



**CAMBRIDGESHIRE
& PETERBOROUGH**
COMBINED AUTHORITY

CAMBRIDGESHIRE & PETERBOROUGH COMBINED AUTHORITY: MINUTES

Date: Wednesday, 27 February 2019

Time: 10.30 am. – 12.25 pm

Venue: Council Chamber, South Cambridgeshire District Council, South Cambridgeshire Hall, Cambourne Business Park, Cambourne, Cambridge, CB23 6EA

Present: J Palmer (Mayor)

A Bailey – East Cambridgeshire District Council, I Bates – Cambridgeshire County Council, G Bull – Huntingdonshire District Council, L Herbert- Cambridge City Council, J Holdich – Peterborough City Council, C Seaton – Fenland District Council and B Smith – South Cambridgeshire District Council.

A Khalid - Chairman of the Business Board

Observers: J Ablewhite (Police and Crime Commissioner) , J Bawden (Clinical Commissioning Group) and D Over(Cambridgeshire Fire Authority)

304. ANNOUNCEMENTS, APOLOGIES AND DECLARATIONS OF INTEREST

The Mayor announced that the Chairman of the Business Board Aamir Khalid had received a letter from James Brokenshire, Secretary of State for Housing, Communities and Local Government, that confirmed that the Business Board was now acknowledged as the Local Enterprise Partnership (LEP) for Cambridgeshire and Peterborough. Government had confirmed that the Combined Authority would therefore receive £16.7m in growth funds over the next two months to benefit the residents of Cambridgeshire and Peterborough. In addition the Combined Authority would receive £250k of core funding and a further £200k to assist with the implementation of the LEP review. The Mayor congratulated Amir Khalid, his colleagues on the Board and officers for the success in establishing the new LEP.

Aamir Khalid, the Chair of the Business Board, welcomed the news and highlighted the good work of the business and skills teams. He explained that he had written a letter outlining the areas the Business Board proposed to fund. He had attended a meeting of the Chairs of all Combined Authority Business Boards with the Prime Minister at the end January 2019 to discuss

the Prosperity Fund and how this could be brought within the control of the LEPs.

Apologies were received from Councillor C Roberts, substituted by Councillor A Bailey and Councillor S Count, substituted by Councillor I Bates.

There were no declarations of interest.

305. MINUTES – 30 January 2019

The minutes of the meeting on 30 January 2019 were agreed as a correct record and signed by the Mayor.

306. PETITIONS

No petitions were received.

307. PUBLIC QUESTIONS

No public questions were received.

308. FORWARD PLAN

It was resolved unanimously to:

note the Forward Plan

309. BUDGET MONITOR UPDATE

The Interim Section 73 Chief Finance Officer presented the Budget Monitor Update report to the Board. Members were informed that the report captured the Combined Authority's income and expenditure for the year to the end of December 2018. Attention was drawn to the year to date position set out in the report which showed a surplus of income over expenditure of £1,506.2k. The outturn forecast predicted a drawdown from reserves of £186.7k. This was an improvement of £257.6k over the budgeted drawdown of £444.3k. Members were informed that the March budget monitoring report would provide more detail on the capital for transport projects and profiling for these budgets. Reporting on the business plan, including performance, would be integrated into the report.

Members were updated on the revenue variances identified in the report which included:

- Staffing Costs - there had been a number of changes in staffing which had resulted in less spend.
- Financing Costs - there had been an uplift due to the gradual improvement of interest rates.
- Economic Strategy - there had been limited expenditure so far on the development of the Market Town Strategies, however work was well

underway and expenditure would increase towards the end of the financial year. Some expenditure would potentially be carried forward to the next financial year.

- Transport and Infrastructure - there had been a £30,000 predicted underspend on the Strategic Bus Review. Some expenditure might potentially be carried forward to the next financial year, but this would be addressed in the March report if applicable.
- Strategic Planning - an underspend of £90,000 had been identified due to the revision of the Non-Statutory Spatial Framework timetable, but this would be required to continue the work in the next financial year.

Attention was drawn to the Capital position of the Combined Authority Budget. The Interim Section 73 Officer clarified that underspend in Capital budgets had been mainly due to suppliers not yet having charged for services provided. In relation to the Transport element of the budget, he explained that it was anticipated that the Growth Funding monies for the Kings Dyke project would be transferred to Cambridgeshire County Council by March 2019.

