organisation has some flexibility to react to emerging issues and central Government policy, and to provide funding to enable the development of new ideas. Utilisation of this funding will require the approval of the Chief Executive.
- (b) The two elements of Feasibility Study Funding, for 'Transport' and for 'non-Transport', will allow the CPCA some scope to meet emerging demands throughout the year within a defined budget. These budgets can only be awarded by CPCA Board approval. As the Board allocates funding these budgets will reduce, and new lines will be added to the relevant directorate for the projects/programmes which have been awarded funding. Changes to these budget lines will be reported in Budget Update reports throughout the year.

CAPITAL PROGRAMME

- 2.7. A table of our priority capital projects, reflecting agreed carry forwards, is included below and the full updated 2019-20 capital programme of the Combined Authority is shown at **Appendix 2**.

	<u>Original</u> <u>Budget per</u> <u>MTFP/ £m</u>	<u>Agreed</u> <u>18/19 Carry</u> <u>Forward/</u> <u>£m</u>	<u>Revised</u> <u>2019-20</u> <u>Budget/</u> <u>£m</u>	<u>Budget</u> <u>2020-21/</u> <u>£m</u>	<u>Budget</u> <u>2021-22/</u> <u>£m</u>
CPCA Priority Capital Programme					
<u>Transport</u>					
Kings Dyke	6.00	(0.62)	5.38	6.00	5.80
Cambridge South Station	0.75	0.00	0.75	0.75	0.00
Soham Station GRIP 3 & Feasibility	1.95	0.00	1.95	0.00	0.00
Wisbech Rail	0.75	0.73	1.48	1.75	0.00
A47 Dualling	0.00	0.41	0.41	0.00	0.00
Total Transport Priority Schemes	9.45	0.52	9.97	8.50	5.80
<u>Housing</u>					
Cambridge City Housing Programme	21.91	1.51	23.42	27.78	4.67
Housing Infrastructure Programme	20.66	6.29	26.95	20.33	10.00
Housing Investment Fund	27.83	1.67	29.50	17.00	0.00
Total Housing Priority Schemes	70.40	9.47	79.87	65.11	14.67
<u>Business and Skills</u>					
Market Town pump priming	1.00	0.00	1.00	2.00	2.00
Peterborough University - Business case	1.45	0.30	1.75	1.41	9.74
Total Bus. and Skills Priority Schemes	2.45	0.30	2.75	3.41	11.74
Total Priority Capital Programme	82.30	10.29	92.59	77.02	32.21

- 2.8. The carried forward budgets in the capital programme indicate an update to the expenditure profiles as originally set out in the MTFP.
- 2.9. A review of the capital programme is currently being undertaken as part of a Business Plan/MTFP refresh exercise. A revised capital programme and profile will be presented to the Board as part of the mid-year review of the MTFP in September.
- 2.10. Kings Dyke exceeded its forecast 2018-19 allocation of Local Growth Funding – as this funding source is capped at a set amount for the project the overspend has been deducted from the 2019-20 allocation.

Statement of Accounts 2018/19

- 2.11. On 31 May, the Audit and Governance Committee received and reviewed the draft Statement of Accounts 2018/19, together with the draft Narrative Report and draft Annual Governance Statement. The draft Accounts were then published on the Combined Authority's website by the due date, 31 May 2019 along with the 'notice of the exercise of public rights'.
- 2.12. Ernst and Young LLP (EY) will now audit the 2018/19 accounts in accordance with their agreed audit plan with the final version of the Statement of Accounts

due to be published by 31 July 2019.

3.0 FINANCIAL IMPLICATIONS

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

4.0 LEGAL IMPLICATIONS

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

5.0 SIGNIFICANT IMPLICATIONS

- 5.1. There are no other significant implications.

6.0 APPENDICES

- 6.1 Appendix 1 - detailed breakdown of budgeted revenue income and expenditure for 2019-20.
- 6.2 Appendix 2 - Revised Capital programme budgets of the Combined Authority

<u>Source Documents</u>	<u>Location</u>
Combined Authority Board reports January 2019 and May 2019.	https://cambridgeshirepeterboroughcagov.cmis.uk.com/Meetings/tabid/70/ctl/ViewMeetingPublic/mid/397/Meeting/864/Committee/63/SelectedTab/Documents/Default.aspx https://cambridgeshirepeterboroughcagov.cmis.uk.com/Meetings/tabid/70/ctl/ViewMeetingPublic/mid/397/Meeting/855/Committee/63/SelectedTab/Documents/Default.aspx

Appendix 1: CPCA Revenue 2019/20			
	<u>Original Budget per MTFP £'000</u>	<u>Agreed 18/19 Carry Forward £'000</u>	<u>Revised 2019-20 Budget £'000</u>
<u>Expenditure</u>			
<u>Mayor's Office</u>			
Mayor's Allowance	85.0		85.0
Mayor's Office Expenses	25.0		25.0
Mayor's Office Accommodation	52.4		52.4
Mayor's Office Staff	191.3		191.3
Total Mayoral Costs	353.7	0.0	353.7
<u>Combined Authority Staffing Costs</u>			
Salaries			
Chief Executive	246.2		246.2
Business and Skills	1,746.3		1,746.3
Transport	574.2		574.2
Housing	393.5		393.5
Strategy & Planning	680.2		680.2
Corporate Services	1,204.8		1,204.8
Travel	100.0		100.0
Training, Conferences & Seminars	100.0		100.0
Total Combined Authority Staffing Costs	5,045.2	0.0	5,045.2
<u>Externally Commissioned Support Services</u>			
Payments to LAs for services	300.0		300.0
Procurement	25.0		25.0
ICT external support	50.0		50.0
Total Externally Commissioned Support Services	375.0	0.0	375.0
<u>Corporate Overheads</u>			
Accommodation Costs	339.2		339.2
ICT consumables	20.0		20.0
Insurance	25.0		25.0
Audit Costs	70.0		70.0
Office running costs	20.0		20.0
Total Corporate Overheads	474.2	0.0	474.2
<u>Governance Costs</u>			
Committee/Business Board Allowances	47.0		47.0
Meeting Costs	10.0		10.0
Miscellaneous	10.0		10.0
Total Governance Costs	67.0	0.0	67.0
<u>Election Costs</u>			
Election costs	260.0		260.0
Total Election Costs	260.0	0.0	260.0
<u>Capacity Funding</u>			
Total Capacity Funding	125.0	0.0	125.00
<u>Financing Costs</u>			
Interest Receivable on Investments	(800.0)		(800.0)
Total Financing Costs	(800.0)	0.0	(800.0)
Total Operational Expenditure	5,546.4	0.0	5,546.4

	<u>Original Budget per MTFP £'000</u>	<u>Agreed Carry Forward £'000</u>	<u>Revised 2019-20 Budget £'000</u>
<u>Workstream Revenue Budgets</u>			
<u>Non-Transport Feasibility Funding</u>			
Total non-transport Feasibility Funding	1,000.00	0.0	1,000.00
<u>Transport</u>			
Feasibility Studies non-capital	500.00		500.00
CAM	1,000.00	127.00	1,127.00
A10 SOBC	500.00		500.00
Huntingdon 3rd River Crossing	200.00	196.50	396.50
Bus Review Implementation	1,000.00		1,000.00
Cambridge South - Interim Concept	100.00		100.00
Garden Villages	700.00		700.00
Local Transport Plan	100.00		100.00
Sustainable Travel	150.00		150.00
Schemes, Studies and Monitoring	100.00		100.00
Total Transport	4,350.00	323.50	4,673.50
<u>Business and Skills</u>			
Work Readiness Programme (Hamptons)	110.00		110.00
Skills Brokerage	250.00		250.00
Reclaimed Skills Funding	(250.0)		(250.0)
University of Peterborough			
Skills Strategy Programme Delivery	150.00		150.00
AEB Devolution Programme	11,506.10		11,506.10
Growth Company Development		63.00	63.00
Total Business and Skills	11,766.10	63.00	11,829.10
<u>Economic Strategy</u>			
Growth Hub	69.90		69.90
Development of a Market Towns Strategy	200.00		200.00
St Neots Masterplan		18.90	18.90
Trade and Investment Programme	50.00		50.00
Industrial Strategy Programme Delivery	200.00		200.00
Independent Economic Commission	20.00		20.00
Total Economic Strategy	539.90	18.90	558.80
<u>Strategy and Performance</u>			
Monitoring and Evaluation Framework	170.90		170.90
Public Service Reform	100.00		100.00
Communications	50.00		50.00
Website Development	10.00	19.50	29.50
Non-Statutory Spatial Framework (Phase 2)	150.00	111.50	261.50
Cambridgeshire and Peterborough Land Commission	25.00	80.00	105.00
Total Strategy and Performance	505.90	211.00	716.90
Total Workstream expenditure	18,162	616	18,778
<u>Total Revenue Expenditure</u>	<u>24,062.00</u>	<u>616.40</u>	<u>24,678.40</u>
<u>Net Revenue Position</u>	<u>962.80</u>	<u>616.40</u>	<u>1,579.20</u>

Appendix 2: CPCA Capital Programme - 2019/20			
	<u>Original</u>	<u>Agreed</u>	<u>Revised</u>
<u>Direct Control</u>	<u>Budget per</u>	<u>18/19 Carry</u>	<u>2019-20</u>
	<u>MTFP</u>	<u>Forward</u>	<u>Budget</u>
	£m	£m	£m
Kings Dyke CPCA Contribution	4.60	0.00	4.60
Cambridge South Station	0.75	0.00	0.75
Peterborough University - Business case	1.45	0.30	1.75
Soham Station GRIP 3	0.95	0.00	0.95
St Neots River Northern Crossing cycle bridge	2.50	0.50	3.00
Wisbech Garden Town	0.75	1.00	1.75
Wisbech Rail	0.75	0.73	1.48
Wisbech Access Study	0.00	0.30	0.30
Digital Connectivity Infrastructure	1.99	0.16	2.15
A47 Dualling	0.00	0.41	0.41
Total Committed Direct Control Expenditure	13.74	3.40	17.14
<u>Schemes Previously Identified and Costed</u>			
Ely Rail Capacity next stage	1.00	0.00	1.00
Market Town pump priming	1.00	0.00	1.00
Coldhams Lane roundabout improvements	0.30	0.23	0.53
Eastern Industries Access - Phase 1	0.30	0.13	0.43
Eastern Industries Access - Phase 2	0.10	0.00	0.10
March junction improvements	1.00	0.08	1.08
Regeneration of Fenland Railway Stations	2.70	0.28	2.98
A10 Foxton Level Crossing	1.50	0.50	2.00
A1260 Nene Parkway Junction 15	0.25	0.13	0.38
A1260 Nene Parkway Junction 32-3	0.20	0.12	0.32
A141 Capacity enhancements	1.00	0.27	1.27
A16 Norwood Dualling	0.05	0.00	0.05
A142 Capacity Study	0.00	0.15	0.15
A14 Junctions Improvement feasibility study	0.00	0.15	0.15
A505 Corridor	0.50	0.88	1.38
A605 Oundle Rd Widening - Alwalton-Lynch Wood	0.50	0.01	0.51
Schemes Previously Identified and Costed Total	10.40	2.93	13.33

	<u>Original Budget per MTFP £m</u>	<u>Agreed 18/19 Carry Forward £m</u>	<u>Revised 2019-20 Budget £m</u>
<u>Passported</u>			
Cambridge City Housing Programme	21.91	1.51	23.42
East Cambs - Housing Loan Provision	4.83	1.67	6.50
Housing Infrastructure Programme	20.66	6.29	26.95
LTP Schemes with PCC and CCC	23.08	0.00	23.08
Housing Investment Fund	23.00	0.00	23.00
National Productivity Investment Fund	2.00	3.05	5.05
Passported/Ringfenced Total	95.48	12.52	108.00
<u>Growth Funds</u>			
King's Dyke Crossing (Growth Fund)	1.40	(0.62)	0.78
A428 Cambourne to Cambridge	3.00	1.00	4.00
Ely Rail Improvements	1.35	0.97	2.32
In Collusion	0.02	0.00	0.02
Wisbech Access Strategy - Delivery Phase	4.00	0.72	4.72
Agri-tech	2.50	1.19	3.69
Soham Station Feasibility	1.00	0.00	1.00
Haverhill Innovation Centre	0.65	0.00	0.65
Small Grants Programme	0.10	0.00	0.10
Whittlesea and Manea Railway Stations	0.00	0.03	0.03
iMET Phase 3	0.00	0.30	0.30
Lancaster Way Phase 2	0.00	0.86	0.86
Growth Funds Total	14.02	4.45	18.47
Total	133.64	23.30	156.94



**CAMBRIDGESHIRE
& PETERBOROUGH**
COMBINED AUTHORITY

CAMBRIDGESHIRE AND PETERBOROUGH COMBINED AUTHORITY BOARD	AGENDA ITEM No: 3.1 (i)
26 JUNE 2019	PUBLIC REPORT <i>This report has two appendices that are exempt from publication in that they contain information relating to the financial or business affairs of any particular person (including the authority holding that information) under paragraph 3 of Part 1 of Schedule 12A of the Local Government Act as amended.</i>

£100m AFFORDABLE HOUSING PROGRAMME – SCHEME APPROVALS – ALEXANDER HOUSE, ELY

1.0 PURPOSE

- 1.1. To seek approval from the Board for the provision of a 21 month repayable commercial loan facility capped at £4.84m to Laragh House Developments Ltd to create housing units by converting an office building known as Alexander House, 38 Fore Hill, Ely, CB7 4AF.
- 1.2. The loan will be used to buy out the existing funder of the property and complete a rolling conversion programme to result in a finished scheme comprising 25 residential units.
- 1.3. Through this transaction the building will be brought back into full economic use and will rapidly be converted to the residential apartments for the benefit of local families and the community.
- 1.4. Providing the loan will enable four of the units to become affordable units without any grant being required. If the site was funded elsewhere, the developers will have no obligation to supply any affordable housing in the conversion.

<u>DECISION REQUIRED</u>	
Lead Member:	Mayor James Palmer
Lead Officer:	Roger Thompson, Director of Housing and Development
Forward Plan Ref: 2019/033	Key Decision: Yes
<p>The Combined Authority Board is recommended to:</p> <p>(a) Approve the provision of a commercial loan facility of £4.84m to Laragh House Developments Ltd for a scheme of 25 units based on the heads of terms detailed in the exempt Appendix 1.</p> <p>(b) Authorise the Director of Housing and Development, in consultation with Legal Counsel and the Portfolio Holder for Investment and Finance, to conclude any necessary legal documentation to secure the loan, to include taking a charge upon the land.</p>	<p>Voting arrangements</p> <p>Simple majority of all Members</p>

2.0 BACKGROUND

- 2.1. In order to have a selection of tools and a flexible approach in which housing delivery can be achieved and accelerated, on the 26th September 2018 the Combined Authority Board approved a flexible multi toolkit housing strategy.
- 2.2. The strategy included the provision of a rolling fund from within the £100m housing programme to be used for toolkit opportunities over and above just issuing traditional grant, such as a repayable loan agreement, as is being proposed in this paper.

A flexible multi-toolkit approach



- 2.3. The approved Housing Strategy included the following policy commitments
- (a) under paragraph 3.17 to promote all housing that is in addition to the existing development pipeline.
 - (b) Under section 3.18 there is a commitment to being creative and using a range of financial delivery mechanisms that have not traditionally been a public sector method to support and deliver housing.
 - (c) This proposal is further supported by paragraph 3.23 to encourage the best use of all property assets
 - (d) Under 3.24 to helping to accelerate schemes using financial mechanisms in the toolbox.
 - (e) Under 3.25 to more enabling action including loans
 - (f) Under 3.27 to taking the initiative on more direct interventions as exemplified in the toolbox above.
- 2.4. The current use of Alexander House is as offices. They are somewhat outdated and difficult to let, having a poor specification. There are significant voids in the building at present, and where space is occupied it is on short term leases or licences. The intention is that Laragh House Developments Ltd, having already acquired the property, will initiate an office to residential conversion that includes new penthouse suites on the top of the building.

3.0 PROPOSAL & CONDITIONS

3.1. The proposal is to offer a loan agreement to Laragh House Developments Ltd in the maximum sum of £4.84m for 21 months to undertake the conversion work. Detailed heads of terms for the loan are attached in exempt **Appendix 1**. The loan will be providing 90% of the capital being required and Laragh House Developments will be providing the 10% of equity from their own resources. The Loan will be drawn down on a 90/10 'side by side' basis.

3.2. The intention is to convert the property, creating 25 one and two bedded residential units. Within that there will be four affordable units (16%). The proposed refurbishment works will include:

Proposed Works (All units)

1. Stripping the property back to the structural frame
2. Inserting new vertical cores and layout appropriate for residential use
3. Creation of additional rooftop 'penthouse' space
4. Forming balconies and active spaces addressing the street frontage
5. Reducing window sizes, creating more visual interest and detail, altering the Cornice line creating more delicate eaves
6. Comprehensive external redecoration
7. Additional parking allocation where possible (off-road)

3.3. Although there is no planning obligation to do so, as part of the condition on the loan, 4 (16%) affordable housing units will be provided from the total of 25 units.

3.4. The remaining units will be sold to the Market. Attached in exempt **Appendix 2** is the Laragh House Developments business plan which includes the strategy, location and boundary plan, market report, pricing schedule for the unit sales, development appraisal and cash flow with a projected drawdown schedule and cost report. It is projected that repayments of the loan capital will commence in October 2020 and by end February 2021 re-payments will have repaid the loan with all interest in full.

3.5. The loan will be secured against a charge on the land on which the property sits.

3.6. In addition to the re-payment of the interest, CPCA will share 50% of any profit from the scheme up to a maximum total profit sum of £500,000. In the event of any profit in excess of £500,000, CPCA will receive 40% of any additional profit achieved.

- 3.7. The loan will be Conditional upon Laragh House Developments Limited securing a planning consent for the creation of the rooftop penthouse units and upon providing a valuation of the property once it has the benefit of the planning consent, that the property is worth no less than the notional purchase price or starting value of £2.1m.

4.0 CONCLUSIONS

- 4.1. This opportunity creates and brings into supply 25 homes in a building that currently comprises under occupied and poorly specified offices. It creates an additional four affordable homes that would otherwise not be delivered by the market, with no requirement for grant support.
- 4.2. It will be a significant addition to the local private and affordable housing stock. It will provide opportunity for those that live and work locally or aspire to live in the locality, without paying the price premium normally associated with brand new housing development.

5.0 FINANCIAL IMPLICATIONS

- 5.1. It is proposed that the Combined Authority provides a £4.84m commercial loan facility for a twenty one month period to Laragh House Developments Ltd. Anticipated commencement of drawdown is September 2019 from the £100m Housing programme.
- 5.2. Maximum loan drawdown is projected to be £4.55m (In Aug 2020), however this is reliant upon the first properties being sold in Sept 2020. We are proposing to offer a loan for £4.84m so that the borrower has sufficient funds to ensure completion of the project without relying upon revenue from projected sales to complete the project. **This loan will be secured by our taking a charge against the property** and is subject to the borrower satisfying the finance related conditions as set out in the 'Heads of Terms – loan agreement'.
- 5.3. The interest rate is 3.29% as shown in the heads of terms with the other commercial terms (see exempt **Appendix 1**). Overall interest projected to be payable by the borrower is £138,524. The overall return reflects the balance of the debt and the funding from the borrower, the financial standing of the borrower and the overall risk of the project. In this case the risk is mitigated because the funding is being used to convert an existing building and a primary charge is secured against the asset.

LEGAL IMPLICATIONS

- 6.1 At its meeting on the 26th of September 2018, the Authority agreed by a majority to:
- a) agree the approach to delivering the Housing Strategy set out in the 31Ten report in Appendix 1 of the report.
 - b) agree the concept of creating a revolving fund of monies from within the £100m programme for housing investment, to run within and beyond the 5 year programme.
- 6.2 The Combined Authority has the ability to lend under s.12 Local Government Act 2003 “power to invest” as well as under a general power of competence provided that it is compliant with European state aid rules.
- 6.3 In making any such investment the Authority is required to have regard to the government’s statutory guidance on Local Government Investment (section 15 Local Government Act 2003) and specific guidance published by the Chartered Institute of Public Finance and Accountancy.
- 6.4 A charge will be taken over the property and only released as sales are being completed and loan re-payments made.
- 6.5 The devolution deal of June 2016 placed no particular restrictions on the use of the £100m housing programme for such purposes. The £100m must be used for delivering housing and growth and use of the funds for this purpose was supported by the business case agreed with Government in March 2018 and the subsequent Housing Strategy.

6.0 CONFIDENTIAL APPENDICES

- 6.1. Exempt Appendix 1 – Heads of Terms for Loan Agreement between CPCA and Laragh House Developments Ltd
- 6.2. Exempt Appendix 2 – Laragh House Developments Business Plan

<u>Source Documents</u>	<u>Location</u>
Cambridge and Peterborough Combined Authority Housing Strategy	The Incubator 2, First Floor, Alconbury Weald Enterprise Campus, Alconbury Weald, Huntingdon, PE28 4W



CAMBRIDGESHIRE AND PETERBOROUGH COMBINED AUTHORITY BOARD	AGENDA ITEM No: 3.1 (ii)
26 JUNE 2019	PUBLIC REPORT This report has two appendices (exempt Appendices 1a and 1b) which are 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).

£100M AFFORDABLE HOUSING PROGRAMME SCHEME APPROVALS: JUNE 2019
LUMINUS, HUNTINGDONSHIRE

1.0 PURPOSE

- 1.1. As part of the Devolution Deal, the Combined Authority successfully secured £100 million from Government to deliver 2,000 affordable homes across Cambridgeshire and Peterborough.
- 1.2. This report provides the Board with one scheme for approval of grant funding in the context of the overall investment pipeline for the Combined Authority's £100m programme.
- 1.3. A grant of £618,800 is sought from the CPCA's Affordable Housing Programme to deliver 14 new homes for social rent across 7 sites in Huntingdonshire, to be delivered by Luminus, part of Places for People. A Business Case for this proposal is attached as exempt Appendix 1.

<u>DECISION REQUIRED</u>	
Lead Member:	Cllr Graham Bull, Portfolio Holder Housing
Lead Officer:	Roger Thompson, Director of Housing and Development
Forward Plan Ref: 2019/033	Key Decision: Yes
<p>The Combined Authority Board is recommended to:</p> <p>(a) commit grant funding of £618,800 from the £100m Affordable Housing programme to deliver 14 new affordable homes for Social Rent at seven sites in Huntingdonshire.</p>	<p>Voting arrangements:</p> <p>Simple majority of all Members</p>

2.0 BACKGROUND

- 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 in the region. 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.

Combined Authority Housing Programme

- 2.2. In 2017, the Combined Authority successfully negotiated £170 million from Government for delivery of an ambitious housing programme providing 2,500 new affordable homes by March 2022.
- 2.3. Within this programme, the City Council is leading on the delivery of 500 new council homes for Cambridge using £70 million, and the remaining £100 million is to be used within the wider Combined Authority area to deliver an additional 2,000 homes.
- 2.4. The Housing and Development Team at the Combined Authority is working with officers in all member authorities (via the Cambridgeshire and Peterborough Housing Board) to identify new schemes to come forward for support from the Affordable Housing Programme. The Team is also building relationships with landowners, developers and housing providers to seek opportunities to influence, enable and accelerate delivery of new affordable housing across the authority's area.

- 2.5. The Devolution Deal's Housing Business Case recognised that in the first instance *"new homes will be delivered through direct grant funding initially, however, this funding is expected to enable a fully revolving local fund in the Combined Authority which outlasts the initial five year period"*.
- 2.6. To have a flexible approach to ways in which housing delivery could be achieved and accelerated, the Combined Authority board approved a flexible multi toolkit Housing Strategy. This was approved by the Board in September 2018.

A flexible multi-toolkit approach



- 2.7. It is anticipated that the programme will support a mixed portfolio of schemes including strategic sites and projects brought forward by housing associations, developers and Community Land Trusts. It includes the use of grant as a tool to help unlock sites and deliver additional affordable housing.
- 2.8. The Affordable Housing Programme currently has 14 schemes with funding approved by the Combined Authority's Board, of which nine are in contract. Two schemes have so far completed, with two more schemes due to complete in Summer 2019. 122 housing units have started on site to date and 13 homes delivered.
- 2.9. In total 777 units have been approved by the Board and the Combined Authority is chasing those schemes and providers to deal with pre-construction issues as quickly as possible, to commence starts on site. Full performance updates relating to the programme are presented to the Housing and Communities Committee on a quarterly basis with the most recent provided in April 2019. Both the £100m & £70m programmes (within the overall £170m programme) are on track to achieve their targets by March 2022.

- 2.10. Total grant investment approved for Affordable Housing schemes to date is just over £6.7 million, with a further £30.9 million approved as loan funding. A total of £37.6 million has therefore been allocated to schemes to date.

3.0 PROPOSED SCHEME FOR APPROVAL

HUNTINGDONSHIRE SITES x 7 – LUMINUS GROUP (PLACES FOR PEOPLE)

- 3.1. Luminus has applied to the Combined Authority for £618,800 grant to deliver 14 new affordable homes at 7 sites all within Huntingdonshire. Table 1) below shows the sites for which Luminus is requesting CA support, the total scheme cost in each case, total public subsidy sought on each scheme and the proportion applied for from the CA programme. The average grant per unit for the 14 units is £44,200.

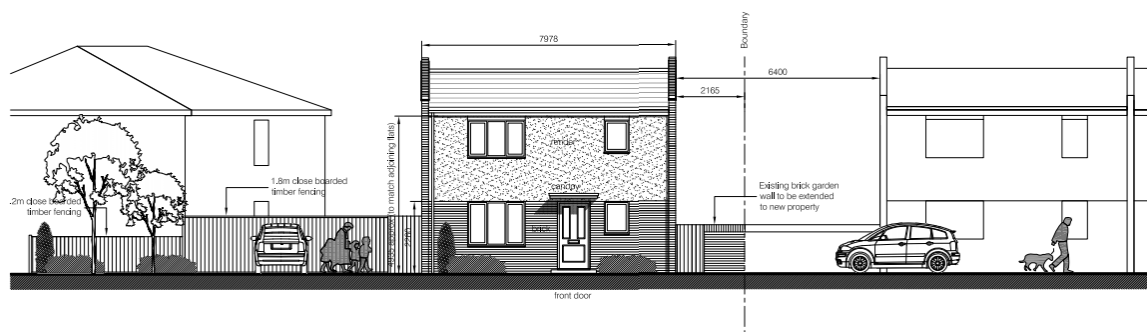
Table 1) Luminus Huntingdonshire Sites - June 2019

CPCA AH Programme Proposal June 2019	Social Rent Units	Total Scheme Costs	Total Public Subsidy	50% CPCA	Start	Comp
36 West Avenue, Ramsey	1	£217,836	110,750	55,375	Jul-19	20-Jul
Green Leys, St Ives (LDP)	1	£335,342	48,000	24,000	Jul-19	Jul-20
12 Oak Road, Stilton	1	£165,524	75,000	37,500	Jul-19	Jul-20
26 Norwood Road, Somersham	1	£213,254	101,000	50,500	Jul-19	Aug-20
Bluntisham Road, Needingworth	7	£1,355,871	580,000	290,000	Jul-19	Oct-20
Pingle Bank, Holme	1	£199,227	97,000	48,500	Jul-19	Jul-20
36 Fen Lane, Sawtry	2	£403,927	225,850	112,925	Jul-19	Jul-20
14		£2,890,981	1,237,600	618,800		

- 3.2. In order to respond to the need for quality affordable homes in Huntingdonshire, Luminus has a targeted programme of disposals of existing housing stock for properties that are deemed to be not fit for purpose either because of the cost of repair or because they are inherently expensive to heat. Huntingdonshire District Council has agreed that Luminus can use funding from proceeds from the sale of these properties and either purchase new properties or develop new affordable homes. The grant subsidy needed to deliver the 14 units currently proposed will therefore come from a mixture of disposals proceeds and CA funding.
- 3.3. Luminus enjoys a strong collaborative relationship with Huntingdonshire District Council to support the District's social housing priorities and neighbourhood management aspirations. The developments contained within this proposal form only a small part of Luminus' wider programme in Huntingdonshire and the wider CA area.

