



**CAMBRIDGESHIRE & PETERBOROUGH COMBINED AUTHORITY**

**Wednesday, 28th November 2018**

**10:30a.m. – 1:00p.m.**

**Council Chamber, Council Chamber, Fenland Hall,**

**County Road, March, Cambs, PE15 8NQ**

**AGENDA**

**Open to Public and Press**

<b>Number</b>	<b>Agenda Item</b>	<b>Mayor/ Lead Member/ Chief Officer</b>	<b>Key Decision</b>	<b>Pages</b>
	<b>Part 1 – Governance Items</b>			
1.1	Announcements, Apologies and Declarations of Interests	Mayor	Non-key	oral
1.2	Minutes – 31 October 2018	Mayor	Non-key	6-17
1.3	Petitions	Mayor	Non-key	oral
1.4	Public Questions	Mayor	Non-key	oral
1.5	Forward Plan	Mayor	Non-key	18-30
1.6	Members' Allowances Scheme	Interim Legal Counsel & Monitoring Officer	Non-key	31-38

	<b>Part 2 - Finance</b>			
2.1	2019/20 Draft Budget and Medium Term Financial Plan 2019 to 2023	Portfolio Holder for Investment and Finance	Non-Key	39-56
2.2	Budget Monitor Update	Portfolio Holder for Investment and Finance	Non-Key	57-65
	<b>Part 3 – Combined Authority Matters</b>			
3.1	Wisbech to March Rail – Grip 3b Study	Mayor	Key	66-80
3.2	Response to the Cambridgeshire and Peterborough Independent Economic Review (CPIER): A Growth Ambition Statement	Mayor	Key	81-91
3.3	Performance Reporting	Mayor	Non-Key	92-94
	<b>Part 4 – Business Board Recommendations to Combined Authority</b>			
All of the following Business Board recommendations are conditional pending confirmation from Government that local growth funds have been released for allocation by the Business Board.				
4.1	Growth Fund Projects	Chair of Business Board & Councillor Charles Roberts, Portfolio Holder for Economic Growth	Non-Key	95-96

4.2	Eastern Agri-Tech Growth Initiative	Chair of Business Board & Councillor Charles Roberts, Portfolio Holder for Economic Growth	Key	97-98
4.3	Growth Deal  (a) Wisbech Access Strategy – Summary of study work and request to proceed to delivery of design with simultaneous construction of phase 1 interventions  (b) M11 Junction 8 Improvement Project	Chair of Business Board & Councillor Charles Roberts, Portfolio Holder for Economic Growth	Key	99-103
4.4	The Greater South East Energy Hub – Rural Community Energy Fund	Chair of Business Board & Councillor Charles Roberts, Portfolio Holder for Economic Growth	Key	104-105
	<b>Part 5 -Skills Committee Recommendations to Combined Authority</b>			
5.1	University of Peterborough – Review and Evaluation for Phase 1 and 2 of the Programme	Portfolio Holder for Skills and Chair of Skills Committee	Non-Key	106-107
5.2	Adult Education Budget Devolution	Portfolio Holder for Skills and Chair of Skills Committee	Key	108-109
5.3	Skills Prioritisation Plan - Careers Enterprise Company	Portfolio Holder for Skills Chair of Skills Committee	Non-Key	110-111

	<b>Part 6 – Combined Authority Matters – Part 2 Item</b>			
6.1	£100m Affordable Housing Programme - Scheme Approvals <i>[Appendices 1 to 3 of this report are confidential. If members wish to discuss these appendices it will be necessary to exclude the press and public]</i>	Mayor	Key	112-117
	<b>Part 6 – Finance – Part 2 Item</b>			
6.2	Exclusion of Press and Public <i>To resolve that the press and public be excluded from the meeting on the grounds that the agenda contains exempt information under Paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972, as amended, and that it would not be in the public interest for this information to be disclosed - information relating to the financial or business affairs of any particular person (including the authority holding that information)</i>	Mayor	Non-Key	-
6.3	Wisbech: 11 & 12 High Street [Confidential report]	Mayor	Non-Key	-
	<b>Part 7 – Date of Next Meeting</b>			
7.1	Date: Wednesday 30 January 2019 at 10.30am, Civic Suite Room A, Huntingdonshire District Council, Pathfinder House, St Mary's Street, Huntingdon, PE29 3TN	Mayor	oral	-

The Combined Authority currently comprises the following members:

Mayor: J Palmer

Councillors: G Bull, S Count, L Herbert, J Holdich, C Roberts, C Seaton and B Smith  
Substitute members: Councillors A Bailey, I Bates, W Fitzgerald, R Fuller, D Oliver, A Smith & A Van de Weyer

Chair of the Business Board: Aamir Khalid

Observers: J Ablewhite (Police and Crime Commissioner), J Bawden (Clinical Commissioning Group) and Councillor K Reynolds (Chairman - Cambridgeshire and Peterborough Fire Authority)

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 (Patrick Arran) no later than 12.00 noon three working days before the day of the meeting at [patrick.arran@cambridgeshirepeterborough-ca.gov.uk](mailto:patrick.arran@cambridgeshirepeterborough-ca.gov.uk). The request must include the name, address and contact details of the person wishing to speak, together with the full text of the question to be asked.

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



## **CAMBRIDGESHIRE & PETERBOROUGH COMBINED AUTHORITY: MINUTES**

**Date:** Wednesday 31 October 2018

**Time:** 10.30am – 12.15pm

**Present:** J Palmer (Mayor)

G Bull – Huntingdonshire District Council, S Count - Cambridgeshire County Council, L Herbert – Cambridge City Council, J Holdich – Peterborough City Council, C Roberts - East Cambridgeshire District Council, C Seaton – Fenland District Council and B Smith – South Cambridgeshire District Council

**Observers:** R Bisby (Deputy Police and Crime Commissioner) and J Bawden (from 10.35am) (Clinical Commissioning Group)

### **248. ANNOUNCEMENTS, APOLOGIES AND DECLARATIONS OF INTEREST**

The Mayor welcomed Patrick Arran to his first meeting since his appointment as Interim Monitoring Officer. He also highlighted the Chancellor's Budget Statement on 29 October 2018 which had included £21m for infrastructure projects, £20m for east/ west rail and £675m for transforming high streets, which would align with the Board's market town strategy.

Apologies were received from J Ablewhite, Police and Crime Commissioner, who was substituted by R Bisby, Deputy Police and Crime Commissioner.

There were no declarations of interest.

### **249. MINUTES – 26 SEPTEMBER 2018**

The minutes of the meeting on 26 September 2018 were agreed as a correct record and signed by the Mayor.

### **250. PETITIONS**

No petitions were received.

### **251. PUBLIC QUESTIONS**

Councillor Chris Boden was not in attendance to ask his question in person so his written question was read to the Board. *(The question and the response are published*

at the following link: [Cambridgeshire and Peterborough Combined Authority meeting 31 October 2018](#) and attached at **Appendix A**).

In addition to his written response to Councillor Boden the Mayor stated that that his comments would be taken on board when Item 2.5: A605 Kings Dyke Level Crossing Closure was considered later in the meeting.

## **252. FORWARD PLAN**

The Board reviewed the Forward Plan of Executive Decisions which was published on 29 October 2018.

Councillor Herbert commented that the agenda for the meeting on 28 November 2018 was very full. He queried the level of detail which would be included in the Budget Update 2018/19 report and emphasised the need to be transparent. Councillor Herbert welcomed the Independent Remuneration Panel Review of Allowances report, but queried exactly when and how remuneration arrangements for the Business Board had been agreed as he did not recall this having been brought previously to the Combined Authority Board.

The Interim Chief Finance Officer stated that the Budget Update report would include a full capital and revenue split as well as expenditure by project.

The Interim Chief Executive stated that payment of an allowance to the Chair of the Business Board had been established via a Mayoral Decision Notice on 25 June 2018. This was reported to the Combined Authority Board on 25 July 2018 (Item 1.7 refers) in the minutes of the Business Board meeting on 25 June 2018. All Business Board decisions were submitted to the Combined Authority Board for ratification.

It was resolved unanimously to:

note the Forward Plan.

## **253. APPOINTMENT TO BUSINESS BOARD**

The Board considered a recommendation to appoint Councillor Wayne Fitzgerald as substitute for substitute for Councillor Charles Roberts, Portfolio Holder for Economic Growth, on the Business Board in place of Councillor Anna Bailey.

It was resolved unanimously to:

- a) appoint Councillor Wayne Fitzgerald as substitute for Councillor Charles Roberts, Portfolio for Economic Growth on the Business Board.

## **254. MEMBERSHIP OF THE COMBINED AUTHORITY AND COMMITTEES – AMENDMENTS**

The Board considered changes to the substitute membership of the Combined Authority Board and Overview and Scrutiny Committee which had been notified by Cambridgeshire County Council and Peterborough City Council.

It was resolved unanimously to note:

- a) the appointment by Cambridgeshire County Council of Councillor Ian Bates temporarily as its substitute member on the Combined Authority Board;

- b) the appointment by Peterborough City Council of Councillor Shaz Nawaz as one of its substitute members on the Overview and Scrutiny Committee for the remainder of the municipal year 2018/19.

## **255. £100m HOUSING PROGRAMME – SCHEME APPROVALS**

Councillor Roberts, Portfolio Holder for Housing and Chair of the Housing and Communities Committee, stated that there was insufficient housing to support the region's strong and growing economy and the situation in relation to affordable housing was particularly acute. It was hoped that the Whittlesford scheme described in the report would encourage similar projects elsewhere in the region. The Director of Housing and Development stated that Whittlesford was a grant-supported scheme which would support the delivery of 43 shared ownership homes and 17 Affordable Rent homes instead of the 60 Open Market homes originally planned.

It was resolved unanimously to:

- a) commit grant funding of £1.634m from the £100m Affordable Housing Programme to support delivery of new affordable housing scheme at Lion Works, Station Road, Whittlesford.

## **256. COMMISSION OF THE LOCAL TRANSPORT PLAN**

The Mayor invited Councillor Lucy Nethsingha, Chair of the Overview and Scrutiny Committee, to advise the Board of five issues raised by the Committee in relation to the report. Councillor Nethsingha stated that the Overview and Scrutiny Committee had discussed the report at length and that her five observations came with the Committee's full endorsement. These were:

i.)The Committee requested that the Heavy Commercial Vehicle route map was taken into account and was integrated fully with the Local Transport Plan. The importance of consultation was highlighted.

ii.)The Committee raised concerns around the assumptions made over North/ South priorities over the East/ West within the report and wondered how this assumption had been reached. There were also concerns raised that there appeared to be no reflection of the issues raised in the Cambridgeshire and Peterborough Independent Economic Review (CPIER) report.

iii.)The Committee wanted to know that the level of consultation with District Councils at the initial stages would be thorough to allow the Councils to incorporate the Local Transport Plan into their local plans. The Committee was keen that the Local Transport Plan should take account of District Councils' role.

iv.)The Committee wanted reassurance that the Combined Authority would have the resources to manage the significant public interest expected when the Local Transport Plan went out for public consultation.

v.)If the consultation responses created a need for Phase Three to be re-written would the Combined Authority be prepared to adjust the Local Transport Plan.

The Transport Programme Manager stated that following the Devolution Deal, the Combined Authority had become the Local Transport Authority with strategic transport powers for the areas previously covered by Cambridgeshire County Council and



Peterborough City Council. Appendix 1 set out the four stages of work proposed which would be supported by a number of complimentary strategies. Supporting inclusion and growth across the whole of the Combined Authority area would form a key assumption and work would take account of existing business cases and strategies. The statutory public consultation exercise would run for 12 weeks and was planned to begin in early 2019.

Councillor Herbert welcomed the clear timetable set out in the report, but queried whether the Spring 2019 timeframe would allow time for adequate engagement and reflection. He commented that it would be important to align with Local Plans and to link in with the non-statutory Spatial Plan. He also asked for a response to the points raised by the Overview and Scrutiny Committee.

The Transport Programme Manager stated that the timelines proposed included flexibility in the period for analysis and reflection on the response to the public consultation and engagement events. In response to the questions raised by the Overview and Scrutiny Committee he stated that:

- i.) The Heavy Commercial Vehicle Route map and LTP would be aligned;
- ii.) When the brief was drawn up it was designed to ensure that the whole of the Combined Authority area was considered;
- iii.) There had already been two rounds of engagement with District Councils. There was an open and on-going dialogue with District Councils and this would continue throughout the process;
- iv.) There would be internal staffing resources available to handle the response to the public consultation and officers were working with Cambridgeshire County Council and Peterborough City Council to understand the likely volume of responses;
- v.) The production of the LTP and implementation plans would run alongside the public engagement and consultation exercise so the Plan would incorporate and respond directly to the feedback from the consultation.

Councillor Count commented that the LTP involved a very complicated timetable and welcomed the fast timeline. If this subsequently needed to be reviewed then it would be, but it was good to aim for quick action. He commented that it would be important to address known issues such as building a relationship with rail timetabling bodies as well as those responsible for rail infrastructure. There were also a number of unknown variables such as the possible creation of new railway stations, increased use of battery powered cars and autonomous vehicles. There was no question that plans would be altered as necessary to take account of the public consultation. Councillor Count further commented that the Overview and Scrutiny Committee's concern about priority being given to North/ South projects appeared to be based on a misunderstanding. A focus on building the economy of the north of the region was built into the Devolution Deal and the CIPER report. Improving transport links was one way of achieving this.

Jessica Bawden asked whether Public Health was being specifically consulted about the impact of the LTP. Councillor Holdich commented that there was a need to engage with Public Health, local Health and Wellbeing Boards and local councillors and to work up an action plan. The Transport Programme Manager stated that some engagement had already taken place with Public Health and that this would continue.

Councillor Smith asked how mindful officers were of the recommendations of the CPIER report and whether there would be continued engagement with CPIER. Officers confirmed that the CPIER report constituted a fundamental part of the evidence base for the LTP and would form the platform on which the Plan would be built.

In response to the Overview and Scrutiny Committee's representation on geographical priorities the Mayor stated that there were many projects underway which focused on the East/ West axis, including those to be considered later on the agenda. This formed a significant part of what the Combined Authority was striving to do. There was also the £20m investment in East/ West rail which he had referenced earlier in the meeting (minute 248 refers). Councillor Holdich had also raised the significance of improving the rail connection between Peterborough and Birmingham. The Combined Authority was lobbying the rail operator for better provision, including more regular stops at stations in Fenland and more carriages on trains.

It was resolved unanimously to:

- a) agree the scope of the Local Transport Plan for the Combined Authority;
- b) agree the stakeholder engagement strategy.

## **257. EAST-WEST (NORTH) CORRIDOR – A47 DUALLING STUDY – STRATEGY, PHASING AND PRIORITISATION STAGE 0**

The Transport Programme Manager stated that a strategic outline business case (SOBC) had previously been considered by the Board in June 2018. The current report contained a refined SOBC and three route options. The Mayor and officers had met with the Chief Executive of Highways England in July 2018 and subsequently with Highways England technical and commercial teams and the advice received had been encouraging. Officers would produce a suite of information to specified standards which would enable Highways England to compare schemes nationally. The request before the Board to approve additional funding of up to £1m consisted of £800k to establish a supply chain and meet County Council and land costs plus a £200k contingency fund. Approval was also sought for the continuation of Skanska consultancy support under the existing County Council framework, around 75% of which had been completed to date. The options appraisal took account of Local Plans and included sensitivity testing in relation to Wisbech Garden Town. The Mayor commended the Transport Programme Manager for his report and the work which lay behind it.

Councillor Count commented that the proposed dualling of the A47 was vital and necessary and should be delivered within the proposed 2027 timeframe. It provided a crucial route within Cambridgeshire, Peterborough and Norfolk and was vital to support local businesses and their workforce. Improving infrastructure was a key aspect of the Devolution Deal and Authorities with strong plans already developed would be well-placed to move quickly when funding was available. Assuming the proposed dualling of the A47 went ahead there did not seem to be the need for a full rework of the Guyhirn roundabout, although some remedial works would be necessary to address the situation at Guyhirn until 2027. It would also be prudent to reserve the position on Guyhirn in case the proposed A47 dualling did not progress. On that basis he supported the continuing dialogue on this issue between the Director Transport and Highways England. However, his view was that all delegations of authority to officers should be subject to consultation with the relevant Committee Chair. To this end, Councillor Count proposed an amendment to Recommendation (e), seconded by Councillor Seaton, that the Board:

delegate authority to the Transport Director, *in consultation with the Chairman of the Transport Committee*, to consider and negotiate the concept of *amending* the continuation or cessation of the current proposed Highways England Intervention at Guyhirn, to then utilise the funding in the development of the wider scheme.

On being put to the vote the amendment was carried.

Councillor Holdich commented that the proposals made absolute sense. It was a good report, but he would have liked to see more information on the project's benefits as well as the challenges.

Councillor Seaton stated that he fully supported the report. However, the proposal went beyond improving the transport infrastructure and was actually a means of supporting economic development across the whole route. For that reason his preference would be refer to the project as an economic corridor.

The Mayor restated the importance of the economic corridor between Peterborough and Norwich which dualling of the A47 would support. This had been identified in the CPIER report and it was shameful that it had not been done before. People were continuing to lose their lives on a dangerous road and he welcomed the Board's unanimous support for the proposal.

It was resolved unanimously to:

- a) note the findings of the revised A47 Strategic Outline Business Case, and Options Appraisal Report which confirms that a strong case exists for the dualling of the whole section of the route;
- b) note the three identified route options being developed to the standards of both HE DCO Compliant PCF Stage 0 and SGAR;
- c) approve the continuation of Skanska consultancy support via the existing Cambridgeshire County Council framework arrangement and Budget of additional funding of up to £1,000,000, (at a level of £800,000 plus £200,000 contingency subject to CEO / CFO release) for the development of HE DCO Compliant PCF Stage 0 products to achieve a Green SGAR approval;
- d) note the need to identify funding for a contribution towards the development stage of up to £30,000,000 of an estimated total £60,000,000 over the period 2019 to 2025 as a contribution to the design and development of the preferred route;
- e) delegate authority to the Transport Director, in consultation with the Chairman of the Transport Committee, to consider and negotiate the concept of amending the continuation or cessation of the current proposed Highways England Intervention at Guyhirn, to then utilise the funding in the development of the wider scheme.

## **258. CAMBRIDGE AUTONOMOUS METRO: UPDATE**

The Mayor invited Councillor Lucy Nethsingha, Chair of the Overview and Scrutiny Committee, to advise the Board of two issues raised by the Committee in relation to the report. Councillor Nethsingha stated that the Overview and Scrutiny Committee:

- i.) requested that more detail be included in future reports and asked if the remit that was provided to the consultants to produce this work could be provided to the Overview and Scrutiny Committee;
- ii.) requested that further information around financing be provided.

The Mayor stated that he took the Committee's comments on board and would reply in due course. He invited Alison Norrish to introduce the report. Ms Norrish was a highly experienced engineer with significant experience in delivering complex underground projects, including Crossrail. Her work was now jointly commissioned by the Combined Authority and the Greater Cambridge Partnership (GCP).

Ms Norrish stated the report before the Board provided an update on the Cambridge Autonomous Metro (CAM) project and specifically those decisions taken by the Board in July 2018. Production of a Strategic Outline Business Case (SOBC) remained on track for delivery in December 2018. Combined Authority and GCP officers assisted by consultants had reviewed the proposed A428 Cambourne to Cambridge route and Arup had produced a summary of that review, a copy of which was appended to the report as Appendix 1. Providing infrastructure links to the central CAM scheme was critical.

Councillor Smith commented that she had thought the Board would be receiving a full and independent review of all of the current data. Instead, it had received three pages of unsubstantiated narrative. She supported the Overview and Scrutiny Committee's request to see the specification for the consultant's report. She had received numerous complaints from local residents regarding the proposals and the report before the Board did nothing to build confidence. Councillor Smith criticised a tweet which had been posted the previous day which referred to 'battling with Nimbys' which she felt was contrary to the work which local councillors were doing with local residents. If a segregated route was to be pursued she felt that a strong case must be made for it, containing more detail. The report stated that the proposed route was the optimal solution, but there was nothing in the report to substantiate this.

Councillor Herbert acknowledged Councillor Smith's observations and commented that he felt it would be helpful to the work of the GCP and demonstrate that the Combined Authority was following a good process if a PowerPoint presentation and supplementary information which had been provided in another forum was published. If the off-road proposal was supported this would be consistent with the CAM project and would help deliver it. The clarity around the type of vehicle to operate the route was also welcome. Councillor Herbert committed his efforts along with the GCP to help deliver the project. He did though take the point made by the Chair of the Overview and Scrutiny Committee that the funding of the CAM project must be evidenced.

Councillor Count welcomed the interim report before the Board, noting that the full Business Case containing detailed information would be submitted to the Board in December 2018. Given that this was an update report only he judged that the findings contained at paragraph 2.8 were at the right level for now to illustrate the direction of travel. The body that had determined the route was the GCP and the purpose of the Arup report was to examine whether that process had been robust and had followed due process.

Councillor Smith commented that there seemed an intention to pass the buck to the GCP and possibly South Cambridgeshire District Council about the decision on the Cambourne to Cambridge route. The Mayor had stated that the route had to align with the CAM project so in her view the final responsibility for the decision rested there. There was a need to be clear that there was currently no funding for the CAM project and residents were being asked to accept a route predicated on the CAM. She was

concerned that the route would become a white elephant if the CAM project did not proceed. If that should happen it would not be the responsibility of the GCP or South Cambridgeshire District Council. On that basis she judged it was appropriate to ask for the evidence and facts now.

The Mayor stated that the bottom line was that the Cambridgeshire and Peterborough Independent Economic Review had made absolutely clear that the Combined Authority must get on with the CAM project to enable the economy in Cambridge to grow and thrive. The intention was to deliver a world class infrastructure project. Ms Norrish had been frank in her initial view that a Cambridge underground transport system could not be done. However, having examined the proposals in detail she had concluded that it was achievable, affordable and could be delivered in the timescale proposed. She had further confirmed during the course of the meeting that work to build the necessary funding was on-going and would be delivered by the end of the year as part of the SOBC. The Mayor acknowledged the strength of Councillor Smith's views and the concerns of the residents of Coton and stated that the consultation process must have real strength and merit. However, there was an absolute need to address the Cambridge transport nightmare. Sustainable public transport was the answer, and the Combined Authority would work alongside County, City and District Councils to deliver this.

It was resolved by a majority to:

- a)note the progress of the CAM project towards the production of the Strategic Outline Business Case by December 2018
- b)agree the outcomes of the review of the A429 Camborne to Cambridge project, following the pause agreed at the July Combined Authority Board meeting
- c)note the progress of the work to assess the potential delivery models to ensure the priority transport projects (including the CAM) can be delivered at pace.