In discussing the Housing element of the Capital budget, the Interim Section 73 Officer explained that work was ongoing to look at the re-profiling of the Cambridge City Housing Programme. There had also been a lapse in spend on the Housing Investment Fund, due to the inability to pay registered providers for affordable rent. The Combined Authority were working with Homes England to resolve this issue and clear plans were in place to bring this back on track.

Commenting on the report, Councillor Herbert raised concerns about operational delivery as budgets were not being spent. He sought clarification on the percentages of all funds that would be carried forward to the next financial year. The Deputy Chief Executive John Hill stated that the Interim Section 73 Officer had given a clear overview of how this would be addressed in the March budget monitoring report. The Mayor stated that many of the Combined Authority projects were significant and they would take time to deliver. The Combined Authority had clear timelines for these projects and spend would be dealt with correctly within the set timelines.

Councillor Bates welcomed the improved financial reporting and the anticipated additional improvements for the March Budget Monitor report. He commented that the A505 was one of the busiest roads in Cambridge and with further development taking place along that corridor he would like to see this project progressed accordingly. He welcomed the engagement with officers on the Local Transport Plan and commented that this was progressing well. He was happy with the report that the Interim Section 73 Officer had given on this.

Councillor Smith queried the Treasury Management approach in relation to the recycling of funds, rather than the payment of grants. She sought further detail on the origins of this money. The Interim Section 73 Officer stated that the Audit and Governance Committee received a regular Treasury

Management report, and this would be reviewed at the Committee's next meeting in March. He would be happy to cover that element in his report.

Councillor Herbert commented on the need for the Combined Authority to be delivery-focused. He sought clarification on the status of the East Cambridgeshire Housing Loan. The Interim Section 73 Officer stated that the loan had not yet been paid over and clarified that the loan would be drawn down in two phases. A payment of £6.5 million was scheduled for April and a payment of £24 million for the Ministry of Defence site had also been scheduled in April. The money would not be released until due diligence had been carried out. Councillor Bailey clarified that the Haddenham loan was due to extensive archaeology work that had been required on site.

Councillor Holdich welcomed the improvement in reporting which he found to be the most comprehensive to date. In future reports he suggested it would be helpful to make clear what expenditure had been committed in relation to the University of Peterborough project to provide additional clarity.

It was resolved by a majority to:

note the financial position of the Combined Authority for the year to date.

310. £100M AFFORDABLE HOUSING PROGRAMME – SCHEME APPROVAL, SPRINGFIELD AVENUE, MARCH

The Director of Housing and Development presented a report requesting a commitment of £444,000 grant funding from the £100 million Affordable Housing programme to support the delivery of new affordable housing on a scheme at Springfield Avenue, March. The site would deliver 40 affordable housing units.

Councillor Smith sought clarification on the funding of the shared ownership units within the scheme. The Director of Housing clarified that Clarion already had the funding for these units from Homes England. Councillor Smith queried why the Combined Authority was not hitting its target of an average of £30,000 per unit and queried whether the target added value or whether each development should be reviewed on a case by case basis. The Director of Housing explained that there was a cross subsidy effect and that development at Northstowe had brought the average down considerably. He stated that the target had been agreed by the Board when they approved the Housing Strategy in September 2018. In his view it was good discipline to have a target, but officers were open to further direction from the Board. He explained that the aim was to overachieve on the target set by Government of 2500 units and that this had been reported through Housing and Communities Committee and the Overview and Scrutiny Committee. Councillor Smith sought clarity on the timeframe for the resolution of the issue regarding the Combined Authority's ability to offer and pay grant on affordable units. The Director of Housing explained that Government was looking to review the secondary legislation required at the beginning of April 2019. It was

anticipated that this would take 6-8 week, but this timescale should be treated with caution given the current pressures on Parliamentary time.

The Mayor reiterated that the issue regarding the Combined Authority's ability to offer and pay grant on affordable housing was a problem which Government needed to resolve and that it was were dealing with the issue.

Councillor Seaton welcomed the development and stated that he fully supported the report recommendations. He stated that it was a small part of the 2,500 homes target, but it was important to March as affordable homes were desperately needed. He would not support getting rid of the £30,000 per unit benchmark.

It was resolved unanimously to:

commit grant funding of £440,000 from the £100m Affordable Housing programme to support delivery of new affordable housing on a scheme at Springfield Avenue, March, Fenland subject to the conditions set out in paragraph 3.11 of the report.

311. STRATEGIC SPATIAL FRAMEWORK PHASE 2

Councillor Herbert introduced a report that brought the work on the Non-Statutory Spatial Framework in line with the development of the Local Transport Plan. He stated that working with the Planning Authorities on this was critical, particularly in relation to reviewing housing demand and looking at future housing needs and there had to be overall agreement on this with sovereign Districts. He recognised that the timetable was stretching with the aim to report back to the Board in May 2019.

