



Agenda Item No: 1.2

**EXTRAORDINARY MEETING OF CAMBRIDGESHIRE & PETERBOROUGH
COMBINED AUTHORITY: MINUTES**

Date: Monday, 4th September 2017

Time: 1.04pm - 2.02pm

Present: J Palmer (Mayor)

Councillors A Bailey – East Cambridgeshire District Council (substituting for C Roberts), G Bull – Huntingdonshire District Council (substituting for R Howe), J Clark – Fenland District Council, S Count – Cambridgeshire County Council, W Fitzgerald - Peterborough City Council (substituting for J Holdich), L Herbert – Cambridge City Council, and P Topping – South Cambridgeshire District Council

Observers: J Bawden (Cambridgeshire and Peterborough Clinical Commissioning Group) and Councillor K Reynolds (Chairman, Cambridgeshire and Peterborough Fire Authority)

80. APOLOGIES AND DECLARATIONS OF INTERESTS

Apologies received from Councillors J Holdich, R Howe and C Roberts; M Reeve (Greater Cambridgeshire Greater Peterborough Local Enterprise Partnership (GCGP LEP)). There were no declarations of interest.

81. OFFICER AND SUPPORT STRUCTURE – CALL-IN

The Mayor reported that the extraordinary meeting had been called to consider the response of the Board to the Overview and Scrutiny Committee's call-in of the decision taken by the Board on 26 July 2017 in relation to the officer and support structure. He explained that the Overview and Scrutiny Committee had made a number of recommendations. He invited the Chairman of that Committee, Councillor John Batchelor, to present those recommendations.

The Chairman of the Overview and Scrutiny Committee drew attention to the Committee's recommendations as set out in Section 2.6 of the report. Before detailing the specific reasons for the call-in, he highlighted the 25% increase in the staffing budget and the need to avoid duplication. He explained that the Committee was concerned about the increase in the staffing budget which it felt was a symptom of a wider concern. The concern was that the Combined Authority Board might be making important decisions involving significant sums of public money without the proper information or the level of officer support needed to allow for those decisions to be informed decisions.

He welcomed the Chief Executive's report giving more detail on the staffing proposals. He acknowledged the need for the staffing structure to be in place as soon as possible to make sure that the decision making process was properly supported. However, there were still issues to be addressed. He queried how attractive a nine-month interim appointment of the Director for Skills would be to the quality of the applicant required. There also appeared to be no officer taking responsibility for the reform of local government. Given that it would be some time before Director level support was in place, the Board would need to be confident that it had the support and information it needed to make key decisions before commitments were made.

He reported that it was stated at the call-in meeting that the Committee would have the facility for more involvement in the pre-decision process. He reminded the Board that there were now designated committee members shadowing board functions. He hoped that developing a role for them to work more closely with portfolio holders would be progressed, as it might be productive. Although not part of the recommendations, the Committee was also requesting it received reports at an earlier stage in the process, as this would greatly help its understanding of issues, and effectiveness.

The Mayor then asked the Chief Executive, as Head of Paid Service, to respond to the Committee's recommendations. The Chief Executive reminded the Board that the Cambridgeshire and Peterborough Combined Authority was the first authority established from a standing start since 1974. At the same time as establishing every aspect of its operation, the Authority was also putting in place the most effective delivery mechanism in order to deliver a substantial amount of business. There had been a significant amount of learning over the last three months, he reported that there were now new arrangements in place to support decision making, which were set out in section 3.2 of the report.

The Chief Executive highlighted the fact that the Authority was different from other Local Councils including that it was not accountable for delivering services. The organisation was instead charged with delivering the following: Policy Development; Strategic Programmes; Contracting and strategic client function; and Programme Assurance. The nature of this business meant that the staffing model needed to remain flexible and agile. Staffing would therefore be a mix of interims, secondments and where appropriate permanent positions. The approval of the staffing structure budget would represent the start of a process. It was proposed to present a report to the next meeting of the Board to agree the membership and terms of reference of an Employment Committee.

Members were reminded of the substantial investment of new money in the area and what it was expected to be in the next two years. It was therefore essential that the Combined Authority operated collectively with its partners and specifically local authorities, the Greater Cambridge Partnership (GCP), the Local Enterprise Partnership (LEP) and Opportunity Peterborough. It was important the Authority used the public sector wider network to support skills and capacity. It was noted that in 2017/18, 20% of overall staffing costs reflected support from other authorities. Members were informed that the proposed staffing structure built on these arrangements. The Chief Executive also drew attention to the need for staffing to support the Mayor's Office. These proposals had been developed following the receipt of Legal and HR advice.

In conclusion, the Chief Executive reported that the cost of staffing the Combined Authority was £1,027k, and the cost of the Mayor's Office was £146k, in 2017/18. The total cost was £1,632k. The additional budget provision required was now £349.1k which was less than the figure reported at the previous meeting.