## **259. A605 KINGS DYKE LEVEL CROSSING CLOSURE**

The Transport Programme Manager stated that the A605 was identified as an economically important corridor between the Fens and Peterborough. At present there were around 120 train movements per day across the level crossing. At peak periods the waiting time in both directions was significant, as was the impact of queueing traffic on local residents. The North Bank provided an alternative route from Whittlesey to Peterborough, but ran through the Nene Washes flood plain and was often closed to traffic during the winter months. Approval was sought for a further £16.4m funding contribution in addition to the £13.6m allocated originally to meet additional costs relating to technical issues and an increase in the cost of land acquisition issues. County Council officers had assured the processes regarding land purchase by agreement rather than by compulsory purchase. This was also supported by legal advice. A probability and impact assessment had been conducted and had produced an 80% confidence level that the project would be delivered within a £30m budget so there was still an element of risk, predominantly in relation to the variable elements of the scheme. It was proposed that a member of the Combined Authority Transport Team should sit on the project board throughout the construction period to ensure a robust degree of challenge. Any over or underspend against the revised project budget would be apportioned on a 40/60 basis between Cambridgeshire County Council and the Combined Authority.

Councillor Herbert commented that he definitely saw the need for the project, but it was only 14 months since the initial figures had been provided and he would like to understand why some of the costs in the table at paragraph 2.12 had doubled. The

The Transport Programme Manager stated that the preliminary design had made certain assumptions and some of these had been revised in the detailed design. This included additional strengthening required on land adjacent to a disused clay pit, safety improvements and future-proofing of roundabouts and the retention of access to enable an existing business to continue to operate. In relation to the land acquisition there had been an element of optimism in relation to the initial valuation, but legal advice confirmed that the land should be identified as being of commercial rather than agricultural value. The revised cost would still represent around 13% of the total costs and for a project of this type land costs of between 10-15% were generally expected. The increase in relation to management and supervision costs were due to the complexity of the delivering the scheme within the timescale required whilst the increase in risk costs reflected his assessment of the level of risk involved given the complexity of the scheme.

Councillor Holdich commented that there was challenge from some quarters that the Combined Authority was not doing enough for Peterborough. The clear advantages of this scheme might prove to be as important over time to Peterborough and Fenland as the dualling of the A47 economic corridor.

Councillor Count commented that there was both a technical and a human dimension to the project. On the technical side the scheme had doubled in price. This increase had been challenged both by Combined Authority and County Council officers and independent external advice had been commissioned to provide an assurance that the revised price was reasonable. The business case and reported revised benefit cost ratio (BCR) demonstrated that the scheme continued to represent good value for money. On the human side, the figures demonstrated the real damage being done to peoples' lives and the local economy. The Combined Authority would not commit to improved infrastructure at any cost, but in this case the assurance process in relation to increased costs had been robust, there was a strong BCR case and the project remained vital.

The Deputy Police and Crime Commissioner commented that this was a good scheme, but that Stanground Access was also a traffic bottleneck and that this needed to be addressed too. The Mayor stated that £2.4m had been put forward to address the issues at that junction and the Transport Programme Manager undertook to confirm the expected works date.

The Mayor stated that the Kings Dyke level crossing project was an example of the why the Combined Authority had been set up. Local people wanted the works carried out and the Combined Authority was working with Cambridgeshire County Council to deliver it. The Mayor also paid tribute to Councillors Martin Curtis and David Connor for their passionate support for the project.

It was resolved unanimously to:

- a) note the independently reviewed Business case supporting the progression of the scheme as value for money;
- b) agree to provide funding contribution of up to £16.4m over the original £13.6m allocation to enable the scheme to progress to construction;

- c) agree the appointment of 40 / 60 as a split of any under / over spend against the above budget between Cambridgeshire County Council and the Combined Authority as set out in the report.

## **260. PERFORMANCE REPORTING**

The Mayor invited Councillor Lucy Nethsingha, Chair of the Overview and Scrutiny Committee, to advise the Board of an issue raised by the Committee in relation to the report. Councillor Nethsingha stated that the Overview and Scrutiny Committee felt that the performance reports that would be sent to the new Committees should contain greater detail than the overview report that would be sent to the Board.

The Director of Strategy and Assurance recommended that performance reporting to the Board should reflect Devolution Deal commitments and take the form of a simple, proportionate and clear document which was accessible both to Board members and the public. It was proposed to submit quarterly reports from November 2018 onwards contained six indicators based around political and Devolution Deal priorities. Red – amber - green (RAG) ratings would also be provided on a core of priority projects. Committees would set their own performance reporting requirements and he would expect those to contain more detailed information.

Councillor Smith commented that the illustrative graphs contained in Appendix 1 referred to 2,500 affordable homes, whereas the actual minimum figure specified was 2,000. She suggested that the actual graph should instead say affordable homes with no specified figure to allow scope to be more ambitious. The Director for Strategy and Assurance stated that the figure of 2,500 reflected the total number of new homes which would be delivered through the £100m Affordable Housing Programme and the £70m Cambridge City Housing Programme.

Councillor Herbert commented that the report was useful. He would though want fuller detail on projects requiring further examination. It would be important to illustrate value for money evidence-based targeting in comparison to how money was used. The Director for Strategy and Assurance agreed about the linkage of budget reporting and value for money and stated that RAG ratings would be set in a rules-based way.

Councillor Count commented that the Cambridgeshire and Peterborough Independent Economic Review (CPIER) had stressed the need to build up robust performance analysis to support project proposals. There was a need to monitor what was required to meet the test of gateway processes as well as for internal assurance purposes.

Councillor Roberts highlighted the significant time commitment demanded of Board members in addition to their responsibilities in their home Authorities. Ways must be found to refine the way in which the Combined Authority interacted with elected members going forward. He welcomed assurance which the regular performance reporting would provide in relation to key projects and commended the clear and concise nature of the £100m Housing Programme: Scheme Approvals as an exemplar for future Board reports to enable the Board to use its time to best effect and focus on clearly defined issues. This did not extend to Committee reports where it was accepted that a greater level of detail would be required.

It was resolved by a majority to:

- a) agree the proposed performance reporting arrangements described in this paper.

## **261. DATE OF NEXT MEETING**

The Combined Authority Board will meet next on Wednesday 28 November 2018 in the Council Chamber, Fenland Hall, County Road, March PE15 8NQ.

(Mayor)



**CAMBRIDGESHIRE AND PETERBOROUGH COMBINED AUTHORITY – 31<sup>st</sup> OCTOBER 2018**

**PUBLIC QUESTION**

<b>No.</b>	<b>Question from:</b>	<b>Question to:</b>	<b>Question</b>
1.	Councillor Chris Boden (Cambridgeshire County Councillor and Fenland District Councillor)	Mayor James Palmer	<p>Does the Mayor agree, when allocating public money to major infrastructure projects, that it is appropriate to make such decisions using objective criteria (such as the Department for Transport’s Benefit Cost Ratio (BCR) measure) and that that measure provides exceptionally strong evidence for the Combined Authority to support funding the construction of the King’s Dyke bridge?</p> <p>I am asking this question as delays caused by the current level crossing at King’s Dyke are a social and economic cost for every resident in Whittlesey.</p>
	<b>Response from:</b>	<b>Response to:</b>	<b>Response</b>
	Mayor James Palmer	Councillor Chris Boden (Cambridgeshire County Councillor and Fenland District Councillor)	Decisions related to Cambridgeshire and Peterborough Combined Authority (CPCA) funding for transport infrastructure projects are taken in accordance with the CPCA assurance framework. That includes being consistent with the Department for Transport’s (DfT) WebTAG appraisal guidance.

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

AS AT 20 NOVEMBER 2018

## **FORWARD PLAN**

### **KEY DECISIONS**

In the period commencing 28 clear days after the date of publication of this Plan, the Cambridgeshire and Peterborough Combined Authority intends to take 'key decisions' where indicated in the table below. Key decisions means a decision of a decision maker, which in the view of the overview and scrutiny committee for a combined authority is likely—

- (i) to result in the combined authority or the mayor incurring significant expenditure, or the making of significant savings, having regard to the combined authority's budget for the service or function to which the decision relates; or
- (ii) to be significant in terms of its effects on persons living or working in an area comprising two or more wards or electoral divisions in the area of the combined authority.

This Plan should be seen as an outline of the proposed decisions for the forthcoming month. Any questions on specific issues included on the Plan should be included on the form which appears at the back of the Plan and submitted to Patrick Arran, the Monitoring Officer for the Combined Authority. For each decision a public report will be available one week before the decision is taken.

### **NOTIFICATION OF NON-KEY DECISIONS**

For complete transparency relating to the work of the Combined Authority, this Plan also includes an overview of non-key decisions to be taken by the Combined Authority.

You are entitled to view any documents listed on the Plan, or obtain extracts from any documents listed or subsequently submitted to the decision maker prior to the decision being made, subject to any restrictions on disclosure. There is no charge for viewing the documents, although charges may be made for photocopying or postage. Documents listed on the notice and relevant documents subsequently being submitted can be requested from Patrick Arran, the Monitoring Officer for the Combined Authority.

All decisions will be posted on Cambridgeshire County Council website, or the Combined Authority website, once established. If you wish to make comments or representations regarding the decisions outlined in this Plan, please submit them to Patrick Arran, the Monitoring Officer for the Combined Authority using the form attached.

<i>DECISION REQUIRED</i>	<i>DECISION MAKER</i>	<i>DATE DECISION EXPECTED</i>	<i>KEY DECISION / DECISION</i>	<i>PURPOSE OF REPORT</i>	<i>CONSULTATION</i>	<i>CONTACT DETAILS / REPORT AUTHORS</i>	<i>LEAD MEMBER</i>	<i>DOCUMENTS RELEVANT TO THE DECISION SUBMITTED TO THE DECISION MAKER (INCLUDING EXEMPT APPENDICES AND REASONS FOR EXEMPTION)</i>	
<b>Governance and Finance Items</b>									
1.	Minutes of the Meeting on 31 October 2018	Cambridgeshire and Peterborough Combined Authority	28 November 2018	Decision	To agree the minutes from the last meeting	Relevant internal and external stakeholders	Michelle Rowe, Democratic Services Manager	It is not anticipated that there will be any documents other than the report and relevant appendices to be published.	
2.	Forward Plan	Cambridgeshire and Peterborough Combined Authority	28 November 2018	Decision	To note the latest version of the forward plan	Relevant internal and external stakeholders	Michelle Rowe, Democratic Services Manager	Mayor James Palmer	It is not anticipated that there will be any documents other than the report and relevant appendices to be published.
3.	Independent Remuneration Panel – Review of Allowances (via Business Board)	Cambridgeshire and Peterborough Combined Authority	28 November 2018	Decision	To instigate an IRP to review the level of allowances. The IRP will also be asked to consider whether there should be a standard allowance for any members attending commissions (such as the Public Sector reform commission).	Relevant internal and external stakeholders	Patrick Arran, Interim Legal Counsel and Monitoring Officer		It is not anticipated that there will be any documents other than the report and relevant appendices to be published
4.	Medium Term Financial Strategy	Cambridgeshire and Peterborough Combined Authority	28 November 2018	Decision	To provide an update to the Medium Term Financial Plan, to propose the 2019/20 budget setting process and timeline, to propose the draft 2019/20 Combined Authority budget for consultation purposes and to present the Mayor's draft budget for 2019/20.	Relevant internal and external stakeholders	Karl Fenlon Interim Chief Finance Director	Councillor Steve Count Portfolio Holder for Investment and Finance	It is not anticipated that there will be any documents other than the report and relevant appendices to be published.
5.	Budget Update 2018/19	Cambridgeshire and Peterborough Combined Authority	28 November 2018	Decision	To provide the half year financial position of the Combined Authority for the year to 31 March 2019.'	Relevant internal and external stakeholders	Karl Fenlon Interim Chief Finance Officer	Councillor Steve Count, Portfolio Holder for Investment and Finance	It is not anticipated that there will be any documents other than the report and relevant appendices to be published.

Business Board Recommendations to Combined Authority									
6.	<b>Growth Deal</b> - Wisbech Access Study - M11 J8 Project  <i>[may contain confidential information]</i>	Cambridgeshire and Peterborough Combined Authority	28 November 2018	<b>Key Decision 2018/024</b>	To review and accept the recommendations from the Business Board for individual project funding.	Relevant internal and external stakeholders	John Hill, Director of Business & Skills	Chair of Business Board Councillor Charles Roberts, Portfolio Holder for Economic Growth	It is not anticipated that there will be any documents other than the report and relevant appendices to be published
7.	<b>Eastern Agri-Tech Growth Initiative</b>	Cambridgeshire and Peterborough Combined Authority	28 November 2018	<b>Key Decision 2018/019</b>	To consider and agree continuation funding from Growth Deal for the Eastern Agri-Tech Growth Initiative	Relevant internal and external stakeholders	John Hill, Director of Business & Skills	Chair of Business Board & Councillor Charles Roberts, Portfolio Holder for Economic Growth,	It is not anticipated that there will be any documents other than the report and relevant appendices to be published
8.	<b>Greater South East Energy Hub</b>	Cambridgeshire and Peterborough Combined Authority	28 November 2018	<b>Key Decision 2018/034</b>	<p>To provide an update on The Greater South East Energy Hub (GSEEH), operated by the CPCA for a 15 county area plus Greater London.</p> <p>To outline additional funding from BEIS for the Hub to operate the Rural Community Energy Programme, to support local project delivery.</p>	Relevant internal and external stakeholders	John Hill, Director of Business & Skills	Chair of Business Board & Councillor Charles Roberts, Portfolio Holder for Economic Growth,	It is not anticipated that there will be any documents other than the report and relevant appendices to be published
Skills Committee Recommendations to Combined Authority									
9.	<b>University of Peterborough – Review and Evaluation for Phase 1 and 2 of the Programme</b>	Cambridgeshire and Peterborough Combined Authority	28 November 2018	<b>Decision</b>	To endorse the recommendation for the CPCA to commission both a Financial Review with Pinsent Masons and a Technical/Partnership approach review with Gleeds.	Relevant internal and external stakeholders	John Hill, Director of Business & Skills	Councillor John Holdich Portfolio Holder for Skills Chair of Skills Committee	It is not anticipated that there will be any documents other than the report and relevant appendices to be published
10.	<b>Adult Education Budget Devolution</b>	Cambridgeshire and Peterborough Combined Authority	28 November 2018	<b>Key Decision 2018/037</b>	To receive a report on the next steps in the devolution of the AEB programme; including the Commissioning Strategy, and relevant strategies and plans	Relevant internal and external stakeholders	Neil Cuttall, AEBD Programme Manager,  John Hill, Director of Business & Skills	Councillor John Holdich Portfolio Holder for Skills Chair of Skills Committee	It is not anticipated that there will be any documents other than the report and relevant appendices to be published

11.	<b>Skills Prioritisation Plan</b>	<b>Cambridgeshire and Peterborough Combined Authority</b>	<b>28 November 2018</b>	<b>Decision</b>	To endorse the recommendation for the CPCA to cease resourcing the Careers Enterprise Company contract for delivery.  To agree that the CPCA retains the strategic element of the contract that is the Opportunity Area Fenland and East Cambridgeshire	Relevant internal and external stakeholders	John Hill, Director of Business & Skills	Councillor John Holdich Portfolio Holder for Skills Chair of Skills Committee	It is not anticipated that there will be any documents other than the report and relevant appendices to be published
<b>Combined Authority Matters</b>									
12.	<b>£100m Affordable Housing Programme Scheme Approvals</b>  <i>[Contains confidential appendices]</i>	<b>Cambridgeshire and Peterborough Combined Authority</b>	<b>28 November 2018</b>	<b>Key Decision 2018/004</b>	To consider and approve allocations to new schemes within the £100m Affordable Housing Programme.	Relevant internal and external stakeholders	Roger Thompson, Director of Housing and Development	Councillor Charles Roberts, Portfolio Holder for Housing Chair of Housing and Communities Committee	It is not anticipated that there will be any documents other than the report and relevant appendices to be published
13.	<b>11-12 High Street, Wisbech</b>  <i>[Confidential report]</i>	<b>Cambridgeshire and Peterborough Combined Authority</b>	<b>28 November 2018</b>	<b>Decision</b>	Using the Combined Authority's investment capacity to support a potential risk position for Fenland District Council in leveraging in funding for local regeneration	Relevant internal and external stakeholders	Karl Fenlon Interim Chief Finance Officer	Councillor Steve Count, Portfolio Holder for Investment and Finance	It is not anticipated that there will be any documents other than the report and relevant appendices to be published.
14.	<b>Wisbech to March Rail Grip 3b</b>	<b>Cambridgeshire and Peterborough Combined Authority</b>	<b>28 November 2018</b>	<b>Key Decision 2018/032</b>	To consider and agree next phase funding from Growth Deal for the Wisbech Access Strategy	Relevant internal and external stakeholders	Chis Twigg, Interim Director of Transport	Chair of Business Board Councillor Charles Roberts, Portfolio Holder for Economic Growth,	It is not anticipated that there will be any documents other than the report and relevant appendices to be published
15.	<b>Mayor's Growth Statement</b>	<b>Cambridgeshire and Peterborough Combined Authority</b>	<b>28 November 2018</b>	<b>Key Decision 2018/023</b>	To agree a statement on future growth priorities in response to the CPIER that will shape the CA strategy	Relevant internal and external stakeholders	Paul Raynes, Director of Strategy & Assurance	Mayor James Palmer,	It is not anticipated that there will be any documents other than the report and relevant appendices to be published.
16.	<b>Performance Reporting</b>	<b>Cambridgeshire and Peterborough Combined Authority</b>	<b>28 November 2018</b>	<b>Decision</b>	To note quarterly performance reporting updates	Relevant internal and external stakeholders	Paul Raynes, Director of Strategy and Assurance	Mayor James Palmer	It is not anticipated that there will be any documents other than the report and relevant appendices to be published

Decision to be taken by the Mayor									
17.	Release of Cambridge South Station Funding	Mayor	28 November 2018	Key Decision 2018/036	To release previously identified funds for the Cambridge South Station to the Department for Transport in order to continue with the feasibility and design of the project to an Outline Business Case stage.	Relevant internal and external stakeholders	Chis Twigg, Interim Director of Transport	Mayor James Palmer	It is not anticipated that there will be any documents other than the report and relevant appendices to be published
Governance Items									
18.	Minutes of the Meeting on 28 November 2018	Cambridgeshire and Peterborough Combined Authority	30 January 2019	Decision	To agree the minutes from the last meeting	Relevant internal and external stakeholders	Michelle Rowe, Democratic Services Manager		It is not anticipated that there will be any documents other than the report and relevant appendices to be published.
19.	Forward Plan	Cambridgeshire and Peterborough Combined Authority	30 January 2019	Decision	To note the latest version of the forward plan	Relevant internal and external stakeholders	Michelle Rowe, Democratic Services Manager	Mayor James Palmer	It is not anticipated that there will be any documents other than the report and relevant appendices to be published.
20.	Public Questions	Cambridgeshire and Peterborough Combined Authority	30 January 2019	Decision	To review the arrangements for public questions at Combined Authority Board meetings.	Relevant internal and external stakeholders	Patrick Arran, Interim Legal Counsel and Monitoring Officer	Mayor James Palmer	It is not anticipated that there will be any documents other than the report and relevant appendices to be published.
Business Board Recommendations to Combined Authority									
21.	Growth Deal	Cambridgeshire and Peterborough Combined Authority	30 January 2019	Key Decision 2019/005	To review and accept the recommendations from the Business Board for individual project funding.	Relevant internal and external stakeholders	John Hill, Director of Business & Skills	Chair of Business Board Councillor Charles Roberts, Portfolio Holder for Economic Growth	It is not anticipated that there will be any documents other than the report and relevant appendices to be published
22.	Local Industrial Strategy	Cambridgeshire and Peterborough Combined Authority	30 January 2019	Decision	To bring the draft Local Industrial Strategy to the Board for comment and input.	Relevant internal and external stakeholders	John Hill, Director of Business & Skills	Councillor John Holdich Portfolio Holder for Skills Chair of Skills Committee	It is not anticipated that there will be any documents other than the report and relevant appendices to be published
23.	Annual Plan for Business and Skills/ Treasury Management Strategy	Cambridgeshire and Peterborough Combined Authority	30 January 2019	Decision	To review and accept the recommendations from the Business Board for individual project funding.	Relevant internal and external stakeholders	John Hill, Director of Business & Skills	Chair of Business Board Councillor Charles Roberts, Portfolio Holder for Economic Growth	It is not anticipated that there will be any documents other than the report and relevant appendices to be published

Combined Authority Matters									
24.	<b>£100m Affordable Housing Programme Scheme Approvals</b>  <i>[Contains confidential appendices]</i>	Cambridgeshire and Peterborough Combined Authority	30 January 2019	<b>Key Decision 2019/003</b>	To consider and approve allocations to new schemes within the £100m Affordable Housing Programme.	Relevant internal and external stakeholders	Roger Thompson, Director of Housing and Development	Councillor Charles Roberts, Portfolio Holder for Housing Chair of Housing and Communities Committee	It is not anticipated that there will be any documents other than the report and relevant appendices to be published
25.	<b>Strategic Bus Review</b>	Cambridgeshire and Peterborough Combined Authority	30 January 2019	<b>Decision</b>	To note the progress and key findings to date on the Strategic Bus Review	Relevant internal and external stakeholders	Chris Twigg, Interim Transport Director	Mayor James Palmer, Portfolio Holder for Transport Chair of Transport Committee	It is not anticipated that there will be any documents other than the report and relevant appendices to be published
26.	<b>A10 Upgrade – Strategic Outline Business Case and Next Steps</b>	Cambridgeshire and Peterborough Combined Authority	30 January 2019	<b>Key Decision 2019/010</b>	To agree to proceed with the A10 Dualling Strategic Outline Business Case and related procurement following the completion of the Strategic Outline Case for the Ely – Cambridge Corridor.	Relevant internal and external stakeholders	Chris Twigg, Interim Transport Director	Mayor James Palmer, Portfolio Holder for Transport Chair of Transport Committee	It is not anticipated that there will be any documents other than the report and relevant appendices to be published
27.	<b>CAM Metro – Strategic Outline Business Case</b>	Cambridgeshire and Peterborough Combined Authority	30 January 2019	<b>Key Decision 2019/002</b>	To provide an update on the outcomes of the work to evaluate potential delivery models to ensure the opportunities to accelerate delivery, identified in the July CA Board report, can be taken.	Relevant internal and external stakeholders	Chris Twigg, Interim Transport Director	Mayor James Palmer, Portfolio Holder for Transport Chair of Transport Committee	It is not anticipated that there will be any documents other than the report and relevant appendices to be published
28.	<b>Transport Delivery</b>	Cambridgeshire and Peterborough Combined Authority	30 January 2019	<b>Key Decision 2019/011</b>	To consider proposals for accelerated delivery of transport projects.	Relevant internal and external stakeholders	Peter Geach, Transport Solicitor/ Joint Chief Executives	Mayor James Palmer, Portfolio Holder for Transport Chair of Transport Committee	It is not anticipated that there will be any documents other than the report and relevant appendices to be published
29.	<b>Adult Education Budget Devolution</b>	Cambridgeshire and Peterborough Combined Authority	30 January 2019	<b>Decision</b>	To provide an update on the AEB programme, specifically with regard to the procurement and commissioning of providers.	Relevant internal and external stakeholders	Neil Cuttall, AEBD Programme Manager,  John Hill, Director of Business & Skills	Councillor John Holdich Portfolio Holder for Skills Chair of Skills Committee	It is not anticipated that there will be any documents other than the report and relevant appendices to be published