Councillor Bates endorsed the report and explained that there had been a long history of the Districts working together on Local Plans. He commented that he was particularly pleased with engagement on the Local Transport Plan and welcomed the progress made so far and the opportunity for discussions going forward.

Councillor Smith welcomed the report and the engagement which had taken place and commented that she would like to formalise the timescale for further engagement and review. The Director of Strategy and Assurance explained that a Gantt chart had been developed for the programme of engagement and that this would be shared with the Board.

The Director of Corporate Affairs for Cambridgeshire and Peterborough Clinical Commissioning Group sought assurances that NHS partners would be engaged in the process. The Director of Strategy and Assurance assured her that they would be included in the engagement programme.

Councillor Bull expressed concern in relation to the tight timetable. The Director of Strategy and Assurance explained that the timetable was aligned with the Local Transport Plan review and that it had been identified to be

achievable. If the deadline turned out to be too ambitious then the timescales would be reviewed.

Councillor Holdich welcomed the report but expressed some concerns regarding the Combined Authorities powers in relation to infrastructure. He highlighted the need to look at the regional distribution of housing and to include Supported Housing in the overall strategy.

The Police and Crime Commissioner reflected on Councillor Holdich's comments and explained that there was a need to develop a countywide strategy on Supported Housing in order to collectively address future need. He stated that the Authority could use this work as an evidence base to seek funding to support future growth.

Councillor Bailey echoed Councillor Herbert's comments on housing numbers and commented that it was a huge regret in East Cambridgeshire that the Housing Inspector had chosen not to accept the regional distribution of housing numbers in its Local Plan. She welcomed the work to review housing numbers collectively.

Councillor Herbert stated that it had taken four and a half years to reach a conclusion on the Plans submitted by Cambridge City and South Cambridgeshire. In his view this was not acceptable as Plans needed to be agreed within a year to respond to current housing need. He would be happy to help work up a letter to the Secretary of State to seek a meeting to discuss the range of planning issues faced by the county. Working together to produce a common position and approach would strengthen the county's position in its discussions with Government.

Councillor Bates sought assurances that the Environment Agency would be central to the discussions. The Director of Strategy and Assurance stated that they would be working with them closely on the review.

The Mayor clarified that once there was clear agreement on the Plan there would be further engagement with Ministers. The creation of a Spatial Strategy the Cambridgeshire and Peterborough sent a strong message to Government and he welcomed this.

It was resolved unanimously to:

agree the work programme and approach for Phase 2 of the Strategic Spatial Framework.

312. QUARTERLY PERFORMANCE REPORTING

The Board considered the quarterly update on performance reporting to the end of January 2019. The Director of Strategy and Assurance explained that through the Combined Authority's Business Plan, links had been made between financial planning and performance reporting. The report showed no

red projects and the net movement had been in a positive direction. The report showed the 12 key projects and their current RAG ratings.

Councillor Herbert queried how the RAG ratings for the projects were assessed. The Director of Strategy and Assurance acknowledged that this was an important challenge. He clarified that project managers had been given a clear framework around how projects should be rated. He clarified that the fact that a project was green did not mean that the project was not difficult.

Councillor Smith requested that future reports showed movement of the RAG status of reports. The Director of Strategy and Assurance stated that this detailed information was contained in the private exception report given to the Board. He explained that how this was presented in future reporting was under review.

It was resolved unanimously to:

note the February Delivery Dashboard.

313. UNIVERSITY OF PETERBOROUGH FUNDING

The Mayor informed the Board that he had received notice that the Overview and Scrutiny Committee wished to comment on the report and invited Councillor Nethsingha, Chair of the Overview and Scrutiny Committee, to address the Board. Councillor Nethsingha commented that the Committee had expressed concerns regarding the Peterborough University project and that it had requested an update on at the next meeting. The Mayor welcomed the Overview and Scrutiny's decision to request further information on this project.

Councillor Holdich introduced the report and stated that he was happy to address the concerns raised by the Committee and that actions had already been taken to address some issues identified by an external assessor. Gleeds had been brought in to review the work that had taken place so far on the project. Pinsent Mason had also been asked to review the future funding for the project. He explained that that the report that had been brought to the Board was to seek agreement for the £446,000 payment to University Centre Peterborough contingent upon the funding agreement being executed before funds were released. Work was also in hand with the Interim S73 Chief Finance Officer to make the financing of the project more visible in future reports. Councillor Herbert stated that he was proud that good progress had been made on the project and that upskilling was crucial to avoid limits on the economy.