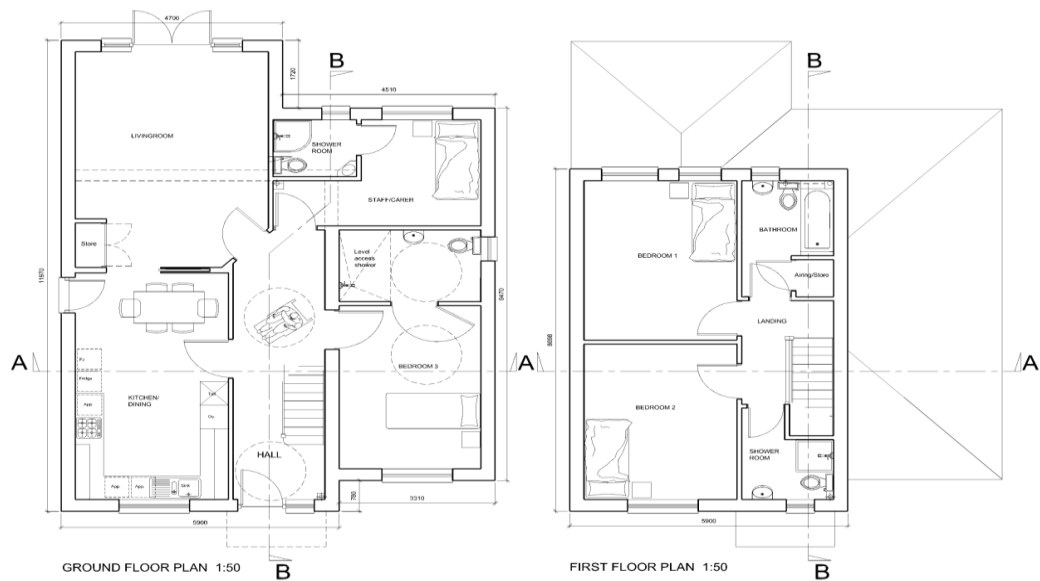
- 3.4. The majority of new affordable homes proposed for CA funding will be delivered on garage sites or corner plots to replace homes from Luminus' stock. This programme will achieve like for like replacements in terms of number of bedrooms and location whilst achieving an improvement in energy efficiency on average from the properties that have been replaced by around 37%.
- 3.5. Luminus has provided Due Diligence information in support of their application for each site within this proposal, including financial assumptions which have been reviewed by the CA's Housing and Development Team and Finance Team.
- 3.6. Sites in brief:-

- (a) 36 West Avenue, Ramsey – has planning permission (16/00908/FUL) for a new 2 storey, 3 bedroom house of 102 sqm / 1,098 sq ft to be built in the garden of 36 West Avenue

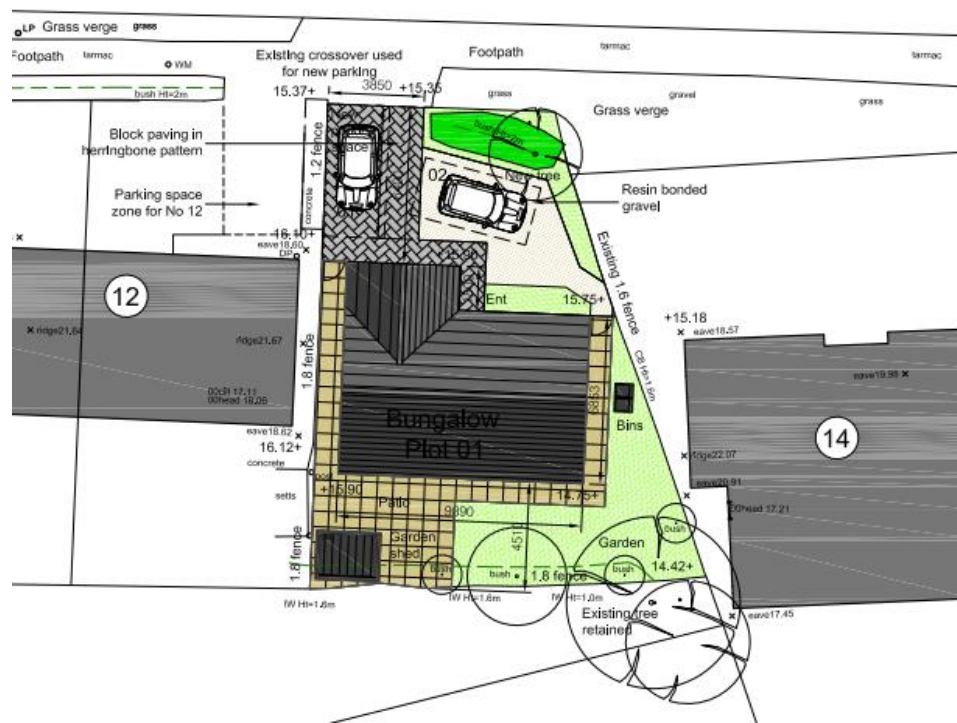


Front (West) Elevation (Scale 1:100)

- (b) Green Leys St Ives – has planning permission (16/01337/FUL) for one three bedroom house with support staff accommodation replacing four garages. The Council's Specialist Housing Officer working with the Learning Disability Partnership (LDP) has identified a housing need for three adults with moderate learning disabilities. They would occupy a four bedroom house with each adult having their own double bedroom with shared access to the living room, kitchen, bathroom and gardens. The three adults would be provided with support, including staff sleep in for which the fourth bedroom is required.



- (c) 12 Oak Road – has planning permission (15/01033/FUL) for erection of a two bedroom bungalow on this garden plot in the village of Stilton.



- (d) 26 Norwood Road – has planning permission (16/02102/FUL) for one three bedroom, five person detached two storey house on infill site (corner plot) next to 26 Norwood Road, Somersham



3D front (roadside) elevation (Scale NTS)

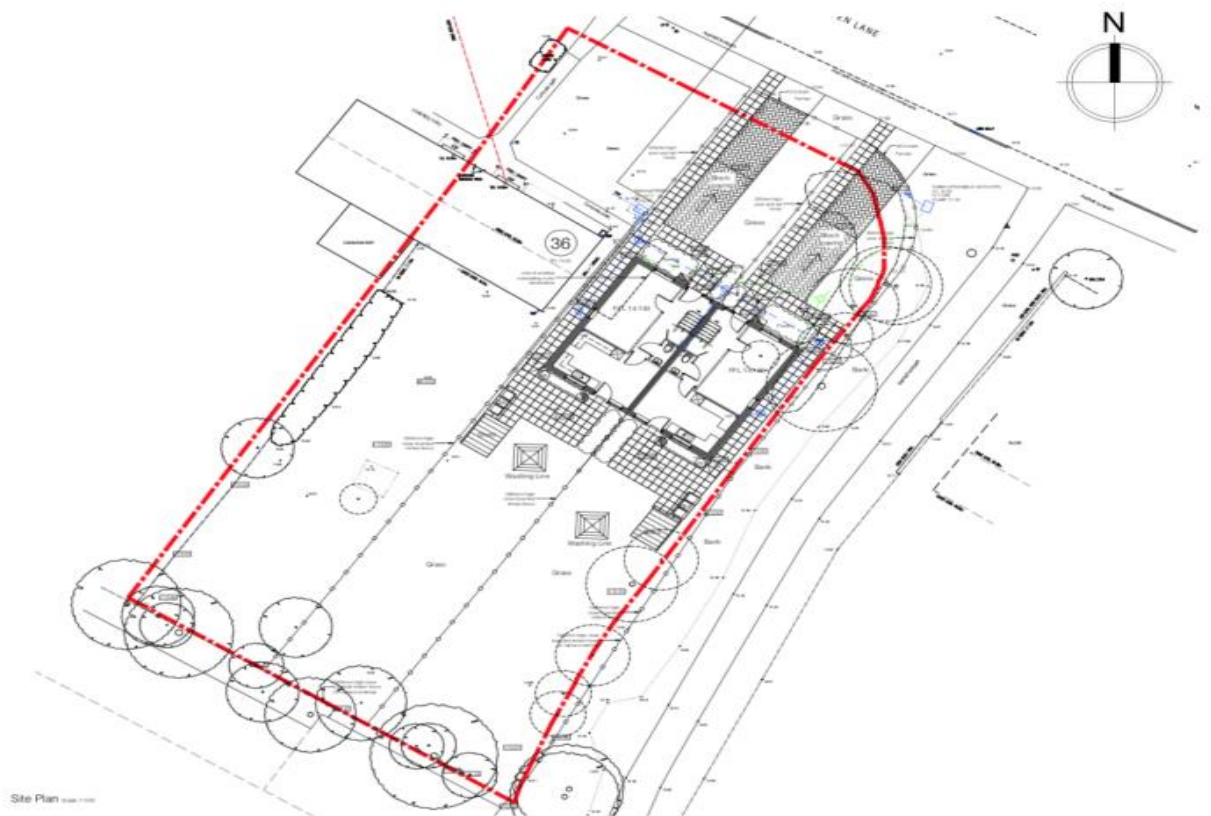
- (e) Bluntisham Road, Needingworth – this site has permission (17/01077/FUL) for 14 new homes on land adjacent to Fair View, Bluntisham Road, Needingworth. The development is on a rural exception site and will include 3 Shared Ownership units and four homes for Market Sale. Funding from the CA is only being sought for seven affordable homes (Social Rent)



- (f) Pingle Bank, Holme – has planning permission (17/01425/FUL) for a two storey, three bedroom detached property of approx. 100 sqm/1,076 sq ft on a corner garden plot in Holme near Peterborough



- (g) 36 Fen Lane, Sawtry – has planning permission (16/01154/FUL) to develop the site to provide two, two storey, two bedroom semi-detached houses of approx. 84 sqm / 904 sq ft each



All schemes are ready to commence in July 2019 and will be completed in Summer and Autumn 2020.

- 3.7. Given the role of disposals proceeds funding, Huntingdonshire District Council has been engaged in the development of this proposal. The Council and Luminus have agreed to work jointly to consider disposal of existing Luminus properties which are in relatively poor condition or require high levels of expenditure to bring them up to an acceptable standard.
- 3.8. Through this process, Luminus periodically provides details of specific properties and the information includes a summary of condition, estimates of costs to improve and recommendations from a Luminus surveyor and a Luminus director concluding that disposal is the best option. That information is considered by Council officers and their views are endorsed by the Council's Executive Councillor for Housing, Planning and Economic Development.
- 3.9. The sales proceeds have established a fund and in parallel with this, Luminus provide information on a pipeline of new developments which will be financed from the fund. The fund will enable the provision of more new homes than are sold.
- 3.10. The seven projects identified will meet a variety of needs. Included is a Rural Exception site in Needingworth providing housing for local people which has been subject to close consultation with the Parish Council and the proposals are informed by a Housing Needs Survey. The others make good use of land held by Luminus and for those, the resulting housing will be provided for Social Rent and made available to those on the Council's Housing Register. A home for those having Learning Disabilities is also proposed. All have planning consent and are therefore highly deliverable.
- 3.11. Having worked closely with Luminus on these, the Housing Strategy and Enabling Manager confirms that the Council fully supports the proposals.

About Luminus

- 3.12. Luminus is a subsidiary of Places for People Group, one of the largest property and leisure management, development and regeneration companies in the UK with assets of £4.5bn and almost 200,000 homes owned or managed. Places for People is a well-regarded Registered Provider within England and has an extensive programme of affordable housing both through direct development and partnership arrangements with developers and national house builders. It has Strategic Partner status with Homes England.
- 3.13. Luminus is a developing housing association that manages a wide portfolio of 7,600 homes in the East of England. As the largest social housing provider in Huntingdonshire, the strategic focus of the business is to work in collaboration to develop sustainable communities by providing high quality homes, estate services and community development, while offering local employment

opportunities. The group has a G1/V1 rating (the highest grades achievable) with Homes England and a stable financial performance.

Additionality / Case for Combined Authority funding

- 3.14. Garage and garden sites, particularly those providing only one or two properties, present financial challenges to develop in isolation compared with larger greenfield sites. Luminus approached the Combined Authority in 2018 to begin to develop a proposal which would bring together a range of sites and could utilise both the disposal proceeds funding and CA Affordable Housing grant. This presents relatively good value from the Combined Authority's perspective, leveraging match funding of £2,272,181 and enabling provision of 14 new affordable homes for Social Rent at an average grant rate per unit of £44,200. While this is higher than the programme grant rate per unit (currently £29k) this subsidy is considerably lower than units for social rent would usually require.

Proposed Conditions of Grant Approval

- 3.15. It is proposed that the grant of £618,800 for 14 units at 7 sites specified in this paper be approved subject to the following conditions;
- (a) Pre-contract
 - confirmation of development programme for each scheme, with a back-stop start on site of main contract no later than 31st March 2020.
 - (b) Post contract but pre draw-down of grant –
 - achievement of full planning / reserved matters and S106
 - evidence of site ownership
 - evidence of start on site.

4.0 FINANCIAL IMPLICATIONS

- 4.1. This application is supported by due diligence information which has been reviewed by housing and finance teams. A Business Case is attached as exempt Appendix 1 to this paper which includes a summary of scheme financials.
- 4.2. Supporting this application will approve £618,800 grant from the Affordable Housing Programme. The impact on this funding on the programme is set out below:

	Grant allocation /£m	Total number of units funded	Average grant per unit /£k
Traditional housing grant only	5.9	203	29
Scheme Proposed	0.618	14	44
Sub-total traditional housing grant	6.52	217	30
Infrastructure grant (Northstowe)	0.76	540	1.4
Loans x 2	0	34	0
Sub-total infrastructure grant and loans	0.76	574	1.3
Totals all schemes	7.28	791	10*

*The programme average grant rate is reduced to £10k per unit by one infrastructure grant and two loan schemes which are delivering affordable housing with zero grant. The average grant rate for traditional affordable grant schemes within the programme is currently at £29k per unit.

5.0 LEGAL IMPLICATIONS

5.1. The Combined Authority has authority under section 1 Localism Act 2011 to exercise a general power of competence. The Combined Authority can exercise this power by virtue of the Cambridgeshire and Peterborough Combined Authority Order 2017. This power permits the Combined Authority to make grants to providers in order to deliver the terms of the devolution deal signed with Government.

6.0 SIGNIFICANT IMPLICATIONS

6.1. There are no significant implications to consider in this paper.

7.0 APPENDICES

7.1. This paper is supported by the following appendices which are exempt from publication as they contain information relating to the financial or business affairs of any particular person (including the authority holding that information) under paragraph 3 of Part 1 of Schedule 12A of the Local Government Act.

- (a) Exempt Appendix 1a – Business Case
- (b) Exempt Appendix 1b – Business Case Financial Summaries

<u>Source Documents</u>	<u>Location</u>
CA Board report September 2018	https://cambridgeshirepeterboroughcagov.com/is.uk.com/Meetings/tabid/70/ctl/ViewMeetingPublic/mid/397/Meeting/913/Committee/63/Default.aspx
Housing and Communities Committee April 2019 - £100m Housing and Communities Committee Affordable Housing Programme Update	https://cambridgeshirepeterboroughcagov.com/is.uk.com/Meetings/tabid/70/ctl/ViewMeetingPublic/mid/397/Meeting/923/Committee/65/SelectedTab/Documents/Default.aspx



CAMBRIDGESHIRE AND PETERBOROUGH COMBINED AUTHORITY BOARD	AGENDA ITEM No: 3.1 (iii)
26 JUNE 2019	PUBLIC REPORT

**£100m AFFORDABLE HOUSING PROGRAMME SCHEME APPROVALS – JUNE
2019**
MOD SITE, ELY: APPLICATION FOR AFFORDABLE HOUSING

1.0 PURPOSE

- 1.1. East Cambridgeshire District Council (ECDC) will be holding a special Council meeting on 19 June 2019 to consider the options available to them to deliver 50% affordable housing at Phase 1 of the MOD site development at Ely.
- 1.2. Subject to the decisions made by ECDC, the Combined Authority may be expected to consider a revised application for grant funding to support the affordable housing scheme at the Ministry of Defence site in Ely. This scheme was previously agreed by the Board in November 2018. The Board's approval would be needed now to ensure that East Cambridgeshire District Council could secure the transaction within the Ministry of Defence deadline.

<u>DECISION REQUIRED</u>	
Lead Member:	Councillor Graham Bull Portfolio Holder for Housing
Lead Officer:	Roger Thompson, Director of Housing
Forward Plan Ref: 2019/ 033	Key Decision: Yes
The Combined Authority Board is recommended to: (a) Consider a revised application for grant funding to support the scheme at the Ministry of Defence site in Ely, subject to the outcome of the Special meeting of East	Voting arrangements Simple majority of all Members

Cambridgeshire District Council Special Council on 19 June 2019;	
(b) Approve the scheme, subject to further Officer representations made in response to the revised application.	

1.0 BACKGROUND

- 1.1. The Mayor and the Combined Authority are committed to accelerating affordable housing delivery to meet local and UK need and support economic growth in the region. 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.
- 1.2. East Cambridgeshire District Council will be considering a number options at the Special Council meeting on 19 June 2019. These are based on a number of assumptions including:
 - i. Scenarios based on providing 50% affordable housing (46 units) in Phase 1;
 - ii. Scenarios based on Affordable Rent (80% of open market rent);
 - iii. Retention of the profit/ contingency assumption for the Combined Authority and East Cambridgeshire District Council as envisaged in the original scheme.
- 1.3. Proposals relating to the development of the MOD site at Ely were considered previously by the Combined Authority Board on 28 November 2018 when it was resolved by a majority to:
 - a) approve the provision of a commercial loan facility of £24.4m to East Cambridgeshire Trading Company (ECTC) for a scheme of 92 units based on the heads of terms detailed in Appendix 1 to the report;
 - b) authorise the Director, Housing to bring forward commercial proposals for the CPCA to joint venture as a development partner with ECTC for the delivery of up to 62 additional homes on the undeveloped infill land, once the land has been acquired;
 - c) authorise the Director, Housing in consultation with Legal Counsel and Portfolio Holder Fiscal to conclude any necessary legal documentation to secure the loan, to include a charge upon the land.

2.0 FINANCIAL IMPLICATIONS

- 2.1. The financial implications will be addressed in any revised application for funding.

3.0 LEGAL IMPLICATIONS

The Combined Authority has authority under section 1 Localism Act 2011 to exercise a general power of competence. The Combined Authority can exercise this power by virtue of the Cambridgeshire and Peterborough Combined Authority Order 2017. This power permits the Combined Authority to make grants to providers in order to deliver the terms of the devolution deal signed with Government.

4.0 APPENDICES

- 4.1. Appendix 1 – Report to East Cambridgeshire District Council Special Council meeting 19 June 2019

<u>Source Documents</u>	<u>Location</u>
East Cambridgeshire District Council Special Council meeting 19 June 2019: Agenda and reports	https://www.eastcambs.gov.uk/meetings/special-council-19062019
Combined Authority Board meeting 28 November 2018: Agenda and reports	https://cambridgeshirepeterboroughcagov.cmis.uk.com/Meetings/tabid/70/ctl/ViewMeetingPublic/mid/397/Meeting/915/Committee/63/Default.aspx

FORMER MOD SITE, ELY

Committee: Extraordinary Council

Date: 19 June 2019

Author: Chief Executive and Director, Commercial

[U23]

1.0 ISSUE

- 1.1 Consideration of the options for the redevelopment of the MOD site, Ely arising from the agreed motion (ref: 30 May 2019, Agenda Item 11).

2.0 RECOMMENDATION

- 2.1 Members are requested to consider the options detailed in paragraph 4.2 to deliver 50% affordable housing at Phase 1 of the MOD site development.
- 2.2 Subject to the agreement of a scheme under 2.1, it is requested that:
- (i) the Chief Executive submits the revised scheme to CPCA for consideration on 26 June 2019;
 - (ii) the ECTC Board be convened to consider the revised scheme as soon as practically possible, by 28 June 2019 at the very latest.

3.0 BACKGROUND

- 3.1 The Council on 30 May 2019 agreed a motion in relation to the MOD site, Ely (ref: Agenda Item 11).
- 3.2 Following the agreement of the motion, the following actions were implemented by Council specifically:
- Director, Commercial has advised the MOD of the current position and requested an extension for the exchange and completion on or before 31 July 2019;
 - Director, Commercial has advised the CPCA of the current position and requested to extend the date for the drawdown of the loan;
 - ECTC has postponed its meeting planned for 3 June 2019 to agree the loan facility with the CPCA, final business case and acquisition of the site to enable the Council to consider the scheme options.
- 3.3 In order to expedite matters and minimise the risk of delay, the Chairman of Council and the Chief Executive have agreed to hold an extraordinary meeting of Council to consider its options moving forward. This will enable the Council to resubmit a revised scheme (if agreed) to CPCA Board on 26 June 2019.

4.0 **OPTIONS**

4.1 The motion agreed by Council generates a significant number of options. In order to present to members a viable number of options for consideration, officers have made a number of assumptions, specifically:

- scenarios based on providing 50% affordable housing (46 units) in Phase 1;
- scenarios based on Affordable Rent (80% of open market rent);
- retention of the profit/contingency assumption for the CPCA and ECTC as envisaged in the original scheme.

4.2 These assumptions have been utilised to generate three illustrative options for members' consideration as outlined below:

Option	Tenure Split	Dwellings	%	Per Unit Subsidy (£)	Total Subsidy (£)
1.	Affordable Rent Shared Ownership	37 9	80 20	103,733	4,771,810
2.	Affordable Rent Shared Ownership	23 23	50 50	89,670	4,124,812
3.	Affordable Rent Shared Ownership	9 37	20 80	75,605	3,477,814

4.3 These options are provided for illustrative purposes to facilitate member discussion either within or outside the assumptions set out in 4.1. All scenarios will require a subsidy per unit to increase the level of affordable housing units.

4.4 In the event of any revised scheme not securing approval of the Council, the motion agreed on 30 May 2019 can be rescinded in accordance with the Constitution (ref: 4 (13) para 20); if members are minded to revert to the original scheme.

5.0 **ARGUMENT/CONCLUSIONS**

5.1 Members will be required to consider a range of issues and risks in the formulation and agreement of a revised scheme for submission, specifically:

- level and tenure of affordable housing above the statutory requirements and the assumptions in the original scheme;
- likelihood of the funder (CPCA) agreeing grant subsidy at the level to deliver the above, in addition to the provision of the loan facility;
- the financial viability of the scheme given the open market valuation of the site and the assumptions inherent in the original business plan;
- the potential loss of the site, as the MOD may choose to dispose of the site on the open market.

6.0 **FINANCIAL IMPLICATIONS**

6.1 The financial implications will be dependent on the scheme adopted by Council.

7.0 **APPENDICES**

7.1 None

Background Documents

Council- 30 May 2019- Agenda
Item 11

Location

Room 103
The Grange
Ely

Contact Officer

John Hill
Chief Executive
(01353) 616271
E-mail: john.hill@eastcambs.gov.uk



**CAMBRIDGESHIRE
& PETERBOROUGH**
COMBINED AUTHORITY

CAMBRIDGESHIRE AND PETERBOROUGH COMBINED AUTHORITY BOARD	AGENDA ITEM No: 3.2
26 JUNE 2019	PUBLIC REPORT <i>This report has two appendices which are exempt from publication in that they contain information relating to the financial or business affairs of any particular person (including the authority holding that information) under paragraph 3 of Part 1 of Schedule 12A of the Local Government Act as amended.</i>

£100m AFFORDABLE HOUSING PROGRAMME: PROPOSED ACQUISITION

1.0 PURPOSE

- 1.1. To seek approval from the Board for the Acquisition of a 5.1 acre development site in Cambridgeshire and Peterborough for a price of £1.225m, to be prepared for a future residential development scheme.
- 1.2. The intention will be to secure a new planning consent for a residential scheme of approximately 60 residential units.
- 1.3. Through this transaction the Combined Authority and its future Devco will put itself into control of a significant residential development opportunity, to be delivered for the benefit of local families and the community.
- 1.4. Acquiring the site and securing planning permission should enable a policy compliant scheme with 30% affordable housing to progress, approximately 18 units to be affordable units.

<u>DECISION REQUIRED</u>	
Lead Member:	Mayor James Palmer
Lead Officer:	Roger Thompson, Director of Housing and Development
Forward Plan Ref: 2019/047	Key Decision: Yes
<p>The Combined Authority Board is recommended to:</p> <p>(a) Approve the acquisition of a site in Cambridgeshire and Peterborough for the sum of £1.225m, based on the heads of terms detailed in the exempt Appendix 1.</p> <p>(b) Approve the expenditure of £332,335 in costs on the acquisition (including stamp duty) and to prepare, submit and secure a planning consent for a residential development scheme on the site.</p> <p>(c) Authorise the Director of Housing and Development, in consultation with Legal Counsel and the Portfolio Holder for Investment and Finance, to conclude any necessary legal documentation to secure the acquisition and planning permission.</p>	<p>Voting arrangements</p> <p>Simple majority of all Members</p>

2.0 BACKGROUND

- 2.1. In order to have a selection of tools and a flexible approach in which housing delivery can be achieved and accelerated, on the 26th September 2018 the Combined Authority Board approved a flexible multi toolkit housing strategy.
- 2.2. The strategy included the provision of a rolling fund from within the £100m housing programme to be used for toolkit opportunities over and above just issuing traditional grant, such as seeking out and delivering direct development opportunities that the market is not delivering of its own accord, as is being proposed in this paper.

A flexible multi-toolkit approach



- 2.3. The approved Housing Strategy included the following policy commitments
- (a) under paragraph 3.17 to promote all housing that is in addition to the existing development pipeline.
 - (b) Under section 3.18 there is a commitment to being creative and using a range of financial delivery mechanisms that have not traditionally been a public sector method to support and deliver housing.
 - (c) This proposal is further supported by paragraph 3.23 to encourage the best use of all property assets
 - (d) Under 3.24 to helping to accelerate schemes using financial mechanisms in the toolbox.
 - (e) Under 3.25 to more enabling action including loans
 - (f) Under 3.27 to taking the initiative on more direct interventions as exemplified in the toolbox above.
- 2.4. The current use of the site is as light industrial with external vehicular storage, providing a current rental income of approximately £40,000 pa.
- 2.5. The site had a historic planning consent for 14 large detached houses that was not subsequently implemented. The intention is that the combined authority or its Devco if constituted in time will acquire the property, secure a planning consent for a residential development scheme and initiate the subsequent development of the scheme.

3.0 PROPOSAL & CONDITIONS

- 3.1. The proposal is to pay a sum of £1.225m for the acquisition of the site. Detailed heads of terms for the acquisition are attached in exempt **Appendix 1**. The purchase will acquire the freehold interest in the site.
- 3.2. The intention is to create approximately 60 residential units in a mix of 1,2 3 and 4 bedded units. The scheme will offer a policy compliant provision of 30% affordable units.
- 3.3. Attached in exempt **Appendix 2** is the Devco business plan which includes the strategy, location and boundary plan, development appraisal and initial risk schedule.
- 3.4. It is projected that repayment of the capital with interest will commence in late 2021, with re-payment including interest in full.
- 3.5. In addition to the re-payment of the interest, Devco will benefit from 100% of any profit from the scheme.
- 3.6. The acquisition will be Conditional upon the seller providing good title for the site and resolving all issues with the tenure of the existing tenants to ensure vacant possession is available with no additional costs when required.
- 3.7. As part of our due diligence we will be undertaking a site environmental survey to identify any contamination, building surveys, a drain survey and seek to get some comfort from the highways authority on the intended access into the new residential development.

4.0 CONCLUSIONS

- 4.1. This site acquisition should create an opportunity and brings into supply approximately 60 new homes on a site that currently comprises under occupied and poorly specified industrial use. The site has been on the market for a considerable period and without the intervention of Devco it is unlikely that any residential units will be delivered from it. It should offer an additional 18 affordable homes that would otherwise not be delivered by the market.
- 4.2. It will be a significant addition to the local private and affordable housing stock. It will provide opportunity for those that live and work locally or aspire to live in the locality, without paying the full price premium normally associated with brand new housing development.

5.0 FINANCIAL IMPLICATIONS

- 5.1. It is proposed that the Combined Authority provides £1.225m to Devco to acquire the site and £332,335 to cover the costs of the acquisition (including

stamp duty) and to prepare, submit and secure a planning consent for a residential development scheme.

- 5.2. Anticipated completion of the purchase is end July/early August 2019 from the £100m Housing programme.
- 5.3. The interest rate is 2.09%pa on Devco repaying the money upon completion of the development.