30.	Housing Development Company	Cambridgeshire and Peterborough Combined Authority	30 January 2019	Decision	To consider proposals for the creation of a Housing Development Company to support delivery of the Authority's Housing Programme	Relevant internal and external stakeholders	Roger Thompson, Director of Housing and Development	Councillor Charles Roberts, Portfolio Holder for Housing Chair of Housing and Communities Committee	It is not anticipated that there will be any documents other than the report and relevant appendices to be published
<b>Governance and Finance Items</b>									
31.	Budget Report 2019/20 to 2022/23 including Mayor's Budget	Cambridgeshire and Peterborough Combined Authority	Budget Meeting 13 February 2019	Key Decision 2019/001	To recommend the revenue and Mayor's budgets for 2019/20 and the capital budget for 2019/20 to 2022/23 for approval	Relevant internal and external stakeholders	Karl Fenlon Interim Chief Finance Officer	Councillor Steve Count, Portfolio Holder for Investment and Finance	It is not anticipated that there will be any documents other than the report and relevant appendices to be published.
32.	Minutes of the Meeting on 30 January 2019	Cambridgeshire and Peterborough Combined Authority	Budget Meeting 13 February 2019	Decision	To agree the minutes from the last meeting	Relevant internal and external stakeholders	Michelle Rowe, Democratic Services Manager		It is not anticipated that there will be any documents other than the report and relevant appendices to be published.
<b>Governance and Finance Items</b>									
33.	Minutes of the Meeting on 13 February 2019	Cambridgeshire and Peterborough Combined Authority	27 February 2019	Decision	To agree the minutes from the last meeting	Relevant internal and external stakeholders	Michelle Rowe, Democratic Services Manager		It is not anticipated that there will be any documents other than the report and relevant appendices to be published.
34.	Forward Plan	Cambridgeshire and Peterborough Combined Authority	27 February 2019	Decision	To note the latest version of the forward plan	Relevant internal and external stakeholders	Michelle Rowe, Democratic Services Manager	Mayor James Palmer	It is not anticipated that there will be any documents other than the report and relevant appendices to be published.
<b>Business Board Recommendations to Combined Authority</b>									
35.	Proposals for Joint Working: Skills Committee and Business Board	Cambridgeshire and Peterborough Combined Authority	27 February 2019	Decision	To consider proposals for joint working between the Skills Committee and Business Board.	Relevant internal and external stakeholders	John Hill, Director of Business & Skills	Chair of Business Board & Councillor Charles Roberts, Portfolio Holder for Economic Growth,	It is not anticipated that there will be any documents other than the report and relevant appendices to be published
<b>Skills Committee Recommendations to Combined Authority</b>									
36.	Skills Strategy	Cambridgeshire and Peterborough Combined Authority	27 February 2019	Key Decision 2019/004	To consider and approve a Skills Strategy recommended by the Skills Committee.	Relevant internal and external stakeholders	Stephen Rosevear Interim Director of Skills  John Hill, Director of Business & Skills	Councillor John Holdich Portfolio Holder for Skills Chair of Skills Committee	It is not anticipated that there will be any documents other than the report and relevant appendices to be published

37.	Apprenticeships Grant for Employers of 16-24 year olds	Cambridgeshire and Peterborough Combined Authority	27 February 2019	Decision	To receive a recommendation about how to manage the remaining money from the AGE Grant.	Relevant internal and external stakeholders	John Hill, Director of Business & Skills	Councillor John Holdich Portfolio Holder for Skills Chair of Skills Committee	It is not anticipated that there will be any documents other than the report and relevant appendices to be published
<b>Combined Authority Matters</b>									
38.	£100m Affordable Housing Programme - Scheme Approval	Cambridgeshire and Peterborough Combined Authority	27 February 2019	Decision	To consider and improve allocations to new schemes within the £100m Affordable House Programme	Relevant internal and external stakeholders	Roger Thompson, Director of Housing and Development	Councillor Charles Roberts, Portfolio Holder for Housing Chair of Housing and Communities Committee	It is not anticipated that there will be any documents other than the report and relevant appendices to be published
39.	Performance Reporting	Cambridgeshire and Peterborough Combined Authority	27 February 2019	Decision	To note quarterly performance reporting updates	Relevant internal and external stakeholders	Paul Raynes, Director of Strategy and Assurance	Mayor James Palmer	It is not anticipated that there will be any documents other than the report and relevant appendices to be published
<b>Governance and Finance Items</b>									
40.	Minutes of the Meeting on 27 February 2019	Cambridgeshire and Peterborough Combined Authority	27 March 2019	Decision	To agree the minutes from the last meeting	Relevant internal and external stakeholders	Michelle Rowe, Democratic Services Manager		It is not anticipated that there will be any documents other than the report and relevant appendices to be published.
41.	Forward Plan	Cambridgeshire and Peterborough Combined Authority	27 March 2019	Decision	To note the latest version of the forward plan	Relevant internal and external stakeholders	Michelle Rowe, Democratic Services Manager	Mayor James Palmer	It is not anticipated that there will be any documents other than the report and relevant appendices to be published.
42.	Review of Committees (6 month review)	Cambridgeshire and Peterborough Combined Authority	27 March 2019	Decision	To carry out a 6 month review the committees set up in September 2018	Relevant internal and external stakeholders	Patrick Arran, Interim Legal Counsel and Monitoring Officer	Mayor James Palmer	It is not anticipated that there will be any documents other than the report and relevant appendices to be published.
43.	Budget Update	Cambridgeshire and Peterborough Combined Authority	27 March 2019	Decision	To provide an update on the revenue and capital budgets for the year to date	Relevant internal and external stakeholders	Karl Fenlon Interim Chief Finance Officer	Councillor Steve Count, Portfolio Holder for Investment and Finance	It is not anticipated that there will be any documents other than the report and relevant appendices to be published.
<b>Business Board Recommendations to Combined Authority</b>									
44.	Growth Deal	Cambridgeshire and Peterborough Combined Authority	27 March 2019	Key Decision 2019/007	To review and accept the recommendations from the Business Board for individual project funding.	Relevant internal and external stakeholders	John Hill, Director of Business & Skills	Chair of Business Board Councillor Charles Roberts, Portfolio Holder for Economic Growth	It is not anticipated that there will be any documents other than the report and relevant appendices to be published

45.	University of Peterborough	Cambridgeshire and Peterborough Combined Authority	27 March 2019	Key Decision 2019/009	To consider and recommend the development of the Full Business Case for the University of Peterborough.	Relevant internal and external stakeholders	John Hill, Director of Business & Skills	Chair of Business Board Councillor Charles Roberts, Portfolio Holder for Economic Growth	It is not anticipated that there will be any documents other than the report and relevant appendices to be published
46.	Sector Strategies	Cambridgeshire and Peterborough Combined Authority	27 March 2019	Decision	To approve growth strategies for priority sectors identified in the local industrial strategy	Relevant internal and external stakeholders	John Hill, Director of Business & Skills	Chair of Business Board Councillor Charles Roberts, Portfolio Holder for Economic Growth	It is not anticipated that there will be any documents other than the report and relevant appendices to be published
<b>Governance and Finance Items</b>									
47.	Minutes of the Meeting on 27 March 2019	Cambridgeshire and Peterborough Combined Authority	24 April 2019	Decision	To agree the minutes from the last meeting	Relevant internal and external stakeholders	Michelle Rowe, Democratic Services Manager		It is not anticipated that there will be any documents other than the report and relevant appendices to be published.
48.	Forward Plan	Cambridgeshire and Peterborough Combined Authority	24 April 2019	Decision	To note the latest version of the forward plan	Relevant internal and external stakeholders	Michelle Rowe, Democratic Services Manager	Mayor James Palmer	It is not anticipated that there will be any documents other than the report and relevant appendices to be published.
49.	Budget Update	Cambridgeshire and Peterborough Combined Authority	24 April 2019	Decision	To provide an update on the revenue and capital budgets for the year to date	Relevant internal and external stakeholders	Karl Fenlon Interim Chief Finance Officer	Councillor Steve Count, Portfolio Holder for Investment and Finance	It is not anticipated that there will be any documents other than the report and relevant appendices to be published.
<b>Combined Authority Matters</b>									
50.	Adult Education Budget Devolution	Cambridgeshire and Peterborough Combined Authority	24 April 2019	Decision	To inform Executive of the next steps in the delivery of the AEB programme for July 2019 onwards.	Relevant internal and external stakeholders	Neil Cuttall, AEBD Programme Manager, John Hill, Director of Business & Skills	Councillor John Holdich Portfolio Holder for Skills, Chair of Skills Committee	It is not anticipated that there will be any documents other than the report and relevant appendices to be published
51.	£70m Cambridge City Council Affordable Housing Programme Budget	Cambridgeshire and Peterborough Combined Authority	24 April 2018	Key Decision 2019/006	To consider and agree the 2019/20 budget for the £70m Cambridge City Council Affordable Housing Programme.	Relevant internal and external stakeholders	Roger Thompson, Director of Housing and Development	Councillor Charles Roberts, Portfolio Holder for Housing Chair of Housing and Communities Committee	It is not anticipated that there will be any documents other than the report and relevant appendices to be published

Governance and Finance Items									
52.	Minutes of the Meeting on 24 April 2019	Cambridgeshire and Peterborough Combined Authority	Annual Meeting 29 May 2019	Decision	To agree the minutes from the last meeting	Relevant internal and external stakeholders	Michelle Rowe, Democratic Services Manager		It is not anticipated that there will be any documents other than the report and relevant appendices to be published.
53.	Forward Plan	Cambridgeshire and Peterborough Combined Authority	Annual Meeting 29 May 2019	Decision	To note the latest version of the forward plan	Relevant internal and external stakeholders	Michelle Rowe, Democratic Services Manager	Mayor James Palmer	It is not anticipated that there will be any documents other than the report and relevant appendices to be published.
54.	Membership of the Combined Authority	Cambridgeshire and Peterborough Combined Authority	Annual Meeting 29 May 2019	Decision	To note any changes to membership following any local elections	Relevant internal and external stakeholders	Patrick Arran, Interim Legal Counsel and Monitoring Officer for Combined Authority	Mayor James Palmer	It is not anticipated that there will be any documents other than the report and relevant appendices to be published.
55.	Appointment of the Overview and Scrutiny Committee	Cambridgeshire and Peterborough Combined Authority	Annual Meeting 29 May 2019	Decision	To agree any changes to the membership of the committee following constituent council annual meetings and any changes to political balance	Relevant internal and external stakeholders	Patrick Arran, Interim Legal Counsel and Monitoring Officer for Combined Authority	Mayor James Palmer	It is not anticipated that there will be any documents other than the report and relevant appendices to be published.
56.	Appointment of the Audit and Governance Committee	Cambridgeshire and Peterborough Combined Authority	Annual Meeting 29 May 2019	Decision	To agree any changes to the membership of the committee following constituent council annual meetings and any changes to political balance	Relevant internal and external stakeholders	Patrick Arran, Interim Legal Counsel and Monitoring Officer for Combined Authority	Mayor James Palmer	It is not anticipated that there will be any documents other than the report and relevant appendices to be published.
57.	Calendar of Meetings	Cambridgeshire and Peterborough Combined Authority	Annual Meeting 29 May 2019	Decision	To agree the calendar of meetings for 2019/2020	Relevant internal and external stakeholders	Patrick Arran, Interim Legal Counsel and Monitoring Officer for Combined Authority	Mayor James Palmer	It is not anticipated that there will be any documents other than the report and relevant appendices to be published.
58.	Review of Constitution	Cambridgeshire and Peterborough Combined Authority	Annual Meeting 29 May 2019	Decision	To agree any changes to the constitution following the annual review.	Relevant internal and external stakeholders	Patrick Arran, Interim Legal Counsel and Monitoring Officer for Combined Authority	Mayor James Palmer	It is not anticipated that there will be any documents other than the report and relevant appendices to be published.
59.	Budget Update	Cambridgeshire and Peterborough Combined Authority	Annual Meeting 29 May 2019	Decision	To provide an update on the revenue and capital budgets for the year to date	Relevant internal and external stakeholders	Karl Fenlon Interim Chief Finance Officer	Councillor Steve Count Portfolio Holder for Investment and Finance,	It is not anticipated that there will be any documents other than the report and relevant appendices to be published.

<b>Business Board Recommendations to Combined Authority</b>									
60.	<b>Growth Deal</b>	<b>Cambridgeshire and Peterborough Combined Authority</b>	<b>Annual Meeting 29 May 2019</b>	<b>Key Decision 2019/008</b>	To review and accept the recommendations from the Business Board for individual project funding.	Relevant internal and external stakeholders	John Hill, Director of Business & Skills	Chair of Business Board Councillor Charles Roberts, Portfolio Holder for Economic Growth	It is not anticipated that there will be any documents other than the report and relevant appendices to be published
<b>Combined Authority Matters</b>									
61.	<b>Performance Reporting</b>	<b>Cambridgeshire and Peterborough Combined Authority</b>	<b>Annual Meeting 29 May 2019</b>	<b>Decision</b>	To note quarterly performance reporting updates	Relevant internal and external stakeholders	Paul Raynes, Director of Strategy and Assurance	Mayor James Palmer	It is not anticipated that there will be any documents other than the report and relevant appendices to be published

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

Please send your comment or query to: [Richenda.Greenhill@cambridgeshire.gov.uk](mailto:Richenda.Greenhill@cambridgeshire.gov.uk)

Your comment or query:

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

Name .....

Address .....

Tel: .....

Email: .....

Who would you like to respond?



**CAMBRIDGESHIRE  
& PETERBOROUGH**  
COMBINED AUTHORITY

<b>CAMBRIDGESHIRE AND PETERBOROUGH COMBINED AUTHORITY BOARD</b>	<b>AGENDA ITEM No: 1.6</b>
<b>28 NOVEMBER 2018</b>	<b>PUBLIC REPORT</b>

## **MEMBERS' ALLOWANCES SCHEME**

### **1.0 PURPOSE**

- 1.1. The Combined Authority Board is asked to agree that the Independent Remuneration Panel be requested to review the Members' Allowance Scheme for the Combined Authority in relation to the Mayor's allowance and to consider the payment of a standard allowance for any independent commissions set up by the Combined Authority.
- 1.2. The Business Board on 26 November 2018 will consider the attached report recommending the appointment of an independent remuneration panel to consider an allowance scheme for private sector representatives of the Business Board. It also asks the Business Board to consider an interim expenses scheme and an interim Chair's allowance. The recommendations are out in its report (**Appendix A**).
- 1.3. The Business Board's decisions will be reported orally at this meeting of Board and the Board is asked to ratify any decision made by the Business Board).

<b><u>DECISION REQUIRED</u></b>	
<b>Lead Member:</b>	<b>Not applicable</b>
<b>Lead Officer:</b>	<b>Patrick Arran, Legal Counsel and Monitoring Officer</b>
<b>Forward Plan Ref:</b>	<b>Not applicable</b> <b>Key Decision: No</b>
<p><b>Recommendations</b></p> <p>The Combined Authority Board is recommended to agree that the independent remuneration panel be requested to:</p> <ul style="list-style-type: none"> <li>a. review the Members' Allowance Scheme (Mayor's Allowance);</li> <li>b. consider the payment of allowances/expenses to those appointed to any independent commissions set up by the Combined Authority; and</li> <li>c. ratify the decisions of the Business Board to be reported orally at the meeting (See recommendations in <b>Appendix A</b> and set out in paragraph 2.3 below)</li> </ul>	<p><b>Voting arrangements</b></p> <p>Simple majority of all members</p>

## **2.0 BACKGROUND**

### **MEMBERS' ALLOWANCE SCHEME (MAYOR'S ALLOWANCE)**

- 2.1. The Members' Allowance Scheme was adopted by the Combined Authority Board on 28 June 2017 following a report from the Independent Remuneration Panel dated April 2017. The scheme includes the allowance paid to the Mayor. The Independent Remuneration Panel advised that the scheme should be reviewed no later than 24 months after it was adopted. It is recommended that the panel be asked to review the Members' Allowance Scheme.



## **INDEPENDENT COMMISSIONS**

- 2.2. The Combined Authority at its meeting on 26 September 2018 agreed to the establishment of an independent Public Service Reform and Innovation Commission which would support, inform and challenge the development of the Cambridgeshire and Peterborough health and social care proposition. No basic allowance has been agreed for such commissions. It is therefore recommended that the Independent Panel also consider a basic allowance for members of any existing or future commissions.

## **BUSINESS BOARD ALLOWANCES (PRIVATE SECTOR REPRESENTATIVES)**

- 2.3. The Business Board at its meeting on 26 November will be asked to consider the attached report at **Appendix A**. The report recommends the Business Board to:
- (a) note the Interim Business Board agreed the principle of paying allowances to private sector members of the Business Board and that positions were advertised on this basis;
  - (b) Agree that an independent remuneration panel should be convened to consider the level of allowances payable to:
    - a. the Chair;
    - b. the Vice Chair;
    - c. Other private sector board members.
  - (c) that the Monitoring Officer be authorised to source a suitable panel to recommend an allowance scheme to the Business Board;
  - (d) agree as an interim measure until a scheme is agreed to
    - a. adopt an expenses scheme for private sector board members to take effect from July 2018. A proposed scheme is set out in Appendix 1.
    - b. confirm the Chair's allowance of £2,000 a month to take effect from the date of the appointment.
- 2.4. The Business Board's decision will be reported orally at the meeting. The Combined Authority will be asked to ratify its decisions.

## **3.0 FINANCIAL IMPLICATIONS**

- 3.1. The estimated cost of the panel is £20 per hour with a maximum of £150 per day per panel member plus expenses. The panel usually consists of 2-3 persons. There will be a fee from the host authority for supporting the panel.
- 3.2. Further budgetary provision to cover any additional Member allowances will be dependent on the outcome of any recommendation made by the Independent Remuneration Panel.

#### **4.0 LEGAL IMPLICATIONS**

4.1. There are no legal implications.

#### **5.0 SIGNIFICANT IMPLICATIONS**

5.1. There are no significant other implications.

#### **6.0 APPENDICES**

6.1. Appendix A – Report to Business Board entitled business Board Private Sector Representatives – Expenses and Allowances Scheme.

##### **Source Documents**

Combined Authority Board meeting agenda and minutes

(a) 26 September 2018

<http://cambridgeshirepeterborough-ca.gov.uk/meetings/cambridgeshire-and-peterborough-combined-authority-board-4/?date=2018-09-26>

(b) 28 June 2017

<http://cambridgeshirepeterborough-ca.gov.uk/meetings/show/2017-07-26>



**CAMBRIDGESHIRE  
& PETERBOROUGH**  
COMBINED AUTHORITY

<b>CAMBRIDGESHIRE AND PETERBOROUGH COMBINED AUTHORITY BOARD</b>	<b>AGENDA ITEM No: 1.6</b>
<b>28 NOVEMBER 2018</b>	<b>PUBLIC REPORT</b>

## **MEMBERS' ALLOWANCES SCHEME**

### **1.0 PURPOSE**

- 1.1. The Combined Authority Board is asked to agree that the Independent Remuneration Panel be requested to review the Members' Allowance Scheme for the Combined Authority in relation to the Mayor's allowance and to consider the payment of a standard allowance for any independent commissions set up by the Combined Authority.
- 1.2. The Business Board on 26 November 2018 will consider the attached report recommending the appointment of an independent remuneration panel to consider an allowance scheme for private sector representatives of the Business Board. It also asks the Business Board to consider an interim expenses scheme and an interim Chair's allowance. The recommendations are out in its report (**Appendix A**).
- 1.3. The Business Board's decisions will be reported orally at this meeting of Board and the Board is asked to ratify any decision made by the Business Board).

<b><u>DECISION REQUIRED</u></b>	
<b>Lead Member:</b>	<b>Not applicable</b>
<b>Lead Officer:</b>	<b>Patrick Arran, Legal Counsel and Monitoring Officer</b>
<b>Forward Plan Ref:</b>	<b>Not applicable</b> <b>Key Decision: No</b>
<p><b>Recommendations</b></p> <p>The Combined Authority Board is recommended to agree that the independent remuneration panel be requested to:</p> <ul style="list-style-type: none"> <li>a. review the Members' Allowance Scheme (Mayor's Allowance);</li> <li>b. consider the payment of allowances/expenses to those appointed to any independent commissions set up by the Combined Authority; and</li> <li>c. ratify the decisions of the Business Board to be reported orally at the meeting (See recommendations in <b>Appendix A</b> and set out in paragraph 2.3 below)</li> </ul>	<p><b>Voting arrangements</b></p> <p>Simple majority of all members</p>

## **2.0 BACKGROUND**

### **MEMBERS' ALLOWANCE SCHEME (MAYOR'S ALLOWANCE)**

- 2.1. The Members' Allowance Scheme was adopted by the Combined Authority Board on 28 June 2017 following a report from the Independent Remuneration Panel dated April 2017. The scheme includes the allowance paid to the Mayor. The Independent Remuneration Panel advised that the scheme should be reviewed no later than 24 months after it was adopted. It is recommended that the panel be asked to review the Members' Allowance Scheme.