Councillor Over commented that there was significant pent up demand for university places in Peterborough and gave his support to the report. He welcomed the visibility of the review of the project so far.

It was resolved unanimously to:

agree the £446,000 payment to University Centre Peterborough contingent upon the funding agreement being executed before funding is released.

314. MOTION SUBMITTED UNDER PROCEEDINGS OF MEETINGS RULE 14

The Mayor stated that a Motion had been submitted by Councillor Herbert in relation to the decision made by the Employment Committee to endorse the draft consultation document outlining a proposed restructuring of staffing at the Combined Authority. Councillor Herbert had subsequently submitted an amendment to the Motion which had been accepted by the Monitoring Officer.

Councillor Herbert commented that he had submitted the amendment to his original Motion as a public report on the staffing consultation had been published ahead of the call in review by the Overview and Scrutiny Committee on 25 February 2019.

The Mayor stated that he had received notice that the Overview and Scrutiny Committee wished to comment on the Motion and invited Councillor Nethsingha to address the Board.

Councillor Nethsingha commented that there had been a number of points arising from the discussion at Overview and Scrutiny Committee that Members wished to make the Board aware of. She wished to make clear that the points raised were the points agreed by the Committee and were not necessarily her own views. These points included:

- concerns around the staffing structure and the impact that it could have on delivery of projects in the future
- concerns around the area of transport delivery and the importance of ensuring that the Combined Authority hired staff with the appropriate transport skills. The vote at the Committee meeting had been drawn on this point so, whilst the decision was not called in, Councillor Nethsingha wished to draw the Board's attention to the level of concern expressed around this
- ensuring that partnership working across the county with other governmental bodies was a priority when considering staffing needs
- clarity around the Peterborough University project manager post within the context of the ongoing university project and whether it was necessary

Councillor Nethsingha explained that the Overview and Scrutiny Committee had considered the risks around the budget and introducing a new staffing structure at a time when there was no full-time Chief Executive in post. The Committee hoped that the recruitment of the new Chief Executive could be

taken forward quickly so that their views could influence the staffing structure within the organisation. The Committee had drawn a balanced conclusion on this to resolve not to endorse the call in concern around the implementation of the staffing structure. As the staffing structure continued to involve the Committee asked if this could be kept under review.

The Mayor sought confirmation from Councillor Nethsingha that the call in had not been endorsed and that the Overview and Scrutiny Committee were not sending the decision back to the Employment Committee. Councillor Nethsingha reiterated that the call in had not been endorsed by the Committee, but that it had been a helpful and constructive discussion. She expressed her gratitude that the consultation document had been brought into the public domain. The Mayor sought further assurances from Councillor Nethsingha that the points that had been raised were fully endorsed by the Committee and were not points made by her as an individual. Councillor Nethsingha commented that she had asked each time if the Committee was happy for her to share these comments with the Board and no member of the Committee had objected, but clarified that these points had not been voted on.

Councillor Smith stated that she felt this was a completely inappropriate line of questioning by the Mayor and that she strongly objected to it.

Councillor Bailey commented that there had been six months of work by officers as part of the root and branch review to draft the revised staffing structure and that the work had not been done in haste. Her view was that the Motion and the Amendment to the Motion questioned the work of the Employment Committee and its delegated authority to make decisions, which she felt was not appropriate. She also felt it questioned the work of the Overview and Scrutiny Committee in reviewing the decision.

Councillor Herbert stated that he wished to speak to the nine points contained in the Amendment to his Motion (copy at Appendix 1) and that he would wish that each point be voted on separately. Kim Sawyer, Interim Joint Chief Executive, stated that under the Constitution the mover of a Motion could add to that Motion provided there was no dissent from other members of the Board. Provided there was no dissent a vote would be required on whether the Amendment should be considered as a whole or in separate parts.

Councillor Bailey commented that it was unusual to consider a Motion which would overturn a decision taken within the last six months. Ms Sawyer stated that there had been no Motion to the Board on the staffing structure within the past six months. As the Employment Committee had delegated authority to make a decision on the staffing structure this decision could not be overturned by the Board. If the Motion before the Board was carried the decision would be returned to the Employment Committee to be reconsidered. The Combined Authority Board had superiority to the Employment Committee and only the decisions of the most superior decision-making body could not be reviewed within six months. Councillor Bailey asked for a note on this point.