6.0 LEGAL IMPLICATIONS

- 6.1 At its meeting on the 26th of September 2018, the Authority agreed by a majority to:
 - a) agree the approach to delivering the Housing Strategy set out in the 31Ten report in exempt **Appendix 1** of the report.
 - b) agree the concept of creating a revolving fund of monies from within the £100m programme for housing investment, to run within and beyond the 5 year programme.
- 6.2 The Combined Authority has the ability to lend under s.12 Local Government Act 2003 “power to invest” as well as under a general power of competence provided that it is compliant with European state aid rules.
- 6.3 In making any such investment the Authority is required to have regard to the government’s statutory guidance on Local Government Investment (section 15 Local Government Act 2003) and specific guidance published by the Chartered Institute of Public Finance and Accountancy.
- 6.4 The devolution deal of June 2016 placed no particular restrictions on the use of the £100m housing programme for such purposes. The £100m must be used for delivering housing and growth.

7.0 CONFIDENTIAL APPENDICES

- 7.1. Exempt Appendix 1 – Heads of Terms for Site Acquisition
- 7.2. Exempt Appendix 2 – Devco Business Plan

<u>Source Documents</u>	<u>Location</u>
List background papers: Cambridge and Peterborough Combined Authority Housing Strategy	The Incubator 2, First Floor, Alconbury Weald Enterprise Campus, Alconbury Weald, Huntingdon, PE28 4W



**CAMBRIDGESHIRE
& PETERBOROUGH**
COMBINED AUTHORITY

CAMBRIDGESHIRE AND PETERBOROUGH COMBINED AUTHORITY BOARD	AGENDA ITEM No: 3.3
26 JUNE 2018	PUBLIC REPORT

MAJOR ROAD NETWORKS AND LARGE LOCAL MAJORS

1.0 PURPOSE

1.1. This report sets out:

- (a) Proposed projects for submission to the Major Road Network investment programme;
- (b) Proposed projects for submission to the Large Local Majors investment programme;
- (c) How the projects relate to the strategic objectives of the Combined Authority

and describes the submission process and potential next steps.

<u>DECISION REQUIRED</u>	
Lead Member:	Mayor James Palmer
Lead Officer:	Paul Raynes, Director of Delivery and Strategy
Forward Plan Ref: n/a	Key Decision: No
<p>The Combined Authority Board is recommended to:</p> <ul style="list-style-type: none"> a) Approve the projects to be submitted for the Major Road Networks (MRN) and Large Local Majors (LLM) investment programmes b) Agree to aim to secure a local or third-party contribution of at least 15% of the scheme costs for each project if approved. 	<p>Voting arrangements</p> <p>Simple majority of all members.</p>

<p>c) Authorise the Director of Delivery and Strategy, in consultation with the Chair of the Transport and Infrastructure Committee, to finalise the MRN/LLM submission and liaise with the England's Economic Heartland partnership.</p>	
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2 LARGE LOCAL MAJORS /MAJOR ROUTE NETWORK

2.1 The Department of Transport published guidance on planning investment in the major road network and large local road network in Autumn 2018. It relates to the major roads within the region. In terms of hierarchy these sit just below the "A" category nationally strategic road network that remains the responsibility of Highways England.

2.2 The Guidance places emphasis on having a regional evidence base which shows new areas of growth, housing and industrial development which the highway investment programme can support. The overall investment programme forms part of the £3.5 billion available for local roads between 2020-25 within the National Roads Fund, the £28.8 billion budget for roads investment funded by hypothecating Vehicle Excise Duty. The programme has five central objectives:

- (a) Reduce congestion
- (b) Support economic growth and rebalancing
- (c) Support housing delivery
- (d) Support all road users
- (e) Support the Strategic Road Network.

1.4. The key features of the Major Road Network investment programme are:

- (a) schemes must be on the MRN, the network of main roads identified by the government earlier this year following a consultation
- (b) MRN interventions will normally be between £20 million and £50 million
- (c) submissions from subnational transport bodies may contain up to ten projects.

1.5. The key features of the new Large Local Majors investment programme are:

- (a) LLM schemes are not limited to roads on the MRN.
- (b) the lower threshold of the LLM programme will be £50 million and there is no upper threshold (although past schemes have averaged £66 million)
- (c) because LLM is now funded through the National Roads Fund, only road schemes will be considered for the programme
- (d) Submissions from subnational transport bodies may contain up to three projects.

1.6. In both cases, the guidance requires a commitment to a local contribution of 15% of total scheme cost. This may come from local public sector organisations, developer contributions, or other sources.

1.6 In both cases, the government's guidance asks Combined Authorities to work with Subnational Transport Bodies (STB) or partnerships of authorities where there is no STB. The Combined Authority will be submitting its proposals through England's Economic Heartland (EEH). The deadline for submission of proposals for the MRN and LLM programme is July 2019. Officers from the CPCA will work with EEH to finalise the technical submission following Board decision.

3 ALIGNMENT TO THE CPCA GROWTH AMBITION STATEMENT AND BUSINESS PLAN

3.1 At its October 2018 meeting, the Combined Authority Board agreed unanimously to adopt the Cambridgeshire and Peterborough Independent Economic Review's (CPIER) main recommendations and the Growth Ambition Statement. The latter included a set of key projects.

3.2 At the January 2019 meeting of the Combined Authority, the Board approved investment in its priority projects, in particular the 12 key projects set out in the Business Plan and Medium Term Financial Strategy (MTFS). The 12 key projects included a commitment to prepare a bid to the MRN or LLM for funding improvements to the A10. The University of Peterborough is also among the 12 key projects. The proposed bid to the MRN and LLM investment programmes aligns with the 12 key business plan priorities. The projects are set out in the table below:

Project	MRN/LLM
A10 dualling	LLM
A10 junctions	MRN
A1139 – Eastern Industries Access Phase 2 (University Access)	MRN

4 NEXT STEPS

4.1 Combined Authority officers will work with officers from Cambridgeshire County Council and Peterborough City Council to firm up the evidence for the agreed schemes. They will collaborate with England's Economic Heartland to finalise the submission to government in July 2019 in accordance with the prescribed timetable.

5 FINANCIAL IMPLICATIONS

5.1 This MRN/LLM guidance stipulates that local and combined authority scheme promoters will be responsible for aiming to secure a local or third-party contribution of at least 15% of the total scheme costs as set out in section 1.6.

A commitment of the local or third-party contribution must be made before programme entry is requested.

- 5.2 The table below sets out the projected cost of each of the schemes and identifies the level of local or third-party contribution that the CPCA will aim to secure. The costs included within this table are based upon varying levels of project information and as such are at this point high-level estimates that are subject to revision and will be refined as and when the projects progress.

Project	21/22 £m	22/23 £m	23/24 £m	24/25 £m	Total £m
A10 dualling	11	149	150	150	460
A10 junctions	30	10	0	0	40
A1139 Eastern Industries Access Phase 2 (University Access)	0	0	10	10	20
Total	41	159	160	160	520
15% contribution	6.2	23.9	24	24	78

- 5.3 It is anticipated that the 15% contribution will come from a combination of CPCA capital funding, developer contributions and contributions from local partners and institutions. No decision on the allocation of transport-related funding is required at this stage.

6 LEGAL IMPLICATIONS

- 6.1 The Combined Authority as the local transport authority for Cambridgeshire and Peterborough is also developing a Local Transport Plan that will identify locations/schemes where investment in new infrastructure will be sought.

7 SIGNIFICANT IMPLICATIONS

- 7.1 There are no other statutory matters to bring to the Board's attention.

8 APPENDICES

- 8.1 None.

<u>Source Documents</u>	<u>Location</u>
Report and decisions of the Board dated 30 January 2019	https://cambridgeshirepeterboroughcagov.com/is.uk.com/Meetings/tabid/70/ctl/ViewMeetingPublic/mid/397/Meeting/864/Committee/63/Default.aspx

Report and decisions of the Board dated 31 October 2018	https://cambridgeshirepeterboroughcagov.com/Meetings/tabid/70/ctl/ViewMeetingPublic/mid/397/Meeting/914/Committee/63/Default.aspx
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**CAMBRIDGESHIRE
& PETERBOROUGH**
COMBINED AUTHORITY

CAMBRIDGESHIRE AND PETERBOROUGH COMBINED AUTHORITY BOARD	AGENDA ITEM No: 3.4
26 JUNE 2019	PUBLIC REPORT

LOCAL INDUSTRIAL STRATEGY UPDATE

1.0 PURPOSE

- 1.1. This report updates the Board on the final draft agreed with Government for the Cambridgeshire and Peterborough Local Industrial Strategy,
- 1.2. The Cambridgeshire and Peterborough Independent Economic Review (CPIER) launched by the Secretary of State for Industrial Strategy in October 2018 was the most thorough and in-depth analysis of the region's economy ever undertaken. This evidence base and set of strategic independent recommendations established the importance to the UK of a successful Cambridgeshire and Peterborough economy, and the importance of an economy that is more inclusive.
- 1.3. Cambridgeshire and Peterborough is one of the first areas, nationally, to bring forward a Local Industrial Strategy to deliver on the ground the ambitions of the UK Industrial Strategy published in 2017. As such, this is a ground-breaking document – taking the results of the CPIER to pioneer new Government policy in a devolved area alongside a new model Business Board.
- 1.4. The Business Board have led the development of the Local Industrial Strategy, at the request of the Combined Authority Board. Local authorities, public sector partners, and the business community have been engaged in creating a strategy that sets out how the inclusive growth of the economy will underpin the area's vision as a leading place in the world to live, learn and work.
- 1.5. During the HMG sign-off process, local authority officers, through the Local Industrial Strategy Authoring Group, have been provided with the opportunity to feed back and comment on the changes made by HMG and the final version has been presented and discussed with CEOs through the Cambridgeshire Public Service Board (CPSB).

<u>DECISION REQUIRED</u>	
Lead Member:	Chair of the Business Board
Lead Officer:	John T Hill, Director of Business and Skills
Forward Plan Ref: n/a	Key Decision: No
<p>The Combined Authority Board is recommended to:</p> <p>(a) note the final version of Cambridgeshire and Peterborough Local Industrial Strategy as agreed with Government</p> <p>(b) note the final stages of national sign-off for the Local Industrial Strategy in the Department for Business, Energy and Industrial Strategy (BEIS) template style prior to publication</p>	<p>Voting arrangements</p> <p>Simple majority of all Members</p>

2.0 BACKGROUND

- 2.1. The Combined Authority Board agreed the Growth Ambition Statement in November 2018 as a collective local mandate to implement the CPIER and established how this would happen through the range of strategies and plans to be brought forward by the Combined Authority and partners. The Non-Statutory Strategic Spatial Framework is the mechanism through which the CPIER recommendations for reviewing housing need are being progressed.
- 2.2. The Local Industrial Strategy is a contributor to that Growth Ambition Statement. It is focussed on the interventions which will support business growth in a way that is global, productive, and inclusive.
- 2.3. The Local Industrial Strategy has been co-produced with Government, to be delivered within existing local resources and powers.
- 2.4. The ambition within the Strategy is a bold one, backed up by the evidence of the CPIER and other key sources and, As previously agreed with the Business Board and CA Board the approved draft copy has been taken through to final stages with the Department for Business, Energy & Industrial Strategy (BEIS), and Ministry of Housing, Communities & Local Government (MHCLG).
- 2.5. The priority interventions set out in the Strategy have not changed from the draft and all can be linked back to the Devolution deal. They are categorised into three types of delivery; those that are existing commitments already underway, new interventions which have funding strategies which will be commenced following the approval of the agreed Local Industrial Strategy, and

the interventions which will be invited from partners through a new open call to the Local Growth Fund.

- 2.6. The Strategy has been edited into the BEIS LIS template through consultation with all central Government Departments and their comments and edits have been considered with many included. The language has been changed in places to reflect the Government's preferred wording and to clarify whether a commitment is being made by the Combined Authority or is an action for national government.
- 2.7. The Strategy was further refined to reflect the following:
- (a) There is more detail around a proposal for the apprenticeship levy, which has been worked through with government;
 - (b) There is now a section on the Oxford – Cambridge Arc, which has been agreed with all partners across the Arc through a separate Arc governance process (in place of our previous chapter on the Arc);
 - (c) Some case studies have been strengthened, particularly around Cambridge;
 - (d) The importance of place to the LIS has been reinforced, drawing out even further the importance of the three different economies and how they relate to each other; and
 - (e) Further review and comments from Professor Andy Neely (as Business Board champion for the LIS), CPCA officers, local authority officers and other partners have all been considered, mostly on matters of detail rather than any substantive or material changes.
- 2.8. The final version has been agreed with BEIS and the strategy will now be passed for Ministerial sign-off in June 2019.
- 2.9. A copy of the Local Industrial Strategy is included at Appendix 1.
- 2.10. In terms of publication, a joint announcement will now be agreed with BEIS/MHCLG for the launch of the Local Industrial Strategy.

3.0 FINANCIAL IMPLICATIONS

The financial measures put forward in the Local Industrial Strategy describe existing commitments, proposed interventions and a high-level delivery plan for bringing this forward for approval, and that the LIS will be the basis for a further call for Local Growth Fund investments from June 2019 onwards.

4.0 LEGAL IMPLICATIONS

There are no significant implications identified.

5.0 SIGNIFICANT IMPLICATIONS

There are no significant implications identified.

6.0 APPENDICES

6.1. Appendix 1 – Local Industrial Strategy (for publication)

Source Documents	Location
Cambridgeshire and Peterborough Combined Authority Strategies	http://cambridgeshirepeterborough-ca.gov.uk/business-board/strategies/
Cambridgeshire and Peterborough Independent Economic Review (CPIER)	http://www.cpier.org.uk/
UK Industrial Strategy	https://www.gov.uk/government/publications/industrial-strategy-building-a-britain-fit-for-the-future

Cambridgeshire and Peterborough Local Industrial Strategy



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Foreword

Cambridgeshire and Peterborough is an international hub of innovative business. It is leading in research in fields as diverse as Artificial Intelligence and AgriTech. It generates £[X]bn of national output¹ and has seen employment levels growing by [X]% over [X] years².

Cambridgeshire and Peterborough is comprised of three different subeconomies – Greater Cambridge, Greater Peterborough and the Fens. Each is unique, facing its own opportunities and challenges. Success for business in each will take a different form, while the overall goal – an inclusive, prosperous, and productive economy – is the same. To achieve this, many different sectors will need to flourish, creating opportunities for entrepreneurs and employees.

The success of the Oxford Cambridge Arc is also dependent on an economy in Cambridgeshire and Peterborough which continues to grow, creating further demand for employment and housing. Partners across the Arc are collaborating to ensure the Arc delivers on its transformative economic potential for the UK as a whole.

The mandate to deliver all of this is set out in the devolution deal signed between central government and local partners. Through the establishment of a Combined Authority with devolved powers, local partners set out a commitment that: “Cambridgeshire and Peterborough will enhance its position as a global leader in knowledge and innovation, further developing its key sectors including life sciences, information and communication technologies, creative and digital industries, clean tech, high-value engineering and agri-business.”³

This Local Industrial Strategy, which has been developed locally and agreed with central Government, sets out an evidence-based plan to support industry across the area in delivering these goals. The foundation for it is the Cambridgeshire and Peterborough Independent Economic Review (CPIER) – a thorough review of all the available economic evidence for the area chaired by an experienced and expert panel, bringing in new research on business clusters and growth. This review set out a series of key recommendations, many of which are reiterated and developed upon in this document.

By creating the conditions for business to thrive, Cambridgeshire and Peterborough can achieve its goals of doubling economic output and building an inclusive economy. This strategy combines bold ambition with clear actions that will directly support firms to grow, become more productive, and increase their international reach.

¹ As measured by Gross Value Added, or GVA

² Based on analysis in the Cambridgeshire and Peterborough Independent Economic Review (CPIER)

³ https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/600239/Cambridgeshire_and_Peterborough_Devolution_Deal.pdf

Executive Summary

This Local Industrial Strategy sets out how Cambridge and Peterborough will maximise the economy's strengths and remove barriers that remain to ensure the economy is fit for tomorrow's world. The interventions within are based on a highly credible, independent evidence base, and are specifically and carefully designed to achieve growth.

Today's picture

The Cambridgeshire and Peterborough economy is thriving, contributing £22bn to the UK. The economy has outperformed the UK in overall growth since 2009, and growth in employment has significantly outpaced official figures. The area is an internationally recognised centre for artificial intelligence, life sciences, food production and advanced manufacturing. Cambridge is a global leader in innovation and the commercialisation of new ideas. Local partners' ambition is to continue to build an industrial ecosystem that is globally known for tackling the biggest challenges facing our society, and in so doing to double GVA over 25 years and to increase GVA per hour to above the UK average by 2024. Through applying a natural capital and ecosystem services approach local partners will ensure this is matched by a world-class natural environment.

As the Cambridgeshire and Peterborough Independent Economic Review (CPIER) established, it is really three sub-economies. The largest and most international is Greater Cambridge, characterised by high levels of output and skills, a rich mix of biomedical, pharmaceutical, Artificial Intelligence and other technology companies underpinned by two leading universities, one of which is amongst the greatest in the world. In the North, Greater Peterborough is important both as the largest city and, consistently over the last decade, one of the fastest growing in the country. It is an area with an important manufacturing history and existing base. It is also home to a growing range of service, financial and professional companies which – with a new fast, 38 minute, rail connection to London – are set to expand further through government and corporate relocations out of the capital. The Fens, a largely rural area, has a diverse range of market towns, much of the best farmland in the UK, and world-class agricultural production. It is a rural economy but one which is also home to highly successful niche manufacturing and service companies. This Local Industrial Strategy will be tailoring and mixing interventions to the needs of each of these very specific sub-economies.

Major opportunities exist in this area. The opportunity is to scale growth further to benefit the whole area, building on Cambridge's World class assets. Devolution, and the creation of a Mayoral Combined Authority has also given Cambridgeshire and Peterborough a key advantage of more local powers and funding to deliver the ambitions of this Local Industrial Strategy.

Also central to this is working with government and local partners to deliver the shared local growth ambitions across the Oxford - Cambridge Arc. This Local Industrial Strategy is one of a family of four linked strategies covering the Arc, the others covering the Oxfordshire, South East Midlands and Buckinghamshire areas, reflecting the close collaboration and partnership working between LEPs across the region. It therefore includes a summary of the wider economic context and priorities

from across the Arc complementing the specific Cambridgeshire and Peterborough strategic objectives which sit at the heart of this strategy.

In addition to making the most of opportunities, challenges must also be recognised and overcome. The key challenge relates to the underlying need to broaden the base of economic growth whilst securing the continued success of Greater Cambridge, raising productivity across the wider economy. This will ensure that the whole of Cambridgeshire and Peterborough grows more high-quality jobs, improving business output and providing better opportunities and outcomes for people.

Ambitions for tomorrow

This Local Industrial Strategy sets out three main priorities for the Cambridgeshire and Peterborough economy:

- **Improve the long-term capacity for growth in Greater Cambridge** to support the expansion of this innovation powerhouse and, crucially, reduce the risk of any stalling in the long-term high growth rates that have been enjoyed in the city region for several decades. This will be done by investing heavily in housing, supporting supply chain development, delivering transformational transport and infrastructure, whilst leveraging the strengths and better connecting the Cambridge cluster for the greater benefit of the other two economies and the UK. There also needs to be continued efforts to support the Cambridge innovation ecosystem and to continue to attract international firms to the region.
- **Increase sustainability and broaden the base of local economic growth**, by identifying opportunities for high growth companies to accelerate business growth where there is greater absorptive capacity, beyond the current bottlenecks to growth in Greater Cambridge.
- **Expand and build upon the clusters and networks** that have enabled Cambridge to become a global leader in innovative growth by encouraging business leaders, sectors, and places to join together to build an economy-wide business support eco-system to promote business growth, greater productivity, innovation commercialisation, greater global market access and more effective skills development to deliver a more inclusive and resilient economy.

The CPIER has identified the area's sectoral strengths and specialisms, which this Local Industrial Strategy will seek to make the most of. This includes:

- **Life Sciences:** Greater Cambridge is a global centre of life sciences that will increasingly grow across Huntingdonshire and be connected to a wider cluster operating across the OxCam Arc. Local partners in Cambridgeshire and Peterborough will continue to deepen the connectivity between research and industry, with a specific focus on addressing the Ageing Society Grand Challenge. This will include the creation of an **Innovation Launchpad**, partnering with a global player to help start-ups and scale-ups get access to customers and markets world-wide. A **Life Sciences Accelerator Scheme** and key infrastructure improvements – such as the A505 and Cambridge South Station – are particularly crucial for this sector.

- **Agri-tech:** the ambition is to support further growth in pioneering R&D in plant science and precision agriculture, as part of a regional offer. The innovative ecosystem will be further strengthened, and the Combined Authority will develop and fund an Innovation Launchpad facility, or facilities, which offer new locations to support the development of innovation ecosystems. Agri-tech is one of the area's strategic growth sectors which does not yet have central agglomerations which will be a key ingredient in its future success.
- **Digital and IT (including AI):** the opportunity is to establish Greater Cambridge and the Oxford to Cambridge Arc as the preferred global base for firms from across the world to create and adopt the technologies of tomorrow. As part of this, the Combined Authority will host a global AI conference in Greater Cambridge. This represents a significant opportunity to increase the sector's growth both within the local economy and across the Oxford to Cambridge Arc and the UK.
- **Advanced Manufacturing and Materials:** Drawing on existing skills and capabilities, the Combined Authority can provide impetus to development of advanced manufacturing across the region. A specific opportunity lies in scale-up, developing facilities closely coupled to local Universities where technologies can be developed and taken through the early stages of commercialisation. There is also an opportunity to collaborate with other centres of excellence in advanced materials to grow the UK's strengths in this technology. As part of the Growth Service the Combined Authority will seek to create Scale-Up Engines to support early stage commercialisation.

This Local Industrial Strategy also recognises five supporting sectors, which are also strengths of the Cambridgeshire and Peterborough economy. These are in **Logistics, Health and Social Care, Education, Visitor Economy and Business Tourism, and Construction**. There are opportunities here to further create business growth, and this Local Industrial Strategy also considers how these could be maximised.

Cambridgeshire and Peterborough's Local Industrial Strategy will also enhance its Foundations of Productivity to ensure its future economy has a solid base from which to grow.

Ideas

This Local Industrial Strategy will ensure that the economic base of the area grows by harnessing innovation as a tool for business growth. Ways in which this will be done include:

- The creation of at least four new Innovation Launchpads. These will be the nucleation points for innovation cluster development. Focussing on product development to support key growth sectors – bringing together established firms with training, R&D, and incubation facilities. These will be focused on key sectors such as agri-tech, artificial intelligence and advanced manufacturing innovation
- Launch the Mayoral Innovation and Growth Investment Fund. Providing equity and loan investment to firms already accessing growth coaching and

support to break into global markets and transform their productivity through innovation

- Establish the Innovate 2 Grow Network, bringing together leading entrepreneurs, innovators, mentors and coaches with growing firms to strengthen linkages across the area

People

The People chapter sets out how education and training levels will be improved, to ensure business has the supply of skills it needs and that people are provided with more and better opportunities to fulfil their potential, including digital skills. Key skills initiatives include:

- Implement changes to the devolved Adult Education budget to change how it is invested and the related outcomes for individual opportunity and business needs.
- Look at scope to create a new university in Peterborough, that will attract highly skilled, productive individuals to the city, and develop the skills of the local population.
- Create a Skills, Talent and Apprenticeship Hub: connecting employers, providers, and learners.

Infrastructure

The views of businesses surveyed in the CPIER and engaged in the development of place and sector strategies is that poor infrastructure is hampering growth and is set to increase as a problem over the next decade. Sustaining and de-risking the area's full potential for economic growth is reliant on transforming the transport, housing and infrastructure capacity in Greater Cambridge and improving the transport system around market towns. Improving last and first mile connectivity is vital if recent growth is not to stall and will contribute to addressing the Future of Mobility Grand Challenge. This will be done by:

- Cambridge Autonomous Metro, the top infrastructure priority for the local economy
- Complete the Strategic Bus Review, the basis of which a Bus Task Force is being established to examine opportunities for an improved future service.
- Work with government to develop a shared evidence base for the current and future energy needs of the Arc, including through the identification of opportunities to test new energy policies or approaches within the Arc.

Business Environment

The aim is to increase the number of start-ups and scale-ups to drive growth and productivity. This will include:

- Create a new Global Growth Service targeted at the places and firms that will have the most impact – operational from beginning 2020 and working with 250 firms per year. This will be delivered through a new Cambridgeshire and Peterborough Growth Company, an arms-length and commercially sustainable,

not-for-profit businesses to bring together the Growth Hub, Signpost2Grow and the new Global Growth Service.

- Introduce a new Trade & Investment Service featuring an integrated and customer focussed approach to co-ordinating the Global Growth Grants and Loans with the Export Grants (financing exporting advice) and the Export Buyer Credit (financing overseas customers to buy British goods) offered by the Department for International Trade.
- Establish a Global Investor Service focused on landing new firms into Peterborough and Greater Cambridge.

Places

This Local Industrial Strategy intends to tailor and customise intervention to meet the distinctive needs of the three different areas of the local economy – Greater Cambridge, Greater Peterborough and the Fens. This will include supporting Market Towns as key players in this Local Industrial Strategy.

Responding to the Grand Challenges

This strategy will make a globally significant contribution to the societal and economic Grand Challenges that the Government sets out in its national Industrial Strategy, building on the sector strengths of the local area, notably:

- life science discoveries that transform ageing well;
- AI and data technologies transforming commercial and public life;
- energy and circular economy practices that pioneer Clean Growth; and
- advances in sustainable and healthy food production brought about by agri-tech.

Priorities

This Local Industrial Strategy sets out an industrial blueprint to deliver the local vision of making Cambridgeshire and Peterborough a leading place in the world to live, learn, work, and do business. The actions in this strategy are essential for delivering the aims of the National Industrial Strategy locally, the Cambridgeshire and Peterborough Devolution Deal, and the Cambridgeshire and Peterborough Independent Economic Review (CPIER).

The Cambridgeshire and Peterborough Devolution Deal has set out a clear ambition to double output in 25 years, but independent analysis has shown that this can only be achieved by strong increases in productivity. Whilst overall output growth has outperformed the UK, taken as a whole, the area has become less productive, relative to the UK, over the last five years (demonstrating that GVA growth has been driven by employment growth not productivity growth). In 2012, GVA per hour worked was 98.9% of the UK average. By 2017, that had fallen to 94.9%, the biggest five-year fall for any Combined Authority area⁴. The local area has therefore set itself a five-year target to reverse this trend, aiming to catch up with the national average for GVA per hour worked by 2024.

This means the growth dynamic needs to change. At the moment, the diverse innovation hub that is Greater Cambridge is global in its intellectual and market reach, but localised in its economic and societal impact. Businesses in the Fens are strong at bringing cutting edge research to market, but tend to do so in relative isolation. Peterborough is one of the fastest growing cities in the UK, but has not translated its industrial heritage and recent growth into universal prosperity. Local economic successes are highly place-specific. Within a few miles of Cambridge there are many businesses which are not sharing in its success, let alone those much further away. Too many of the people working in Cambridge have commutes that are difficult, long and growing: not out of choice, but necessity due to high housing costs. In isolated hamlets and in the biggest cities, the challenge of ageing means isolation and ill health. Business face increasing risks from a changing climate and other environmental pressures. The practical role of this Local Industrial Strategy must be to apply new approaches to solving these problems. Doing so will deliver the growth needed and ensure this is done in the right way.

⁴ ONS: Subregional productivity: labour productivity indices by city region, Table A1 (February 2019 release)

Figure 1 >>>>



This Local Industrial Strategy is not just a dash for any growth at any price. Growth must be sustainable and seek to have a positive effect on all our communities and the environment, to ensure the long-term health of the area – social, environmental and economic.

The clear targets that have been set are supported by three priorities, driven by the distinctive features of the local economy. These will be delivered by the actions set out against each of the foundations of productivity in the subsequent sections:

- **Improve the long-term capacity for growth in Greater Cambridge.** Greater Cambridge is a magnet to companies from across the globe and the home of world-leading Digital (including AI) and Life Science clusters. Its labour supply and research and innovation reputation are of the highest order. But there are signs that some constraints are starting to bite. Modelling shows that housing, energy capacity and transport issues will significantly reduce the success of Greater Cambridge if not dealt with. Local partners will act, with Government's

support, to reduce the risk of any stalling in the long-term high growth rates that Cambridge has enjoyed for several decades. This will be done by the Combined Authority and local government investing heavily in housing, transport and infrastructure, whilst supporting both efforts to increase inward investment and the development of infrastructure and skills needed to enable firm scale-up. Keeping Cambridge strong is crucial to leveraging the strengths of this globally important and hugely successful cluster for the greater benefit of the other two economies and the UK as a whole.