## **INDEPENDENT COMMISSIONS**

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- 2.3. The Business Board at its meeting on 26 November will be asked to consider the attached report at **Appendix A**. The report recommends the Business Board to:
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    - a. the Chair;
    - b. the Vice Chair;
    - c. Other private sector board members.
  - (c) that the Monitoring Officer be authorised to source a suitable panel to recommend an allowance scheme to the Business Board;
  - (d) agree as an interim measure until a scheme is agreed to
    - a. adopt an expenses scheme for private sector board members to take effect from July 2018. A proposed scheme is set out in Appendix 1.
    - b. confirm the Chair's allowance of £2,000 a month to take effect from the date of the appointment.
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- 3.1. The estimated cost of the panel is £20 per hour with a maximum of £150 per day per panel member plus expenses. The panel usually consists of 2-3 persons. There will be a fee from the host authority for supporting the panel.
- 3.2. Further budgetary provision to cover any additional Member allowances will be dependent on the outcome of any recommendation made by the Independent Remuneration Panel.

#### **4.0 LEGAL IMPLICATIONS**

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#### **5.0 SIGNIFICANT IMPLICATIONS**

5.1. There are no significant other implications.

#### **6.0 APPENDICES**

6.1. Appendix A – Report to Business Board entitled business Board Private Sector Representatives – Expenses and Allowances Scheme.

##### **Source Documents**

Combined Authority Board meeting agenda and minutes

(a) 26 September 2018

<http://cambridgeshirepeterborough-ca.gov.uk/meetings/cambridgeshire-and-peterborough-combined-authority-board-4/?date=2018-09-26>

(b) 28 June 2017

<http://cambridgeshirepeterborough-ca.gov.uk/meetings/show/2017-07-26>



<b>CAMBRIDGESHIRE AND PETERBOROUGH COMBINED AUTHORITY BOARD</b>	<b>AGENDA ITEM No: 2.1</b>
<b>28 NOVEMBER 2018</b>	<b>PUBLIC REPORT</b>

**2019/20 DRAFT BUDGET AND MEDIUM TERM FINANCIAL PLAN 2019 TO 2023**

**1. PURPOSE**

1.1 The Combined Authority is required to consult on its budget ahead of finally determining it in February. This report sets out both the draft revenue and capital budgets for 2019/20 reflecting the current priorities and available resources and a medium term financial plan (MTFP). The budget and MTFP before Members includes all of the activities of the Combined Authority and those of the Business Board which carries out the functions of the Local Enterprise Partnership for the area. The report seeks Board approval to consult the wider community on its provisions.

<b><u>DECISION REQUIRED</u></b>	
<b>Lead Member:</b>	<b>Councillor Steve Count, Portfolio Holder for Investment and Finance</b>
<b>Lead Officer:</b>	<b>Karl Fenlon, Interim Chief Finance Officer</b>
<b>Forward Plan Ref: Not applicable</b>	<b>Key Decision: No</b>
<p>The Combined Authority Board is recommended to:</p> <p>(a) Agree the draft revenue budget for 2019/20 and the MTFP to 2023 to go forward for consultation with wider stakeholders;</p> <p>(b) Agree the draft capital programme to go forward for consultation with the wider community.</p>	<p><b>Voting arrangements</b></p> <p>Simple majority of all Members</p>

## **2. BACKGROUND**

- 2.1. Each year the CPCA is required to set a budget. As part of that process a draft budget is consulted upon to inform the eventual decision in February. If the Board approve this draft budget, then the consultation period would run until 31st December 2018. The responses will be considered and a budget will be proposed at the CPCA Board on 30th January 2019 to recommend to Budget Setting Board on 13th February 2019.
- 2.2. In February 2018, the CPCA set an initial budget for 2018/19 to meet the costs that it was aware of at that time. In May 2018, CPCA Board approved its 4 year Business Plan and the priorities for its work. An initial Medium Term Financial Plan was approved along-side this that allocated funding against the proposed activities. The CPCA has continued to develop these concepts and its resource profile and the forecast outturn is based upon the implementation of those decisions. This is reported in a separate paper but is included within this paper and the tables as a point of reference for future year plans.
- 2.3. This paper sets out the budget in terms of revenue and capital. Both reflect the financial impact of decisions taken to date by the CPCA and balance the 4 year plan objectives to the funding sources available. This will allow the wider understanding of our plans and challenges. The CPCA ambitions for the area are bold and stretching. The Budget and MTFP before the Board sets out what can be done within the resources currently available.
- 2.4. As stated the ambition for the CPCA area stretches beyond the current funding envelope. Whilst the budget and MTFP set out how existing resources will be used to develop the major infrastructure programmes, there will also be a focus of effort on developing and securing new funding sources to deliver those ambitions.
- 2.5. The Mayor's Office Budget is shown within this report to reflect the overall financial position. However, that element of the budget has a different route to approval. The Mayor determines what he would like to run his office, and this reflects his current view. He then seeks CPCA Board approval for this expenditure.
- 2.6. The paper has made some assumptions around the split of capital and revenue expenditure in line with its emerging capital accounting policy.



### 3. REVENUE BUDGET

- 3.1. The revenue budget is the plan for operational, day to day expenditure that the CPCA needs to function as an authority. It includes all of the Business Board (Local Enterprise Partnership) activity. A major change due next year is the devolution of the Adult Education Budget (AEB) for the area. This is revenue grant that will be managed by CPCA and is £12m in 2019/20. Another is the specific identification of revenue resources to deliver the initial feasibility work for the major priorities. The detailed budget and MTFP is shown in **Appendix A**. A summary is shown below with an associated narrative on the major elements of the budget:

**Table 1 Summary Revenue Budget 2019/20 and MTFP**

Forecast Outturn £000's		2019/20 £000's	2020/21 £000's	2021/22 £000's	2022/23 £000's
<b>(11,250.5)</b>	<b>Income</b>	<b>(23,106.3)</b>	<b>(22,072.7)</b>	<b>(22,079.9)</b>	<b>(22,087.2)</b>
349.4	Mayor's Office	352.2	355.1	357.9	360.9
5,864.4	Salaries	5,272.7	5,348.7	5,426.0	5,504.4
547.0	Externally Commissioned Support Services	525.0	525.0	525.0	525.0
687.8	Overheads	522.0	522.0	522.0	522.0
150.6	Governance Costs	237.9	228.8	250.6	50.0
260.0	Election Costs	260.0	260.0	260.0	260.0
100.0	Capacity Funding	250.0	250.0	250.0	250.0
<b>(700.0)</b>	<b>Financing</b>	490.0	1,615.0	1,743.8	1,925.0
	<u>Workstreams</u>				
868.1	Economic Strategy	519.9	568.8	567.8	316.8
395.0	Transport Feasibility non-capital	3,000.0	6,000.0	3,000.0	717.0
1,226.6	Other Transport Revenue	350.0	250.0	0.0	0.0
615.3	Business & Skills	11,760.1	11,793.1	11,710.6	11,656.1
416.0	Public Sector Reform	400.0	0.0	0.0	0.0
354.2	Other 2018/19 Workstreams	0.0	0.0	0.0	0.0
<b>(116.3)</b>	<b>Net Position for year</b>	<b>833.5</b>	<b>5,643.9</b>	<b>2,533.9</b>	<b>0.0</b>
<b>(10,011.3)</b>	<b>Revenue balance @ 31st March</b>	<b>(9,177.8)</b>	<b>(3,533.9)</b>	<b>(1,000.0)</b>	<b>(1,000.0)</b>

#### 3.2. Income Sources

In 2019/20 CPCA will receive £23.1m of revenue funding. The largest income line is £12.1m for AEB funding. However, of this around 96% of this will be paid in grants direct to providers of those services. Therefore, the CPCA has £11m to deliver all of its other services. The largest element is Revenue Gainshare with £1m for Mayoral Capacity Building Fund (which ceases this year). The Authority also receives some core funding from Central Government for LEP activities. A detailed schedule of funding sources is provided at appendix 1.

### 3.3. **Mayor's Office**

The budget for the Mayor's Office is determined by the Mayor and he seeks approval from the CPCA Board. This is subject to specific consultation but also needs to be considered in the wider budget planning process. The numbers in this report reflect an initial view to support the wider planning exercise.

### 3.4. **Salaries**

The costs of paying staff is a key element of the revenue budget. Excluding AEB spend it represents 43% of the total budget. An organisational structure was approved by the CPCA Board in June. The interim CEOs are undertaking a review of the organisation structure in the light of their appointment, the planned recruitment of a permanent CEO and resource challenges. The proposed budget reflects the principles of that emerging structure.

### 3.5. **Externally Commissioned Support Services**

The Combined Authority continues to operate a lean structure. To promote that efficiency some support services are provided by constituent authorities such as Democratic Services by Cambridgeshire County Council and transactional financial services by Peterborough City Council. Others are procured from the private sector for specific expertise. The budget reflects the CPCA's anticipated needs in this regard but note that this is an evolving position as priorities emerge.

### 3.6. **Overheads**

This category covers overhead costs that are incurred by being an organisation. It includes items such as accommodation, office running costs and insurance.

### 3.7. **Governance**

This line covers specific costs that will be incurred in monitoring, evaluating and reporting the performance of the CPCA to central Government. It also includes cost to support the Business Board and independent panels.

### 3.8. **Election Costs**

This funding is to cover the Mayoral Election. Whilst the election is only held every 4 years, it is good practice to spread the cost across the period.

### 3.9. **Capacity Funding**

The CPCA will be required to develop emerging concepts that are not currently known. Allocating funding ensures the organisation has some flexibility to react to emerging ideas and central Government policy. As the planned expenditure is utilising most balances, it is sensible to identify some funding to enable the organisation to develop new ideas.

### 3.10. **Financing Costs**

The revenue budget assumes that the CPCA will be looking to draw down its borrowing capacity should that be required to fund any Investment Strategy. Therefore, the budget includes the interest element of that debt. Allocating this in the budget ensures that the CPCA retains this financing flexibility over the period of the MTFP.

### 3.11. **Workstreams**

The major delivery elements of the revenue budget are against key workstreams. A brief summary of each is outlined below.

#### 3.11.1. **Economic Strategy**

This workstream focuses on the Growth Hub activity and the development of Market Town Strategies across the area. It specifically includes the revenue costs for the approve plan for St. Neots Market Town.

#### 3.11.2. **Feasibility (non-capital)**

This discretionary element of the CPCA expenditure has a significant impact upon the revenue budget over the early years of the Combined Authority. Much of the early feasibility work around the major infrastructure priority projects such as Cambridge Automated Metro (CAM) and Huntingdon Third River Crossing require initial work to identify the appropriate solution. This early work is deemed revenue expenditure and requires large investment.

The funding identified is what is affordable within the revenue resources available. Six of the 12 key priorities are ready for delivery, are clearly capital and within the Direct Control element of the capital programme (section 4 below). The other 6, Cambridge Automated Metro (CAM), A10 corridor, A47, Huntingdon third river crossing, Market Towns and Wisbech, are still in early stages of development. They require revenue funding to progress and a prioritisation process to allocate this resource is underway to inform the final budget.

#### 3.11.3. **Business & Skills**

By far the largest element of this budget is the funding that will be granted to providers of Adult Education for the area. This is a new area for the Combined Authority following further devolution. As such transitional funding has been allocated to ensure a smooth implementation in 2019 and provide a firm foundation for the future.

Other aspects include a pilot at Hamptons on Career Advice and Life Science Sector Investment. We note also the emerging ideas from both the Skills Strategy and Local Industrial Strategy. Our working assumption is that funding streams will be identified to support these activities as they start to crystallise.

#### 3.11.4. **Public Sector Reform**

This spend in 2019/20 is the completion of the work on Health & Social Care reform. No further funds have been allocated to this area at this time as the CPCA activity plan starts to focus on the deliverables within its current portfolio.

### 3.12. **Balances**

- 3.12.1. All local authorities have a responsibility to set a balanced budget against the resources available to it. This paper before Members sets out the current priorities and the revenue implications of delivering them. This budget is balanced against the resources currently available to the Combined Authority. The operational costs of the CPCA have been reviewed and this budget reflects the agreed outline of a tightly focussed organisation commissioning work to deliver the agreed priorities.
- 3.12.2. Utilising brought forward reserves to accelerate the CPCA work programme is a sensible approach. However, committing all revenue balances by 31st March 2023 is not financially prudent. Good practice would indicate that a sensible policy is to budget to hold between 4% and 5% of gross expenditure as a revenue balance. Therefore, the minimum reserve level is set at £1m at any time.

### 3.13. **Conclusions**

- 3.13.1. The CPCA budget for 2019/20 onwards has doubled over that for 2018/19. This due to the devolution of Adult Education Budget (AEB). This significant increase therefore essentially represents one additional activity against which the additional resources will be fully deployed, primarily to third party suppliers, with an allowance for supporting overheads.
- 3.13.2. The potential larger strategic capital projects that the Combined Authority is reviewing require revenue funding to develop supporting business cases. These projects will naturally take longer to bring to delivery at which point they will also require additional capacity funding. The current stage of the Authority's work in this area is focused on the prioritisation and scheduling of this next set of works to bring forward. As part of its 2019/20 budget and Medium-Term Financial Plan (MTFP) the Authority has identified its capacity for revenue funding to develop such schemes over the medium term.
- 3.13.3. The revenue budget before Members balances current resources against priorities and allows work to continue to deliver the ambition plans of the Combined Authority. Work will continue to seek out additional funding and new financing models to help accelerate delivery of these priorities.
- 3.13.4. The Medium Term Financial Plan before Members extrapolates the Budget for 2019/20 to 2022/23. This includes inflation assumptions on pay (at 1.5% per annum) along with known changes such as the Mayoral Capacity Build Fund ceasing in 2020/21 and the scheduled completion of projects within the current work programme.

## 4. CAPITAL PROGRAMME

### Development of the Capital Programme

- 4.1. The Combined Authority's capital programme sets out how capital funding will be used to deliver projects that meet its ambitions. It has developed over the course of the previous two years and been shaped by the needs of the area's geography primarily through the devolution deal with Government and prioritisation of schemes brought forward by the constituent authorities. Thus, there is a significant emphasis on housing, transport and infrastructure schemes.
- 4.2. As the Combined Authority continues to mature as an organisation, the first group of a series of planned capital investments are now being made in areas such as the Ely Southern Bypass, Kings Dyke Rail Crossing, Fenland Rail improvement and support for the first phase of the CAM Metro. As part of this 2019/20 budget and MTFP, the Authority has identified further capital projects that, subject to the necessary approvals, funding and business cases, it anticipates bringing forward in the plan period to March 2023. These include new rail facilities at Soham and Cambridge South and the St Neots river crossing cycle bridge as well as investments towards a new University at Peterborough and improving Digital Connectivity.
- 4.3. The Combined Authority has several sources of funding available to deliver capital schemes. Each funding source has nuances on what it can be used for. The overall capital programme has been broken down into four categories of project based upon the key groups of funding sources currently available to the CPCA. The categories are based upon the level of control that the Authority has over the funding source and the projects that can be financed:
- 4.3.1. Directly Controlled Expenditure  
The projects in this category are funded by Gainshare Capital and Transforming Cities Grants. These funds have few restrictions placed on their use and thus the Board has a large degree of discretion over which projects to finance in this category. The projects included in this section are based on previous Board allocations and identified priority schemes.
- 4.3.2. Potential Future Schemes  
This category identifies indicative costs of potential future schemes. The detailed businesses cases, when completed, will determine the exact call of funding. The CPCA and Mayor have an ambitious strategic plan for Cambridgeshire and Peterborough, as set out in the 2030 Vision. To achieve this vision will require capital investment far in excess of the funds currently available to the Authority. In order to finance these strategic schemes, the Authority is looking at innovative funding mechanisms including Tax Increment Financing and Land Value Capture as well as leveraging both private and Government investment.

4.3.3. Passported Expenditure

This category includes capital highways maintenance funding, the National Priorities Infrastructure Funding and the two Housing Infrastructure Funds. These funding sources are ringfenced for particular uses and thus the Board has a less control over the projects in this category. The highways maintenance funding has controls imposed by the devolution agreement until March 2021.

4.3.4. Growth Funds Expenditure

As the Accountable Body for The Business Board (TBB, the region's Local Enterprise Partnership) the Authority holds, and is accountable to Government for, the Growth Fund allocated to TBB by Government. Prioritisation and financing of projects using these funds is decided by the Business Board and reviewed by the CPCA Board.

**Summary of the Capital Programme**

4.4. The table below sets out a high-level summary of the CPCA's capital programme and how the expenditure will be funded, a detailed project breakdown is included as **Appendix 2**.

Capital Category	Earmarked Reserves	Expenditure (£m)			Future Years
		19-20	20-21	21-22	
<i>Directly Controlled Expenditure</i>					
Committed Schemes		23.74	13.56	21.57	
	<i>Funded By</i>				
Capital Gain Share		(12.00)	(12.00)	(12.00)	
Transforming Cities		(17.00)	(22.00)	(30.00)	
Available in-year funding		(5.01)	(20.94)	(19.98)	
Costed but not yet committed schemes		10.40	29.34	25.00	
Movement on reserves if schemes approved	(25.19)	5.13	8.90	5.57	
Potential Future Schemes			44.00	250.03	5,778.15
Passported Expenditure		90.26	86.52	40.10	23.21
	<i>Funded By</i>				
DfT Capital Funding		(23.08)	(23.08)	(23.08)	(23.08)
Housing - Cambridge City	(17.98)	(17.00)	(15.00)		
Housing Infrastructure Fund	(23.99)	(9.00)	(18.00)		
Housing Loan Repayment*		(1.18)	(5.33)		
National Priorities Investment Fund	(2.00)				
Housing Investment Fund	(22.00)	(6.00)	(12.00)		
Growth Funds Expenditure		33.52	42.95	0.50	
	<i>Funded By</i>				
Growth Fund Income	(25.32)	(15.88)	(35.74)		

\*The repayment of this loan appears higher than the expenditure here as the expenditure on this project commenced in 2018-19 and is thus not captured in this table.

## **Directly Controlled Expenditure**

- 4.5. Projects within the direct control category fall into three main areas; Committed Schemes that have Board approval to progress, Costed schemes that have yet to have funding approved to progress including Transport Schemes previously identified in a CPCA Board report in March 2018 that were noted but not approved or funded, and Potential Future Schemes. The schemes in the latter category have early indicative costs that require considerable feasibility work to establish the actual programme.
- 4.6. There are ten strategic transport priorities identified by the Combined Authority. Capital funding has been allocated to those programmes where the spending meets the definition of capital. Cambridge South, Kings Dyke and Soham are costed and a delivery programme established. These have been included in the committed programme.
- 4.7. Accounting regulations restricts which elements of early feasibility work and options appraisal, such as that undertaken on these projects, can be capitalised and thus the total expenditure is split across both the revenue and capital programmes. As work progresses and specific preferred options are developed these projects will have these future costs capitalised. These strategic projects are a vital part of the Combined Authority and Mayor's long-term vision for the area underpinning the themes of access to a good job within easy reach of home, having a high quality sustainable environment and becoming the UK's capital of innovation and productivity.
- 4.8. Other committed schemes that are included under direct control are the development of Peterborough University and the Digital Connectivity Infrastructure Programme. The University of Peterborough is a key feature of the devolution deal agreed with government and is critical for delivering on the Combined Authority's skills agenda. The funding in the medium-term capital plan will deliver an interim solution providing co-location of accommodation for 2,000 students and the teaching facilities providing the best possible start for the university as later phases of the project are developed.
- 4.9. Funding has been allocated to meet all of the committed schemes. Some funding for each year remains to be allocated against prioritised capital projects. The next element of the programme covers priorities that have been costed but have not had specific Board approval to progress and funding allocated. The table shows that if all of these schemes were approved, a draw down on capital reserves would be required each year reducing the projected level of capital reserves from £25.19m to £5.60m by 31st March 2022. Investment now may accelerate the identified schemes but could impact on the deliverability of future projects.

4.10. The Potential Future Schemes have early indicative costs that require considerable feasibility work to establish the actual programme. They represent the ambition of the CPCA but will need to be prioritised and programmed in terms of funding, logistics, materials and labour availability. As stated above in paragraph 4.3.2 efforts will be focussed on exploring innovative funding mechanisms including Tax Increment Financing and Land Value Capture as well as leveraging both private and Government investment.

### **Passported Expenditure**

4.11. The main elements of this category are the devolved Housing programmes and the Local Highways Capital grants.

4.12. The Combined Authority became the area's local Transport Authority from April 2017, as such capital grants from the Department for Transport (DfT), for use on maintaining the public highways, are awarded to it. This is done in recognition that the Authority's strategic view across the area will, in the long term, allow for more efficient use of these funds. Cambridgeshire County Council and Peterborough City Council are the region's Highways authorities and hold responsibility for the maintenance of the roads in the area (excluding the strategic road network which is managed by Highways England). In order to ensure continuation of service, and so as not to disrupt pre-existing capital programmes, the devolution deal stated that these grants would continue to be awarded to the Highways authorities in the shares set out in DfT's published allocations to 2020-21.

4.13. Affordable housing is a fundamental element of the devolution deal, as evidenced by the £170m of funding awarded to the Combined Authority to accelerate, and increase, the delivery of affordable homes across the area by 2021. These funds are split between £70m ringfenced for use in the Cambridge City area to deliver 500 units and £100m for the rest of the area to deliver 2,000 units. These funds are key in achieving the themes of; access to a good job within easy reach of home and having healthy, thriving and prosperous communities. Whilst the programme for the £100m is governed by the Combined Authority's strategy and review process, the expenditure profile is significantly influenced by the opportunities that come forward and, as such, the forward phasing of housing commitments should be taken as indicative.

4.14. The Housing Strategy, adopted by Board in September 2018, identified the key deliverable of 2,500 affordable homes from the total of £170m; this will be a mix of shared ownership, affordable rent and social rent either completed or started on site by March 2022.

4.15. This strategy sets out our desire to deliver through a range of mechanisms including direct grant funding, joint ventures, the creation of a new housing development company, infrastructure investment to unlock housing, and supporting Community Land Trusts.



## **Growth Funds**

- 4.16. The area's Local Enterprise Partnership secured capital grants from Government totalling over £150m including both Growth Deal funding and Growing Places Fund. Of these funds around £100m has already been allocated or spent on projects promoting jobs and housing growth in the area, leaving £50m to be awarded.
- 4.17. The Business Board (TBB) has recently issued a Growth Prospectus calling on businesses in the area to come forward with proposals for the remaining funding. The prospectus outlined five programmes offering funding for loans, equity or grant funding up to £3m ensuring we capture the best value projects across all businesses from SMEs to multinationals. The profiled expenditure of these funds is indicative and will evolve as projects are brought forward for TBB to consider and approve. However, the majority of the funding available must be spent by the end of March 2021 thus the profiles assume no expenditure after that date.