The Mayor invited the Board to ask any questions of the Chairman of the Overview and Scrutiny Committee and the Chief Executive. As no questions were received, he then invited Members to debate the recommendations contained in the report. In discussing the report, individual members of the Board raised the following:

- acknowledged that the Combined Authority, assisted by the leadership of the Mayor, had made an energetic start to deliver a large programme with a limited number of staff resulting in considerable achievements.
- acknowledged the need for a significant uplift in staffing particularly when reflecting back on earlier discussions in March regarding the deferral of the Chief Executive post. Other Members reminded the Board that it would not have been appropriate to appoint to this post before the election of the Mayor. As a result, it had been a joint decision to defer the appointment to ensure that the new Mayor was involved in the appointment of the successful applicant.
- expressed concern that there had been no consultation with the Combined Authority before the report had been presented to its July meeting. These concerns were acknowledged by a number of Members. It was agreed that more discussion would be helpful in the future.
- welcomed the valuable contribution of the Overview and Scrutiny Committee, which had delivered a helpful overview.
- welcomed the explanation from the Chief Executive in particular the reflection and areas for improvement. A number of Members acknowledged the importance of learning lessons in order to improve. One Member reiterated the importance of how the Authority worked with other authorities, the GCP and the LEP in relation to staffing. The proposal for more time for Overview and Scrutiny to digest and respond to reports was also welcomed.
- acknowledged that the Chief Executive had given greater clarity regarding the approach to commissioning. However, there was still a need to understand the risk of delivering certain aspects.
- expressed concern that there had still not been adequate discussion about the staff roles. One Member commented that several elements of the proposed staff structure did not meet the brief. He also added that it had not been defined how commissioning would work.
- stressed the need for the Mayor and the Combined Authority to work as a team. The Authority and the Mayor needed to work together to shape the structure. One Member highlighted the importance of working with local authorities on staffing in relation to spatial planning and housing. He hoped that the Combined Authority could still tweak the overall budget. He asked to assist with secondments and

interim arrangements particularly as appointments were not due to be made until January - March.

- acknowledged that all Members were unlikely to agree on the minutiae of issues.
- supported the need for an Interim Director of Skills. It was noted that it would be a tough job which might strain existing relationships. A different person would then need to take forward this agenda when a new operating model had been determined.
- expressed concern about the role of the political advisor. Whilst respecting the right of the Mayor to appoint to such a post, one Member asked for it to be advertised and for there to be an open process. Another Member commented that the legislation allowed the Mayor to make his own appointment. Given the political make-up of the Board, it was inevitable the appointment would be from the Mayor's own political party.
- acknowledged that given the speed the Authority was working, it was effectively learning as it went along. However, it was important that the speed was maintained in order to get things done. The Authority was different to local authorities, it needed to be fleet of foot and agile. It was therefore important to identify the best way to operate.
- highlighted the quantum of funding which was around £600m of new money with £100m already in the Authority's account. It was a significant amount of money when compared to District/City budgets. Members were reminded that the Authority had a limited number of staff working to commission services. However, it also needed staff to speak to Government about other pots of funding. It was acknowledged that members had not been aware pre-election of how much the Authority would actually cost to run.
- welcomed the contribution of officers to date to the operation of the Combined Authority. However, whilst borrowing officers had worked in the short-term it was not sustainable in the future.
- acknowledged that the approach of setting the Combined Authority with the responsibility for major strategic programmes was correct. However, front loading expertise and professionalism created a cost and risk.]
- highlighted the need to consider staffing costs as a percentage of the amount of Government grant. It was suggested that programmes should reflect the cost of salaries by ratio. It was also suggested using a metric to identify how much staff costs compared with other Combined Authorities.
- highlighted the impact on the effectiveness of the GCP, under the leadership of Councillor Herbert, of a new professional team to drive work forward. It was suggested that this could be applied to the Combined Authority.
- highlighted the need to appoint people with the right skills to deliver projects quickly. If these skills existed in partner authorities, they should, if possible, be utilised.

The Mayor thanked the Chairman of Overview and Scrutiny Committee. He drew attention to what the new Authority had achieved but recognised the need to learn from experience in order to improve processes. He would therefore be having regular and open discussions with leaders. He acknowledged that he had been instrumental in making sure the Authority moved at pace as he expected things to happen quickly but clearly there were risks associated with this approach.

He thanked the Chief Executive and his team for their hard work but stressed that it was unreasonable to ask them to continue to work at this pace without the right staff. The Authority needed the right people to bid for money in order to achieve improvements in the county otherwise it would lose out. He reminded the Board that he had been clear that the officer establishment would number fewer than 20 employees based on current responsibilities. The proposed staffing structure, including the Mayoral office, would be only 18. He added that it was possible for a small structure to deliver if it had the right people.

The Mayor stressed the need for the Combined Authority to change the way Cambridgeshire went about its business. This meant providing good quality housing and an acceptable time to commute to and from work. A lean Authority would deliver projects efficiently using the right processes. He apologised that the process had not been perfect but mistakes were understandable and should be learnt from.

The Mayor drew attention to his office. He reported that these proposals were no different to other combined authorities but considerably less compared to the Mayor of London. He stressed the importance of a chief of staff and personal assistant to enable him to spend fulfilling his responsibilities including more time talking to leaders. The Combined Authority was a living and breathing organism which had to be adaptive and reactive. It was therefore important to appoint the right people when a decision was required.

It was resolved by a majority to:

- (a) consider the recommendations of the Overview and Scrutiny Committee;
- (b) note the additional information provided by the Chief Executive in relation to the request of the Overview and Scrutiny Committee;
- (c) approve the revised proposals in respect of the officer structure as set out in the report;
- (d) approve the following posts on the basis of the additional information set out in the report:
 - 1) Director of Transport and Infrastructure
 - 2) Interim Director of Skills
 - 3) Housing Director
 - 4) Assistant Director
- (e) approve an additional budget allocation for staffing for 2017/18 as set out in the report.

Mayor