- **Increase the sustainability and broaden the base of our economic growth.** Growth has not been balanced across the local area, and growth in high value companies has been very unevenly spread. The combination of the three-economies of Greater Cambridge, the Fens and Peterborough is a strength. Each economy has individual specialisms, which mean the area as a whole can and does lead the UK on multiple fronts. However, the current disconnects between the different economies represents a missed opportunity. By enabling them to work together more closely, this Local Industrial Strategy will look to widen the benefits of high growth in some areas, most notably in Cambridge, to others. The business support networks and skills provision across the area will be better connected to ensure that all areas benefit from the wealth of expertise that exists.
- **Expand and build on the clusters and networks that have enabled Cambridge to become a global leader.** The benefits of the global success of Greater Cambridge have, for the most part, remained very localised. Whilst there are signs some non-knowledge intensive businesses are moving out of Cambridge to the wider area, work will take place to ensure all parts of Cambridgeshire and Peterborough can thrive. This means building on places' industrial strengths and developing a distinctive offer to help the firms with greatest potential in these places to achieve their full growth potential. Specifically, local partners will target improved productivity and access to international markets by identifying opportunities for high growth companies to accelerate business growth where there is greater capacity. And innovative growth will be supported by encouraging individual business leaders, sectors, and places to join together to build an economy-wide business support ecosystem to promote business growth, greater productivity, better commercialised innovation, greater global market access and more effective skills development to deliver a more inclusive and resilient economy.

Delivering these priorities will require a change in how the three sub-economies work. Greater Cambridge is a hotspot. There are other patches of excellence in Peterborough, in Huntingdonshire, and in the Fens – but these hotspots are generally isolated. This means some of the conditions that have made Cambridge so globally successful must be replicated – dense business networks, the right balance of competition and collaboration, access to finance, and the provision of high-quality business growth, productivity, innovation and global market access

support, as well as partnerships with key anchor institutions. This will ensure that the emerging technologies and industries are being applied too and will make Cambridgeshire and Peterborough a better place in which to live as well as work and do business.

At the same time, the success of Greater Cambridge cannot be taken for granted. There are serious risks that without investment in housing, transport and infrastructure that the area needs, the global businesses there may take flight to more attractive global centres of innovation-based growth and it will make it harder to achieve the national 2.4% R&D target. Avoiding long-term risks to the productivity and growth of the local and national economy requires a focus on these issues in Greater Cambridge and its business base.

This Local Industrial Strategy therefore is underpinned by the fifth Industrial Strategy Foundation of Productivity: places. The approach taken varies on the needs of the different places, across one of the largest Combined Authority areas in the UK. Greater Cambridge, Greater Peterborough, and the Fens each present different opportunities and challenges. This Local Industrial Strategy responds to these, tailoring the application and mix of the interventions to the very specific needs of each sub-economy. This means higher levels of transport and innovation spend in Greater Cambridge, with more focus on business growth eco-system development, skills and education in the Fens and Greater Peterborough, including exploring scope to deliver a new University and Innovation Launchpads in the north and east of the area, to stimulate the level of growth from innovation, leading to higher productivity and prosperity there. These could be closely modelled upon what is working well in Cambridge.

Oxford-Cambridge Arc: Economic Context

The role of this strategy

This Local Industrial Strategy for Cambridgeshire and Peterborough articulates government and local partners' shared ambitions for the area at a granular level, outlining how specific interventions in the local area will drive future growth in Cambridgeshire and Peterborough and across the Arc more widely.

It outlines the key priorities for Cambridgeshire and Peterborough for each of five Foundations of Productivity – Ideas, People, Infrastructure, Business Environment and Places, as well as those areas of work which will be progressed collectively at an Arc level.

The Oxford-Cambridge Arc is a national trailblazer area and the LEPs in the Arc are among the first, nationally, to develop and publish their individual Local Industrial Strategies. Each of the Strategies should be read as “local chapters” of the National Industrial Strategy⁵ - outlining not only the ambitions for the local areas, but also how their strengths and assets will contribute to national objectives.

The economic opportunity presented by the Arc is significant. But it will not happen by itself. It will take concerted and coordinated work by both government and the local areas to ensure that the Arc remains an economic asset of international standing over the coming decades, whilst retaining and improving a high quality natural environment for future generations. This Local Industrial Strategy for Cambridgeshire and Peterborough, published alongside those for Buckinghamshire, Oxfordshire and the South East Midlands, shows how this will be done.

Introduction to the Arc

The Oxford-Cambridge Arc is a world leading economic area, underpinned by a high-quality environment, which has the potential to deliver transformational growth that will create jobs and boost local and regional economies for the benefit of existing and future communities. It currently has 3.7 million residents and over two million jobs, contributing £111 billion of annual Gross Value Added (GVA) to the UK economy per year.⁶ It is a highly productive and prosperous region with global strengths in science, technology and high-value manufacturing.

The Arc covers the ceremonial counties of Oxfordshire, Buckinghamshire, Northamptonshire, Bedfordshire and Cambridgeshire. The economic landscape is covered by the Oxfordshire, Buckinghamshire Thames Valley and South East

⁵ https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/664563/industrial-strategy-white-paper-web-ready-version.pdf

⁶ Interim findings from Oxford-Cambridge Arc economic evidence study (2019) AECOM and Oxford Economics. Taken from https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/785869/Oxford_to_Cambridge_Arc_-_government_ambition_and_joint_declaration.pdf

Midlands Local Enterprise Partnerships and the Cambridgeshire and Peterborough Mayoral Combined Authority's Business Board.

Figure 6: The Oxford-Cambridge Arc map

To be inserted

The Arc as a whole is a strongly knowledge-intensive economy. It contains ten diverse universities, including the Universities of Oxford and Cambridge, two of the world's greatest and most internationally recognisable centres of learning, and a network of cutting-edge science parks, research institutions, businesses and incubators.

The Arc is home to world-leading R&D and is already renowned as a place of global firsts – pioneering cures for disease, forging breakthroughs in engine technology, innovation in future energy and transport systems, and developing world-leading strengths in technologies that are shaping the twenty-first century. But it has the ambition and ability to go further. Its continued success will be critical if the UK is to meet its target of 2.4% of GDP being spent on R&D by 2027 and its knowledge and innovation assets enable the area to be world-leading in industries that have rapidly global growing markets.

The Arc today: Key growth sectors

Transformational growth of the scale envisaged across the Arc will need to build on the breadth of existing assets and strengths found across the local area.

The Arc is home to two globally renowned life sciences clusters in Oxford and Cambridge – the most productive life sciences clusters in Europe, which already compete internationally with the global leaders in San Francisco and Boston, Massachusetts. The Cambridge life sciences cluster alone is home to over 400 companies, with 15,500 employees and contributing around £2.9bn annually to the UK economy⁷. Oxfordshire is home to a world-leading bioscience cluster, with an estimated 180 R&D companies and over 150 companies in associated industries. It has world-class R&D facilities, with four new innovation centres at the Oxford BioEscalator, the Begbroke Accelerator, Harwell Science and Innovation Campus and Culham Science Centre. Buckinghamshire is also home to a growing medtech sector and the county also houses national facilities such as the spinal centre in Stoke Mandeville.

⁷ AstraZeneca and MedImmune (2018), *Cambridge: driving growth in life sciences: Exploring the value of knowledge-clusters on the UK economy and life sciences sector*.

The Arc has strengths across the field of space. The Harwell Science and Innovation Campus in Oxfordshire comprises 89 space organisations employing nearly 1,000 people and is the largest space cluster in Europe incorporating the European Space Agency, the Space Applications Catapult and the National Satellite Testing Facility. This complemented by Westcott Venture Park in Aylesbury Vale with a growing space cluster with particular strengths in upstream space, and also home to the National Propulsion Test Facility. In aerospace, Central Bedfordshire's Cranfield University, which is home to the Aerospace Integration Research Centre and the UK's Aerospace Technology Institute, is building a Digital Aviation Research and Technology Centre that will spearhead the UK's research into digital aviation technology.

The Arc is a world leader in advanced manufacturing, with particular specialisms in high-performance technology and motorsport engineering. Silverstone is home to 40 advanced manufacturing companies, testing facilities for materials and vehicles and the iconic F1 Circuit. More widely, there are over 4,000 businesses operating in 'Motorsport Valley'⁸, which extends from Northamptonshire into Oxfordshire and beyond – a £6bn global cluster of automotive, motorsport and advanced manufacturing companies.

The Future of Mobility features heavily across the Arc as a whole, specifically in the research, development and commercialisation of Connected and Autonomous vehicles (CAV). Key assets include the RACE Centre at Culham Science Centre, which is a UK centre of excellence of robotics and autonomous systems, Millbrook Proving Ground in Central Bedfordshire and, at Milton Keynes, a hub of the Connected Places Catapult and the UK Autodrive project.

There are several leading creative and digital clusters within the Arc. In Buckinghamshire, Pinewood Studios and the National Film and Television School comprise two globally renowned state-of-the-art facilities. Milton Keynes, Peterborough, Cambridge, Luton, Northampton, Oxford, High Wycombe, South Bucks and Aylesbury all have highly concentrated creative and digital clusters with diverse specialisations. Oxfordshire is home to a range of strengths including computer games, software development, cybersecurity, high performance computing as well as film and TV including the new £78million studio facilities at Didcot opened by Rebellion. In Cambridge, the IT and digital technologies cluster is highly concentrated, with a strong track record of establishing and growing globally significant companies.

⁸ Silverstone Park (2017), <https://silverstone-park.com/media/latest-news/silverstone-park-commercial-director-roz-bird-confirmed-as-one-of-grant-thorntons-100-faces-of-a-vibrant-economy/>

Policy Context

Recognising the importance of the area and the opportunity it provides for the UK, the government has already made significant investment to support local growth and productivity in the Arc over recent years. This has included:

- committing over £400m of Local Growth Funding to the LEPs in the Arc from 2015/16 to 2020/21, to fund growth enabling projects;
- agreeing over £800m of funding for economic growth, transport and skills through the Cambridgeshire and Peterborough Devolution Deal;
- continuing to invest in the four LEPs' Growth Hubs to provide business support across the Arc and investment in the Greater South East Energy Hub;
- supporting the accelerated development of key sites through our Enterprise Zone programme, including in Science Vale, Northampton Waterside, Aylesbury Vale and Alconbury Weald; and
- investing, through Innovate UK, £670m in 1000 businesses in the Arc since 2010 to help them develop and innovate new products and services.

It was part of recognising the national importance and the need to look at the area in a coherent way that in 2016 the government commissioned the National Infrastructure Commission (NIC) to undertake a study to strengthen our collective understanding of the area's economic growth potential. The NIC published its report⁹ – *Partnering for Prosperity: A new deal for the Cambridge–Milton Keynes–Oxford Arc* – in 2017, concluding that, with the right interventions, the Arc could harbour transformational growth, even against its existing levels of output. It explained that meeting this long-term potential would require both significantly more homes to be built and significantly improved east-west transport connectivity.

In its response to the NIC report¹⁰, published in 2018, the government designated the Arc as a key economic priority, outlining a breadth of actions to seize the opportunity for growth identified in the NIC's report. The government also affirmed its ambition to deliver more homes in the Arc, supported by measures such as the £215m Oxfordshire Housing and Growth Deal and the recent confirmation of £445m Housing and Investment Funding for the Arc. The government has committed to deliver transformational infrastructure projects to improve east-west connectivity across the Arc, most notably by completing the £1bn East West Rail scheme and the Expressway. Government is also working with partners to identify what utilities, digital and environmental infrastructure, planning and investment is required. Importantly, the government's response to the NIC recognised that delivering

⁹ Partnering for Prosperity: a new deal for the Cambridge-Milton Keynes-Oxford Arc, National Infrastructure Commission, 2017. Available at: <https://www.nic.org.uk/publications/partnering-prosperity-new-dealcambridge-milton-keynes-oxford-arc/>

¹⁰ Government Response to "Partnering for Prosperity: a new deal for the Cambridge-Milton Keynes-Oxford Arc", 2018. Available at: <https://www.gov.uk/government/publications/cambridge-milton-keynes-oxford-arcstudy-government-response>

ambitious growth on this scale had to go hand in hand with environmental enhancement to maximising the benefits to local people and ensuring that the environment is left in a better state for future generations.

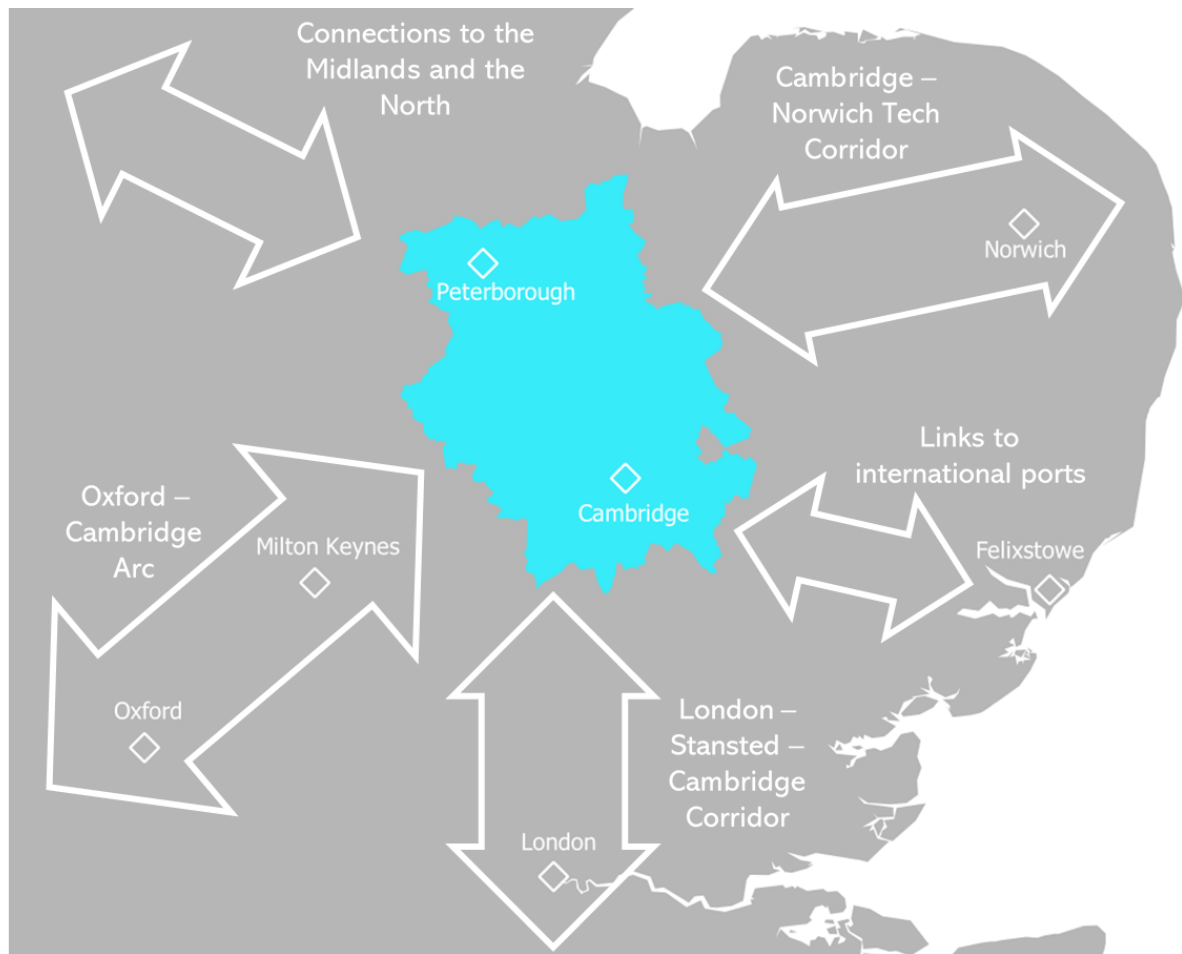
Since then, the government and local leaders are now working in partnership with coordinated ways of working across the Arc that match the level of ambition for the area. This includes working collaboratively to realise the area's potential through four inter-related policy pillars:

- Productivity – ensuring businesses are supported to maximise the Arc's economic prosperity, including the skills needed to enable communities to benefit from the jobs created;
- Place-making – creating places valued by local communities, through the delivery of sufficient, affordable and high-quality homes, to increase affordability and support growth in the Arc, as well as wider services including health and education;
- Connectivity – delivering the infrastructure communities need, including transport and digital connectivity, as well as utilities;
- Environment – investing in environmental infrastructure and ensuring growth leaves the environment in a better state for future generations.

Other key strategic corridors

In addition to the Arc, Cambridgeshire and Peterborough is also the central nexus for many other important corridors and national connections, which will play an active role in future growth.

Figure 2 >>>



London Stansted Cambridge Corridor

This corridor, also known as the UK's Innovation Corridor, connects the area to the capital, via the research centres of Hertfordshire and Essex, and the international airport at Stansted. Key assets include GSK, Harlow Enterprise Zone, and the London universities. This area has the potential to generate 400,000 new jobs, half of which would be in technological jobs, by 2036¹¹. This Corridor plays a significant role in the growth of the Life Sciences sector across our wider region. The Cambridgeshire and Peterborough Business Board continues to invest in connectivity across this crucial corridor, including recent investment into the upgrade of the M11.

Cambridge – Norwich Eastern Agri & Tech Corridor

The local area shares many common business interests and sectors with Norfolk, most notably around Agri-tech and food sciences, where the University of East Anglia is a

¹¹ LSCC report

world-leading research centre. This Corridor presents opportunities to work together, cementing the East of England as a global centre of excellence.

Connections to the Midlands and the North

Just as important as links south to London and east to Norwich, are links to the Midlands and the North. These regional powerhouses are leading the UK in many areas of innovation and progress – by connecting into them through key transport links like the East Coast Mainline and A1 the local area stands to benefit from, and contribute to, their productivity growth.

Links to international ports

The East Coast ports, most notably Felixstowe, connect to the world, and are a key outlet for exports. As local partners look to grow the area's export contribution to GDP, and thrive in the post-Brexit world, these links to the global marketplace put Cambridgeshire and Peterborough in a strong position to trade.

Evidence Summary

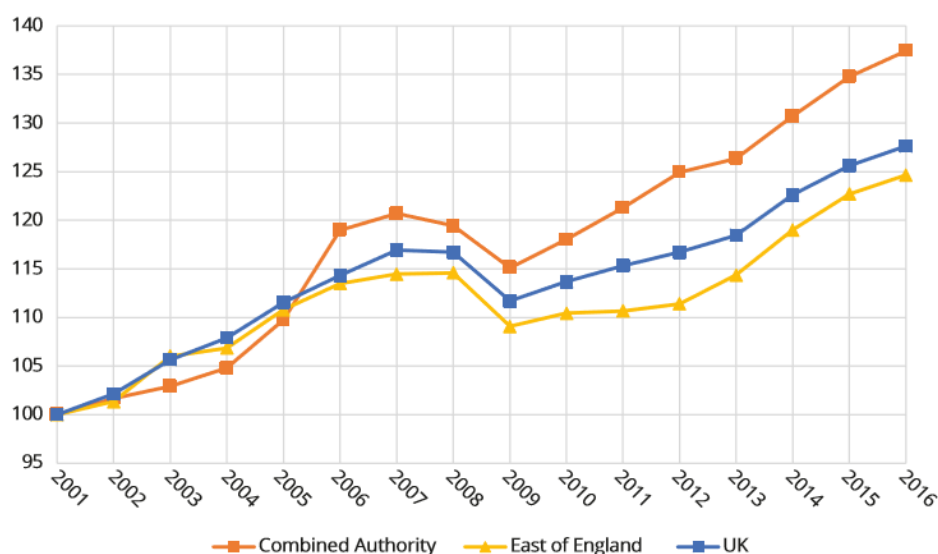
A detailed understanding of the economy of Cambridgeshire and Peterborough is the keystone of this Local Industrial Strategy. This is found in the Cambridgeshire and Peterborough Independent Economic Review (CPIER). This was developed to inform the Combined Authority of the nature of the economy, developing trends, and issues to be addressed. To ensure this was impartial, an independent commission was set up to chair it, led by economist Dame Kate Barker. Others on the Commission included business people and academics with specialist expertise relevant to the work. Much of the detail that sits behind the key economic features identified here can be found in the review (which is also informing the delivery of other key local plans like the Combined Authority's Local Transport Plan and the Non-Statutory Strategic Spatial Framework).

Base engine - strong business performance

Businesses in the area are performing strongly. Employment growth has been strong, and, as revealed by independent analysis of all registered businesses in the area, significantly outpacing official sample-based figures, by as much as 1% per annum. This is true not only of the urban hotspots of Greater Cambridge and Peterborough, but right across Cambridgeshire and Peterborough.

This has translated into strong growth in output, as measured by Gross Value Added (GVA). Strikingly, the region has bucked the wider regional trend of the East of England, to *outperform* the UK.

Figure 3 Real Gross Value Added (GVA) – index – 2001=100



An Inclusive Growth Challenge

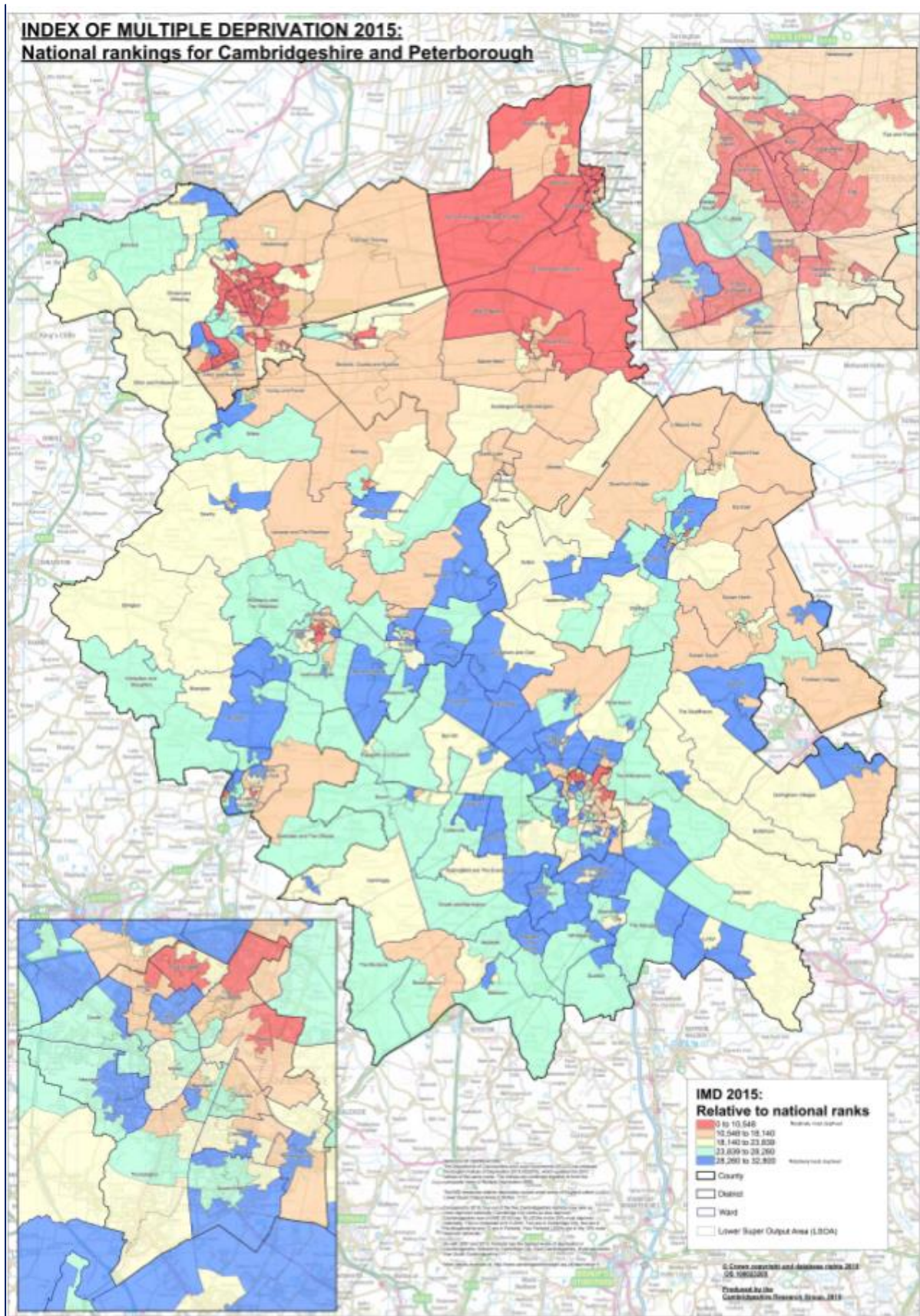
Despite business growth having been strong everywhere recently, the benefits have not been felt across the whole region in the same way. The economy of Greater Cambridge has been performing the most strongly. The positive effects of this have been felt in some of the Greater Cambridge ecosystem, with market towns such as Ely and St Ives benefiting. However, further north the effects are not being felt. Wages are notably lower in the northern districts of Peterborough and Fenland than the southern districts of Cambridge and South Cambridgeshire. There are related challenges of poorer health and education outcomes, with healthy life expectancy falling below the retirement age in some parts of the north of the Combined Authority.

This can be seen clearly through the Indexes of Multiple Deprivation with strong contrasts within and across the county between areas ranked amongst the best (blue) and the worst (red) in the country.¹²

In many ways, the area is a microcosm of the UK as a whole. It has a prosperous south, based around one principle city, which receives the majority of foreign investment and attracts high value companies and talent from across the world. International evidence increasingly shows that this concentration of growth leads to both high living standards *and* significant inequality. Further north, there is much industry and innovation, but while there are many success stories, business investment, skill levels and wages are lower.

¹² <http://cambridgeshire.wpengine.com/wp-content/uploads/2017/08/Cambridgeshire-and-Peterborough-2015-IMD-Map.pdf>

Figure 4 Index of multiple deprivation

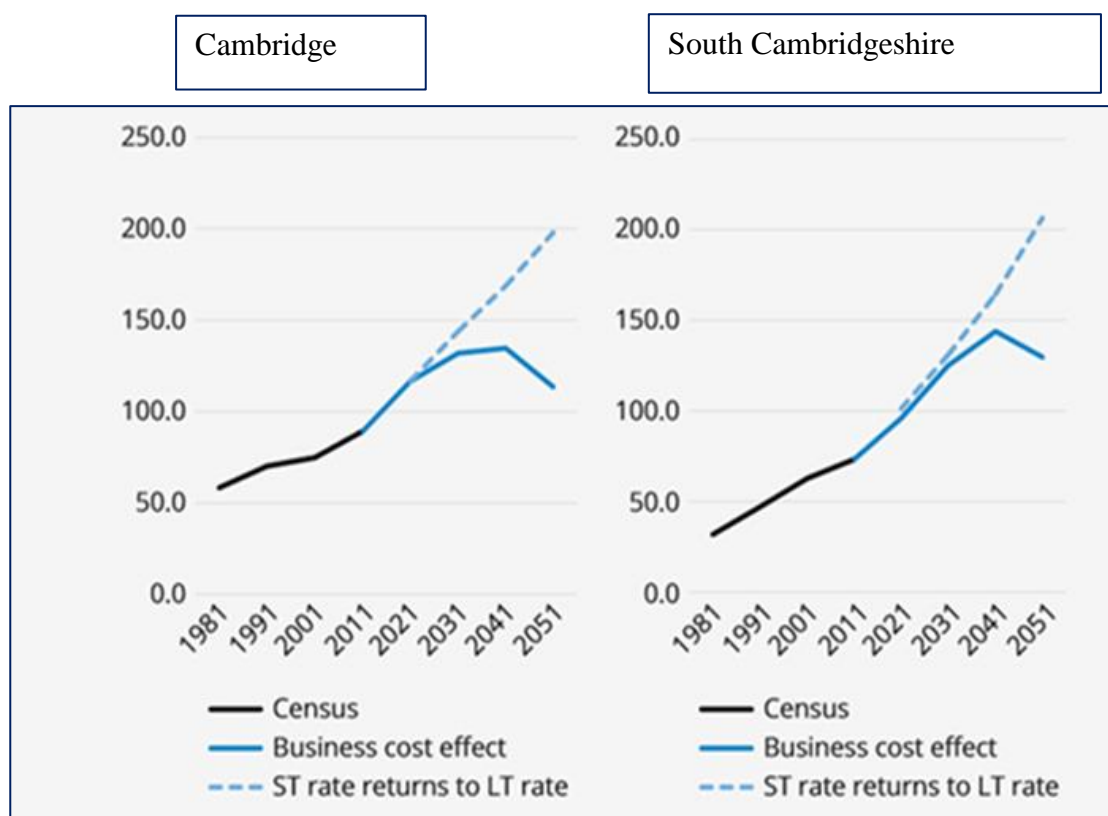


Significant risks to UK industrial success

The CPIER also identified a significant risk to the national economy if transport infrastructure and housing issues were not tackled in the Greater Cambridge area. The report also recognises the ongoing impacts of climate change, coupled with future growth and a rising population across the area will add further stress to the area's environmental infrastructure and natural environment. Advanced land use and transport modelling from the University of Cambridge (similar to that carried out for some of London's bigger transport projects) has shown that, on current rates of transport infrastructure development and housing delivery, the growth of the economy will slow, before eventually going into reverse within 10-15 years. This leads the CPIER to make its seventh key recommendation, that "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". Energy infrastructure is also at capacity around Cambridge, severely hampering our ability to build new science facilities. Securing its future success will ensure Greater Cambridge can remain a global leader in innovation and the commercialisation of new ideas and an internationally recognised centre for artificial intelligence, life sciences, food production and advanced manufacturing.