## **5. FINANCIAL IMPLICATIONS**

- 5.1. The whole of this report is about the budget and financing of the Authority over the next 4 years. The paper identifies a sustainable budget and MTFP for the period within the resources available to the Combined Authority. Subject to Member approval, consultation on the MTFP will commence immediately.
- 5.2. Consultation responses will be considered by Members at the January Board in determining the final recommended budget for Budget Board on 13th February 2019.
- 5.3. Work will continue to explore new funding arrangements. Access to any new source will impact on future years and the refresh of the MTFP next year.

## **6. LEGAL IMPLICATIONS**

- 6.1. At this stage the Board is considering a draft report to consult upon. This is in line with the Combined Authority's Constitution. The programme outlined allows Members to consider the responses from stakeholders and determine the budget in line with the legislative timeframe.

## **7. SIGNIFICANT IMPLICATIONS**

- 7.1. The budget, MTFP and capital programme of Combined Authority set out in financial terms how it will deliver for its programmes over the next 4 years. Therefore, it will have significant implications for the community of the area and beyond. However, at this stage the Board is considering its draft budget and plan for consultation.

## 8. APPENDICES

8.1. Appendix 1 – Detailed Revenue Budget for the Cambridgeshire and Peterborough Combined Authority

8.2. Appendix 2 – Detailed Breakdown of the Capital Programme

<b><u>Source Documents</u></b>	<b><u>Location</u></b>
None	Cambridgeshire and Peterborough Combined Authority, Incubator 2, First Floor, Alconbury Weald, PE28 4WX

## APPENDIX 1

### Detailed Revenue Budget and Medium Term Financial Plan for Cambridgeshire and Peterborough Combined Authority

Forecast Outturn £000's		2019/20 £000's	2020/21 £000's	2021/22 £000's	2022/23 £000's
<b>Revenue Funding Sources</b>					
(8,000.0)	Revenue Gainshare	(8,000.0)	(8,000.0)	(8,000.0)	(8,000.0)
(1,000.0)	Mayoral Capacity Building Fund	(1,000.0)	0.0	0.0	0.0
(246.0)	Growth Hub BEIS	(246.0)	(246.0)	(246.0)	(246.0)
(500.0)	LEP Core Funding from BEIS	(500.0)	(500.0)	(500.0)	(500.0)
(291.7)	Energy Hub Contribution (Staff Costs)	(470.7)	(477.7)	(484.9)	(492.2)
(250.0)	EZ contribution to LEP activity	(250.0)	(250.0)	(250.0)	(250.0)
(162.8)	AEB Funding	(12,139.6)	(12,099.0)	(12,099.0)	(12,099.0)
(300.0)	CEC Skills Funding (quarterly claims)				
(500.0)	Growth Fund Contribution	(500.0)	(500.0)	(500.0)	(500.0)
<b>(11,250.5)</b>	<b>Total Revenue Funding</b>	<b>(23,106.3)</b>	<b>(22,072.7)</b>	<b>(22,079.9)</b>	<b>(22,087.2)</b>
<b>Mayor's Office</b>					
85.0	Mayor's Allowance	85.0	85.0	85.0	85.0
33.5	Mayor's Office Expenses	25.0	25.0	25.0	25.0
43.9	Mayor's Office Accommodation	52.4	52.4	52.4	52.4
187.0	Mayor's Office Staff	189.8	192.7	195.5	198.5
<b>349.4</b>	<b>Total Mayor Costs</b>	<b>352.2</b>	<b>355.1</b>	<b>357.9</b>	<b>360.9</b>
<b>Combined Authority Staffing Costs (inc NI 'er and Pen 'er)</b>					
5,664.4	Salaries	5,072.7	5,148.7	5,226.0	5,304.4
100.0	Travel	100.0	100.0	100.0	100.0
100.0	Conferences, Seminars & Training	100.0	100.0	100.0	100.0
<b>5,864.4</b>	<b>Total Combined Authority Staffing Costs</b>	<b>5,272.7</b>	<b>5,348.7</b>	<b>5,426.0</b>	<b>5,504.4</b>
<b>Externally Commissioned Support Services</b>					
250.0	External Legal Counsel (via PCC)	250.0	250.0	250.0	250.0
65.0	Finance Service (PCC)	75.0	75.0	75.0	75.0
137.0	Payments to OLA's for services	135.0	135.0	135.0	135.0
15.0	Procurement	15.0	15.0	15.0	15.0
30.0	Finance System (PCC/Serco)				
50.0	ICT external support (3C)	50.0	50.0	50.0	50.0
<b>547.0</b>	<b>Total Externally Commissioned Support Services</b>	<b>525.0</b>	<b>525.0</b>	<b>525.0</b>	<b>525.0</b>

<b><u>Corporate Overheads</u></b>					
258.8	Accommodation Costs	337.0	337.0	337.0	337.0
20.0	Software Licences, Mobile Phones cost etc.	20.0	20.0	20.0	20.0
39.0	Website Development	10.0	10.0	10.0	10.0
200.0	Recruitment Costs				
25.0	Insurance	25.0	25.0	25.0	25.0
70.0	Audit Costs	70.0	70.0	70.0	70.0
20.0	Office running costs	20.0	20.0	20.0	20.0
55.0	Communications	40.0	40.0	40.0	40.0
<b>687.8</b>	<b>Total Corporate Overheads</b>	<b>522.0</b>	<b>522.0</b>	<b>522.0</b>	<b>522.0</b>
<b><u>Governance Costs</u></b>					
47.0	Remuneration for Independent Board Members	47.0	47.0	47.0	30.0
10.0	Meeting Costs	10.0	10.0	10.0	10.0
83.7	Monitoring and Evaluation Framework	170.9	161.8	183.6	
10.0	Miscellaneous	10.0	10.0	10.0	10.0
<b>150.6</b>	<b>Total Governance Costs</b>	<b>237.9</b>	<b>228.8</b>	<b>250.6</b>	<b>50.0</b>
<b><u>Election Costs</u></b>					
<b>260.0</b>	<b>Total Election Costs</b>	<b>260.0</b>	<b>260.0</b>	<b>260.0</b>	<b>260.0</b>
<b><u>Capacity Funding</u></b>					
<b>100.0</b>	<b>Total Capacity Funding</b>	<b>250.0</b>	<b>250.0</b>	<b>250.0</b>	<b>250.0</b>
<b><u>Financing Costs</u></b>					
<b>(700.0)</b>	Interest Receivable on Investments	<b>(510.0)</b>	<b>(510.0)</b>	<b>(381.2)</b>	<b>(200.0)</b>
0.0	Interest on Borrowing	1,000.0	2,125.0	2,125.0	2,125.0
<b>(700.0)</b>	<b>Total Corporate Income</b>	<b>490.0</b>	<b>1,615.0</b>	<b>1,743.8</b>	<b>1,925.0</b>
<b>7,259.1</b>	<b>Total Operational Budget</b>	<b>7,909.8</b>	<b>9,104.6</b>	<b>9,335.3</b>	<b>9,397.2</b>
<b><u>Economic Strategy</u></b>					
75.4	Growth Hub	69.9	68.8	67.8	66.8
250.0	Development of a Market Towns Strategy	200.0	200.0	200.0	200.0
	Develop and execute an International				
50.0	Trade Programme	50.0	50.0	50.0	50.0
100.0	St Neots Revenue Funds	200.0	250.0	250.0	
392.7	Independent Economic Commission: Developing Economic Strategy				
<b>868.1</b>	<b>Total Economic Strategy</b>	<b>519.9</b>	<b>568.8</b>	<b>567.8</b>	<b>316.8</b>

<b><u>Transport and Infrastructure</u></b>					
395.0	Transport Feasibility Studies non-capital	3,000.0	6,000.0	3,000.0	717.0
400.0	Local Transport Plan	100.0			
148.6	Strategic Bus Review				
50.0	Cambridgeshire Rail Capacity Study				
250.0	A47 Junction 18 Pedestrian Footbridge				
100.0	Smart Cities Network				
150.0	Sustainable Travel	150.0	150.0	0.0	0.0
100.0	Schemes, Studies and Monitoring	100.0	100.0	0.0	0.0
28.0	<a href="#">St Neots' Bus Plan</a>				
<b>1,621.6</b>	<b>Total Transport and Infrastructure</b>	<b>3,350.0</b>	<b>6,250.0</b>	<b>3,000.0</b>	<b>717.0</b>
<b><u>Business, Employment &amp; Skills</u></b>					
54.5	Career Advice and Progression (Hamptons)	104.0	137.0	54.5	
231.0	Skills Hub	0.0	0.0	0.0	0.0
0.0	New - Skills Hub Proposal	0.0	0.0	0.0	
75.0	New - Life Sciences Sector Investment	150.0	150.0	150.0	150.0
254.8	AEB Devolution Programme	11,506.1	11,506.1	11,506.1	11,506.1
<b>615.3</b>	<b>Total Employment &amp; Skills</b>	<b>11,760.1</b>	<b>11,793.1</b>	<b>11,710.6</b>	<b>11,656.1</b>
<b><u>Independent Commission and Reform</u></b>					
416.0	<b>Plan</b>	400.0	0.0	0.0	0.0
<b><u>Other 2018-19 Workstreams</u></b>					
354.2		0.0	0.0	0.0	0.0
<b>11,134.2</b>	<b>Total Revenue Expenditure</b>	<b>23,939.8</b>	<b>27,716.6</b>	<b>24,613.8</b>	<b>22,087.2</b>
<b>(116.3)</b>	<b>Net Revenue Position for the year</b>	<b>833.5</b>	<b>5,643.9</b>	<b>2,533.9</b>	<b>0.0</b>
<b>(10,011.3)</b>	<b>Revenue Balances</b>	<b>(9,177.8)</b>	<b>(3,533.9)</b>	<b>(1000.0)</b>	<b>(1000.0)</b>

## APPENDIX 2

### Detailed Breakdown of the Capital Programme

#### Table A – Direct Control

Direct Control (4.4)	Reserves b/f	19-20	20-21	21-22	Future Years
<i>Committed Schemes</i>					
Cambridge South Station		0.75	0.75		
King's Dyke CPCA contribution		4.60	6.00	5.80	
Peterborough University - Business case		1.45	1.41	9.74	
Soham Station GRIP 3		0.95			
St Neots River Crossing cycle bridge		2.50	0.95		
Wisbech Garden Town		0.75	0.75	0.75	
Wisbech Rail		0.75	1.75		
Wisbech Access Study				4.00	
Digital Connectivity Infrastructure Programme		1.99	1.96	1.28	
Risk contingency fund		10.00			
<b>Total Committed Expenditure</b>		<b>23.74</b>	<b>13.56</b>	<b>21.57</b>	
Capital Gain Share		(12.00)	(12.00)	(12.00)	
Transforming Cities		(17.00)	(22.00)	(30.00)	
<b>Direct Control in-year Funding Total</b>		<b>(29.00)</b>	<b>(34.00)</b>	<b>(42.00)</b>	
<b>Available in-year funding</b>		<b>(5.26)</b>	<b>(20.44)</b>	<b>(20.43)</b>	
<b>Schemes previously identified and costed</b>					
Ely Rail GRIP 4 next stage		1.00	2.00	2.00	
Market Town pump priming		1.00	2.00	2.00	
Soham Station Delivery			9.00	11.00	
Coldhams Lane roundabout improvements		0.30	2.20		
Fengate Access Study - Eastern Industries Access - Ph1		0.30			
Fengate Access Study - Eastern Industries Access - Ph2		0.10	0.10		
March junction improvements		1.00	3.31	1.55	
Regeneration of Fenland Railway Stations		2.70	3.00	3.00	
A10 Foxton Level Crossing		1.50			
A1260 Nene Parkway Junction 15		0.25	1.96	3.85	
A1260 Nene Parkway Junction 32-3		0.20	3.70		
A141 capacity enhancements		1.00	2.00	2.60	
A16 Norwood Dualling		0.05	0.08		
A505 Corridor		0.50			
A605 Oundle Rd Widening - Alwalton-Lynch Wood		0.50			
<b>Total</b>		<b>10.40</b>	<b>29.34</b>	<b>26.00</b>	
<b>Movement on reserves if approved</b>	<b>(25.19)</b>	<b>5.13</b>	<b>8.90</b>	<b>5.57</b>	

<b>Potential Future Schemes (4.10)</b>	<b>Reserves</b>			<b>Future Years</b>	
	<b>b/f</b>	<b>19-20</b>	<b>20-21</b>		<b>21-22</b>
A10 Upgrade			11.00	11.00	450.00
A47 Dualling Study			5.00	5.00	218.00
Cambridge Autonomous Metro			10.00	40.00	1,960.00
Cambridge South Station				10.00	250.00
Huntingdon Third River Crossing					200.00
Peterborough University - Land and Infrastructure			10.00	20.00	
Wisbech Garden Town <sup>1</sup>					
Wisbech Rail			8.00	60.00	30.00
A16 Norwood Dualling					9.58
A505 Corridor				100.00	150.00
Alconbury Weald Train Station <sup>1</sup>					
East-West Rail <sup>1</sup>					
Ely Area Capacity Enhancements <sup>1</sup>					
Fengate Access Study - Eastern Industries Access - Ph1				4.03	4.03
Fengate Access Study - Eastern Industries Access - Ph2					6.55
M11 Extension					2,500.00
Oxford Cambridge Expressway <sup>1</sup>					
<b>Potential Future Schemes Total</b>		<b>0.00</b>	<b>44.00</b>	<b>250.03</b>	<b>5,778.15</b>

<sup>1</sup>These are strategic priority projects for which the pre-feasibility work has not progressed to the point at which a funding envelope can be established. As such they have been included to show the CA's continuing commitment to their delivery and an acknowledgement that there will be a future, yet unknown, funding requirement.

**Table B – Passported**

Passported (4.11)	Opening Reserves	Expenditure (£m)			Future years
		19-20	20-21	21-22	
A47 Junction 18 Improvements		2.00			
Cambridge City Housing Programme		16.69	26.12	7.02	0.14
Housing Loan Provision		4.83			
Housing Infrastructure Programme		20.66	20.33	10.00	
LTP Schemes with PCC and CCC		23.08	23.08	23.08	23.08
Housing Investment Fund		23.00	17.00		
<b>Passported Expenditure Total</b>		<b>90.26</b>	<b>86.52</b>	<b>40.10</b>	<b>23.21</b>
Highways Capital Block Funding		(23.08)	(23.08)	(23.08)	(23.08)
Housing - Cambridge City	(17.98)	(17.00)	(15.00)		
Housing Infrastructure Fund	(23.99)	(9.00)	(18.00)		
Housing Loan Repayment*		(1.18)	(5.33)		
National Priorities Investment Fund	(2.00)				
Housing Investment Fund	(22.00)	(6.00)	(12.00)		
<b>Passported Funding Total</b>	<b>(65.97)</b>	<b>(56.25)</b>	<b>(73.40)</b>	<b>(23.08)</b>	<b>(23.08)</b>

\* The repayment of this loan appears higher than the expenditure here as the expenditure on this project commenced in 2018-19 and is thus not captured in this table.

**Table C – Growth Funds**

Growth Funds (4.16)	Reserves	19-20	20-21	21-22
Kings Dyke Growth Deal contribution		1.40		
A428 Cambourne to Cambridge		3.00	5.00	
Ely Rail Project		1.35		
In_Collusion (Digital Sector Skills)		0.02		
Wisbech Access Strategy - Delivery Phase		4.00	5.50	
Soham Station Feasibility		1.00		
Haverhill Innovation Centre		0.65	0.65	
Small Grants Programme		0.10	0.10	
Business Growth Programme		4.00	4.70	
Eastern Agritech Initiative		2.50	3.00	
Skills Capital Fund		1.00	1.00	
Major Projects		14.00	22.50	
Revenue Recharge to Growth Funds		0.50	0.50	0.50
<b>Growth Funds Expenditure Total</b>		<b>33.52</b>	<b>42.95</b>	<b>0.50</b>
Growth Fund Income	(25.32)	(15.88)	(35.74)	
<b>Growth Fund Income Total</b>	<b>(25.32)</b>	<b>(15.88)</b>	<b>(35.74)</b>	

\* The vast majority of Growth Funds must be spent by March 2021 thus there is no profiled expenditure beyond this other than the continuing revenue costs of monitoring and evaluation.





<b>CAMBRIDGESHIRE AND PETERBOROUGH COMBINED AUTHORITY BOARD</b>	<b>AGENDA ITEM No: 2.2</b>
<b>28 NOVEMBER 2018</b>	<b>PUBLIC REPORT</b>

## **BUDGET MONITOR UPDATE**

### **1.0 PURPOSE**

- 1.1 This report provides a mid-year update of actual expenditure to date against the 2018/19 budget as presented to the Board in May 2018 as part of the draft Medium Term Financial Plan.

<b><u>DECISION REQUIRED</u></b>	
<b>Lead Member:</b>	<b>Councillor Steve Count, Portfolio Holder for Investment and Finance</b>
<b>Lead Officer:</b>	<b>Karl Fenlon, Interim Chief Finance Officer</b>
<b>Forward Plan Ref: No applicable</b>	<b>Key Decision: No</b>
The Combined Authority Board is recommended to: <ul style="list-style-type: none"><li>• Note the half year financial position of the Combined Authority for the year to 31 March 2019.</li><li>• Agree the provisional outturn for 2018/19.</li></ul>	<b>Voting arrangements</b>  Simple Majority of the Members (or their Substitute Members)

### **2.0 BACKGROUND**

#### **Statement of Accounts 2017/18**

- 2.1. The draft outturn position of the Combined Authority was reported to the Board in June. The June 2018 Board was notified that the Combined Authority's first full year statement of accounts for 2017/18 had been published in draft form and were in the process of being audited by Ernst and Young LLP (EY).

- 2.2. The Audit and Governance Committee received and approved the audited Statement of Accounts 2017/18 at its meeting of 20 July 2018, at which EY reported the detailed findings of their audit work.
- 2.3. EY issued the auditor's report on 25 July 2018, enabling the Authority to publish its audited accounts by the 31 July deadline.
- 2.4. The auditors issued an unqualified audit opinion on the Authority's accounts and had no matters to report in the value for money conclusion.

### **Budget 2018/19 Update**

- 2.5. The Board approved the 2018/19 budget in February 2018. A draft Medium Term Financial Plan (MTFP) was then presented to the Board in May 2018 updating the 2018/19 budget and setting out anticipated costs associated with delivering the Combined Authority's Four year plan. The draft MTFP also reflected the transfer of the responsibilities of the Local Enterprise Partnership and the transfer of the Accountable Body status of the LEP from Cambridgeshire County Council in April 2018.
- 2.6. The May version of the MTFP provided an early statement of the Combined Authority's financial projection for 2018/19. The new MTFP 2019 to 2023 (as set out in Board paper 2.1) reflects all of the decisions taken around amalgamating the former LEP and the Combined Authority, a revised staffing structure and key funding decisions taken by the Board in the year. It also separates out the funding streams and related expenditure for the Combined Authority's revenue and capital programmes to provide better visibility of the overall budgetary position. This report has adopted a similar format.
- 2.7. A high-level summary of the Combined Authority's year to date and forecast 'Revenue' outturn for 2018/19 is shown below. The outturn forecast reflects costs incurred to date, known commitments and the impact on the current year of assumptions made on staffing, overheads and workstream programme delivery costs within the MTFP. A detailed breakdown of the expenditure against the 'Revenue' budget of the Combined Authority (as at 30 Sept 2018) is shown at **Appendix 1**.

<u>2018/19</u>	<u>Year to</u> <u>Sept 2018</u> <u>Revenue</u> <u>(accrued)(£k)</u>	<u>Forecast</u> <u>Outturn</u> <u>Revenue (£k)</u>
<b>Income</b>		
Gain Share Revenue	4,000.0	8,000.0
Mayoral Capacity Fund	500.0	1,000.0
MHCLG - LEP core payments	250.0	500.0
Energy Hub Contribution (Staff Costs)	150.9	301.7
Growth Hub - BEIS	123.0	246.0
EZ contribution to LEP activity	125.0	250.0
AEB Funding	81.4	162.8
CEC Skills Funding (quarterly claims)	150.0	300.0
Growth Fund Contribution	250.0	500.0
<b>Total Income</b>	<b>5,630.3</b>	<b>11,260.5</b>
<b>Expenditure</b>		
Mayor's Office	170.4	349.4
Operational Budget	2,892.4	6,415.4
Workstream/Programme Costs	1,810.2	4,940.2
<b>Total Expenditure</b>	<b>4,873.0</b>	<b>11,704.9</b>
<b>Total Income less Total Expenditure</b>	<b>757.3</b>	<b>-444.3</b>

- 2.8. The 'Operational Budget' costs includes staffing expenditure for the year to date of £2.6m. 60% of these costs relate to Service Delivery roles within the Combined Authority, and 40% to Administrative and Management functions.
- 2.9. The outturn revenue position forecasts an overspend in year requiring a drawdown from accumulated revenue reserves of £444.3k. It is likely that there will be continued demand for revenue resources in future years to fund feasibility studies and business cases for 'potential' future Capital programmes.
- 2.10. Future budget update reports will provide details of expenditure and commitments against funding streams in a format which is consistent with the Medium Term Financial Plan.
- 2.11. The mid-year 'Capital' position of the Combined Authority (as at 30 Sept) is shown at **Appendix 2**. The Combined Authority's capitalisation policy and contracting arrangements with Cambridgeshire County Council (CCC) and Peterborough City Council (PCC) are currently being developed. The outcome of these developments will determine the accounting treatment of programme costs, especially those incurred in the early stages of a project, as either 'Capital' or 'Revenue'.
- 2.12. The 'Local Transport Plan' cost of £13.78m included within the May version of the MTFP relates to an original estimate of the expenditure expected to be incurred on transport functions to be funded from levies issued by the Combined Authority to CCC and PCC. As the relevant Order, "The Transport

Levying Bodies (Amendment) Regulations 2018”, did not come into force until 1st October 2018, these anticipated levies and related expenditure will not impact on the 2018/19 budget.

### **3.0 FINANCIAL IMPLICATIONS**

3.1. Expenditure incurred for the six-month period to 30 September is shown at Appendices 1 and 2. These figures are based on actual expenditure to date and known commitments (i.e. those under direct CPCA control) and so may not reflect the true ‘commitment’ position.

### **4.0 LEGAL IMPLICATIONS**

4.1 The Combined Authority has a legal obligation to deliver a balanced budget.

### **5.0 SIGNIFICANT IMPLICATIONS**

5.1. Spend to date is within the May 2018 MTFP parameters. However, many changes have been agreed by the Board in the year and the forecast outturn reflects those decisions. That forecast is less than the MTFP.

5.2. The forecast outturn and the MTFP outlined above in Report 2.1 are detailed scenarios that reflect the current plans of the CPCA, all decisions taken and the resources available to it. Future budgetary control reports will show actual expenditure against these documents.