Councillor Bates proposed, seconded by Councillor Holdich that Councillor Herbert's Motion and Amendment should be subject to a single vote.

Councillor Herbert commented that there had been a wide range of fundamental changes proposed to the staffing structure at the Combined Authority. There had been no involvement of the Board in discussion of these proposals and he did not feel it was appropriate that his Amendment should be considered as a whole.

On being put to the vote, the Motion was carried.

The Mayor agreed to Councillor Herbert's request to speak to each part of his Amendment in turn. He addressed each of the points of the amended motion in turn (copy at appendix 1).

Speaking in support of the Amended Motion, Councillor Smith expressed her concern in relation to the transport element of the consultation and requested that the Board take the comments from the Overview and Scrutiny Committee into consideration. It had taken considerable time to get finance to the point it was now and she was concerned this might be lost if the current level of expertise was not maintained. She supported the review of the number of posts in the Mayor's Office and its location and suggested greater use should be made of the Combined Authority offices at Alconbury Weald given the investment made in them. Councillor Smith voiced her disappointment at the decision not to vote on each element of the Amendment in turn.

Councillor Holdich stated that the amended motion was one of hindsight and the consultation had been debated fully at Employment Committee. He commented that the Committee had discussed the removal of the Director of Finance and Transport posts at length and had agreed to the changes. Each transport scheme would continue to have a project manager leading it and overseeing the detail.

Councillor Bailey commented that many of the issues raised by Councillor Herbert had been discussed in detail by the Employment Committee which had delegated authority to take these decisions. The Committee had proposed changes to some aspects of the proposals and these were being reflected by officers.

The Police and Crime Commissioner commented that it was his understanding that if posts were at risk it was generally accepted that reports would be considered in closed session. Kim Sawyer, Interim Joint Chief Executive, confirmed that Schedule 12A of the Local Government Act 1972 Paragraph 1 allowed for the press and public to be excluded from a meeting where a report contained information relating to an individual.

Councillor Bates commented that the Board had requested a root and branch review of the Combined Authority staffing structure. From all that he had heard he believed that this had been delivered and considered in detail.

On being put to the vote, both the substantive Motion and the Amended Motion proposed by Councillor Herbert and seconded by Councillor Smith were lost.

The Mayor stated that he had not contributed to the discussion as he had not wanted his views to prejudice the vote. He reiterated that there had been extensive discussions at both Employment Committee and the Overview and Scrutiny Committee of the proposals and he welcomed their support in endorsing the consultation to be taken forward. John Hill, Interim Joint Chief Executive, had done exceptional work in producing the report and the revised staffing structure would make the Combined Authority more efficient and would deliver savings of £1.8m.

315. DATE OF THE NEXT MEETING

10.30am Wednesday 27 March 2019 – Kries Viersen Room, Shire Hall, Cambridge, CB3 0AP

(Mayor)

AMENDMENT TO MOTION SUBMITTED BY COUNCILLOR HERBERT

Moved Councillor Herbert, Seconded Councillor Smith (who is also seconding the original motion)

TO ADD TO THE MOTION SUBMITTED

Given the serious lack of evidence and analysis in the restructuring report, the Combined Authority instructs the Employment Committee to achieve greater but different annual savings than proposed and to:

1) Retain the posts of Directors of Transport and Finance reporting with their teams directly to the Chief Executive (given that the calibre, leadership and impact of the two roles is vital)

but at lower salaries than planned, and that the two recruitments already underway be continued to a conclusion.

2) Retain the post of Inward Investment Manager as a role which will be vital in creating new jobs and in new investment in Cambridgeshire and Peterborough and also to address the potential risks of Brexit to the whole CA area.

3) Retain the post of a corporate Head of Sustainability to align with the Government's emerging ambition to raise the profile of the Environment along the OxCam Arc and to exploit opportunities for developing green technologies and in greening of the area's economy and extra jobs generated.

And to fund this and further savings by reversing new proposals and making the following changes to the restructuring plans:

4) Freeze the already large mayoral office staff of 4, saving at least £100,000/year.

5) Require the Mayor to move the mayoral office to Alconbury given the significant savings and increased efficiency this will generate.

6) Cut the number of extra legal staff by two.

7) Cut the extra strategy team staff by two.

8) Cut the planned budget for Adult Education staffing by 25%.

9) Given the filling of full time positions following the end of the recruitment freeze, cut the excessive and poorly controlled CA consultancy budget for 2019 and future years by at least £500,000/year, and instructs officers to bring forward a report to achieve this.