University of Cambridge modelling: employment growth set to stall in the medium-term, and go into reverse in the long-term.

Figure 5 Employment Growth



Sectoral Strengths and Specialisms

The detailed evidence base created for the CPIER shows that Cambridgeshire and Peterborough have specialisms in high-productivity, high value added, sectors.

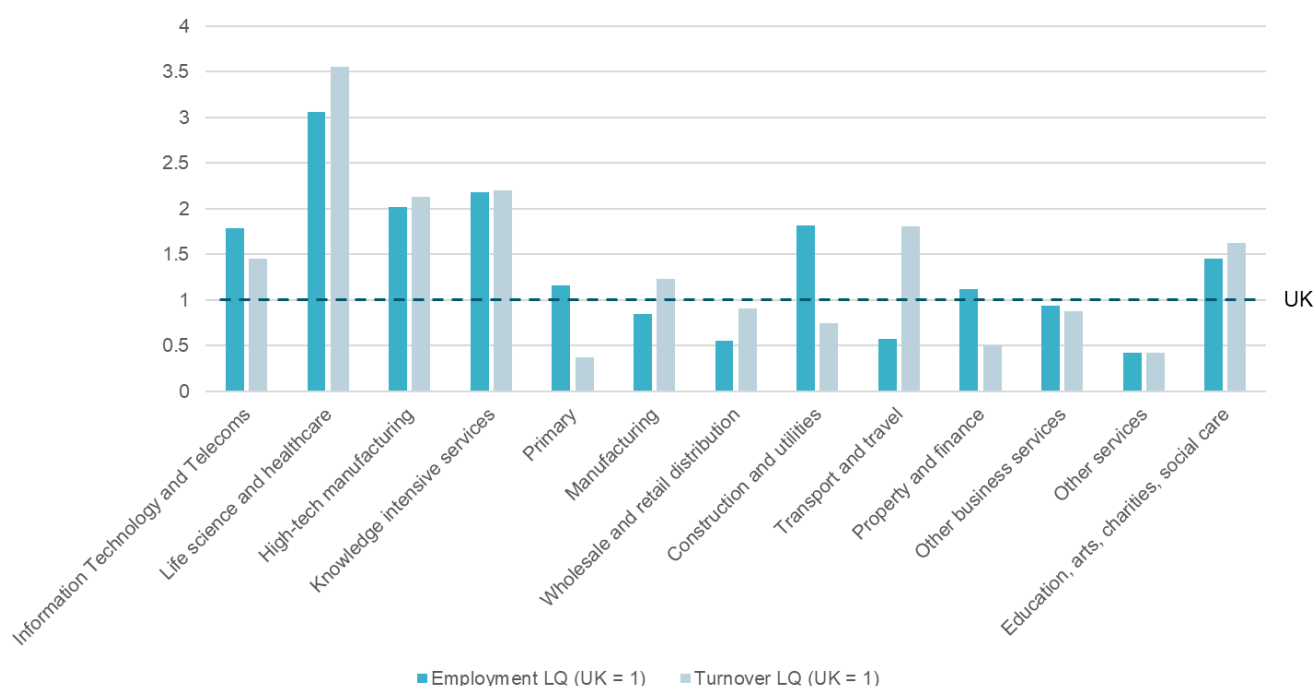
The area is strong in sectors which directly contribute towards the UK's Grand Challenges and are important global growth markets. Based on a combination of existing strength and future growth opportunities, four strategic growth sectors have been identified:

- life sciences;
- digital and IT (including AI);
- advanced manufacturing and materials; and
- agri-tech

These have been used as a basis for recruitment of industry leaders to the new Business Board, and for each a sector growth strategy will be co-produced between businesses and the Combined Authority. These will sit as part of the Local Industrial Strategy framework and will make recommendations for the consideration of the public sector and businesses alike.

The diagram below shows local specialisations in terms of employment and total turnover compared to the UK in a range of business sectors.

Figure 6 Location Quotients for employment and turnover in businesses in Cambridgeshire and Peterborough



Source: University of Cambridge Centre for Business Research

Life Sciences

Life sciences is one of the UK's greatest business strengths, and the reach of the biomedical industry in Greater Cambridge, and increasingly Huntingdon, is international. This cluster is worth around £3bn annually to the UK economy, encompassing over 430 companies and employing over 15,000 people. The growth of Greater Cambridge is therefore intrinsically linked to the future success of this cluster. The Government announced £45m investment for cloud computing software at the European Bioinformatics Institute in Cambridge, in the Spring Statement¹³, in support of this.

The Greater Cambridge cluster is the global HQ of AstraZeneca, with a market cap of c. \$100bn, and also has the presence of other global industry leaders such as GlaxoSmithKline and Envigo. World-leading genomics firm Illumina has recently completed a £150m new facility at Granta Park.

The sector covers a wide variety of interrelated fields, including pharmaceuticals, genomics, and biodata. Local industry generates numerous spin-outs with innovative products, including Abcam (which offers research tools into proteins and other chemicals), Crescendo Biologics (therapeutics in oncology) and Kymab (developing antibody technologies).

The Science Industry Partnership, which brings employers together with government to provide vocational skills needed for the science industry, is launching its first local programme in Cambridgeshire. Apprenticeship standards for the bioinformatics sector and other key sectors are being developed.

Case Study: Cambridge Centre for Ageing and Neuroscience (Cam-CAN)

The Cambridge Centre for Ageing and Neuroscience (Cam-CAN) is a large-scale collaborative research project, launched in October 2010, with substantial funding from the Biotechnology and Biological Sciences Research Council (BBSRC). The Cam-CAN project is using epidemiological, behavioural, and neuroimaging data to understand how individuals can best retain cognitive abilities into old age.

¹³

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/785618/WMS_final_Commons.pdf

Case Study: Positive Ageing Research Institute (Anglia Ruskin University)

The Positive Ageing Research Institute (PARI), is a cross-faculty multidisciplinary institute involving over 130 academics from across Anglia Ruskin University.

The institute brings together a multi-disciplinary team representing diverse disciplines. Our common interests in ageing unites us together with practitioners, local authorities, industry, and voluntary organisations.

Through innovations local partners aim to bring greater sustainability to technology-enabled health services, in order to create business opportunities and economic growth.

Life science opportunities

Greater Cambridge is a global centre of life sciences that will increasingly grow across Huntingdonshire and be connected to a wider cluster operating across the OxCam Arc. Local partners in Cambridgeshire and Peterborough will continue to deepen the connectivity between research, industry, and the public sector (especially the hospitals), with a specific focus on addressing the Ageing Society Grand Challenge. This will include the creation of an Innovation Launchpad, based on pioneering business scale-up approaches already proven in California, partnering with a global player to help start-ups and scale-ups get access to customers and markets world-wide. It will pioneer new approaches in Digital Health, using the local area as a testbed for innovation. A Life Sciences Accelerator Scheme and key infrastructure improvements – such as the A505 and Cambridge South Station – are particularly crucial for this sector.

Agri-tech

The Cambridgeshire and Peterborough area (and the wider East of England) is one of the most fertile soils regions in the UK and is home to many progressive and international farmers, ground-breaking technologists and innovative companies across the food and drink value chain as well as centres of world-leading research. The management of and confidence in key data, including the associated analysis and interpretation for aiding reliable decision making will become ever more important. There is untapped potential opportunities in the Fens and across the local area for growing and strengthening this sector specialism, and by creating better connections with local clusters in clean growth, advanced manufacturing, AI and machine learning – collectively tackling other key policy agendas in the UK and on a global stage such as healthy ageing, nutrition and well-being. A big opportunity within this is to develop new career opportunities as part of the devolved local skills system.

Agri-tech in this region is increasingly operating as a successful innovation ecosystem. An example of this is Agri-Tech East, which brings closer collaboration between the scientific and research community and the businesses (including farmers and growers), operating across the supply chain. The Cambridgeshire and

Peterborough Combined Authority has also recently established a venture capital fund Cambridge Agri-tech to support businesses to grow. There is now a need to build on existing partnerships with other geographical areas.

38,000 people are currently employed in the agri-tech sector in the local economy, generating approximately £4bn of economic value per annum. Agri-tech opportunities were highlighted by the CPIER and the sector is forecast to grow by over 10% over the next ten years. The local agri-tech cluster has internationally significant research and development in both agriculture and food. This research base is also a significant provider of post graduate training with a global reputation and creates a significant market for those with higher level skills and qualifications. The strength and breadth of the research base is built on a highly skilled, international workforce, attracted to Cambridgeshire by the reputation of centres such as NIAB and the University of Cambridge. Firms in the economy have expertise in sensors, robotics, genomics and communications and are at the forefront of ideas and commercial applications that are shaping the food production in the UK and globally. Automation provides opportunities for economies of scale to increase the efficiency with which food and drink is produced, and new career opportunities are developing in engineering; robotics; software development and producing algorithms.

Agri-tech opportunities

The ambition is to support further growth in pioneering R&D in plant science and precision agriculture, including crop bioscience, engineering/robotics and ICT-based systems. This will be achieved as part of a regional offer which connected with New Anglia (through an expansion of the joint Eastern Agri-tech Growth Initiative), the Oxford-Cambridge Arc, Greater Lincolnshire LEP and other partners.

Innovative ecosystem will be further strengthened, including by working with networks like Agri-tech East, developing new skills provision and building upon the emerging local presence of venture capital and investment funds.

The Combined Authority will develop and fund an Innovation Launchpad facility, or facilities, which offer new locations for businesses, research institutes, incubators and other key players to co-locate to support the development of innovation ecosystems. Agri-tech is one of the area's strategic growth sectors which does not yet have central agglomerations which will be a key ingredient in its future success.

Case Study: NIAB Innovation Hub @ Soham

The Innovation Hub is a purpose-built facility in the heart of the Fens, facilitated by funding from the Eastern Agri-tech Growth Initiative (Local Growth Fund). This unique centre managed by NIAB has a particular focus on fresh produce.

Welcoming farmers and growers, food businesses, and other users wishing to engage in applied research work to reduce or re-use all forms of waste in the food supply chain and improve resource use efficiency in its production. Research and trial activity includes:

- Waste reduction — healthy soils, crop production, field and post harvest storage
- Waste management — packing, processing and alternative uses and markets
- Increase value or application potential for new products from waste streams
- Identifying opportunities to recycle waste or generate energy and co-products
- Target total and marketable field losses, due to weather, pests and diseases or other damage
- Reduce loss of quality or specification in store due to crop physiology, disease or storage conditions

Digital, IT and Artificial Intelligence

The vibrancy and technological expertise of the Cambridgeshire and Peterborough area digital sector is a significant reason for the area's international attractiveness.

The sector delivers almost 9% of the area's revenue and 8% of employment.

Furthermore, it is the fastest growing knowledge intensive sector, increasing 10.4% over the last three years (compared to 6.6% for KI as a whole). Foreign Direct Investment (FDI) into the area and sector is strong and when these projects occur, they generate twice the proportion of jobs than ICT FDI more generally across the UK.

A well-known example, ARM, was started in Cambridge with fewer than twenty employees and has grown into a global player valued at £24bn in 2016. This is one reason why Greater Cambridge is an internationally recognised centre for AI and digital technology innovation, with Cambridge University among the top five globally in this area.

Academic and home-grown success has led to major private investment too.

Microsoft established their first non-US research centre in Cambridge in 1997, followed by Apple, Amazon, Samsung and others. Last year, Cambridge was a key part of the £1bn invested in UK AI start-ups. Venture funding of £170m was invested in *Darktrace*, £140m in *BenevolentAI*, and £50m in *Featurespace*, and the number of spinouts from the University continues to rise with start ups such as *Prowler.io*, *Cytora*, *AudioTelligence* and *Intelligens*.

Companies such as the NASA spinout Beyond Limits choosing Cambridge for their international headquarters whilst Cambridge has recently secured a major expansion by Bristol-based Graphcore which designs chips used for AI. More widely, firms are supported in the innovative growth by numerous technological assets, key amongst which is the new AI Supercomputer which is being used to support AI companies in developing next generation solutions.

The inter-relationship between digital and the other Local Industrial Strategy strategic growth sectors can be neatly demonstrated by the 2018 decision of one of Europe's biggest AI firm – BenevolentAI – to acquire a drug discovery and development facility at the Babraham Research Campus in Greater Cambridge, to dramatically speed up drug discovery.

Digital and IT opportunities

The opportunity is to establish Greater Cambridge and the Oxford to Cambridge Arc as the preferred global base for firms from across the world to create and adopt the technologies of tomorrow, offering businesses exceptional talent at all levels and a highly networked ecosystem that has global impact. As part of this, the Combined Authority will host a global AI conference in Greater Cambridge. This represents a significant opportunity to increase the sector's growth both within the local economy and across the Oxford to Cambridge Arc and the UK. It will not be just the digital sector that benefits from this growth, but all vertical markets who can increase efficiency and deliver advanced benefits to customers through the adoption of cutting-edge technology products and services such as big data, artificial intelligence, robotics and next generation connectivity solutions.

Advanced Manufacturing and Materials

Specialisms and strengths in this sector exist across all of the three economies of Cambridgeshire and Peterborough, with an overall strength of this region being the practical application of innovation in cutting edge commercial products.

Peterborough has a strong manufacturing history, large firms such as Caterpillar have engineering bases there as well as a number of cutting-edge smaller firms, such as Radical Sports Cars. 20% of business turnover generated in Peterborough comes from high-tech manufacturing (with a further 6% stemming from other manufacturing).

Prototype fabrications for the first Magnetic resonance imaging (MRI) machines were built at Chatteris in the Fens, and Stainless Metalcraft continues to produce high-end scientific products, such as cryostats, chambers that can maintain very low temperatures. Composites are a particular strength in the west of the area, with Forward Composites, Paxford Composites and Codem Composites based in and

around Huntingdon, producing alternatives to steel and aluminium for aerospace, motorsport and other industries.

Greater Cambridge is home to leading firms such as Marshalls Aerospace and Hexcel Composites, as well as major industry research institutions such as TWI (The Welding Institute), the Cambridge Graphene Centre, and the Institute for Manufacturing (IfM) operating across the whole country as well as with firms locally. Greater Cambridge also acts as a successful spin out engine to the rest of the UK, with innovations such as metalysis created there and scaled elsewhere.

Hubs of manufacturing also exist within Cambridgeshire's Market Towns, such as St Neots. The St Neots Masterplan for Growth identifies how the manufacturing base – which includes firms such as Sealed Air – can act as a contributor to the growth of the sector within the OxCam Arc, making use of new connectivity brought about by East-West Rail, the A428 Upgrade, and the CAM Metro.

Advanced Manufacturing opportunities

Advanced manufacturing and materials is a broad sector that contains many subsets and will play a myriad of roles across the future growth of the Cambridgeshire and Peterborough economy. The East of England Science and Innovation Audit of 2017 found this sector to be “of foundational importance to the other themes” (namely life sciences, agri-tech and ICT). But alongside its “foundational” importance, it has institutions and features which bond it together as a sector in its own right, and which this Local Industrial Strategy will support specifically to grow.

This opportunity covers the whole of Cambridgeshire and Peterborough, where the existing base engine of firms can be supported to grow into bigger clusters and eco-systems with interventions such as a new Innovation Launchpad, the Growth Service, the proposed new university in Peterborough, and the development of a Fens Business Network. Drawing on skills and capabilities that already exist in some hotspots, the Combined Authority can provide impetus to development of advanced manufacturing across the region. A specific opportunity lies in scale-up, developing facilities closely coupled to local Universities where technologies can be developed and taken through the early stages of commercialisation. There is scope to pilot this idea on the West Cambridge site, in collaboration with the Institute for Manufacturing and the wider Engineering Department. There is also an opportunity to collaborate with other centres of excellence in advanced materials – such as Greater Manchester and CPI in Tees Valley – to grow the UK's strengths in this technology. As part of the Growth Service the Combined Authority will seek to create Scale-Up Engines to support early stage commercialisation.

Key Supporting sectors

Five supporting sectors have been identified where local strengths exist and where local partners can build upon the strong market position to create business growth and increase the sustainability of the local economy further.

- **Logistics.** The connectedness of parts of Cambridgeshire and Peterborough to the UK transport network means it plays a significant part in the UK logistics sector. In particular, Peterborough has a base on the A1, which has attracted many firms to establish distribution centres there, including Amazon. Due to the expansion of online shopping, this industry is likely to both grow and change in future as new methods of transport and distribution become available. However, to ensure the city continues to be attractive and to capture the growth in this sector suitable sites need to be allocated and developed offering both good motorway connections and access to the local labour force. Local partners will consider options to provide more and better logistics commercial space on the A1 West (Haddon) at Peterborough, where additional, contiguous housing is being developed around the Ortons, as this could provide a significant opportunity for improving the city's GVA performance.
- **Health and Social Care.** With almost 30,000 staff working in health and social care in Cambridgeshire and Peterborough, the sector is a significant part of the economy, with long-term potential for growth and productivity gains through the adoption of new technologies and techniques. Working with existing organisations, such as Cambridge University Health Partners, we can develop closer local links between R&D and early stage product and therapy development in life sciences and the local health and care system, opportunities exist to drive commercial and health benefits locally as well as globally. The impact of the local health and social care sector on the wider inclusion and growth goals is also crucial. It benefits everyone to keep staff well, and there is good evidence that there are opportunities for better using employee assistant schemes and occupational health schemes to keep people in work and reduce pressure on the care system.
- **Education.** Education is a key UK export. Recent Department for Education statistics found the value of UK education-related exports to be £18.8bn in 2014. This figure had grown by 18% since 2010¹⁴. The University of Cambridge's reputation attracts many students from abroad – when these spend money in the UK, it registers as an export contribution to the national economy. The region is home to other key higher and further education institutions including Anglia Ruskin University, and the College of West Anglia. Due to the prestige of Cambridge, there are numerous language schools, and colleges offering preparatory courses, which attract students from around the world.
- **Visitor Economy and Business Tourism.** The area is home to key visitor attractions such as Ely Cathedral and the city of Cambridge which make a significant contribution to the local economy and natural assets including Wicken Fen and the Great Fen Project are increasingly important to the visitor offer.

¹⁴ Department for Education: UK revenue from education related exports and transnational education activity 2010-2014 (released July 2017)

However, Cambridge struggles with the weight of tourist attraction at times, and like many world cities, “over-tourism” is a risk. Many of the market towns and villages surrounding Cambridge have rich visitor opportunities, which if developed into a more coordinated offer can bring in revenue and create real economic opportunities. Business tourism is very important as well and has an important impact on the growth and productivity of other sectors in the economy, especially in knowledge intensive industries. In Greater Cambridge a lack of large conference facilities hampers potential growth here, as international enquires are turned away due to the lack of sufficient capacity.

- **Construction.** Much of the development in Cambridgeshire and Peterborough is fuelling strong growth in the construction sector. This gives an important opportunity to drive productivity and growth across the sector, adopting new techniques and technologies. The local area has numerous examples of good building quality, such as the University of Cambridge’s development at Eddington, which reuses surface level water, reducing wastage and minimising flood risk. Government has also invested in the Centre for Digital Built Britain at Cambridge University, a core partner in the Construction Innovation Hub designed to support the transformation of the construction sector, and the Construction Industry Training Board (CITB) is relocating to Peterborough.

The subsequent sections of this strategy set out the actions that will be taken against each of the foundations of productivity to support further business growth and productivity gains, building on local existing strengths and emerging trends. These actions will support all sectors.

Ideas

Our ambition is to deliver an economy wide place-based innovation and growth ecosystem.

Cambridgeshire and Peterborough is a global centre of highly diverse and successful innovation, representing one of the UK's greatest assets for idea generation and commercialisation. Research and Development funding by UK Research and Innovation in the UK is the highest outside of London within Cambridgeshire and Peterborough¹⁵. Its future success is key to the UK achieving the commitment set out in the Industrial Strategy of 2.4 per cent of GDP invested in R&D by 2027, and 3 per cent in the longer term.

The priorities and interventions of this Local Industrial Strategy are collectively intended to maximise the potential of some of this area's greatest assets, through enabling the future success of the local centres of innovation – most notably Greater Cambridge – whilst also actively working to spread innovation across more of the economy, moving firms and sectors up the value chain.

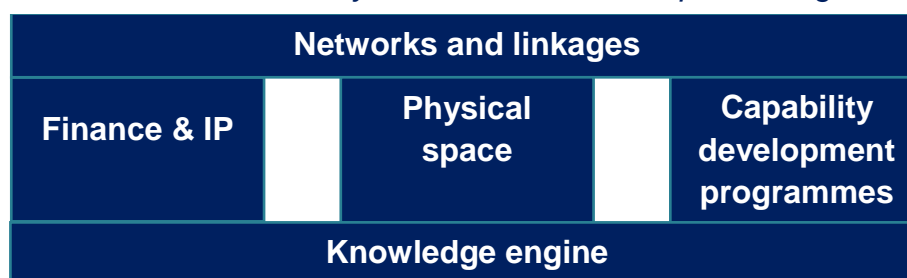
To achieve this, the evidence and recommendations from the CPIER and the 2017 East of England Science and Innovation Audit have been taken into account and interventions have been tailored in ways that will support clusters of innovation to grow and that are bespoke to places and sectors.

Evidence and Barriers

Productivity growth is heavily dependent on the introduction of innovative new products and services and the ideas and the circumstances which give rise to them. Whilst much process innovation happens in situ in offices and laboratories in companies wherever they are, the nature of innovation is changing more generally in a way that is becoming more context sensitive. If the major innovations of the motor age happened in a handful of places and a small number of large companies, the model of today is more complex, diverse and more broadly based. So, place matters intrinsically for innovation.

¹⁵ http://smartspecialisationhub.org/wp-content/uploads/2019/01/2.4-PLACE.pdf?utm_source=Newsletter+subscribers&utm_campaign=5bb89dc02c-EMAIL_CAMPAIGN_2019_01_14_11_13_COPY_01&utm_medium=email&utm_term=0_5ba091826c-5bb89dc02c-206124285

Figure 7 The Innovation Ecosystem model as developed through the CPIER



Greater Cambridge is one of the world's most effective and diverse innovation systems. Innovation ecosystems need knowledge engines that drive development. These include research institutions like universities at the high end, and education providers at an earlier point in the system. It also includes the businesses, professional service advisors, and supply chains which generate clusters of specialisms that draw in interest and expertise.

Across Cambridgeshire and Peterborough this knowledge engine operates to the highest of levels within Greater Cambridge. The University of Cambridge provides one of the best research institutions in the world, and a pivotal anchor for innovation in the city and beyond. Combined with the area's private R&D labs and public sector research establishments such as the Medical Research Council Laboratory of Molecular Biology, this provides the region with a formidable research base.

Knowledge institutions can be found in other clusters in various stages of maturity, such as the recent Agri-tech Innovation Hub, sponsored by the National Institute of Agricultural Botany (NIAB), which was brought forward with Local Enterprise Partnership investment. The Combined Authority proposals for a new university in Peterborough could, over time, become the knowledge engine in the north of the region.

This model of innovation sees the knowledge engine as the foundation for three pillars of policy, namely finance and intellectual property, physical space and capability development programmes.

The picture on availability of, and access to, finance and intellectual property is mixed. Cambridge has a deep pool of early stage finance through the likes of Cambridge Angels and Cambridge Capital Group, but even here firms report low levels of access to scale up capital and growth strategy support. The University is seeking to address this market failure by supporting Cambridge Innovation Capital and private sector investors – such as Amadeus and Ahren – are important players, but elsewhere there is a lack both of seed finance and an absence of the collaborative approach to innovation which seems to be so important a part of Cambridge's success.

The requirements for physical space, like finance, have stages. What a business needs in its start-up phase is different to its needs as it matures and grows. It is

vital, if an innovation ecosystem is to be effective for there to be variety and availability at every stage. There is evidence that Greater Cambridge could benefit from more start up and particularly scale up space, which are less likely to attract private sector funding given the risk profile and need for more commercially focussed wet labs for product development and testing. The Combined Authority and Greater Cambridge Partnership are working to support this. Peterborough has a significant shortage of business space and especially incubator space, important to encourage entrepreneurs to set up and locate. The Fens lack suitable move on space and also the tailored innovative spaces that can link to specific sectors and can support wider start up and innovation activity in market towns.

In terms of capability development, both the finance and property offers in Greater Cambridge are more developed than those elsewhere. In Peterborough there is need which could be met linked to the proposed new university and growth support proposed through the Mayor's Endowment for Global Growth (EGG). The Fens are similarly in need – focused on sectors including Agri-Tech and Advanced Manufacturing. One key reason for the differential development of the areas which reflects the strength of the innovation and growth eco-systems in each area is the strength of networks and linkages in each area. Cambridge has highly effective networks: the links between incubators, venture capital, mentors and entrepreneurs are essential to the 'Cambridge Phenomenon'. In Peterborough there is greater a need to establish the sort of functional mentoring, advisory, coaching and supply chain networks that have made Cambridge so successful. The Fens needs to encourage firms who compete to collaborate and build knowledge.

Ideas Interventions

Ideas Ambition: To deliver an economy wide place-based innovation and growth eco-system.

To drive progress towards achieving this priority, Cambridgeshire and Peterborough will:

- Improve networking and linkages:
 - Establish the Innovate 2 Grow Network, bringing together leading entrepreneurs, innovators, mentors and coaches with growing firms to strengthen linkages across the area
 - Establish new networks and strengthen existing networks in specific towns and cities, aiding these new groups to access funding such as the forthcoming UK Shared Prosperity Fund
 - Support businesses, universities and other partners to collaborate to maximise public and private investment, including R&D funding in the four major growth opportunities identified above and to support the supply chain innovation which will be needed across many sectors.
 - Establishing a Fens Business Network
- Improve funding for Intellectual Property exploitation:

- Launch the Mayoral Innovation and Growth Investment Fund. Providing equity and loan investment to firms already accessing growth coaching and support to break into global markets and transform their productivity through innovation
- Expansion of the Eastern Agri-tech Research, Development and Prototyping Growth Initiative, enabling direct funding support to more firms
- Establishing an SME Innovate 2 Grow Fund to promote R&D, innovation and commercialisation of ideas – offering match funding to SMEs to write bids to access R&D and innovation grants
- Improve the amount of physical space for businesses to set up and grow, including:
 - The creation of at least four new Innovation Launchpads. These will be the nucleation points for innovation cluster development. Focussing on product development to support key growth sectors – bringing together established firms with training, R&D, and incubation facilities. These will be focused on key sectors such as agri-tech, artificial intelligence and advanced manufacturing innovation
 - Supporting new start up, incubation, and scale-up space where market failures are identified
- Introduce new programmes of support for businesses
 - Developing an economy-wide innovation and growth support eco-system, harnessing the growth, innovation and productivity expertise within the Knowledge Engine of Cambridge to create 1,000 Global Growth Champions.
 - Establishing Micro Innovation Systems in market towns, in specific locations to be identified by the Market Town Strategies, that integrate the improved business networking infrastructure local partners propose to create, with the global Growth Champion support services, the proposed growth investment funding into specific new market town business growth space
 - Create a Cambridge Experiments Fund (CEF) to support innovation in the Cambridge Innovation ecosystem.