### **6.0 APPENDICES**

6.1 CPCA Revenue 2018/19

6.2 CPCA Capital Programme 2018/19

6.3 Notes to the Capital Programme

<u>Source Documents</u>	<u>Location</u>
None	Not applicable

**Appendix 1: CPCA Revenue 2018/19 (Sept 2018)**

	<b><u>Actuals to</u></b> <b><u>30 Sept</u></b> <b><u>2018</u></b> <b>£k</b>	<b><u>Forecast</u></b> <b><u>Outturn</u></b> <b>£k</b>	<b><u>MTFP May</u></b> <b><u>version</u></b> <b>£k</b>	<b><u>Original</u></b> <b><u>Budget</u></b> <b>£k</b>
<b><u>Mayors Office</u></b>				
Mayors Allowance	42.3	85.0	84.5	84.5
Mayors Office Expenses	11.6	33.5	12.0	12.0
Mayors Office Accommodation	23.3	43.9	46.5	20.0
Mayors Office Staff	93.2	187.0	188.0	95.5
<b>Total Mayor Costs</b>	<b>170.4</b>	<b>349.4</b>	<b>331.0</b>	<b>212.0</b>
<b><u>Combined Authority Staffing Costs</u></b>				
Salaries per Structure Report	2,601.3	5,400.0	3,243.9	1,781.0
Travel	20.9	40.0	0.0	0.0
Conferences, Seminars	6.6	20.0	0.0	0.0
Training	0.8	10.0	0.0	0.0
<b>Total Combined Authority Staffing Costs</b>	<b>2,629.5</b>	<b>5,470.0</b>	<b>3,243.9</b>	<b>1,781.0</b>
<b><u>Externally Commissioned Support Services</u></b>				
Payments to LAs for services	173.4	452.0	452.0	452.0
Procurement	0.0	15.0	0.0	0.0
Finance System	0.0	30.0	0.0	0.0
ICT external support (3C)	31.1	50.0	50.0	50.0
<b>Total Externally Commissioned Support Services</b>	<b>204.5</b>	<b>547.0</b>	<b>502.0</b>	<b>502.0</b>
<b><u>Corporate Overheads</u></b>				
Accommodation Costs	164.9	258.8	220.8	50.0
Software Licences, Mobile Phones cost etc.	0.0	20.0	0.0	0.0
Website Development	0.0	39.0	0.0	0.0
Recruitment Costs	161.0	200.0	53.1	40.0
Insurance	23.3	25.0	23.7	23.7
Audit Costs	6.7	70.0	55.0	55.0
Office running costs	14.9	20.0	30.0	20.0
Communications	35.9	55.0	60.0	40.0
<b>Total Corporate Overheads</b>	<b>406.8</b>	<b>687.8</b>	<b>442.6</b>	<b>228.7</b>
<b><u>Governance Costs</u></b>				
Committee/Business Board Allowances	19.5	47.0	1.8	1.5
Meeting Costs	0.0	10.0	0.0	0.0
Monitoring and Evaluation Framework	0.0	83.7	0.0	0.0
Miscellaneous	0.0	10.0	0.5	0.5
<b>Total Governance Costs</b>	<b>19.5</b>	<b>150.6</b>	<b>2.3</b>	<b>2.0</b>
<b><u>Election Costs</u></b>				
Election costs	0.0	260.0	260.0	260.0
<b>Total Election Costs</b>	<b>0.0</b>	<b>260.0</b>	<b>260.0</b>	<b>260.0</b>
<b><u>Financing Costs</u></b>				
Interest Receivable on Investments	-367.9	-700.0	-508.6	-508.6
<b>Total Corporate Income</b>	<b>-367.9</b>	<b>-700.0</b>	<b>-508.6</b>	<b>-508.6</b>
<b>Total Operational Budget</b>	<b>2,892.4</b>	<b>6,415.4</b>	<b>3,942.1</b>	<b>2,265.1</b>

	<u>Actuals to</u> <u>30 Sept</u> <u>2018</u> £k	<u>Forecast</u> <u>Outturn</u> £k	<u>MTFP</u> <u>Budget</u> <u>May</u> <u>version</u> £k	<u>Original</u> <u>Budget</u> £k
<b><u>Workstream Revenue Budgets</u></b>				
<b><u>Rural Areas, Culture, Parks and Open Spaces</u></b>				
Develop Energy Hub	4.3	10.0	631.0	0.0
Develop Rural Strategy	0.0	20.0	50.0	0.0
<b>Total Rural Areas, Culture, Parks and Open Spaces</b>	<b>4.3</b>	<b>30.0</b>	<b>681.0</b>	<b>0.0</b>
<b><u>Fiscal</u></b>				
Investment Fund Strategy	0.0	25.0	0.0	0.0
Treasury Management Strategy	0.0	20.0	0.0	0.0
<b>Total Fiscal</b>	<b>0.0</b>	<b>45.0</b>	<b>0.0</b>	<b>0.0</b>
<b><u>Economic Strategy</u></b>				
Growth Hub (net of salaries)	0.0	75.4	0.0	0.0
Market Town Masterplan (2nd Tranche)	0.0	0.0	150.0	0.0
Development of a Market Towns Strategy	0.0	250.0	250.0	0.0
Develop an International Trade Programme	0.0	50.0	50.0	0.0
Establish Investment Team	0.0	0.0	50.0	0.0
St Neots Masterplan	0.0	100.0	0.0	0.0
Independent Economic Commission	392.7	392.7	300.0	0.0
<b>Total Economic Strategy</b>	<b>392.7</b>	<b>868.1</b>	<b>800.0</b>	<b>0.0</b>
<b><u>Transport and Infrastructure</u></b>				
Local Transport Plan	350.0	400.0	0.0	300.0
Strategic Bus Review	10.3	148.6	150.0	90.0
Smart Cities Network	0.0	100.0	100.0	0.0
Sustainable Travel	86.8	150.0	100.0	0.0
Schemes and Studies	80.4	100.0	150.0	0.0
St Neots Bus Plan	0.0	28.0	0.0	0.0
Cambridge Autonomous Metro (MRT - p2)	0.0	0.0	1,000.0	0.0
Huntingdon Strategic River Crossing	0.0	0.0	300.0	0.0
M11 extension	0.0	0.0	500.0	0.0
Transport Feasibility Studies	680.6	1,350.0	0.0	0.0
<b>Total Transport and Infrastructure</b>	<b>1,208.0</b>	<b>2,276.6</b>	<b>2,300.0</b>	<b>390.0</b>
<b><u>Employment &amp; Skills</u></b>				
Peterborough University	0.0	400.0	3,175.0	0.0
Career Advice and Progression (Hamptons)	0.0	54.5	0.0	0.0
Skills Hub	0.0	231.0	231.0	231.0
New - Life Sciences Sector Investment	0.0	75.0	0.0	0.0
Deliver Apprenticeships & Pathways	0.0	0.0	2,892.0	0.0
Develop and Deliver Employer focussed schemes	0.0	0.0	3,669.0	0.0
Devolution of Adult Education Budget	102.5	254.8	154.0	0.0
<b>Total Employment &amp; Skills</b>	<b>102.5</b>	<b>1,015.3</b>	<b>10,121.0</b>	<b>231.0</b>
<b><u>Strategic Planning</u></b>				
Non Statutory Spatial Plan (Phase 2)	3.7	135.0	200.0	0.0
Rural Strategy - Town & Parish Council conf	0.0	8.3	0.0	0.0
CA2030 Programme	0.0	40.0	10.0	0.0
Fenland UESCO Biosphere & Parks & Open Spaces Trust	0.0	26.0	0.0	0.0
Cambridgeshire and Peterborough Land Commission	0.0	80.0	80.0	0.0
<b>Total Strategic Planning</b>	<b>3.7</b>	<b>289.2</b>	<b>290.0</b>	<b>0.0</b>
<b><u>Public Service Reform</u></b>				
Independent Commission and Reform Plan	98.9	416.0	877.6	0.0
<b>Total Public Sector Reform</b>	<b>98.9</b>	<b>416.0</b>	<b>877.6</b>	<b>0.0</b>
<b>Total Workstream Budget</b>	<b>1,810.2</b>	<b>4,940.2</b>	<b>15,069.6</b>	<b>621.0</b>
<b>Total Revenue Budget</b>	<b>4,873.0</b>	<b>11,704.9</b>	<b>19,342.8</b>	<b>3,098.1</b>

<b>Appendix 2: CPCA Capital Programme - 2018/19 (Sept 2018)</b>				
<b><u>Direct Control</u></b>	<b><u>Actuals to 30 Sept 2018 £m</u></b>	<b><u>Forecast Outturn £m</u></b>	<b><u>MTFP May version £m</u></b>	<b><u>Original Budget £m</u></b>
Cambridge South Station	0.00	0.25	1.00	1.00
Peterborough University - Business case	0.01	0.30	1.53	1.53
Soham Station	0.86	2.00	1.50	0.00
St Neots River Northern Crossing cycle bridge	0.00	0.50	0.50	0.00
Wisbech Garden Town	0.03	1.00	2.00	3.25
Wisbech Rail	0.01	0.75	0.00	0.00
Wisbech Access Study	0.00	0.30	0.30	0.00
Digital Connectivity Infrastructure	0.00	0.44	0.44	0.00
A47 Dualling	0.27	1.01	0.60	0.00
Office Accommodation Fitout	0.25	0.25	0.26	0.00
<b>Total Committed Direct Control Expenditure</b>	<b>1.44</b>	<b>6.81</b>	<b>8.13</b>	<b>5.78</b>
<b><u>Schemes Previously Identified and Costed</u></b>				
Coldhams Lane roundabout improvements	0.02	0.30	0.20	0.00
Eastern Industries Access - Phase 1	0.15	0.25	0.10	0.00
March junction improvements	0.16	0.39	1.00	0.00
Queen Adelaide Level Crossing	0.00	0.13	0.13	0.00
Regeneration of Fenland Railway Stations	0.00	0.30	2.00	0.00
A10 Foxton Level Crossing	0.00	0.50	0.50	0.00
A1260 Nene Parkway Junction 15	0.10	0.25	0.15	0.00
A1260 Nene Parkway Junction 32-3	0.00	0.15	0.15	0.00
A141 capacity enhancements	0.03	0.40	1.00	0.00
A142 Capacity Study	0.00	0.15	0.00	0.00
A14 Junctions Improvement feasibility study	0.00	0.15	0.00	0.00
A47 Junction 18 Improvements	0.00	0.25	0.25	0.00
A505 Corridor	0.02	1.00	0.85	0.00
A605 Oundle Rd Widening - Alwalton-Lynch Wood	0.05	0.23	0.20	0.00
<b>Schemes Previously Identified and Costed Total</b>	<b>0.54</b>	<b>4.44</b>	<b>6.53</b>	<b>0.00</b>
<b>Total</b>	<b>1.98</b>	<b>11.25</b>	<b>14.66</b>	<b>5.78</b>

<u>Passported</u>	<u>Actuals to</u> <u>30 Sept</u> <u>2018</u> <u>£m</u>	<u>Forecast</u> <u>Outturn</u> <u>£m</u>	<u>MTFP May</u> <u>version</u> <u>£m</u>	<u>Original</u> <u>Budget</u> <u>£m</u>
Cambridge City Housing Programme	8.22	19.43	16.60	0.00
East Cambs - Housing Loan Provision	0.00	1.67	6.50	0.00
Housing Investment Programme	0.47	6.63	27.12	2.06
Housing Programme Costs	0.13	0.00	0.24	0.00
LTP Schemes with PCC and CCC	24.52	24.52	27.65	27.65
Local Transport Plan	0.00	0.00	13.78	0.00
National Productivity Investment Fund	1.60	4.65	6.65	0.00
<b>Passported Total</b>	<b>34.94</b>	<b>56.89</b>	<b>98.55</b>	<b>29.71</b>
<b>Growth Funds</b>				
King's Dyke Crossing (Growth Fund)	0.00	5.49	0.00	0.00
A428 Cambourne to Cambridge	0.00	1.00	0.00	0.00
Ely Rail Improvements	0.00	1.80	0.00	0.00
In Collusion	0.06	0.12	0.00	0.00
Wisbech Access Strategy - Delivery Phase	0.00	1.00	0.00	0.00
Agri-tech	0.28	1.98	0.00	0.00
Bourges Boulevard Phase 2	1.23	1.35	0.00	0.00
Ely Southern Bypass	0.00	3.80	0.00	0.00
Whittlesea and Manea Railway Stations	0.23	0.34	0.00	0.00
Local Energy East (Outturn tbc)	0.04	0.04	0.00	0.00
IMET Phase 3	0.78	1.64	0.00	0.00
Lancaster Way Phase 2	0.00	0.86	0.00	0.00
University Project Group	0.01	0.01	0.00	0.00
COSMOS	0.03	0.03	0.00	0.00
<b>Growth Funds Total</b>	<b>2.65</b>	<b>19.47</b>	<b>0.00</b>	<b>0.00</b>
<b>Total</b>	<b>39.57</b>	<b>87.61</b>	<b>113.20</b>	<b>35.50</b>



### Appendix 3: Notes to the Capital Programme

Included within the Passported Capital Grants section of the Capital Programme are the Local Transport Schemes managed by CCC and PCC as the Local Highways Authorities. These costs relate to the transfer of Department for Transport Highways funding to CCC and PCC as follows:

	<u>CCC</u>	<u>PCC</u>	<u>Total</u>
Integrated Transport Block	3,190.000	1,407.000	4,597.000
Highways Maintenance Block (needs)	12,076.000	2,786.000	14,862.000
Highways Maintenance Block (incentive) - indicative	2,515.000	580.000	3,095.000
Highways Maintenance Block (incentive) - additional split	20.315	4.685	25.000
Pothole Action Fund	412.419	85.672	498.091
	<b>18,213.734</b>	<b>4,863.357</b>	<b>23,077.091</b>
Local Transport Capital (Flood resilience fund ) Specific Grant Determination (17/18)	1,196.127	248.334	1,444.461
	<b>19,409.861</b>	<b>5,111.691</b>	<b>24,521.552</b>



<b>CAMBRIDGESHIRE AND PETERBOROUGH COMBINED AUTHORITY BOARD</b>	<b>AGENDA ITEM No: 3.1</b>
<b>28 NOVEMBER 2018</b>	<b>PUBLIC REPORT</b>

## **WISBECH TO MARCH RAIL – GRIP3B STUDY**

### **1.0 PURPOSE**

- 1.1. The Cambridgeshire and Peterborough Combined Authority is committed to the development of the Wisbech Garden Town and it has been long recognised that a vital enabler of this is the provision of a rail link initially to March and then onto Cambridge and Peterborough.
- 1.2. It is also recognised that a town the size of Wisbech should have rail connection to the mainline to enable regular and efficient public transport provision to the wider region economic centre and beyond to the rest of the country via the mainline rail links.
- 1.3. The Cambridgeshire and Peterborough Combined Authority is funding and sponsoring a study into the March – Wisbech Transport Corridor. This is a major new study to develop a business case and single option design for re-instating rail services between March and Wisbech which should consider onward connections and connectivity to Cambridge and Peterborough.
- 1.4. The study will also consider lower cost, non-heavy rail alternatives.
- 1.5. The study will be carried out for the Combined Authority and will be procured and managed by Cambridgeshire County Council on its behalf. Network Rail and other key stakeholders will be directly involved, and the successful consultant will be expected to work with all interested parties in developing the scheme.
- 1.6. The Cambridgeshire and Peterborough Combined Authority see this as a priority for the development of Wisbech a major settlement in the north of our region to enhance the housing, economic, educational and well-being opportunities of the residents of Wisbech and its surrounding area, in line with the recent CPIER report and the developing spatial and Local Transport Plans.

<b><u>DECISION REQUIRED</u></b>	
<b>Lead Member:</b>	<b>Mayor James Palmer</b>
<b>Lead Officer:</b>	<b>Chris Twigg, Interim Director of Transport</b>
<b>Forward Plan Ref: 2018/032</b>	<b>Key Decision: Yes</b>
<p>The Combined Authority Board is recommended:</p> <p>(a) To approve the budget of <b>£1,500,000</b> (£1,300,000 estimated cost and £200,000 contingency for Chief Executive Officer/Chief Finance Officer discretionary release) as a proportion of the £3.25m indicated in March 2018 as part of the potential £6.5m Wisbech Garden Town funding, and</p> <p>(b) To agree to delegate authority to the Transport Director to appoint a supplier to deliver the study as successful tenderer in the current procurement exercise, and</p> <p>(c) To agree to delegate authority to the Transport Director to negotiate with all relevant stakeholders both in regard of the exploration of the rail link and low cost non-heavy rail alternative, in consultation with the Chairman/woman of the Transport Committee.</p>	<p><b>Voting arrangements</b></p> <p>Simple majority of all Members</p>

## 2.0 BACKGROUND

2.1. The Cambridgeshire and Peterborough Combined Authority (CPCA) was formed in 2017 with responsibilities for housing, transport, skills and public service reform. It has set out a bold vision for the Cambridgeshire and Peterborough area, including:

- Doubling the size of the local economy
- Accelerating house building rates to meet local and UK need
- Delivering outstanding and much needed connectivity in terms of transport and digital links
- Providing the UK's most technically skilled workforce
- Transforming public service delivery to be much more seamless and responsive to local need
- Growing international recognition for our knowledge based economy
- Improving the quality of life by tackling areas of deprivation

- 2.2. It is essential for the continued and sustainable economic growth in Peterborough and Cambridgeshire that there is a supply of affordable housing and appropriately skilled labour without which global competitiveness may be curtailed by labour supply shortages. Wisbech and March have been a focus for growth and wider economic regeneration; the established Fenland Local Plan will deliver 7,750 dwellings and 60ha of employment land through to 2031 centred in Wisbech and March.
- 2.3. Additionally, Fenland District Council (FDC) and CPCA are developing plans for a Garden Village to the west side of Wisbech which it is envisaged will deliver 10,000 to 12,000 homes over a 25 year period from 2020 which is additional to the development in the Local Plan.
- 2.4. Enabling this growth through the delivery of transport infrastructure which provides March and Wisbech with improved connectivity to regional centres of economic activity in Peterborough and Cambridge is a high priority for the CPCA and the Mayor, in partnership with key local politicians, is keen to bring forward transport improvements to the March – Wisbech corridor which delivers this important objective.
- 2.5. The Combined Authority recently commissioned and published the Cambridge and Peterborough Independent Economic Review (CPIER) an economic study which sets the scene for the wider context, and aspirations in the area. The CPIER is available online and provides key information and background for this study.

### **3.0 STUDY PURPOSE AND SCHEME OBJECTIVE**

- 3.1. The purpose of the study is to develop a business case and single option design for re-instating rail services between March and Wisbech and with potential direct connections to Cambridge and Peterborough. In developing the business case, the study should consider lower cost, non-heavy rail alternatives as well as a heavy rail solution. There is also a requirement for this piece of work to investigate delivery and funding options for both the capital construction and operation of the scheme.
- 3.2. To date, a number of studies have been conducted to look at the case for the re-instatement of railway services to Wisbech including the location of a station in Wisbech itself. These include:
  - (a) Early pre-feasibility work (Atkins and Mott MacDonald 2012-2014)
  - (b) Re-opening of March to Wisbech Rail Link – Outline Business Case (OBC) (Mott MacDonald – July 2015)
  - (c) March to Wisbech Rail Re-opening GRIP2 (Mott MacDonald – July 2015)
  - (d) March to Wisbech Line reopening GRIP2 Level Crossing Closure Study (Network Rail – April 2016)
  - (e) Refresh of Outline Business Case metrics (Mott MacDonald – July 2016)
  - (f) Technical Summary of March to Wisbech Level Crossing Workshop (Network Rail/HMRI– August 2016)

- 3.3. The above technical studies concluded that, when taking account of wider direct and indirect economic benefits, there is a high value for money (VfM) case for re-instating the railway line between March and Wisbech but that this was dependent on operation of half-hourly through-services to Cambridge via Ely. A shuttle service between March and Wisbech was found to have a poor VfM case as it did not significantly improve access to either Peterborough or Cambridge. A hybrid service of an hourly through service supplemented by a shuttle delivered only a low VfM case. Much of the economic case is driven by improvements in capacity and frequency between March and Cambridge.
- 3.4. In terms of infrastructure, the GRIP 2 study found that the re-instatement of the railway between March and Wisbech would cost between £71m - £110m including risk (20%) and Optimism Bias (50%) at Q2 2015 prices. The range reflects a parkway style station south of the A47 (lower end) or extension over the A47 through to Wisbech Town centre thus requiring a grade separated crossing and associated land purchase and access requirements for the station itself (upper end).
- 3.5. Network Rail (NR) later conducted a GRIP2 study of options for the level crossings along the alignment considering what would be needed to bring the railway back into regular use producing detailed plans and cost estimates (£41m at Q4 2015 prices inclusive of Optimism Bias at 50% but excluding land compensation and Transport and Works Act Order (TWAO) costs).
- 3.6. A further independent review of this work by Subject Matter Experts from NR and Office of Road and Rail (ORR) validated this work and suggested that a range of £33m - £39m at Q3 2016 prices may be achievable with some scope reduction.
- 3.7. A review of the Mott MacDonald GRIP2 study by Network Rail (NR) highlighted areas for further analysis including the capacity of the network to accommodate the additional services into Cambridge, more detailed consideration of operational costs and resource requirements for train operations, and highlighting the complexity of commissioning signalling alterations at March.
- 3.8. A key study assumption had been that the control of the route through March would transfer to Romford Rail Operating Centre (ROC) and thus signalling changes at March could be incorporated as part of that scheme; this had been expected in CP5 but a date for transfer has yet to be confirmed.
- 3.9. In parallel, a major highway study of access requirements at Wisbech is currently underway and which is specifically considering connections to the A47. A decision on whether to include a grade separation of the A47 over the March – Wisbech line requires early direction.
- 3.10. A key element of this work is to inform the optimum location for a station in Wisbech taking account of development proposals in the FDC Local Plan and emerging Garden Town. Determining the preferred station location will be a key part of this study.

3.11. Whilst noting that there remains a number of challenges which will need to be overcome, the CA and its partners remain committed to delivering transport improvements on the March – Wisbech corridor in order to achieve the objective of sustainable economic growth.

#### **4.0 NON-HEAVY RAIL OPTION**

4.1. As well as developing the GRIP 3 heavy rail technical study a non-heavy rail lower cost option is also required to be developed. This work should investigate potential options for integration with the Cambridge CAM proposals. It is expected that the study will develop a non-heavy rail solution complementary to the wider transport ambitions of the CPCA. It should be noted that a business case for the non-heavy rail options also needs to be developed.

#### **5.0 TECHNICAL REQUIREMENTS**

5.1. The successful supplier has been selected in a robust procurement exercise and has demonstrated their ability to deliver a quality study with cost efficiency, with a diverse range of skills, bringing forward the best skills in each area to maximise the chances of success, across both specialism of heavy rail and also the development of an alternative transport option.

5.2. The study will ultimately prepare an Outline Business Case for the single option design in full accordance with Transport Appraisal Guidance requirements; this element of the study will involve engagement with the Department for Transport (DfT). The business case work will also consider lower cost non-heavy rail alternatives – this should include assessment of a low cost alternative proposal (to be developed as part of this study). It is recognised that deliverability and cost are particular challenges for a heavy rail based solution, but it remains most compatible with the study objective of delivering sustainable long term economic growth across the CA area.

5.3. The proposed supplier is extremely adept at transport business case development, especially in a rail context where detailed knowledge and application of Passenger Demand Forecasting Handbook (PDFH) Guidance will be essential. In particular, best practice in demand forecasting is a key requirement – whilst the OBC work is commensurate with the stage of the scheme development, a much more rigorous and detailed assessment of all demand and economic impacts arising from the scheme is needed for this next stage in scheme development.

5.4. It is likely that additional data and modelling will be required to support the development of the business case. This needs to be viewed as part of this study.

5.5. As noted above, a key objective is to deliver sustainable economic development and growth in the wider CA area. A key rationale is therefore supporting the continued development of Peterborough and Cambridge as

centres of economic activity in the region, and in the case of the latter, recognition as a globally important centre of research.

- 5.6. The study will provide a clear narrative on the role that improvements to the March- Wisbech corridor plays in supporting these wider economic outcomes; in particular how the supply of housing in more affordable areas such as March and Wisbech supports wider economic growth as well as more sustainable communities in their own right.
- 5.7. It will also consider the need for complementary investment in, for example, training and skills to improve levels of economic activity and the mobility of labour.
- 5.8. In addition to the Financial and Economic cases, the study will also develop the Strategic, Delivery and Management cases taking account of the scheme design and engineering study and assessment of scheme delivery options.
- 5.9. The business case that is developed will be WebTAG compliant, there is also a requirement to investigate the wider economic benefits of improving the transport link as well.
- 5.10. It is likely that a range of scenarios will be required to be reported on when investigating the business case. Potentially this might be a standard growth scenario based on the local plan, one based on the garden town and another based on a high growth assumptions.
- 5.11. The latest information regarding wider economic benefits released as part of WebTAG in May 2018 will be taken into account when developing the business case.

## **6.0 DEVELOPMENT PLANNING**

- 6.1. As part of this commission a key requirement is to investigate the optimum location for a station in Wisbech. This will inform a decision on whether the station would be north or south of the A47.
- 6.2. It is expected that the study will undertake a more detailed assessment of transport access requirements and options at the Wisbech end of the corridor taking account of existing commitments in the Local Plan as well as the emerging Garden Town proposals. Assessments of potential travel demand by mode, to and from Wisbech, are needed to better inform the optimum location from the station and in turn the demand underpinning the business case.
- 6.3. The proposed supplier has demonstrated expertise in working with master planners, urban designers and architects with demonstrable experience in developing sustainable transport plans which mitigate the reliance on private vehicles in rural locations whilst promoting ease of access to the March – Wisbech transport corridor and the attractiveness of non-vehicular modes including innovative public transport options where deemed appropriate.

## 7.0 SCHEME DESIGN AND ENGINEERING

- 7.1. The client team has determined that it wishes to undertake scheme engineering feasibility and design to a level of detail commensurate with NR's GRIP 3 requirements in conjunction with the business case work to define a single option scheme which can be advanced through to delivery.
- 7.2. In previous discussions with NR, a cost estimate for elevating all existing GRIP2 project work to a standard GRIP2 level before proceeding to GRIP3 was provided. However, given an ongoing requirement to consider a lower cost alternative to heavy rail and the need for wider skills in addition to rail engineering, the client team has further determined that it wishes this stage of work to be carried out by suitably qualified consultants as part of this wider brief and not via NR. Notwithstanding that, NR must be involved in the study as any impact on their existing assets requires their approval.
- 7.3. We will enter into a relevant agreement with NR to enable them to properly engage in the project and provide the consultant with information and we will cover the NR costs of doing this. We will however require the consultant to lead this process and detail the information and engagement that is required from NR.
- 7.4. It is felt that the proposed supplier is best placed to develop an overall approach and programme of technical work to meet this outcome drawing on their own experience of undertaking similar studies.
- 7.5. The proposed supplier will draw on their own experience of GRIP products and deliverables appropriate to this work in developing a costed and resourced programme of work.
- 7.6. The following scope of work is provided by way of guidance as to what should be covered for a heavy rail solution:
  - Identify and develop infrastructure required to deliver a 2tph service between March and Wisbech – the railway operations work will consider infrastructure constraints elsewhere on the network. This should include the infrastructure required to allow a connection to the Peterborough Line and any accompanying alterations to March station.
  - Whilst this study is not expected to develop projects outside the March-Wisbech Corridor constraints and assumptions need to be clearly shown when working through options to develop a through service to Cambridge and Peterborough.
  - Confirm the preferred level crossings solution per level crossing (open or closed) as provided in the GRIP2 study, update these designs to meet the requirements of this study and provide amended designs where changes are required.
  - Identify whether current infrastructure (in the March area) can support Empty Coaching Stove (ECS) moves to and from the branch and whether any additional stabling requirements are required.



- Consider and manage interfaces with existing operations at Whitemoor Yard, and ensure work reflects requirements in respect of train paths to Cambridge via Ely and also from Wisbech to Peterborough direct.
- Consider the case for passive provision for future electrification and double tracking or passing loops in the design. Early work indicated that passing loops may be required to deliver the required service.
- Develop a signalling solution proposal most appropriate to deliver the train service, including the consideration of innovative proposals.
- Develop options for the Wisbech station terminus and required facilities taking account of predicted usage numbers, service frequency and access by mode as predicted in the business case modelling.
- Identify non-NR land requirements and whether any TWAO or Development Consent Order (DCO) powers are required to deliver the scheme. Provide all-inclusive cost estimates to a level of accuracy suitable for use in the Business Case and would be suitable for a GRIP3 NR study

7.7. The proposed supplier will also develop plans and designs to a level of detail commensurate to GRIP2 for the lower cost non-heavy rail alternative. For the purposes of this option, Potential Providers should assume that the existing land and assets would be transferred from NR's ownership and thus there would be no need for their involvement in this design work save for any interface impacts affecting their land and assets at March should that be identified clearly if required. Onward connections to Peterborough and Cambridge should also be considered by the non-heavy rail option.

7.8. It is expected that the client and the consultant will work closely on developing the non-heavy rail options which needs to take account of the transport strategy and vision of the CPCA.

## **8.0 HEAVY RAIL AND NON-HEAVY RAIL OPERATIONS**

8.1. Network capacity: More detailed analysis of the operational requirements for establishing rail services will be needed in this stage of study and it is anticipated this will be critical to demonstrating deliverability of the scheme, as well as providing more confidence in the underlying continued financial sustainability of the rail service itself.

8.2. Network capacity constraints have been identified in realising a half-hourly Wisbech to Cambridge rail service, notably at Ely but also at Cambridge. Ely remains a pinch point on the rail network and work continues to progress the release of further capacity through Ely North Junction in particular, including associated impacts on level crossings. This ongoing work is separate to, and out with, the remit of this study. The allocation of capacity released by enhancement works will have to be carefully considered by NR whose role as 'guiding mind' will be to consider a range of likely competing demands for the use of capacity.

8.3. In the first instance, the proposed supplier will be expected to work with NR's project team to establish what the most likely outcome will be in terms of capacity released and prepare a jointly agreed 'infrastructure assumptions'

document. This will be used by this study as a key project assumption from which further analysis of network capacity to accommodate Wisbech to Cambridge services can be assessed. It will be necessary to consider requirements against a range of other potential additional train services including both freight and passenger demands.

- 8.4. Platform capacity at Cambridge also needs to be considered and whilst Railsys modelling is not expected at this stage of scheme development, desktop analysis to a level of detail commensurate with an Outline Business Case is required taking full account of the Rules of the Route and Rules of the Plan and all traincrew resourcing and stabling requirements (where needed).
- 8.5. The proposed supplier will also need to engage with NR regarding ongoing requirements for engineering train and materials movements to and from Whitemoor Yard.
- 8.6. Operational expenditure: The proposed supplier will also be required to provide more detailed analysis of train operation requirements including detailed cost estimates to support the business case work including, but not limited to:
  - (a) Lease costs for the most appropriate rolling stock, expected to be Diesel Multiple Unit (DMUs) compatible with either the existing or planned Abellio Greater Anglia (AGA) fleet;
  - (b) Unit requirements to operate the new services taking consideration of the existing AGA fleet and unit availability, as well as the wider availability of compatible rolling stock to operate these new services;
  - (c) Develop more granular estimates of operating costs including diesel consumption, variable track access charges and additional train maintenance and cleaning requirements; and,
  - (d) Traincrew resourcing requirements to operate the service taking account of existing AGA traincrew depots and establishment levels and service start up and close down movements.
- 8.7. With the recent announcement by Government to move away from primarily diesel traction in the UK market by 2040, consideration should also be given to potential replacement units and the extent to which the above operational costs may be affected as a result. With a strong emphasis on air quality, health and well-being.
- 8.8. It should be noted here that the non-heavy rail option will need to consider aspect such as those listed above but which are specific to the non-heavy rail option taken forwards

## **9.0 RAIL SCHEME DELIVERY AND FUNDING**

- 9.1. The CPCA is keen to explore potential alternative options for the delivery of the scheme including whether there is any interest from the private sector for longer term investment in return for control of the assets between March and Wisbech.

- 9.2. Consideration also needs to be made into how a potential private operation between March and Wisbech could interact with Network Rail's infrastructure at March to provide a direct service onwards to Cambridge or potentially Peterborough.
- 9.3. The Hansford Review published in 2018 provided a comprehensive review of how rail infrastructure schemes are delivered in the UK with a view to opening up contestability for the delivery of infrastructure enhancement work.
- 9.4. It also looks at the potential for greater private sector investment in potentially funding and owning infrastructure.
- 9.5. A key recommendation is that options for the delivery for rail projects should be considered at each stage of a project's development and the client team are keen to explore as part of this next stage of scheme development any options for delivering infrastructure between Wisbech and March by entities other than NR.
- 9.6. This should also consider whether private investment can be leveraged given an appropriate return for operation of the infrastructure.
- 9.7. Key issues which will need to be investigated and considered:
  - (a) Asset ownership - transfer of the asset base from Network Rail (NR) provides the basis for private funding and enables the March – Wisbech section of line to be managed independently of NR.
  - (b) Delivery of train services – should train services be operated independently from a franchised train operating company (TOC) and would an open access application be successful?
  - (c) Scope – there will remain an interface between a privately owned railway and NR at March. Clarity of what is required of NR's assets at March is needed, though these works need not have to be delivered by NR themselves.
  - (d) Risk Management – a clear understanding of how the key risks will be managed and split between the various parties.
  - (e) Ticketing – confirmation that through-ticketing can be secured by the independent operators.
  - (f) Procurement – consideration as to how the project can be procured; should this be via a Design Build Finance Operate (DBFO) type approach? Or are there alternatives that should be considered?
- 9.8. The proposed supplier has demonstrated in-depth appreciation of the commercial structures which can be used to deliver new transport infrastructure investment and leverage private sector funding reducing the burden on the taxpayer.
- 9.9. The client team also wishes to gain a better appreciation of the range of potential investors and the sort of risk and reward profile needed to strike a deal.

- 9.10. The proposed supplier will actively involve and consult with industry (including NR and ORR) as well as potential infrastructure investors providing their advice on potential delivery structures and mechanisms to support the Business Case submission

## **10.0 STUDY AND STAKEHOLDER MANAGEMENT**

### **Study Management:**

- 10.1. The study will be managed administratively by Cambridgeshire County Council on behalf of the CPCA. Monthly Project Management meetings will review progress against the programme, financial spend and the case for any changes to scope, budget and milestone dates.
- 10.2. The proposed supplier will further attend and provide regular reports to a small Project Management Group comprising representatives of [CCC, CA, FDC, NR, DfT]. This Project Management Group will convene monthly to review progress, the consultant's reports and deliverables, and to address any issues as these arise. The proposed supplier is expected to arrange and provide secretariat support for these meetings.
- 10.3. There will additionally be further presentations to Senior Officers and Politicians at particular points during the study. It is expected this will include the Mayor of the CPCA, the leaders of CCC and FDC as well as a representative from the DfT. It is suggested that the proposed supplier allows for three of these presentations and they will indicate on their programme when these are anticipated to occur.

### **Stakeholder Management:**

- 10.4. Other key stakeholders will be directly involved, and the proposed supplier will be expected to work with all interested parties in developing the scheme.
- 10.5. The proposed supplier has demonstrated an excellent appreciation of the wider political and economic issues across the CPCA area and possesses demonstrable expertise in stakeholder engagement with politicians, funders and other interested decision makers from within the rail industry. An experienced and senior resource from within their organisation will actively be involved in the study throughout its duration and will be in attendance at all project management meetings and stakeholder presentations.
- 10.6. Ongoing regular management and administration will be undertaken by a specific named resource who will be accountable for providing all regular project management reporting requirements and financial management.

## **11.0 Programme and deliverables**

- 11.1. A period of no longer than 9 months has been identified for undertaking the project, largely dictated by the level of design work required including provision for environmental surveys, fieldwork and engagement with NR where required.
- 11.2. The narrative below indicates the current thinking in terms of phasing of the various work packages across the 9 month period; however it is for the proposed supplier to consider this and develop their own programme of activity clearly identifying the interfaces and dependencies between the various work packages and showing how all work the study will be completed most efficiently as possible.
- 11.3. Options for accelerating or bringing forward elements of work, or use of innovative methods to accelerate this phase and future phases, to accelerate the final delivery date will be highlighted.

### **Inception and detailed project planning:**

- 11.4. Initial work upon appointment to develop a detailed and fully resourced project programme by key activity area setting out key milestones and a forecast of monthly spend. This should also identify inter-dependencies in the work, key programme planning assumptions and be provided with a risk register.

### **Deliverables:**

- 11.5. Fully resourced and costed Project Plan, Project Planning Assumptions, Project Risk Register. These to be reviewed and updated monthly in advance of project management meetings.
- 11.6. A brief summary of the project will be presented to the client every two weeks throughout the project- highlight key tasks carried out, key tasks for the next period, key risks and an update on programme.
- 11.7. Business Case: It is expected that this will run throughout the study commencing with the demand model development and associated data collection and will incorporate the outputs of other work streams as they in turn progress. It is also expected that the proposed supplier will set out key phases in the development, validation and QA of the model including input and discussions with the DfT.
- 11.8. Report on Demand Model Development and Validation, Report on the Business Case Model and compliance with WebTAG / PDFH requirements as appropriate.
- 11.9. Development Planning: this work is expected to be undertaken early on into the study to provide a better appreciation of the wider travel demand generated by

the proposed development in the FDC Local Development Plan and Garden Town proposals (for input into the design and business case work packages).

- 11.10. The Garden Town proposals are evolving, and this work will require input from appropriately qualified consultants in masterplanning, urban design, transport planning to better understand their likely impact (this is not a comprehensive list). The output will provide a better understanding of the form of development, quantum of travel likely to be generated over the life of the development horizon, the measures needed to reduce reliance on private vehicles and promote sustainable modes of travel, the optimum station location and associated access requirements by all modes of transport. The work should also give consideration to the potential for financial contributions to be made towards the scheme and the mechanisms which could be used to capture this.
- 11.11. Deliverables: Consultant Report on the above work which will provide a costed masterplan, forecasts of generated travel by mode, infrastructure requirements and cost, reports on any public consultation and / or meetings
- 11.12. Scheme design and engineering: It is anticipated that more detailed planning for the scheme design and engineering will commence upon appointment, particularly in respect of all surveys and fieldwork required to support the design and modelling work. GRIP2 stage completion would be expected in the programme to ensuring that the existing GRIP2 is up to date and contains all the relevant information. Following this the GRIP3 work on the single option design can commence.
- 11.13. Deliverables: The proposed supplier will set out the list of products and deliverables which will be provided and when these will be delivered.
- 11.14. Railway operations: It is anticipated that this will be carried out in conjunction with scheme design and development work as it will inform precise requirements, particularly in terms of the interface at March between the Wisbech branch line and the main line. Given ongoing analysis of the Ely North capacity scheme, it is expected that an early activity will be to consider the programme of work and the best timing for engaging with NR to establish likely output from the scheme. It is also expected that this work will need to remain under review through to production of the OBC documents so that it reports on the most recent assessment of access requirements between March and Cambridge.
- 11.15. Deliverable: Consultant Report covering the assessment of likely available capacity following enhancement of Ely North junction and the potential use of this capacity under a range of train service scenarios. Supporting analysis on availability of train paths between March and Cambridge including platform capacity at Cambridge and movements to and from Whitemoor Yard. Provide advice on the likelihood of securing paths for the train service.
- 11.16. Scheme Delivery: It is anticipated that this work will come later in the study as the single option design solution has matured and the scheme is firmer in its

proposition. The client team is looking to the proposed supplier to lead this work and provide advice accordingly though it is anticipated that it will include a series of meetings with the industry and potential funders to discuss the range of options for both delivering the enhancements works as well as longer term models for ownership including operation and maintenance of the asset base. The work will provide important analysis and evidence to support the Commercial and Management cases for the Full Business Case (FBC)

- 11.17. Deliverable: Consultant Report which provides clear recommendations on scheme delivery.
- 11.18. Prepare Outline Business Case (OBC): Preparation of an Outline Business Case covering all five cases and including the compilation of all supporting analysis and research from the study required to support the submission.
- 11.19. Deliverable: Completed suite of OBC documents
- 11.20. The proposed supplier has submitted a costed and resource loaded programme to fully address the brief within the identified timescale. The project inception stage will be used to identify and agree firm budgets for each element of work which will then be baselined within 4 weeks of the project inception meeting

## **12.0 FINANCIAL IMPLICATIONS**

- 12.1. £1.5m as part of the £3.5m of funding which was identified as part of the Wisbech Garden Town £6.5m funding proposal set out in the transport priorities paper presented to the Board in March 2018.
- 12.2. Board approval is potentially being sought for the appointment of the proposed supplier following the recent procurement exercise, and to approve the proportionate release of funds from the originally identified element.
- 12.3. The Wisbech to March Rail was identified as a vital requirement for the development of the Wisbech Garden Town.
- 12.4. Given that this work is to study alternative potential solutions, this is core revenue gain share funding.

## **13.0 LEGAL IMPLICATIONS**

- 13.1. The Combined Authority assumed specific responsibility for strategic transport decisions under Article 8 of the Cambridgeshire and Peterborough Combined Authority Order 2017. This provision designated the Combined Authority as the local transport planning authority for its area.
- 13.2. The Combined Authority will fulfil its procurement requirements by sourcing appropriate consultants under an appropriate framework agreement. This is in accordance with the Authority's financial regulations and statutory requirements.

13.3. There are no specific equality or other statutory implications arising from these decisions.

#### **14.0 SIGNIFICANT IMPLICATIONS**

14.1 There are no significant implications at this stage.

#### **15.0 APPENDICES**

15.1 None

<b><u>Source Documents</u></b>	<b><u>Location</u></b>
Links to previous studies	<a href="https://www.cambridgeshire.gov.uk/transport-funding-bids-and-studies/railway-between-march-and-wisbech/">https://www.cambridgeshire.gov.uk/transport-funding-bids-and-studies/railway-between-march-and-wisbech/</a>





<b>CAMBRIDGESHIRE AND PETERBOROUGH COMBINED AUTHORITY BOARD</b>	<b>AGENDA ITEM No: 3.2</b>
<b>DATE OF MEETING</b>  28 November 2018	<b>PUBLIC REPORT</b>

## RESPONSE TO THE CPIER: A GROWTH AMBITION STATEMENT

### 1.0 PURPOSE

- 1.1. This report recommends a formal response to recommendations of the Cambridgeshire and Peterborough Independent Economic Review (CPIER).

<b><u>DECISION REQUIRED</u></b>	
<b>Lead Member:</b>	<b>Mayor James Palmer</b>
<b>Lead Officer:</b>	<b>Paul Raynes, Director of Strategy and Assurance</b>
<b>Forward Plan Ref: KD2018/023</b>	<b>Key Decision: Yes</b>
<p>The Combined Authority Board is recommended to:</p> <ul style="list-style-type: none"> <li>(a) Agree the response to the CPIER main recommendations at Annex B;</li> <li>(b) Adopt the Growth Ambition Statement at Annex A;</li> <li>(c) Mandate officers to ensure consistency with the Growth Ambition Strategy in developing future strategy documents and business plans for transport, planning, business and skills, including reviewing previously agreed timescales to make aligning content more feasible.</li> </ul>	<p><b>Voting arrangements</b></p> <p>Simple majority of all Members</p>

## 2.0 BACKGROUND

2.1. The Combined Authority asked the Cambridge and Peterborough Independent Economic Commission, chaired by Dame Kate Barker, to develop an authoritative evidence base on the economic performance and potential of our area in order to inform choices on policy priorities and strategic investment.

2.2. The Commission made its final report (the CPIER) in September. It made 14 main recommendations, which ranged from advice on measuring future growth to priorities for a second devolution deal. These were accompanied by 13 subsidiary recommendations.

2.3. But the Commission also developed a strategic analysis of the economic issues Cambridgeshire and Peterborough faces which underpins the individual recommendations. Key elements of that analysis include:

- The future growth of our area is of strategic importance for the future global competitiveness of a Britain that must prosper outside the EU
- Our economy is diverse, with the two major cities and what the Commission referred to as the Fens economy facing different challenges
- While endorsing the Devolution Deal target of doubling GVA, the Commission has also said current efforts aren't enough to hit it
- In particular, the CPIER highlighted the risks of the Greater Cambridge economy decelerating for lack of infrastructure and housing growth; the need to raise productivity in the Fens economy; the need to improve transport connectivity; and the need to build significantly more homes to address affordability and commuting costs
- The CPIER also emphasised the economic significance of tackling health inequalities, educational disparities, and the sustainability of new communities.

2.4 The Combined Authority's response to the CPIER could be confined to deciding whether to accept or reject individual recommendations. However

- Some of the recommendations require the Combined Authority to take a view on options - for example about just what the blend of spatial development involved in a "blended spatial strategy" should be - which goes beyond the recommendations
- To extract maximum value from what the CPIER is telling us, the Combined Authority should address its strategic analysis of our challenges as well as its detailed recommendations.