Working with local partners across the Arc Cambridgeshire and Peterborough will also:

- Harness the collective strength of the Arc's research base will be essential. The new Arc Universities Group will act as the focal point from cross-Arc collaboration on science and research, identifying and delivering joint R&D projects and providing a pipeline of talent to knowledge-intensive businesses.
- Strengthen its ability for businesses to commercialise ideas coming out of its universities and others. Key to this will be a network of 'Living Laboratories' that both trial technologies linked to new developments across the Arc and help address the Grand Challenges. Arc partners will also use assets such as Harwell, Silverstone and Cranfield to establish new networks that support the convergence of technologies across sectors and seek to develop emerging districts such as West Cambridge.
- Seek to grow its role as a global research and innovation hub, acting as a UK magnet for international talent, R&D, Foreign Direct Investment and research

collaborations. The LEPs and MCA will work with the Department for International Trade, the Arc Universities Group and others to channel foreign investment in the assets and projects that will make the biggest impact on Arc-wide and UK growth.

Government is working in partnership with Cambridgeshire and Peterborough to support the delivery of this priority by:

- Agreeing a devolution deal with local partners that provides new powers over transport, planning and skills, £600m investment fund over 30 years to grow the local economy and a further £170 million to deliver new homes.
- Investing £146.7m Local Growth Fund to the area which has delivered, for example:
 - £1m investment to support a new innovation campus at the Cambridge Biomedical Campus
 - £500k investment into the Medtech Accelerator, set up to facilitate the early stage development of innovations in the broad area of medical technology
- Investing £153m to support research and innovation in Cambridgeshire and Peterborough through Innovate UK's competitive bidding rounds.
- DEFRA and Cambridgeshire and Peterborough to hold further discussions to explore opportunities to stimulate a step change in rural innovation more broadly.
- Supporting research and development of new transport systems and technologies across the Arc through investment by the Centre for Connected and Autonomous Vehicles (CCAV), the Office for Low Emission Vehicles (OLEV), UKRI, Zenzic (formerly known as Meridian Mobility) and Innovate UK.
- Working with the LEPs within the Arc and other local partners, including England's Economic Heartland, to:
 - Support the delivery of the Future of Mobility Grand Challenge mission and Road to Zero Strategy: utilising the considerable R&D assets within the Arc to put the UK at the forefront of the design and manufacturing of zero emission vehicles, with all new cars and vans effectively zero emission by 2040.
 - Build on the Arc's existing role as a testbed for new transport technologies, such as automated vehicles and drones, working with government and Zenzic to access existing research and development support, and identify further opportunities to trial new mobility services within the Arc.
 - Support local authorities within the Arc to implement the Principles of the Future of Mobility Urban Strategy, providing guidance on design and planning to ensure new communities are designed and built to enable new approaches to mobility.

People

Improve and grow the local skills' base to support a successful, globally competitive economy grounded in high-skilled and better-paid jobs, increased productivity, and growing strong, sustainable communities.

The Cambridgeshire and Peterborough Combined Authority has developed a Skills Strategy Framework that aims to improve and grow the local skills' base to support a successful, globally competitive economy grounded in high-skilled and better-paid jobs, increased productivity, and growing strong, sustainable communities. This Skills Strategy sets out the actions that will be undertaken to drive this foundation of productivity forward. It has three key themes:

- achieve a high-quality offer tailored to the needs of the three sub-economies;
- empower local people to access education and skills to participate fully in society, to raise aspirations and enhance progress into further learning or work; and
- develop a dynamic skills market that responds to the changing needs of local business.

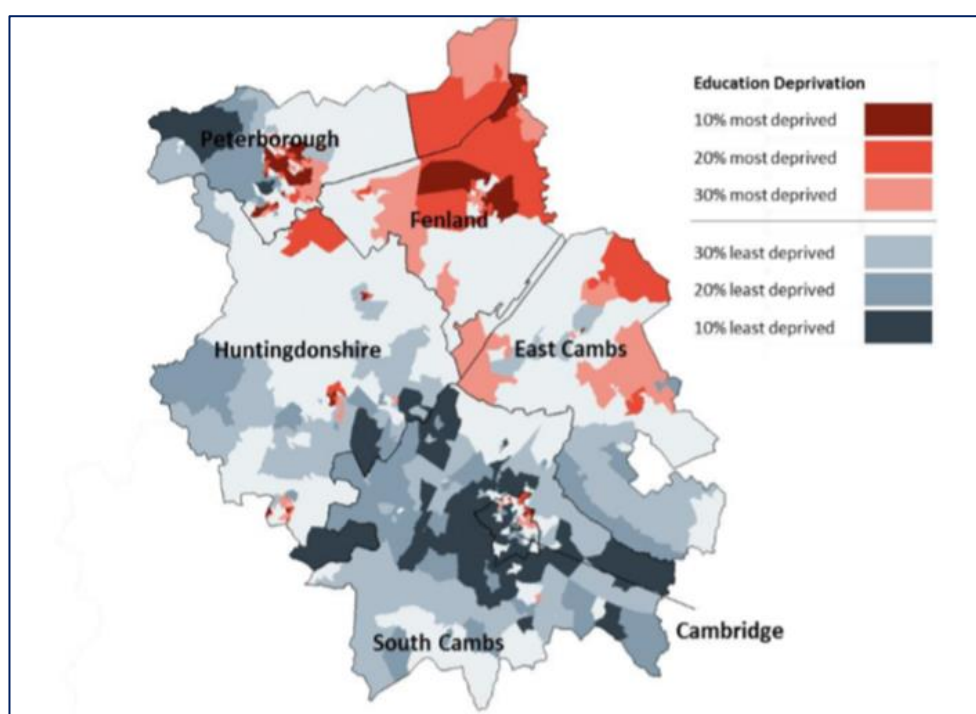
A summary of the evidence and actions of the Skills Strategy Framework follows.

Evidence and Barriers

The Cambridgeshire and Peterborough economy is largely successful – GVA growth has outpaced that in the region or nationally consistently over recent years.

But its three different sub-economies have different needs, and that is particularly true for this first Foundation of Productivity. The interface between demand for labour and places plays out in consequentially different ways. The evidence base for the area's Skills Strategy builds upon the CPIER to describe this issue in detail. Together with the Combined Authority's Public Service Reform programme, the approach to skills will involve local partners working with Government to explore ways to overcome both deep-rooted social challenges and the implications of rapid growth on local public services in the context of significantly reduced public funding.

Figure 8 Education Deprivation

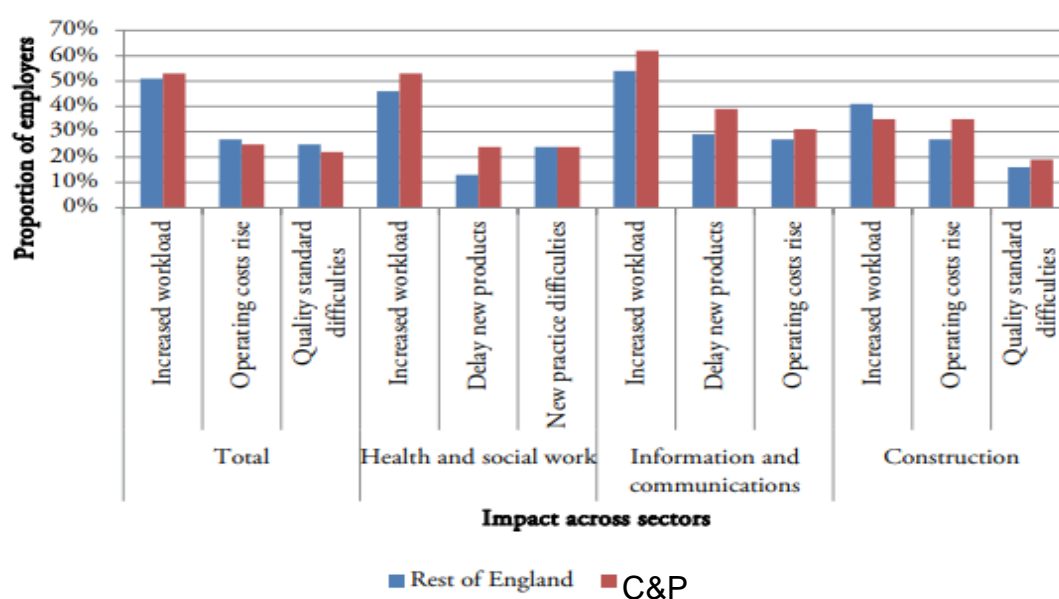


The actions in the Local Industrial Strategy and the Skills Strategy show how local partners are working across the different parts of Cambridgeshire and Peterborough, with those communities at each end of this spectrum and those in between, ensuring that the education and skills offer of the area is adapting to enable employers in each economy to get the skills and abilities they need from the resident workforce, who in turn have access to high quality and well-paid work.

Nothing is more foundational for people than their education, which is why it is important, if not central, to this Strategy. Within Cambridgeshire and Peterborough, educational outcomes are highly uneven. South Cambridgeshire has some outstanding educational outcomes for example, whilst East Cambridgeshire and Fenland score 308th and 241st respectively out of 324 Local Authorities in England – hence why Government has declared them a Social Mobility Opportunity Area. The map, above, shows how educational deprivation is unevenly spread.

If some of the schools of Cambridgeshire and Peterborough aren't equipping young people with these outcomes, they can't play their part in the economy of the area. If so, aspiration and achievement will remain low, removing the ability of FE and the Apprenticeship Levy to work in the way intended, and too much of Cambridgeshire and Peterborough will remain locked in a low skills, low pay equilibrium, structurally unable to provide the absorptive capacity the high growth areas of Greater Cambridge and Peterborough very much need. Raising educational outcomes across the whole areas is essential to rebalancing the economy of Cambridgeshire and Peterborough and the delivery of the goals in this strategy.

Figure 9 UKCES Employee Skills Survey



Technology, the rise in data driven approaches, the rapid move to servitization and new markets are rapidly changing the skills that businesses need and will continue to do so. Skilled labour shortages are in issue for many sectors, including construction, health and care, a range of STEM related firms. The CPIER shows that these shortages are having a greater impact on a wider range of businesses than in other regions and England as a whole. This includes on metrics such as increasing workload, creating higher operating costs in the IT and construction sectors, and meaning delays in new products coming forward – therefore acting to slow down innovation and business growth potential. Cambridgeshire and Peterborough partners have therefore agreed a skills strategy that focusses on the overall responsiveness of the skills system and ensuring that people of all ages have the information and training (or retraining) needed to adapt and learn new skills.

Priorities

Based on the evidence the Cambridgeshire and Peterborough Skills Strategy Framework sets out six core priorities:

- **Staff shortages in priority sectors** – improving the availability of trained staff in technical and management roles.
- **Perception vs reality** – improving the perception of some sectors and industries and improving career and vocational pathway promotion in schools and colleges.
- **Plugging the skills gaps** – improving connections between education and qualifications and skills and jobs by ensuring all young people have access to quality careers advice and guidance to make informed choices at transition points

and linking careers to curriculum to provide the support young people need to make choices at GCSE and A level.

- **Engagement in STEM subjects in schools/colleges** - embedding the importance of STEM subjects in schools/colleges to raise awareness of jobs/qualifications that are available within growth sectors including manufacturing, engineering, life sciences, agri-tech, digital IT, construction and health and social care.
- **Connecting the disconnected** - improve connections with the labour market for those that currently risk missing out, through support, transition programs, wellbeing support and community groups, with a specific focus on retraining, including for older people.
- **Improving the evidence and evaluation base** - it is imperative that local partners are highly successful through the devolved projects they currently run. Measuring impact and evaluating outcomes effectively, ensuring that the investment yields, or wherever possibly exceeds, the return expected will be essential.

People Interventions

People Ambition: Improve and grow the local skills' base to support a successful, globally competitive economy grounded in high-skilled and better-paid jobs, increased productivity, and growing strong, sustainable communities.

To drive progress towards achieving this priority, Cambridgeshire and Peterborough will:

- Establish the Skills Advisory Panel to provide local labour market intelligence to support adult funding decisions and engagement with providers.
- Implement changes to the devolved Adult Education budget to change how it is invested and the related outcomes for individual opportunity and business needs.
- Undertake an in-depth evaluation of actions being taken as part of the Opportunity Area in Fenland and East Cambridgeshire, to inform future interventions which may be developed through focussed work on market towns in the area.
- Develop a Work Readiness and Aspiration Pilot: intensive interaction in schools in areas of deprivation, to reduce NEETs. Subject to independent evaluation of the pilot, the plan will be for expansion beyond the small number of schools currently engaged, to an economy-wide scheme.
- Create a Skills, Talent and Apprenticeship Hub: connecting employers, providers, and learners.

- Create a Skills Brokerage Service, bringing together demand and supply through a new dedicated service.
- Establish an Apprenticeship Ambassador Network, a voluntary network of business champions encouraging businesses to overcome reticence to create apprenticeships and encourage uptake.
- Introduce a Mayor's Apprenticeship Challenge Fund, offering financial incentives to help overcome barriers to people taking up apprenticeships, including help with travel costs and expenses.
- Provide sector specific support by continuing to deliver the CITB Construction Hub to provide on-site training for workers from declining sectors and military veterans.
- Look at scope to create a new university in Peterborough, that will attract highly skilled, productive individuals to the city, and develop the skills of the local population.

Working with local partners across the Arc Cambridgeshire and Peterborough will also:

- Review labour market intelligence across the Arc, to gain a better understanding of how skills provision is currently delivered and funding utilised. This will include working closely with the Department for Education and providers across the Arc to consider how local provision supports the objectives set out throughout these strategies.
- Work with local employers to increase apprenticeship uptake across the Arc, supporting employers to maximise their Apprenticeship Levy contributions and drive social mobility.
- Work with local employers to support the effective role of T-Levels and utilise local labour market intelligence to work with providers to consider how the local T-Level offer will support local businesses.
- Establish an Arc-wide skills marketplace, enabling the LEPs continue to build on the positive working relationships with the Careers Enterprise Company and other careers services. This will utilise the evidence provided by each Skills Advisory Panel, connecting businesses with skills providers and people with targeted support including apprenticeships, STEM skills, T-levels, technical and degree apprenticeships.

Government is working in partnership with Cambridgeshire and Peterborough to support the delivery of this priority by:

- Agreeing a devolution deal with local partners that provides new powers over transport, planning and skills, £600m investment fund over 30 years to grow the local economy and a further £170 million to deliver new homes.
- Devolving the Adult Education Budget to Cambridgeshire and Peterborough.
- Developing innovative approaches to improve the functioning of the Apprenticeship Levy, including:
 - Providing access to key employer data for the Apprenticeship Levy, via the Education Skills and Funding Agency (ESFA), to support the CPCA

to create a virtual levy pooling mechanism which will enable levy transfer into more SMEs in sector supply chains and clusters. This would include enabling the Combined Authority to act as an agent for the levy employers, on the ESFA System, to manage their 25% of funding through to more SMEs.

- Working with EFSA to develop and implement a letter of guarantee and reassurance to mitigate against any liability, reputation or PR related concerns, for Levy Employers using their 'Levy Transfer' to support SMEs. This would enable the CPCA to create a Levy Pledge from those employers that could be used to enable more SMEs to take on apprentices than currently do so, under current funding regimes.
- Resourcing skills brokerage to enable an OxCam ARC-wide Levy Pooling Mechanism to connect SMEs with talent and delegated levy funding via the Levy Transfer.
- Implementing the Work and Health Programme, a collaborative initiative between Government (through the Department of Health and the Department of Work and Pensions) and places to support people to find and keep a job.
- Funding the Health and Social Care Progression Academy via DWP to support progression within and across this priority sector.
- Investing £146.7m Local Growth Fund to the area which has delivered, for example;
 - A new state of the art training facility at Alconbury Weald Enterprise Zone to deliver technical, advanced and higher vocational skills in manufacturing, engineering, advanced construction and high-technology industries
 - Creation of new training facilities at West Anglia Training Association in Huntingdon, specifically a 'mock-up' motorway facility and civil engineering academy
- Subject to business case approval, support the development of a new university in Peterborough.

Infrastructure

To unlock productivity growth through infrastructure

The national Industrial Strategy notes that “having modern and accessible infrastructure throughout the country is essential to our future growth and prosperity.” The capacity of our infrastructure is the limit of what is possible – without continually updating and improving our infrastructure to meet our businesses’ needs, other attempts to boost business productivity and output will have rapidly diminishing returns. But better infrastructure doesn’t just enable. It can effect change, by giving confidence to investors and companies that the success of an area is a project the government is willing to put its money behind. And infrastructure spending should itself be considered an investment – the financial and social returns of strategic infrastructure projects will repay the initial outlay many times over.

The Devolution Deal with government has provided Cambridgeshire and Peterborough with funding and powers to deliver the locally important infrastructure needed to unlock growth. The Combined Authority has responsibility for a devolved transport budget and government also provided a further £95m from the Transforming Cities Fund, to put towards improvements in transport.

The Combined Authority and partners have recognised that infrastructure is broad issue comprising transport, housing, digital connectivity and energy. All of which are experiencing critical issues in Cambridgeshire and Peterborough that is constraining growth potential.

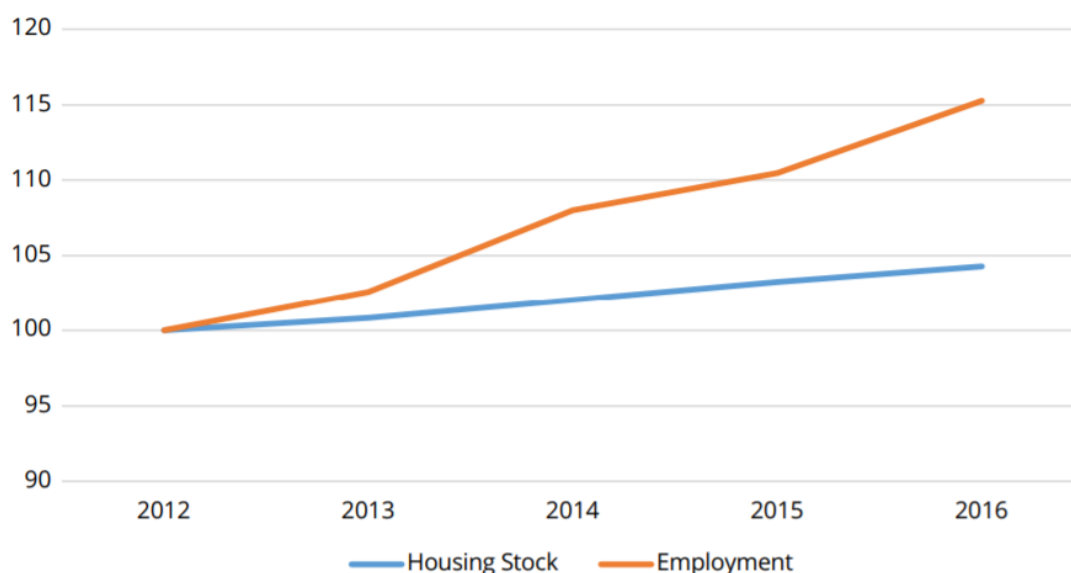
Evidence and Barriers

Insufficient infrastructure is hampering productivity growth. As part of the CPIER, a survey of businesses in the area was carried out by PWC to understand what the most important issues for them were. Poor infrastructure was repeatedly identified as a brake on growth in the area. The findings were striking and even with the Greater Cambridge Partnership’s ambitious future investment strategy, comprising c. £600m programme of transformative infrastructure up to 2031, including Phase 1 Cambridge Autonomous Metro schemes that are due to be delivered in the early 2020’s, much more is needed. Thirty per cent of businesses surveyed felt that digital infrastructure was constraining their growth. Transport was another often-cited limitation, businesses stressing that “better road networks and finding a solution to reduce traffic congestion in Cambridge” was a top priority. The clear growth in demand for transportation into Cambridge can be seen by looking at the number of entries and exits to Cambridge station, which has almost tripled since 1997/98. The travel to

work area (TTWA) of the city has “expanded since 2001 more than any other TTWA in England.”¹⁶

Closely tied to issues around transport are housing difficulties – with transport infrastructure often being key to opening up new areas for housing across the whole area. As shown in the diagram, employment growth has been consistently outpacing housing growth, especially in the south of our area. Employment growth is closely linked to demand for housing, with much of the employment need being met by people moving to the area. The CPIER identifies both the need to increase the rate of housing delivery and the need to develop housing which meets a range of needs, such as “intermediate” housing for those who don’t qualify for social housing but are unable to get on the housing ladder. These housing issues are not just important for quality of life, but have been identified as a key problem in business surveys.

Figure 10 Growth in employment and housing stock, 2012=100



To meet this need, the Cambridgeshire and Peterborough Combined Authority Housing Strategy has established a £40 million revolving fund, which allows the Combined Authority to go beyond the Devolution Deal target of 2,500 affordable homes. The Combined Authority will also use the Spatial Framework and direct investment in new settlements to encourage extra affordable housing provision, including by developing homes for first time buyers with price target based on earnings.

¹⁶ <https://www.cchpr.landecon.cam.ac.uk/Projects/Start-Year/2015/Refining-the-recent-release-of-the-ONS-Travel-To-Work-Areas/Experimental-review-of-the-Cambridge-Travel-to-Work-Area/Report>

Having the right energy infrastructure is essential for growth, able to meet the needs of our businesses and support the development of well-functioning, attractive places to live and work. Already around Cambridge, further development and growth locations are significantly constrained due to lack of electricity capacity. The expected shift towards electric vehicles (EVs) will add further pressure to the network as well as creating new opportunities. The Combined Authority also wants to ensure that improvements in energy infrastructure benefit our residents, increasing the affordability of supply and contributing to addressing fuel poverty.

Environmental infrastructure is also essential in enabling continued economic development. Over one third of the Cambridgeshire and Peterborough area is at risk of flooding, and climate change and sea level rise will exacerbate this risk. The success of the agri-food economy is also linked to water supply and waste water management. Planning and investment in flood resilience and water management delivers long term returns on investment and is essential to support continued growth.

The area's strengths in research, AI and digital will assist businesses in adapting and becoming more resilient to environmental change. The provision of significant numbers of new homes also provides the opportunity to for sustainable development, in how communities operate and through design, construction and ensuring a net gain in biodiversity.

Local partners are committed to investment in infrastructure in a way that addresses wider goals of air quality, energy provision and use, biodiversity, resilience and adaption to climate changes. This Local Industrial Strategy supports the move towards more sustainable methods of production, energy systems, water management and modes of transport. In addition it encourages businesses to adopt a natural capital approach, taking decision in the light of their net environmental impact.

Infrastructure Interventions

Infrastructure Ambition: To unlock productivity growth through infrastructure

To drive progress towards achieving this priority, Cambridgeshire and Peterborough will:

- Deliver the following locally agreed strategies:
 - Cambridgeshire and Peterborough Combined Authority Business Plan 2019-20
 - Greater South East Local Energy Strategy
 - Connecting Cambridgeshire Delivery Plan
- Continue to deliver the Greater Cambridge City Deal worth £1bn, to improve local infrastructure in Cambridge City and South Cambridgeshire.

- Progress key local infrastructure projects, notably:
 - Cambridge Autonomous Metro, the top infrastructure priority for the local economy
 - A10
 - A505
 - The full dualling of the A47
 - New stations at Cambridge South, Soham, and Alconbury serving business clusters
 - King's Dyke Crossing
 - Re-established rail connectivity between Wisbech and March
 - The Third River Crossing in Huntingdon (to unlock significant amounts of new housing land)
- Complete the Strategic Bus Review, the basis of which a Bus Task Force is being established to examine opportunities for an improved future service.
- Continue the rollout of the Smart Cities initiative to Market Towns, along with ongoing work by Connecting Cambridgeshire to increase superfast broadband coverage.

Working with local partners across the Arc Cambridgeshire and Peterborough will also:

- Collaborate with Department for Transport, Highways England, East-West Rail Company and England's Economic Heartland to expand the economic benefits of new strategic transport links and improvements to the Major Roads network across the Arc and develop the First Mile Last Mile connections to them.
- Work with government to develop a shared evidence base for the current and future energy needs of the Arc, including through the identification of opportunities to test new energy policies or approaches within the Arc.
- Work with government to identify and diffuse best practice on digital infrastructure planning in the Arc and explore opportunities to align new transport infrastructure with digital infrastructure in the Arc. This will aim to support industry to accelerate the roll-out of full fibre networks, enabling accelerated growth of 5G technologies across the Arc.
- Work to standardise public data where possible, and with support from government policy experts, to ensure that the opportunities to collect and capitalise on data are utilised – with a view to addressing Grand Challenges around the future of mobility, the ageing society, and clean growth.
- Work with government across the wider Oxford-Cambridge Arc to review proposals for new approaches to funding infrastructure, as set out in Government's response to National Infrastructure Commission Report at Autumn Statement 2018.

Government is working in partnership with Cambridgeshire and Peterborough to support the delivery of this priority by:

- Agreeing a devolution deal with local partners that provides new powers over transport, planning and skills, £600m investment fund over 30 years to grow the local economy and a further £170 million to deliver new homes.

- Investing £95m from the Transforming Cities Fund.
- Investing in significant new transport infrastructure through East-West Rail and the Expressway, and First Mile / Last Mile connectivity.
- Investing £146.7m Local Growth Fund to the area which has delivered, for example;
 - £22m to support Ely Southern Bypass
 - Improvements to Bourges Boulevard in Peterborough
- Continue to deliver the Greater Cambridge City Deal worth £1bn, to improve local infrastructure in Cambridge City and South Cambridgeshire.
- Investing £x in upgrading broadband across Cambridgeshire and Peterborough.
- Funding CPCA to develop local energy strategies and supporting implementation via the South East Energy Hub.
- Funding the Connecting Cambridgeshire programme, jointly invested into by local authorities and the Combined Authority.

Business Environment

Increase productivity, changing the spatial distribution of growth and supporting an increase in business growth and skills levels across the whole of the local economy

The evidence, challenges and opportunity

Cambridgeshire and Peterborough has a dynamic business environment. Between 2012 and 2017, there were over 25,000 businesses born here, compared to just under 20,000 businesses dying. The start-up culture and a business creation capacity is strong, but so too are the factors that make early-life business survival challenging; not least cashflow. There has been a growth in turnover of companies in the area over the last six years at least 2% per annum, with over 10% in South Cambridgeshire.

There is a good track record of supporting indigenous high growth firms, supported by dense networks in the Greater Cambridge economy between entrepreneurs across sectors, educational establishments, and the groups which have developed and play a key role on the life of the city and business environment. This is reflected in the type of business growth clustered in Greater Cambridge with agglomeration benefits around high value industries including life sciences and digital.

However, as set out in previous sections, delivering the overall growth ambitions means that action must be taken to increase productivity, changing the spatial distribution of growth and supporting an increase in business growth and skills levels across the whole of the local economy.

The historical growth dynamic must be changed. The local innovation growth hotspot of Cambridge is global in its intellectual and market reach but more localised in its economic and societal impact. Greater Cambridge has some of the highest levels of entrepreneurship, where firms are created and scaled to take advantage of new business models, new forms of business and customer value and some of the fastest growing global markets. It is home to a high concentration of high-growth technology firms enabled by a world-class innovation and growth support ecosystem.

The conditions that make Greater Cambridge a success need to be spread and replicated – primarily the peer-to-peer and commercial marketplace for innovation, growth, productivity and market access support, complemented by relatively easy access to growth finance.

A new approach to business support

Cambridgeshire and Peterborough will create a new Global Growth Service, bringing together a range of interventions to provide support to help businesses set-up and grow. This will include access to mentors, coaches, exporting expertise and new funding such as grants and loans. The Growth Hub will be the foundation for a further development of the local growth support offer and market, which local

partners will develop to provide further, targeted, growth support to firms in specific places, reflecting the need to spread growth more evenly across our cities, market towns and rural areas. The current Growth Hub will continue its role in focusing on the “long tail” of low-productivity firms, providing typically between one and three hours of light-touch support to smaller (the vast majority of current customers being micro-firms) and lower growth potential firms, ensuring inclusive support is available for all types of business. The Growth Hub will continue to remain free and impartial as the first point of contact.

This will be an evolution of the Growth Hub and Signpost2Grow. The new service will pro-actively target businesses by segment, sector, their growth potential and their leaders’ personal experience and characteristics, to increase capacity for growth.

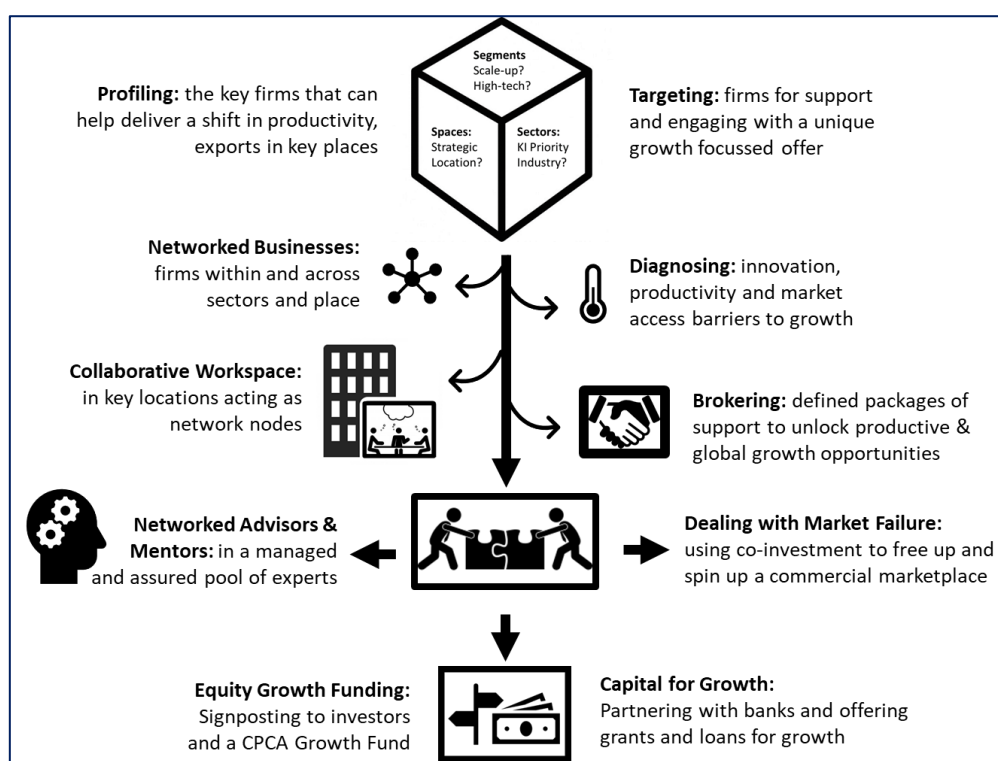
Primarily, this enhanced business growth support will be available to at least 250 firms per annum and over 1,000 by 2024, with an emphasis on sectors and clusters in Greater Peterborough and the Fens.

Secondly, to support productivity growth in the two sub-economies where it is currently lower, namely Greater Peterborough and The Fens, the enhanced support will be structured so that it delivers growth in the firms supported, that is more productive than the firms’ previous baseline business.

Thirdly, export growth will be supported from 30 per cent to 35 per cent of GDP across the area, by delivering growth in the firms engaged, that is more export intensive than their baseline business.

The diagram below shows how the Combined Authority will integrate the different elements of the new business support offer, targeting place and firms. A new Growth Company will be created to provide capacity and drive forward the proposed Growth Service. Its role will be to shift the growth dynamic to create more sustainable growth and de-risk growth. It will guide investment and interventions more strategically through innovative use of funding and business models.

Figure 11 >>>



Business Environment Interventions

Business Environment Ambition: Increase productivity, changing the spatial distribution of growth and supporting an increase in business growth and skills levels across the whole of the local economy

To drive progress towards achieving this priority, Cambridgeshire and Peterborough will:

- Create a new Global Growth Service targeted at the places and firms that will have the most impact – operational from beginning 2020 and working with 250 firms per year. This will be delivered through a new Cambridgeshire and Peterborough Growth Company, an arms-length and commercially sustainable, not-for-profit businesses to bring together the Growth Hub, Signpost2Grow and the new Global Growth Service.
- Introduce a new Trade & Investment Service featuring an integrated and customer focussed approach to co-ordinating the Global Growth Grants and Loans with the Export Grants (financing exporting advice) and the Export Buyer Credit (financing overseas customers to buy British goods) offered by the Department for International Trade.
- Establish a Global Investor Service focused on landing new firms into Peterborough and Greater Cambridge.
- Create a Mayoral Endowment Fund for Global Growth, targeted at growth firms to fill gaps in the equity and loan market to break into new markets and support

innovation and productivity gains. Particularly in places where access to finance is more difficult, working with the British Business Bank.

- Introduce a Global Growth Champions Programme, targeted at life science and digital sectors.
- Continue to invest in the Cambridge Compass Enterprise Zone.
- Work with the Small Business Commissioner to launch a new programme to improve business survival rates for start-up and early stage firms, including a plan for a new economy-wide payments policy for SMEs.
- Encourage local businesses to adopt natural capital principles

Working with local partners across the Arc Cambridgeshire and Peterborough will also:

- Work with government to develop improved, joined-up business support for high-growth firms across the Arc, including a new “Growth Support Marketplace”.
- Work with the British Business Bank and others to develop proposals for new investment funds for the Arc, looking at the finance needed for ambitious businesses to start-up and grow and exploring the establishment of an Arc-wide business angel network.
- Work to develop a shared approach to creating new commercial premises within the Arc, ensuring that the right premises are planned for, prioritised locally within any bids for future government funding and built.
- Work with the Department for International Trade to encourage greater trade and inward investment, including the development of an Oxford-Cambridge Internationalisation Delivery Plan.

Government is working in partnership with Cambridgeshire and Peterborough to support the delivery of this priority by:

- Agreeing a devolution deal with local partners that provides new powers over transport, planning and skills, £600m investment fund over 30 years to grow the local economy and a further £170 million to deliver new homes.
- Investing £146.7m Local Growth Fund to the area which has delivered, for example;
 - The Eastern Agri-Tech Growth Initiative which is supporting the development of new and innovate ideas within this growing sector
 - £16.1m of Growing Places Funding to support businesses in creating jobs
- Continuing to support the Cambridgeshire and Peterborough’s Growth Hub to provide high quality business support across the county.
- Supporting the development of the Alconbury Enterprise Zone.

Place

To tailor and customise intervention to meet the distinctive needs of the three different areas of the local economy – Greater Cambridge, Greater Peterborough and the Fens.

Economic activity does not take place in a vacuum. In the past place has often been left out of nationwide economic strategies, its inclusion as a foundation of productivity recognises a fundamental truth: how places work affects how their people and businesses work. One of the central findings of CPIER is that the Combined Authority area is not one, but three distinct economies – Greater Cambridge, Greater Peterborough and the Fens. This can be seen from observing travel to work patterns and examining concentrations of sectors. This insight is central to any economic strategy for the area, as it recognises that different economies have different opportunities and challenges and therefore must be treated differently. These are not bounded areas, it is not absolute where one economy stops and another starts.

The Greater Cambridge Economy

Greater Cambridge is a jewel in the crown of the UK economy. It extends out beyond the city to the rural towns and villages which surround it, and over time have become more and more connected to the city. This economy is generally prosperous, with high skills and wage levels. With its prestigious university at its core, it generates many new indigenous businesses and attracts many international firms to operate in the area, eager to capitalise on the wealth of talent and innovative potential. Similarly, it is home to Anglia Ruskin University which has a strong reputation attracting many students to the city.

Through various waves of innovation-based growth, Greater Cambridge has cemented its position as one of the top Innovation Growth Clusters in the world, with multiple sector based sub-clusters and networks some also with a global profile. It is the centre of this area's life sciences, digital and technology, education and visitor economies.

The Greater Cambridge economy extends out in a number of directions across strategic corridors, such as the life sciences sector which extends south through the M11/A1 innovation corridor to London and westwards to Huntingdon – which also plays a significant role in the sector – and out across the Oxford-Cambridge Arc. It will continue to be local centre of inward investment, high quality apprenticeships, jobs and infrastructure investment.

Science parks and incubators have largely been subject to excess demand, and the city has is a high performer in measures of innovation, such as patents per head. The city has also developed a globally pre-eminent and rich business networking culture, which brings together entrepreneurs from different disciplines and

backgrounds, leading to types of knowledge spill-overs and cross-sector collaboration that drive business growth. Many of the big tech businesses (such as Amazon, Apple, Google, and Microsoft) have located in the city centre, in a clear sign of its appeal to world-leading companies.

However, success has come at a cost. Infrastructure which was designed for a small town is struggling to cope with the weight of commuters looking to work in the city. Strong employment growth has resulted in large numbers of people moving to the area. And this rapid influx of high salary workers has had some negative consequences: average house prices have risen from three to thirteen times average income in the last twenty years, and Cambridge has been identified as the most unequal city in the UK. But with the removal of these constraints Greater Cambridge has the clear ability to increase its already significant contribution to the UK economy.

The Greater Peterborough Economy

Peterborough is one of the youngest and fastest growing cities (by population) in the UK. It has grown rapidly since the arrival of the East Coast main line, firstly as a centre of the brickmaking industry, and more latterly, a centre for high-end engineering. It has also developed specialisms in professional services, agri-tech, logistics and distribution (complemented by its strong road and rail connectivity) and environmental sectors, such as water management.

Peterborough is a centre of clean growth and as an Environmental Capital is an exemplar for the future sustainable growth of our whole economy, with best practice being rolled out. It was named World Smart City in 2015 (beating Moscow and Dubai) and has since further invested in pioneering approaches to a circular economy which this Strategy will look to support and spread across the whole region.

Peterborough has suffered, however, from poorer skills outcomes than the south of Cambridgeshire, with relatively low levels of degree-level qualifications, and is in the bottom ten cities in the UK for people with no formal qualifications¹⁷. This is partly due to the lack of a university in the city. Peterborough is also beginning to attract investment from some London-based companies looking to move professional and financial functions out of the capital. But for a city of its potential, it still attracts relatively low investment.

The Fens

The Fens is an area with a history rich in innovation, developed over generations through necessity of creating success in demanding natural conditions. The very land itself is a testimony to the ingenuity of engineers and the calculated risk taking

¹⁷ Centre for Cities, *Cities Outlook 2019*

of funders, who recognised the potential that use of pumping technology and water management techniques could have to create an area of fertile farmland. The Fens contain much of the UK's best farmland, and an associated industry of agriculture, agri-tech, and food manufacturing has grown up as a result – carrying the legacy of ingenuity into modern-day industry. The Fens are also home to a network of market towns, such as March, Wisbech and Littleport, which each have their own unique character and industrial specialisms and plentiful natural capital. Many diverse businesses continue to be based in the Fens, based on local innovation and entrepreneurship.

Nonetheless, the Fens have some unique economic challenges. The distance of some of the market towns from local cities, combined with poor transport infrastructure, has meant that populations are ageing as young people move away, and there can be a sense of economic isolation. There is a high rate of “high employment, low productivity” business, which manifests itself in low skill rates and reduced wages. There are few interactions between businesses, and a lack of open engagement between firms, which reduces the scope for innovation.

In addition to these economic challenges, there are also environmental risks, including water management risks for agri food businesses. Much of the area is below sea level, and rising sea levels and increased incidences of heavy rainfall will further increase the risk of flooding. The CPIER recognises flood risk infrastructure as enabling infrastructure. If this infrastructure were not in place, and ceased to function, the economic cost would be between £7.3 and £8.8 billion. Understanding future flood risks, and identifying and delivering options for managing water sustainably for the future is therefore critical to the area's economic success.

Place Interventions

Place Ambition: To tailor and customise intervention to meet the distinctive needs of the three different areas of the local economy – Greater Cambridge, Greater Peterborough and the Fens.

To drive progress towards achieving this priority, Cambridgeshire and Peterborough will:

Work collectively to overcome the acute growth constraints facing Greater Cambridge and support the innovation-led economy to grow further both locally and into the wider region.

- Explore scope to deliver an autonomous metro for Cambridge.
- Deliver the key infrastructure projects, notably the A10 and A505 Corridors as well as Cambridge South Station.
- Implement the Greater Cambridge Life Sciences Accelerator Scheme, this support budding new companies and help deliver necessary lab space.
- Academics and business will be brought together to establish Greater Cambridge as the preferred global base for firms from across the world to

create and adopt the digital and life science technologies of tomorrow. This will be supported through collaboration across the OxCam Arc and the establishment of a Global AI Conference and a National Innovate to Grow (I2G) Conference in the city.

- Introduce the new Global Growth Champions Programme. This network of 400 champions will work actively with the Greater Cambridge Partnership to target businesses in both the life science and digital sectors to accelerate their growth.
- Increase apprenticeships through the introduction of a new Skills Brokerage Service, working with the Greater Cambridge Partnership.
- Continue to invest in the Cambridge Compass Enterprise Zone to further enrich the business ecosystem, and learn from these to inform other interventions.
- Create a Cambridge Experiments Fund (CEF) to support innovation in the Cambridge innovation ecosystem.
- Alleviate perceived barriers to growth, such as regulation, by enhancing the Better Business for All Programme and promoting Primary Authority to all businesses

Improving skills, growing the high-productivity business base, and attracting investment in Greater Peterborough.

- Look at scope to create a new university in Peterborough, that will attract highly skilled, productive individuals to the city, and develop the skills of the local population.
- Introduce a new Global Growth Champions Programme of 350 champions that will work actively with Opportunity Peterborough to target businesses in key sectors in and around the area that will grow, become more productive, and trade more globally.
- Develop an Innovation Launchpads in areas such as Agri-tech and AI.
- Introduce a Skills Brokerage Service that will boost uptake of apprenticeships, especially in the advanced engineering, business and logistics sectors.
- Deliver the Work Readiness and Aspiration Pilot that will work by leading on intensive engagement with local schools to drive up aspiration and attainment and prepare young people for work.

Deepening business networks and developing supported clusters to improve productive, business growth in the Fens.

- Develop the Fens Business Growth Network that will provide opportunities for collaboration between businesses to drive productivity growth and will evolve new clusters and networks of businesses linked together through the 250 Global Growth Champions local partners will create in the Fens.
- Develop Market Towns Masterplans for Growth, tailoring economic policy for each market town and increase the attractiveness of the towns for the new generation of lifestyle entrepreneurs.

- Create an Advanced Manufacturing Innovation Launchpad will bring together local supply chain businesses, international R&D institutes, national training providers and partners with global market access.
- Encourage innovation and early stage growth in conjunction with the National Libraries Intellectual Property Centres in Cambridge and Peterborough and assist the creation of additional IP centres in market towns and rural areas
- Improve infrastructure, notably the A47 upgrade, a vital transport intervention for the North of the Combined Authority (especially for the market towns of Wisbech and March).
- Expand the Eastern Agri-Tech Growth Fund by £5m, this will enable direct funding support to more firms in the Fens.
- Provide business space for Agri-tech Innovation such as that previously invested in the NIAB Innovation Hub in Soham.

Working with local partners across the Arc Cambridgeshire and Peterborough will also:

- Consider with government ways to address the Clean Growth Grand Challenge mission to at least halve the energy use of new buildings by 2030 as part of ambitions to build more homes across the Arc.
- Ensure that the environment is left in a better state for future generations:
 - embodying England's 25 Year Environment Plan;
 - using intelligent and sensitive design on new housing and infrastructure developments to create or enhance habitats;
 - exploring opportunities to enhance natural capital and deliver the principle of 'net environmental gain'; and
 - work with government to develop a Local Natural Capital Planning approach for the Arc.
- Work with government to consider:
 - ways to maximise environmental expertise across the Arc, creating opportunities to share best practice cross public and private sectors;
 - new ways to measure the value of natural capital for local businesses, including through the upcoming AECOM study of the Arc; and
- how to empower the business community to champion and support the Arc's natural assets, working together to attract and retain the skilled workforce of the future.

Government is working in partnership with CPCA to support the delivery of this priority by:

- Agreeing a devolution deal with local partners that provides new powers over transport, planning and skills, £600m investment fund over 30 years to grow the local economy and a further £170 million to deliver new homes.
- Support through Cambridgeshire and Peterborough Devolution Deal £4.1m of investment to accelerate the growth of St Neots as part of the St Neots Masterplan, the first Market Town in the Combined Authority to complete one.
- Investing £146.7m Local Growth Fund to the area.

- Greater Cambridge has established a City Deal with Government worth £500m, which is working alongside the Combined Authority to ensure that the recommendations of the CPIER and the needs of this sub-economy are effectively responded to locally.
- Investing over £650m, since 2010, through Homes England, to support housing delivery across Cambridgeshire and Peterborough.
- A Greater Peterborough Inward Investment Pilot will look to actively market Peterborough as an opportunity to international investors working with the Department for International Trade.
- Building on work already undertaken by Cambridge University, the Combined Authority will collaborate with the Greater Cambridge Partnership and the Department for International Trade to boost Outward Promotional Activity will enable us to sell the Cambridge brand in more global markets.
- In partnership with the Environment Agency and other flood risk management authorities, produce a jointly owned strategic plan for managing flood risk, taking into account climate change and sea level risk, and support the delivery of the resulting option for managing flood risk in the Fens.

Priorities across the Oxford-Cambridge Arc

This Local Industrial Strategy has started to set out how shared priorities for Cambridgeshire and Peterborough fit with a wider range of activity being taken forward locally, regionally and nationally.

The Oxford-Cambridge Arc cuts across boundaries and affects each of the four areas in the Arc in similar ways. These offer government and local partners the opportunity to act at scale with a consistent approach across the Arc and, as with the preceding local priorities, they can be structured around the Foundations of Productivity:

- Ideas – Innovation, including the Future of Mobility
- People – Skills
- Infrastructure - Energy and Digital
- Business Environment
- Place – including Environment

Ideas

The Arc has unrivalled science and technology capabilities – from the renowned research centres in Oxford and Cambridge, to their surrounding technology campuses such as Harwell, and commercial testbeds in the “Connected Core” of the Arc. Bringing these many assets together at scale would create a driver of growth and innovation for the UK.

However, the Arc is not yet a single innovation ecosystem: more can be done to connect its numerous assets in a manner which demonstrably adds value. Achieving this will involve both building existing strengths such as life sciences and providing the best environment possible for the emergence of disruptive technologies. The prize is higher R&D investment in support of the Industrial Strategy’s 2.4 per cent R&D target, UK leadership in transformative technologies, and a continued post-EU Exit future as a global centre for science, research and innovation.

In order to achieve this, Arc partners will work with government, UK Research and Innovation and others on the following priorities:

- Harnessing the collective strength of the Arc’s research base will be essential. The new Arc Universities Group will act as the focal point from cross-Arc collaboration on science and research, identifying and delivering joint R&D projects and providing a pipeline of talent to knowledge-intensive businesses.
- The Arc will strengthen its ability for businesses to commercialise ideas coming out of its universities and others. Key to this will be a network of ‘Living Laboratories’ that both trial technologies linked to new developments across the Arc and help address the Grand Challenges. Arc partners will also use assets such as Harwell, Silverstone

and Cranfield to establish new networks that support the convergence of technologies across sectors and seek to develop emerging districts such as West Cambridge.

- Finally, the Arc will seek to grow its role as a global research and innovation hub, acting as a UK magnet for international talent, R&D, Foreign Direct Investment and research collaborations. The LEPs and MCA will work with the Department for International Trade, the Arc Universities Group and others to channel foreign investment in the assets and projects that will make the biggest impact on Arc-wide and UK growth.

As outlined earlier, the Arc's R&D strengths also makes it well placed to address the Future of Mobility Grand Challenge, with many assets such as Culham, Millbrook and Silverstone playing an important role in developing and testing new transport technologies.

- To achieve this, HMG will work with the LEPs within the Arc and other local partners, including England's Economic Heartland, to:
- Support the delivery of the Future of Mobility Grand Challenge mission and Road to Zero Strategy: utilising the considerable R&D assets within the Arc to put the UK at the forefront of the design and manufacturing of zero emission vehicles, with all new cars and vans effectively zero emission by 2040.
- Build on the Arc's existing role as a testbed for new transport technologies, such as automated vehicles and drones, working with government and Zenic to access existing research and development support, and identify further opportunities to trial new mobility services within the Arc.
- Support local authorities within the Arc to implement the Principles of the Future of Mobility Urban Strategy, providing guidance on design and planning to ensure new communities are designed and built to enable new approaches to mobility.

People

The Arc is starting from a strong position with a well-functioning labour market - across the Arc employment is high compared to national averages and education attainment rates are generally good. The Arc is home to many world leading higher education institutions that drive the knowledge rich economy.

It is vital that the Arc continues to build on this solid foundation in order for all people and communities across the Arc to have access to these opportunities and businesses have access to the workforce they need to meet future ambitions.

Businesses across the Arc consistently cite attracting and retaining a sufficiently skilled workforce as a particular challenge. Through the newly established Skills Advisory Panels, LEPs will bring local employers and skills providers together to understand current and future skills needs and put in place activity to address these local challenges. Through these Panels the four LEPs and government will work together to understand the challenges that businesses across the Arc face in securing the workforce they need to meet their future ambitions. To do this across the Arc the LEPs will work with Government to:

- Review labour market intelligence across the Arc, to gain a better understanding of how skills provision is currently delivered and funding utilised. This will include working closely with the Department for Education and providers across the Arc to consider how local provision supports the objectives set out throughout these strategies.
- Work with local employers to increase apprenticeship uptake across the Arc, supporting employers to maximise their Apprenticeship Levy contributions and drive social mobility.
- Work with local employers to support the effective role of T-Levels and utilise local labour market intelligence to work with providers to consider how the local T-Level offer will support local businesses.
- Establish an Arc-wide skills marketplace, enabling the LEPs continue to build on the positive working relationships with the Careers Enterprise Company and other careers services. This will utilise the evidence provided by each Skills Advisory Panel, connecting businesses with skills providers and people with targeted support including apprenticeships, STEM skills, T-levels, technical and degree apprenticeships.
- There will also be continued collaboration across the higher education sectors through the Arc Universities Group to ensure alignment between the higher education offer and the emerging needs of breakthrough businesses, including top quality leadership and management training supported by the business school network.

Infrastructure

The Arc as a whole is already running against infrastructure constraints – especially in energy, transportation, water and housing. Realising shared ambitions around economic and community growth will require the creation of the right infrastructure to meet the needs of existing and new communities, supporting the economy of the Arc and championing the UK’s global competitiveness.

As well as getting the basics right, there is the opportunity for a step-change in connectivity. Government and Arc partners are working to deliver East-West Rail and the proposed expressway which are central to enabling the long-term housing and growth ambitions within the Arc. However, it will not fully succeed without the challenge of the “first-mile-last mile” being addressed. Oxford and Cambridge suffer from significant congestion which local partners are looking to address through innovations such as the proposed Cambridge Autonomous Metro and Luton DART (Direct Air Rail Transit).

The LEPs have already produced local energy strategies, documenting the energy needs of their local areas. These will be the starting point to consider the energy needs of the Arc as a whole; drawing in new evidence, joining up local energy strategy delivery and using the opportunities created through the growth of the Oxford-Cambridge Arc as a catalyst for a transformation of energy generation, distribution and use across the Arc.

Digital and data coverage in the Arc is good relative to much of the UK – with world-leading infrastructure in some of the region’s specialist facilities – though it remains patchy, especially in rural areas. This holds back growth given the opportunities for knowledge-intensive home-working and 5G-enabled innovations in the rural economy throughout the Arc.

The area’s natural capital and environmental infrastructure underpins and supports the local economy, offering flood protection, dealing with waste and providing clean water and natural spaces. The changing climate will affect existing infrastructure resilience and future infrastructure needs, requiring us to create climate resilient places and infrastructure. In addition, the Arc presents a unique opportunity to deliver flood risk and water management through strategic activity across local authority and LEP boundaries.

The growth anticipated across the Arc gives us a chance to test innovative approaches to: improving digital and data connectivity; minimising energy demand and increase energy supply; and addressing the Grand Challenges. The scale of growth also offers the chance to explore new ways of coordinating and funding the delivery of new infrastructure across the Arc. To seize these opportunities, the Arc Local Industrial Strategies announce that:

- Local partners will collaborate with Department for Transport, Highways England, East-West Rail Company and England’s Economic Heartland to expand the economic benefits of new strategic transport links and improvements to the Major Roads network across the Arc, and develop the First Mile Last Mile connections to them.
- Government and local partners will work together to develop a shared evidence base for the current and future energy needs of the Arc, including through the identification of opportunities to test new energy policies or approaches within the Arc.
- Government and local partners will work to identify and diffuse best practice on digital infrastructure planning in the Arc and explore opportunities to align new transport infrastructure with digital infrastructure in the Arc. This will aim to support industry to accelerate the roll-out of full fibre networks, enabling accelerated growth of 5G technologies across the Arc.
- Local partners will work to standardise public data where possible, and with support from government policy experts, to ensure that the opportunities to collect and capitalise on data are utilised – with a view to addressing Grand Challenges around the future of mobility, the ageing society, and clean growth.
- Government and local partners will work together across the wider Oxford-Cambridge Arc to review proposals for new approaches to funding infrastructure, as set out in Government’s response to National Infrastructure Commission Report at Autumn Statement 2018.

Business environment

The Arc is home to a dynamic business base and a range of high-growth and innovative firms. However, businesses across the Arc still encounter barriers to

growth, particularly in accessing the support they need to scale-up rapidly, securing the right finance and access to the right commercial premises to start and grow.

The Arc's collective ambition is to become a world-leading ecosystem for high-growth businesses: with an environment that enables them to commercialise technologies, grow to scale, and export. Central to the Arc's approach will be developing a Global Growth Network of internationally-focused businesses, scale-ups and sectoral clusters. Together, this will foster a breakthrough growth region and a driver for the UK economy.

Partners across the Arc will work with Government and others across the following priorities:

- Local partners will work with Government, within existing budgets, to develop improved, joined-up business support for high-growth firms across the Arc. A new "Growth Support Marketplace" will segment the Arc's offer to different kinds of business and profile the firms that can deliver the biggest shift in growth, productivity and exports in places. It will engage these firms with a unique offer, diagnosing barriers to growth in the firm's capacity to innovate and increase productivity. As part of this, Arc partners will identify new ways to join-up the area's four Growth Hubs and establish peer-to-peer networks linking firms within and between sectoral clusters.
- Local partners will work with the British Business Bank to develop proposals for new investment funds for the Arc. This will look to provide the finance needed for ambitious businesses to start-up and grow. Partners will also explore the establishment of an Arc-wide business angel network to better engage with early-stage investors.
- Local partners will work with government to develop a shared understanding of market failures in creating new commercial premises within the Arc. This will ensure that the right premises are planned for, prioritised locally within any bids for future government funding, and built.
- Finally, partners across the Arc will work with the Department for International Trade to encourage greater trade and inward investment. This will build on existing work at LEP level and include the development of an Oxford-Cambridge Internationalisation Delivery Plan and quarterly meetings of the Arc-wide trade and inward investment group. However, for the Oxford-Cambridge Arc to reach its potential to become a global player able to compete with innovation-growth zones like Seoul, Helsinki, San Francisco and Toronto, much more need to be done. This will include a future Arc presence at MIPIM Cannes in March 2020; a capital investment led Oxford-Cambridge Arc Brochure and Investment Prospectus; the integration of Arc sector propositions into the Department for International Trade's sector and market priority campaigns, linking the Arc's key sectors into the ten highest potential export and inward investment markets to drive Arc growth globally. This will involve analysis of the department's data on success across the Arc for the last five years, broken into sector and market.

Place

Taken as a whole, this package of Arc-wide interventions, which sits alongside existing interventions being progressed by government and local partners, will support sustainable growth across the region, benefitting its residents, communities,

businesses and the country more widely. Delivering transformational growth in this way will create opportunities across the Arc – spreading the benefits both to its prosperous centres and its more deprived communities, and across its urban and rural areas.

Doing so will require a holistic approach and partnership working with government and industry, to achieve growth and improve place-making, developing sustainable, resilient and culturally vibrant communities. This aims to provide a high quality of life for residents - now and in the future. The scale of growth envisaged across the Arc also offers the opportunity to plan for and build exemplar developments with high design standards; places where people want to live and work.

Heating and powering buildings accounts for 40 per cent of the total energy usage in the UK. By making new communities within the Arc more energy efficient and embracing smart technologies, energy demand and household bills can be cut, and economic growth boosted while meeting the country's targets for carbon reduction.

Conserving and enhancing the natural environment is at the heart of ambitions for the Arc; growth offers an opportunity for environmental enhancement, in turn driving productivity and innovative place making. Government and local partners have agreed to embed 'natural capital' thinking throughout the approach to the Arc; harnessing nature to adapt to climate change, manage flood risk and deliver broader benefits to businesses and communities.

Working through existing partnerships, government and partners across the Arc will:

- Consider ways to address government's Clean Growth Grand Challenge mission to at least halve the energy use of new buildings by 2030 as part of ambitions to build more homes across the Arc.

To ensure that the environment is left in a better state for future generations, local partners and government agree that:

- The Arc will embody England's 25 Year Environment Plan, which government and local partners will work together to deliver.
- New housing and infrastructure developments will use intelligent and sensitive design to create or enhance habitats, delivering biodiversity net gain. Local partners will explore opportunities to enhance natural capital and deliver the principle of 'net environmental gain' through Arc-wide investments in environmental infrastructure, water management and habitat enhancement, and, through intelligent and sensitive design, as part of new infrastructure and housing developments.
- Local partners, including the Environment Agency and Natural England, will work with government to develop a Local Natural Capital Planning approach for the Arc, ensuring that the wider work on productivity is aligned.

Through this renewed partnership working, the government and LEPs will also consider:

- ways to maximise environmental expertise across the Arc, creating opportunities to share best practice cross public and private sectors;
 - new ways to measure the value of natural capital for local businesses, including through the upcoming AECOM study of the Arc; and
- how to empower the business community to champion and support the Arc's natural assets, working together to attract and retain the skilled workforce of the future.

Implementation and Evaluation

To be provided by Govt later this week



CAMBRIDGESHIRE AND PETERBOROUGH COMBINED AUTHORITY BOARD	AGENDA ITEM No: 4.1
26 JUNE 2019	PUBLIC REPORT

QUALITY CHARTER FOR GROWTH

1.0 PURPOSE

- 1.1. This report from the Housing and Communities Committee requests approval from the Combined Authority Board:
- (a) to adopt the Cambridgeshire Quality Charter for Growth principles to guide the Combined Authority's work in supporting new developments across the Combined Authority area;
 - (b) to adopt a strengthened set of principles covering the topic of cohesion, and;
 - (c) sets out activity to secure implementation of a revised Charter.
- 1.2. This report supports recommendation six in the Cambridgeshire and Peterborough Independent Economic Review to undertake a review of the Quality Charter for Growth.
- 1.3. The Housing and Communities Committee agreed unanimously to adopt the following recommendations (a) – (e) at its meeting on 3 April 2019. The Combined Authority Board is now being asked approve the recommendations. The full report considered by the Housing and Communities Committee can be found at Appendix 1 to this report.
- 1.4. There is an opportunity to raise further the profile of the Quality Charter. Recommendation (f) tasks officers to explore the introduction of a quality charter mark scheme that would apply to exemplary developments that advance the principles of the Quality Charter.

<u>DECISION REQUIRED</u>	
Lead Member:	Cllr. Chris Boden, Spatial Planning Portfolio Holder

Lead Officer: Paul Raynes, Director of Strategy and Performance	
Forward Plan Ref: N/A Key Decision: No	
<p>Recommendations for Combined Authority approval are shown in bold type. The Combined Authority Board is recommended to:</p> <ul style="list-style-type: none"> (a) adopt the Quality Charter for Growth principles (including additions in Appendix 1 of the attached Committee report) to guide it's work on new developments across Cambridgeshire and Peterborough; (b) adopt a strengthened set of principles on cohesion (as set out in Appendix 2 of the attached Committee report) (c) request the Land Commission explore how the principles can be implemented on strategic sites; (d) explore with the Cambridgeshire Quality Panel how the additional principles on cohesion can be implemented in the Panel's work; (e) work with the Quality Charter Steering Group to publish a refreshed Charter; and (f) explore a quality charter mark scheme that would apply to exemplary developments that advance the principles of the Quality Charter. 	<p>Voting arrangements</p> <p>Simple majority of all members</p>

<u>Source Documents</u>	<u>Location</u>
Housing and Communities Committee 3 April 2019	https://cambridgeshirepeterboroughcagov.cmis.uk.com/Meetings/tabid/70/ctl/ViewMeetingPublic/mid/397/Meeting/923/Committee/65/SelectedTab/Documents/Default.aspx



Agenda Item 4.1 – Appendix 1

HOUSING AND COMMUNITIES COMMITTEE	AGENDA ITEM No: 2.1
3 April 2019	PUBLIC REPORT

QUALITY CHARTER FOR GROWTH

1.0 PURPOSE

- 1.1. To adopt the Cambridgeshire Quality Charter for Growth principles to guide the Combined Authority's work in supporting new developments across the Combined Authority area. To adopt a strengthened set of principles covering the topic of cohesion, and to request that the Land Commission to explore how these principles can be implemented in the context of strategic sites.
- 1.2. This report supports recommendation 6 in the Cambridgeshire and Peterborough Independent Economic Review to undertake a review of the Quality Charter for Growth.

<u>DECISION REQUIRED</u>	
Lead Member:	Cllr. Lewis Herbert, Planning Portfolio Holder
Lead Officer:	Paul Raynes, Director of Strategy and Performance
Forward Plan Ref: N/A	Key Decision: No
The Housing and Communities Committee to: (a) recommend to the Board that it adopt the Quality Charter for Growth principles	Voting arrangements Simple majority of all Members

<p>(including additions in Appendix 1) to guide it's work on new developments across Cambridgeshire and Peterborough;</p> <p>(b) recommend to the Board that it adopt a strengthened set of principles on cohesion as set out in Appendix 2</p> <p>(c) request the Land Commission to explore how the principles can be implemented on strategic sites;</p> <p>(d) explore with the Cambridgeshire Quality Panel how the additional principles on cohesion can be implemented in the Panel's work and;</p> <p>(e) work with the Quality Charter Steering Group to publish a refreshed Charter.</p>	
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2.0 BACKGROUND

- 2.1. The Cambridgeshire Quality Charter for Growth (https://www.cambridge.gov.uk/media/2950/cambridgeshire_quality_charter_2010.pdf) is a set of principles on how to raise the quality of new developments across Cambridgeshire (it does not cover Peterborough). It was produced in 2008 by Cambridgeshire Horizons and grew out of work on designing the new town of Northstowe. It set out the principles for achieving higher quality under four broad themes: Community; Connectivity; Climate; and Character. It is a non-statutory document that complements statutory plans – the aim was that it would summarise key principles in an accessible format without having to examine a mass of guidance or research. It drew from local expertise and learning from experiences elsewhere. The Quality Charter has a steering group with representatives of the five Cambridgeshire local authorities.
- 2.2. The Charter quite deliberately describes principles of quality growth and does not set minimum/maximum standards regarding aspects of quality in new developments. As many aspects of standards are set via Building Control and/or the statutory planning system this is the responsibility of government and local planning authorities in their planning and development management roles. As an example, all planning applications for major development and in sensitive locations are required to include a Design and Access Statement explaining how the proposed development is a suitable response to the site and its setting. Local Plans embody many of principles in specific local plan policies to guide development.
- 2.3. The aim of the Quality Charter for Growth is, however, not just about describing principles. It is also about inspiring innovation by promoting examples of what

works. A practical outcome of this is the Cambridgeshire Quality Panel. Administered by Cambridgeshire County Council but independent, the Panel offers a quality review process to developers. For a small fee (to cover administration and the Panel members time) the Panel appraises emerging masterplans and planning applications and offers advice on improvements to deliver quality in line with the Charter principles. The Panel includes housing specialists, architects, environmental and transport engineers. This process has been used successfully on large schemes, principally in the Cambridge City, South Cambridgeshire and East Cambridgeshire districts. It is also used on Cambridgeshire County Council applications, such as all new school proposals.

- 2.4. Although Local Planning Authorities can and do have their own local design panels or equivalent, the views of the Cambridgeshire Quality Panel have been considered useful by those authorities that have used them as part of the planning application process. The annual report of the Quality Panel can be found here: <http://cambridgeshire.wpengine.com/document-library/> (under the Planning & Development tab).
- 2.5. The Combined Authority commissioned a review to examine what new evidence might have shaped quality principles over the last 10 years, and particularly how issues around inclusive growth and social cohesion were reflected. This review was later supported by the Cambridgeshire and Peterborough Independent Economic Review that called both for a review of the Charter, and an audit of how completed developments had performed against the Charter principles.
- 2.6. The review has been completed and concludes that the four sets of principles remain as relevant now as then. Consultation with developers, planning officers, and the Quality Panel highlighted some areas where wording could be updated, but overall the principles remain a sound basis for encouraging higher quality in new developments. The Combined Authority's ambition is for the area to be a leading place in the world to live, learn and work. It is consistent with that ambition that the Combined Authority is an advocate for high quality development. The Combined Authority also has a direct role in new development through the Housing Investment Fund. Adoption of the quality principles therefore sends a strong statement of intent.
- 2.7. The review examined in some detail the approach to inclusive growth in new developments and building successful communities not just developments. It found a strong body of evidence (including local experiences) that creating successful communities not only requires good physical design of new developments but also support for the social infrastructure and aspects (building a sense of community, mental wellbeing, public 'sense of ownership and respect' for shared spaces as examples). Whilst the four existing sets of principles do touch on this (particularly the Community topic) the review highlighted that these might not be addressing the full range of opportunities. It examined the potential to improve quality through issues such as long-term management of social infrastructure. It noted that these are issues that extend beyond the physical and land-use aspects that are normally considered in planning applications for new developments. It recommends that the Charter should include more on this

cohesion aspect (Appendix 1). The review proposed a range of interventions that could support inclusive communities.

- 2.8. The Combined Authority's ambition specifically includes encouraging healthy, thriving and prosperous communities, and reduce disparities across the area. It is appropriate that it sets out a clear statement of intent regarding the need to promote inclusive communities as part of this quality agenda. The interventions suggested in the review have therefore been drawn together to form a fifth set of principles under the topic of "Cohesion". This is set out in Appendix 2.
- 2.9. The review did seek the views of members of the Quality Panel on their role in advising on inclusive communities and social measures. They felt that their work and area of expertise was concentrated on those quality aspects influenced by design of new developments and controlled by the granting of planning permission. In that context they did not advocate for an expanded range of inclusive/social cohesion principles as their current ability to fully engage/influence in that debate was limited. It is proposed that the Combined Authority work with the Quality Panel and public sector partners to examine how we can best deliver the quality principles regarding inclusive communities and social cohesion. This could include expanding the membership of the Quality Panel or a separate mechanism. It needs to be recognised that these interventions tend to focus on revenue-funded activity, which is challenging to control or release from new developments under the current planning system.
- 2.10. The Combined Authority notes that the recent take-up by developers of the Quality Panel appraisal process is broadly focused on the Cambridge economic sub-area (apart from Cambridgeshire County Council new school developments). This in part reflects the number of strategic sites that have come forward in this area, and the use of local design approaches elsewhere. However, views have also been expressed that financial viability issues on strategic sites might discourage land owners or developers from exploring the added benefit of the Quality Panel appraisal. It is suggested that the Combined Authority's Land Commission explore this issue of take-up with the Quality Panel and local planning authorities through the Commission's ongoing work on strategic sites. This would include a discussion with Peterborough City Council on extending the Charter to include its area.
- 2.11. It is proposed that the Combined Authority work with the Quality Charter steering group to refresh the Quality Charter in line with above and publish updated materials.

3.0 FINANCIAL IMPLICATIONS

- 3.1. There are no direct financial implications.
- 3.2. Any development using Combined Authority funding is already expected to deliver quality growth in line with the Combined Authority's current stated ambition, so use of the principles is not expected to impose any additional costs.

4.0 LEGAL IMPLICATIONS

- 4.1. There are no legal implications. The Cambridgeshire Quality Charter for Growth is a set of voluntary principles to encourage innovation in the quality of new housing developments.

5.0 SIGNIFICANT IMPLICATIONS

- 5.1. The Quality Charter for Growth encourages good design that understands and responds to the varied needs of across communities, promoting inclusive growth.
- 5.2. Adoption of the set of principles will influence the work of the Combined Authority as a direct provider/facilitator of new housing. This is compatible with the existing ambition to deliver quality development.

6.0 APPENDICES

- 6.1. Appendix 1: Existing set of quality growth principles, with proposed additions to Community section
- 6.2. Appendix 2: Proposed Cohesion set of quality growth principles

<u>Source Documents</u>	<u>Location</u>
Cambridgeshire Quality Charter for Growth	https://www.cambridge.gov.uk/media/2950/cambridgeshire_quality_charter_2010.pdf
Quality Panel	http://cambridgeshire.wpengine.com/document-library/

Appendix 1: Existing Charter principles (Community, Climate, Connectivity, Character)

Quality Charter 'Community' policies (with proposed amendments in bold text)	Comments on cohesion and recommendations from the Study
<p>CHARTER PRINCIPLES: Community</p> <p>"Places where people live out of choice and not necessity, creating healthy communities with a good quality of life"</p> <p><u>Introduction</u></p> <p>Many new housing schemes have suffered from high rates of turnover, aggravated by large numbers of homes being bought to let, which makes it harder for a new community to put down roots. As well as creating places that are active, inclusive, safe, and fair to everyone, the Quality Charter aims to create a better balance with a mix of house types and tenures. This includes making provision for affordable housing across tenures, and supported/older people housing. It also recognises that successful communities are made up of people from many different backgrounds but who benefit from the 'social capital' and the sense of wellbeing created through positive interaction.</p>	<p>Lifetime home provision and design for people with disabilities both physical and mental health, including dementia and integration of supported/older people housing within developments where provided – <i>Covered by Community 2 first sentence. Add to supporting introduction text.</i></p>
<p>Community 1 – Community involvement throughout the process is crucial, which means consulting with people who are going to move in, have particular needs, or are similar to the groups that are expected to move in. Resources have to be provided to facilitate this and to continue seeking the community's views as the settlement grows, acting upon these where possible, as well as engaging positively and creatively with neighbouring communities.</p>	<p>Effective support for new households moving into development, particularly low income families and households with special needs/disabled members – <i>suggested addition Community 1. See also Community 6 below.</i></p> <p>Include examples of creative Section 106 agreements that support community development and neighbourhood management company/organisation that involves residents. Also recommends strengthening the supporting text on how social capital and better Neighbourhood Management that can be agreed as part of the Section 106/planning permission – <i>to be addressed under the Cohesion section</i></p>
<p>Community 2 – Housing in all tenures should allow for changes in needs and lifestyle so that as people's circumstances and ages change, they can remain fully included in their neighbourhood. New forms of intermediate tenure and live-</p>	<p>That affordable housing including for affordable rent is provided in all developments, unless transparent viability assessment demonstrates otherwise, including social rent wherever possible – <i>clarification to Community 2.</i></p>

<p>work units should be actively promoted. Careful design (taking into account future maintenance) is needed so differences in tenure are not obvious, and people have equal rights and access to the public realm irrespective of tenure. Opportunities should be provided for innovation and diversity, for example space for people to set up cooperative and affordable forms of housing to be commissioned by local groups, as well as some self-build.</p> <p>Character 2 – An overriding masterplan should aim to provide the vision for the development, with neighbourhood design strategies and design codes establishing the qualities...</p>	<p>That people in new development have equal rights irrespective of their tenure and that development is permeable and not gated or sub-divided into zones and public realm and maintenance managed to consistent standards (recent examples in Cambridge where some green spaces have been reserved exclusively for market housing part) – <i>add clarification to Community 2.</i></p> <p>That all build is of equal quality and consistency in design standards – <i>covered by Community 2 and Character 2.</i></p> <p>Developers should be asked about the kinds of people expected to occupy the housing at different stages of development, such as where they are likely to come from. The introduction should refer to density level and tenure proportions where extra care is needed in both design and management to avoid potential conflicts – <i>Covered by Community 2 and Character 4 (Densities).</i></p> <p>Developers should be encouraged to make space for innovation and diversity, for example through making 10% of units available to self-builders and cooperative groups – <i>add text about innovation to Community 2 (specific targets would be a local consideration)</i></p>
<p>Community 3 – People should be encouraged to take active roles in the development and continuing management of their community and engage in local democratic processes. The establishment of appropriate forms of governance should be built into the planning of new communities from the early stages.</p> <p>Community 4 – The 'social infrastructure', such as health, education and leisure is just as important as the physical infrastructure of roads and utilities. 'Community hubs' should be provided in a phased, predictable and flexible way in line with population growth and demographic change, with facilities available for the first residents. Leisure and play facilities should be affordable to all residents.</p> <p>Community 5 - There should be a mixture of formal and informal green space, and interconnectivity between new and existing Green Infrastructure. It is important to consider function as well as</p>	<p>Community facilities in all major developments from the time the first 100 new residents arrive, and staff resourcing to develop the community, community organisation-led activity and on-site advice services for first two years, incl provision for all active faith groups, age ranges and needs incl disabled, isolated people and teenagers – <i>suggested text to Community 4.</i></p> <p>Include examples of exemplary schools and community centres, including co-location; including activities that draw different groups together and encourage sharing resources, such as Children's centres.</p>

location, for example, cemeteries and play areas. Community 6 – Initial and ongoing community development support should be provided to ‘build your own community’ interim spaces to meet such as cafes and market stalls, as well as their IT equivalents.	
Community 7 – public spaces should encourage social interaction (which could include specific cultural activities) and support healthy lifestyles. There should be clear allocation of responsibilities for managing communal spaces and public realm. Activity and maintenance makes places feel safe, and increase the sense of well-being	Design to maximise community safety and minimise crime. – <i>covered by Community 7</i> Provide examples of acceptable ways of providing for parking and waste storage that minimise the land take, for example by reducing private parking and adding electric charging points and secure bike parking.
Community 8 - Community (and other key) buildings should be designed to be flexible, and make use of the latest technology, for example, wired-up communities, and should support the widest possible community use.	
Community 9 - Spaces should be made available for local shops and services to set up to meet a range of needs , both to build a sense of community and to minimise car dependencies. This may include providing interim facilities or giving short-term rent subsidies.	Provision of low cost shopping within range of developments, and transport links to nearest supermarkets – <i>suggested text to Community 9 and covered by Connectivity 1.</i>
No relevant policy in the Quality Charter.	Require developers to employ local staff construction staff where possible, and upskill local teenagers and jobless as part of s106 agreements and conditions – <i>see Cohesion principles</i>

Other principles of the Quality Charter (as existing)

CHARTER PRINCIPLES: Connectivity “Places that are well-connected enable easy access for all to jobs and services using sustainable modes” New communities that are not linked to public transport force residents to rely on cars, and can also deny them the benefits of the natural social interaction that accompanies more sustainable travel modes. As well as helping to create places that are linked to effective public transport, the Quality Charter aims to minimise unnecessary car use (and hence congestion, pollution and CO ₂ emissions) by ensuring that other modes are attractive and have primacy.
Connectivity 1 – Having public transport in place at the start of the development encourages people to get used to green options. New developments should be easily accessible by high

quality public transport systems. The quality of the experience, such as the Guided Bus route, will provide incentives to reduce car use.
Connectivity 2 – Public transport should integrate with existing transport systems, with frequent service and stops. Bus services should operate to high quality standards.
Connectivity 3 – Linkages with existing and potential employment opportunities should be recognised, and where needed developed or integrated with existing provision
Connectivity 4 – New developments should contribute to the wider environmental goals for the Cambridge area and enhance the feasibility of walking and cycling. They should provide opportunities to work close to (if not at) home for part of the time, with broadband and other network links and services.
Connectivity 5 – The streets, footpaths and other links on major urban extensions should be designed as a user hierarchy so that it is clear and obvious who and what they are for. Primacy should be given to walking, cycling and community transport.
Connectivity 6 – Easy mobility for all, including those using wheelchairs and pushchairs should be taken into account. This should involve targeted services, for example Dial-a-Ride, and ease of access to transport nodes.
Connectivity 7 – Bus stops should offer well designed waiting areas, providing information on services and local facilities, and should feel safe and overlooked.
Connectivity 8 – Parking management such as charges and the provision of car sharing/car clubs should be used to discourage unnecessary car use.
Connectivity 9 – Road design should include permeable surfaces. To avoid roads being continually dug up by services (water, power, communications, and waste) these should go in green space corridors or in distribution ducts.
<p>CHARTER PRINCIPLES: Climate</p> <p>“Places that anticipate climate change in ways that enhance the desirability of the development”</p> <p>Increasing attention is being paid to the environmental sensitivity of schemes, yet new settlements in the UK still lag far behind their equivalents in the Netherlands or Sweden, for example, in promoting healthier lifestyles, lower carbon emissions, and community wellbeing. Cambridgeshire is in a good position to demonstrate the feasibility of zero carbon housing, given its low rainfall and high levels of sun and wind for much of the time.</p> <p>Climate 1 – Major new developments should enable residents and workers to adopt sustainable lifestyles that minimise the use of energy and other resources, by reduced car use, for example. The new building regulations will not have their intended benefits unless the same kind of principles are applied to the whole of the neighbourhood, including transport.</p> <p>Climate 2 - Environmental targets should be challenging and where possible go beyond the minimum standards so that new schemes act as exemplars. Where appropriate, each development could feature an exemplar element or area that will apply international best practice and that would demonstrate the marketability of new forms of technology or construction (especially those developed locally).</p> <p>Climate 3 - New development should not be located in areas of unacceptable environmental risk, such as areas which are liable to flooding.</p> <p>Climate 4 - Arrangements for sustainable waste management should be built into new developments to make recycling easy and unobtrusive, and encourage people to waste less. Developers and construction teams should minimise and manage construction and demolition waste.</p> <p>Climate 5 - The utilities should be engaged in a collaborative design process to help promote energy and water conservation and the potential for as much local energy generation as possible.</p>

Climate 6 - Public buildings, housing and neighbourhoods as a whole should be designed to anticipate climate change so they are capable of being upgraded and adapted easily and economically to minimise the resources used in both their construction and operation, and to cut down on air pollution.

Climate 7 - Biodiversity and wildlife should be encouraged through a network of green spaces and Sustainable Urban Drainage Systems (SUDS). This should be done within a sub-regional strategic context. Surface water should be managed sustainably.

Climate 8 - Sustainable energy partnerships or trusts should be encouraged, for example, through education, marketing and schemes that help people cut energy use.

Climate 9 - Trees and planting should be used extensively to provide cooling in summer and to soak up rain, as well as to provide a landscape that encourages people to walk and cycle.

CHARTER PRINCIPLES: Character

“Places with distinctive neighbourhoods and where people create pride of place”

Despite a plethora of good design advice, many new developments are criticised for their quality. In part this is due to the use of unimaginative standard house types, and also to highway engineering, where concerns with safety and traffic movement have badly affected the look and feel of places. To create the clear identity for neighbourhoods that people prize, the Quality Charter will ensure that design, the use of good materials and public realm are priorities and recognises that a successful sense of place depends on residents personalising where they live.

Character 1 - The existing landform and features of the site, such as water and landscape and the relationship to existing settlements, should be used to create varied and memorable townscapes, including vistas, intimate local places, informal natural areas with windbreaks, ponds and waterways.

Character 2 - An overriding masterplan should aim to provide the vision for the development, with neighbourhood design strategies and design codes establishing the qualities and characteristics that will make the new places distinctive, and providing guidance and inspiration to the architects who will design the new neighbourhoods. It might include the use of competitions and the encouragement of smaller builders.

Character 3 - To ensure the successful realisation of the masterplan experienced and fully-skilled masterplanners should be retained for the duration of the project to ensure that the overall vision is maintained. Systems should be set up to ensure quality, such as design codes, and where possible the original design team should oversee construction and monitor performance.

Character 4 - Densities and massing should vary, with higher densities around local shops and transport nodes, to provide the full range of house types that are needed.

Character 5 - Creative thinking, simple designs – well built, using high quality materials and careful detailing – are often the most successful and durable approaches, particularly if the design allows space for the imaginative use of planting to enable residents to personalise their homes and enrich the biodiversity of their neighbourhoods. It is important to create a high quality public realm and, for instance, to apply the latest thinking on the design of shared surfaces.

Character 6 - Open space requirements should be integrated with buildings throughout the scheme. There should be a mix of private gardens, balconies and terraces, semi-private and public space depending on the development types.

Character 7 - The creation of good landscapes is as important as the creation of good townscapes. Different kinds of spaces should be provided to give character to the neighbourhoods and improve biodiversity, ranging from linear parks, squares and crescents to more intimate communal spaces looked after by adjoining properties or community trusts.

Character 8 - All buildings – commercial, residential, and public – should be flexible and adaptable, which means providing large enough spaces or space for appropriate expansion and changing lifestyles

Character 9 - Car and cycle parking, storage and waste recycling should be integrated within the design of the new homes. In higher density developments, where possible, car parking should be located in ways that mean parked cars do not dominate the street, for example underground or undercroft.

Appendix 2: Proposed new set of ‘Cohesion’ principles for quality growth

CHARTER PRINCIPLES: Cohesion

“Places that are inclusive and designed with long-lasting support to enhance social cohesion.”

Introduction

Creating successful communities not only requires good physical design of new developments but also support for the social infrastructure and aspects (for example building a sense of community, mental wellbeing, public ‘sense of ownership and respect’ for shared spaces). A quality new development will be designed for everyone, able to respond to different needs over time. Helping early residents to make connections and build a social inclusive community is important for their satisfaction and long-term quality of the new development. Whilst the development needs to have the right social infrastructure such as health, education and leisure, equally important is how this infrastructure is managed over time. This goes beyond the physical design aspects of the new development.

Cohesion 1 – Successful and cohesive developments are those that develop **‘social capital’** from the beginning, supporting the first residents onwards.

Cohesion 2 – Cohesive developments need visible and effective **neighbourhood management** and support. They will have planned how this is created/funded during the start-up phase and how it will evolve for longer-term management.

Cohesion 3 – There should be **equal standards** across the public realm in new developments irrespective of tenure or other issues. ‘Exclusive’ use of certain spaces or facilities for types of residents should be discouraged, as should design features that imply some sort of separation. Residents associations / development trusts should encourage wide participation to reflect the full range of residents and their needs, irrespective of tenure or other issues.

Cohesion 4 – Where schemes are of high density or focus on particularly vulnerable groups then social cohesion challenges can be increased (for example because of the increased interaction over more limited space or a lack of capacity). A more **active approach to managing shared space** should be considered, such as the use of ‘super caretakers’.

Cohesion 5 – In new communities there can be a lack of awareness or agreement over the norms of how the place will function. **Neighbourhood compacts** or covenants can be used to pre-empt issues of nuisance – for example use of shared space, or future changes that might undermine aspects of quality principles agreed during new development construction (subsequent converting front gardens for parking as an example).

Cohesion 6 – Making new developments feel an integral part of, or relate to, existing/nearby communities can be a challenge. This can particularly be the case where the new development is attracting many residents new to the area. Quality developments will **grow the sense of community through those with local connections**. The use of letting policies to encourage local moves is one potential response.

Cohesion 7 – New developments can have a **wider impact on cohesion** and integration with the local area. For example, the construction and maintenance phases of developments can support cohesion through encouraging local employment, apprenticeships and training.

Cohesion 8 – One way for a new development to be more inclusive is if it is brought forward by the community itself. These **community-led interventions** could range from self-building areas through to community proposals for larger new developments. For example, Community Land Trusts are one mechanism that has been explored in Cambridgeshire.

Cohesion 9 – The design principles enabling residents to adopt more sustainable lifestyles can also offer benefits to creating inclusive and socially cohesive communities. By thinking about the opportunities for residents to take greater control in '**self-supporting**' neighbourhoods, through allotments, shared energy schemes and other community-led provision then the sense of community is strengthened. This involvement needs to support the participation of all residents, whatever particular needs they might have.



**CAMBRIDGESHIRE
& PETERBOROUGH**
COMBINED AUTHORITY

Agenda Item No: 5.1

MOTION FROM COUNCILLOR LEWIS HERBERT

The Combined Authority (CA) Board restates its Devolution Deal commitment to Government to start the build of 2000 additional affordable homes in Cambridgeshire and Peterborough by 2022 using the £100 million fund and other resources, including

- > priority for new homes at affordable rent, including at social rent now that the CA powers have been clarified, and
- > targeting delivery at areas with the greatest affordability challenges including South Cambridgeshire and Peterborough.

The CA also agrees to report its Delivery Plan to the Housing Committee and Board by September 2019 on

- > how the whole of the 2000 additional affordable homes will be on course to start by 2022, and
- > how the CA will support this financially, including details on all housing funding already allocated from the £100 million fund for affordable housing delivery, and the financial allocation planned in fund allocation by affordable housing type and district.