For the Combined Authority to genuinely assert that we will be guided by the CPIER, we need to embed it in our overall strategy and approach to delivery.

2.5 The Board is therefore invited to respond to the CPIER in two ways:

- (i) By adopting a Growth Ambition Statement, shaped by the CPIER’s narrative and analysis, which will guide our future work, in particular by forming the core narrative of the strategies we will be developing over the coming months such as the Non-Statutory Spatial Plan, Local Transport Plan, Local Industrial Strategy, and Skills Strategy;
- (ii) By responding individually to the report’s recommendations. We believe that the Combined Authority could and should accept all 14 of the main recommendations.

2.6 A proposed Growth Ambition Statement is attached at Annex A.

2.7 Proposed responses to the 14 main CPIER recommendations are attached at Annex B.

### **3.0 FINANCIAL IMPLICATIONS**

3.1. None.

### **4.0 LEGAL IMPLICATIONS**

4.1. None.

### **5.0 SIGNIFICANT IMPLICATIONS**

5.1. None not described above.

<b><u>Source Documents</u></b>	<b><u>Location</u></b>
CPIER final report	<a href="http://www.cpier.org.uk/final-report/">www.cpier.org.uk/final-report/</a>

## CAMBRIDGESHIRE AND PETERBOROUGH COMBINED AUTHORITY

### GROWTH AMBITION STATEMENT

1. The Cambridgeshire and Peterborough Combined Authority has an ambition, set out in our devolution deal, to double GVA over 25 years.
2. The Combined Authority is delivering investments in support of that growth ambition. Within the Authority's first 18 months of operation, these have already generated affordable homes, apprenticeships, the iMET training facility, road improvements in Peterborough and Ely, and station upgrades in Fenland. We are working today to make Cambridgeshire and Peterborough the leading place in the world to live, learn and work.

#### The CPIER

3. The Cambridgeshire and Peterborough Economic Review was commissioned by the Combined Authority to develop an authoritative evidence base on the economic performance and potential of our area in order to inform choices on policy priorities and strategic investment.
4. The CPIER has endorsed the ambition of doubling GVA over 25 years. It has also said that growth is of strategic importance for the future global competitiveness of a Britain that must prosper outside the EU. And it has emphasised, as the CA does, the diversity of our economy and the difference between the challenges the strongly-growing large cities and other parts of the area face.
5. But the CPIER has also thrown down a challenge by saying that current efforts are not enough to secure that growth. It has highlighted the risk that the Greater Cambridge economy may decelerate unless there is investment in transport infrastructure and housing. It provides clear evidence that we need to do more to develop the productivity of firms, raise skill levels, make home ownership affordable, address health and educational inequalities, and generate revenue to pay for public services in the future.

#### Growth Ambition

6. This Growth Ambition Statement sets out key principles and priorities, reflecting the CPIER's analysis and recommendations, to guide the Combined Authority in taking its work forward.
7. The Combined Authority restates its commitment to double GVA over 25 years. We recognise that this will require action and investment by both the public and private sectors. It is the role of the Combined Authority to lead and to convene partners in order to make that happen.
8. Partnership will be essential to delivery. The public sector in particular needs to work more closely to leverage all our resources, human and financial. We also need to depoliticise what we do about growth and build a consensus that

gives our communities, businesses and central government the confidence that when they make decisions to live, grow and invest in our region they do so knowing there's not a better area in the country to do it.

9. Key and valued local partnerships for the Combined Authority include those with constituent authorities, with the Business Board and employers in the area, with the Greater Cambridge Partnership, and those involving cross-border working with neighbouring councils.

### **The housing challenge**

10. We have not built enough homes in the past. Growth is threatened as a result: homes are becoming progressively less affordable; young people are projected to account for just 10% of future household formation; and commuting is increasing as firms and workers respond to these pressures by relocating, putting extra pressure on transport infrastructure and quality of life.
11. The Combined Authority will therefore lead work to review future housing demand and needs. That review will take place in a way that makes new analysis available to support those of our planning authorities which have committed to review their plans in the near future. This review should test very carefully the CPIER's analysis which suggests housing delivery should rise from the current 3,000-3,500 completions a year to 6,500-8,000 a year. The modelling work should take account of trends in affordability, and in the effect of housing supply on household formation.
12. New homes need to be affordable. The Combined Authority's housing strategy has established a £40 million revolving fund, which aims to allow us to exceed the 2,500 affordable homes committed to in the Devolution Deal. We 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.
13. In striking a balance between the different possible patterns for future settlements through the Spatial Framework, the Combined Authority will encourage development along transport corridors and new garden villages. This will include an emphasis on anticipating the future corridors that can be created by the infrastructure the CA is bringing forward such as new rail stations, dualled A roads, and the Cambridge Autonomous Metro.
14. This approach will be based on ensuring, by linking the Spatial Framework and Local Transport Plan, that transport and other infrastructure investment precedes housing development.
15. By linking housing development with transport planning, we will continue to pursue a target of ensuring there are good jobs available within a 30 minutes' journey of home for our residents.
16. To do this effectively, and to ensure that the Combined Authority's Spatial Framework supports local plans most effectively, the spatial framework may need to have greater formal planning weight and we will consider ways of achieving that in partnership with local planning authorities.

## Transport

17. The Combined Authority's identified key transport priorities reflect a commitment to improve connectivity both East to West and North to South, to reduce commuting times in line with a journey to work target of 30 minutes, and to support future development, for example in Wisbech, at Alconbury and on the Cambridge Biomedical Campus. We are committed to rigorous prioritisation, of the kind recommended by the CPIER, both within this list and among other transport projects included in the devolution deal and under consideration by the Combined Authority for other reasons. This prioritisation will be based on business cases which assess the impact of the projects on future growth.
18. Key projects being prioritised include
  - The Cambridge Autonomous Metro (CAM)
  - The A47 corridor
  - The A10 corridor
  - Huntingdon's Third River Crossing
  - King's Dyke level crossing replacement
  - Cambridge South Station
  - Soham Station
  - Alconbury Station
  - Wisbech rail improvements.
19. The CAM is a strategic transformational project that has the potential to benefit the whole area. The Combined Authority will be developing the project in partnership with the GPC. We will work together to drive the CAM.
20. We will link transport and spatial planning in order to ensure that homes are not built until transport infrastructure is in place and that homes and jobs are linked. We will ensure that the processes of developing the Combined Authority's spatial strategy and local transport plan are carried out as far as possible in parallel with as much alignment of timescales as possible.
21. The CAM will enable the development of new settlements along its route. We will aim to ensure that those new settlements are built as Garden Villages, with a target of providing 20% of the new homes especially for first time buyers at a price set in relation to earnings. New Garden Villages should be sustainable and self-sufficient in energy by using Smart Grid technology.
22. In order to accelerate planning and consent processes to enable the CAM, and to bring forward garden villages swiftly and effectively, it may be desirable to wrap the CAM with a Mayoral Development Corporation. The Combined Authority will consider the advantages of this approach in partnership with member councils.

## **Funding Infrastructure**

23. Bringing transport and spatial planning together around projects like the CAM creates opportunities to fund future investment through Land Value Capture. The Combined Authority will consider acquiring and promoting strategic housing sites along the proposed CAM routes. We will work to develop these as possible future garden villages. By owning and developing these sites ourselves, or in partnership with private investors, the CA would capture significant value that can be invested in infrastructure, including the CAM itself. We will also engage with the government about utilising Tax Increment Financing models to fund infrastructure so that it can precede development.

## **Supporting business to raise productivity and export**

24. Responding to the growth challenge means public sector interventions to help firms raise their productivity, especially outside the Greater Cambridge area. We will develop a Local Industrial Strategy which reflects the CPIER's recommendations about key sectors and its analysis of the drivers of productivity. That LIS will recognise the different economic roles that different towns play and will be about targeting support to businesses in areas that need it, and not interfering with high performing firms and places. It will focus on improving productivity and encouraging exporting. The Combined Authority will also support digital connectivity for businesses.

## **Skills**

25. One of the paradoxes of our area, highlighted by the CPIER, is the existence of a low level of skills and educational aspiration in some communities, and mismatches with employer needs in the education system, alongside the high-skilled economy of Cambridge. The Combined Authority will continue to prioritise skills interventions, including supporting the establishment of a new University in Peterborough with a course mix driven by local employer demand for skills in both public and private sectors, encouraging apprenticeships, and through the LIS working to activate employer demand and motivate learners and their families to aspire.

## **Market Towns**

26. The CPIER rightly recognised that growing our economy is not just about our two large cities and emphasised the role of market towns. We will continue to support the Market Town Masterplans and will be ready to support proposals for delivery that come out of those masterplans. This will include supporting digital connectivity to help develop the economy of market towns.

## **Health, education and social mobility**

27. Growth, educational attainment, health and social mobility are linked. More skilled, more productive, higher earning market towns will also be healthier. That requires consideration of how public services can best be organised to focus on improving the wider determinants of health and encouraging education aspiration. The Combined Authority has launched an Independent

Commission on public service reform and commissioned work on achieving a stronger health and care system. We will pursue a more devolved, integrated health and care system based on communities in order to improve both health outcomes and address the funding challenges the area's health economy faces.



CPIER recommendations		
1.	The GVA Target should be tracked and measured. Check-ups on progress/feasibility should build in degree of flexibility depending on economic outturn. The Mayor should instigate the development of a well-being and inclusive growth dimension to his GVA target	Agreed. Officers to agree the process to implement tracking of GVA target. Wellbeing and inclusive growth target to be considered further with health and Police Commissioner partners.
2.	The CPCA should adopt a blended spatial strategy, with the Futures work being actively used to discuss trade-offs in an informed manner	Agreed. The relationship between Local Plans and Non statutory spatial plan to be considered further, in particular if a single statutory spatial plan could be supported by the constituent councils. Combined Authority (Mayor) to write to the Planning Inspectorate concerning recent issues with local plan process.
3.	The UK Gov should adopt a 'Cambridge or Overseas' mentality towards knowledge-intensive (KI's) business in this area, recognising international connectivity and footloose labour	Agreed This is a key message in dealing with Government regarding the growth plans for the area
4.	Any Brexit deal/policies should ensure the greatest possible ease for workers, EU and non-EU alike, and facilitate ease of trade as a high priority	Agreed that to give effect to this recommendation it should be refocused. The CA will meet the objective of this recommendation by assisting businesses to fast track skilled labour into the area The CA will work with the Business Board to achieve this objective
5.	There should be a review of housing requirements based on the potential for higher growth in employment than currently forecast. This review should take into account conversations between ONS and the Centre for Business	Agreed The CA to lead a single review of housing

6.	CPCA should revisit, update and renew the Quality Charter to audit developments/regeneration projects and demonstrate how other plans (including the NSSF) can create better places	Agreed
7.	A package of transport & other infrastructure projects to alleviate the growing pains of Greater Cambridge should be considered the single most important infrastructure priority facing the CPCA in the short-medium term. These should include the use of better digital technology	Agreed. The transport and infrastructure projects to be resolved through the prioritisation process with Leaders. The growth statement to discuss the opportunity for garden villages along transport corridors to meet 100,000 houses. Officers to present understanding of what digital technology is required
8.	A process for scheme prioritisation/development should be implemented to ensure approach reflects goal of doubling the size of the CPCA economy, and over time better connecting the three economies of the area.	Agreed. Relates to achievement of inclusive growth across three economies
9.	An Opportunity Area for Health, including mental health, should be created in the north of the area. This should be championed by The Mayor, the local health system and Public Health England	Agreed. The Mayor has been working with Matt Hancock regarding integrated opportunities for health and has submitted a response to Government consultation on 26 October. Mayor has significant concerns about the enormity of a project to devolve health and has stated this cannot be absorbed into CPCA. If health is devolved this will be through a separate body with its own Board and CEX. Any Board should include the CPCA and members of the top tier authorities.  If further devolution of health is to follow, health and CPCA are to work together to scope the project. This work should be accelerated if funding is available.

10.	Research should be undertaken on impact that increased Surestart-style provision could have. Research on preschool education is important and further Commission should be undertaken in this area.	Agreed this is an important objective but not an immediate priority as it is beyond the current powers of the CPCA..
11.	Gov should enter into meaningful conversations with the Mayor and CPCA and devolution of skills should be agreed as part of a second stage devolution deal	Agreed. Mayor expressed that Combined Authorities continuing to lobby Government on the devolution of further education powers.
12.	Regular meetings should be set up between those developing the LIS and those developing Market Town Masterplans, to ensure consistency. Should include proposals for Cambs-Milton Keynes-Oxford Arc	Agreed This is to be a key priority for the Business Board.
13.	New collaborative ways of working to be developed, which provide for tailored solutions to the needs of each of the three distinct economies. Needs to be effective representation for each economy	Agreed. Mayor advised that negotiations have begun with authorities which border the CPCA to develop partnership working. A Mayoral Conference with all neighbouring authorities is proposed.
14.	The government should recognise the benefits further devolution would bring and commit to bringing the area in line with other Combined Authorities	Agreed. Officers to bring a paper on additional powers available to other CPCAs



<b>CAMBRIDGESHIRE AND PETERBOROUGH COMBINED AUTHORITY BOARD</b>	<b>AGENDA ITEM No: 3.3</b>
<b>28 NOVEMBER 2018</b>	<b>PUBLIC REPORT</b>

## PERFORMANCE REPORTING

### 1.0 PURPOSE

- 1.1. This report is the first quarterly update under the new performance reporting process agreed by the Board.

<b><u>DECISION REQUIRED</u></b>	
<b>Lead Member:</b>	<b>Mayor James Palmer</b>
<b>Lead Officer:</b>	<b>Paul Raynes, Director of Strategy and Assurance</b>
<b>Forward Plan Ref: Not applicable</b>	<b>Key Decision: No</b>
The Combined Authority Board is recommended to note the November Delivery Dashboard.	<b>Voting arrangements</b>  Simple majority of all Members.

### 2.0 BACKGROUND

- 2.1. The Cambridgeshire and Peterborough Devolution Deal is all about delivering better economic outcomes for the people of our area and commits us to specific results. The Combined Authority needs to monitor how well it is doing that.

#### Reporting arrangements

- 2.2. Please see **Appendix 1**, the November delivery dashboard, which includes the following:
- Information on key metrics up to the end of October (if data allows).
  - An overall programme report on the top priority projects from our portfolio of live projects, with ratings on a Red/Amber/Green (RAG) scale
  - Information on movement across the whole programme, plus a count of all projects with Red rating.

2.3. The project RAG ratings are updated monthly as part of our normal management processes. The November delivery dashboard includes RAG ratings based on the end of October reporting cycle.

2.4. Board members have also been sent a report of amber and red rated projects.

### **3.0 FINANCIAL IMPLICATIONS**

3.1. None.

### **4.0 LEGAL IMPLICATIONS**

4.1 It is a condition of the Devolution Deal that we have proportionate performance monitoring arrangements in place.

### **5.0 SIGNIFICANT IMPLICATIONS**

5.1 None not mentioned above.

### **6.0 APPENDICES**

6.1. Appendix 1 – November Delivery Dashboard

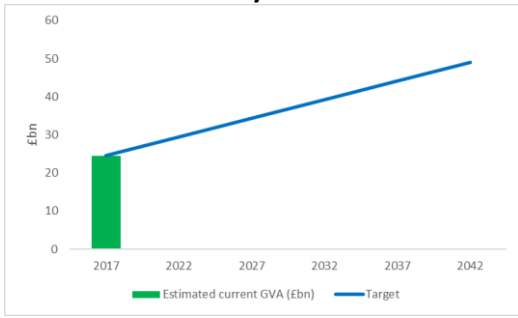
<b><u>Source Documents</u></b>	<b><u>Location</u></b>
List background papers:  Cambridgeshire & Peterborough Devolution Deal	<a href="http://cambridgeshirepeterborough-ca.gov.uk/home/devolution/">http://cambridgeshirepeterborough-ca.gov.uk/home/devolution/</a>



PERFORMANCE REPORT - NOVEMBER BOARD 2018

CAMBRIDGESHIRE & PETERBOROUGH COMBINED AUTHORITY

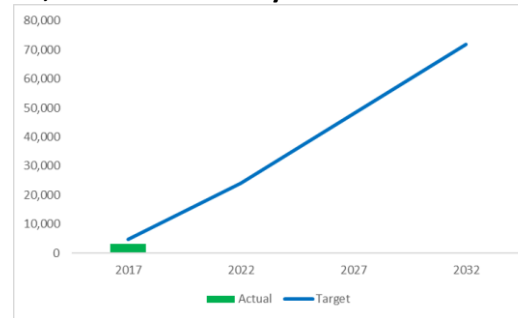
Double GVA over 25years



4.1%

2016

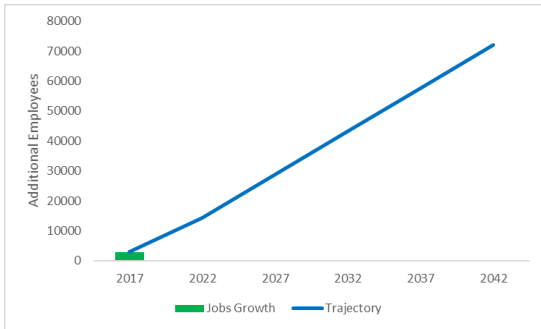
72,000 homes built by 2032



3160

2017/18

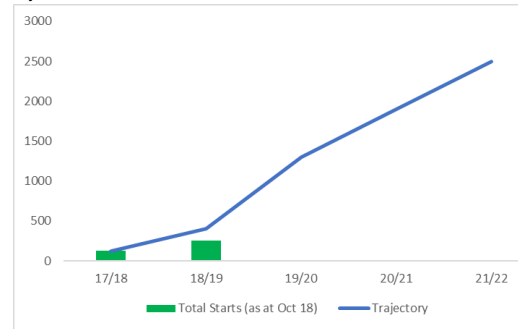
Jobs Growth



2900

2017

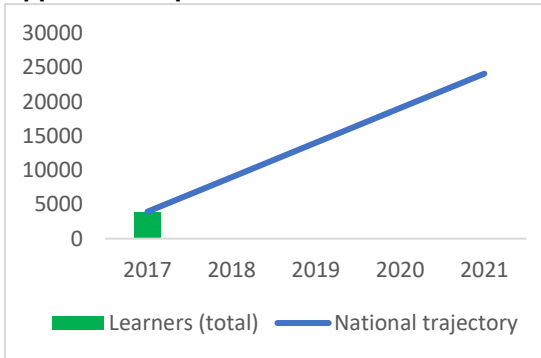
2,500 affordable homes



258

Total to Oct 2018

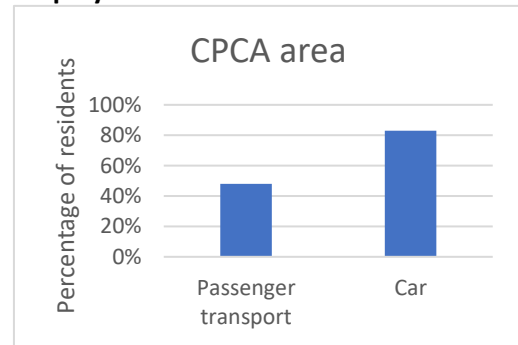
Apprenticeships



3940

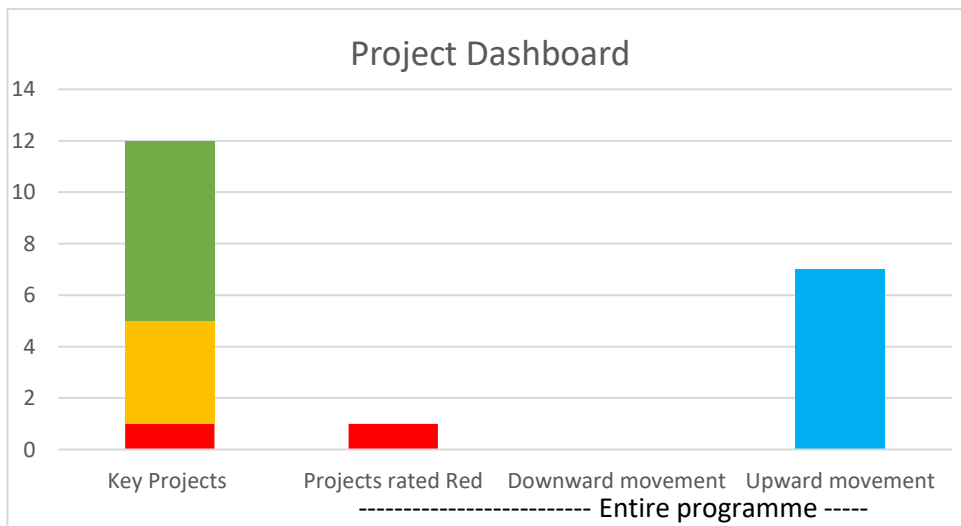
2017

Within 30 mins travel of major employment centres



83%

2016





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<b>CAMBRIDGESHIRE AND PETERBOROUGH COMBINED AUTHORITY BOARD</b>	<b><u>AGENDA ITEM No: 4.1</u></b>
<b>28 NOVEMBER 2018</b>	<b>PUBLIC REPORT</b>

## **GROWTH FUND PROJECTS**

### **1. PURPOSE**

- 1.1. The Business Board approved a Growth Prospectus as a call for new project proposals for Growth Deal and Growing Places funding in September 2018. New funding programmes were opened on 8 October 2018.
- 1.2. The Growth Deal Prospectus was launched inviting applicants to apply for £56M of Growth Deal and Growing Places Funding remaining unallocated. By the 30th October, 28 applications had been received and are undergoing initial internal appraisal.
- 1.3. New project proposals will be brought to the Business Board for consideration from January 2019.
- 1.4. Small Grant applications if recommended will be brought to the Business Board at each meeting.
- 1.5. The Business Board will consider the following recommendations at its meeting on 26 November 2018. The Combined Authority Board will be asked at its meeting on 28 November 2018 to approve the recommendations highlighted in bold. The full report to be considered by the Business Board is available at the link below:  
<https://cmis.cambridgeshire.gov.uk/ccclive/Meetings/tabid/70/ctl/ViewMeetingPublic/mid/397/Meeting/1176/Committee/53/Default.aspx>

<b><u>DECISION REQUIRED</u></b>	
<b>Lead Member:</b>	<b>Chair of Business Board</b>
<b>Lead Officer:</b>	<b>John T Hill, Director, Business and Skills</b>
<b>Forward Plan Ref: No</b>	<b>Key Decision: Not applicable</b>
<p>The Business Board is requested to:</p> <p>(a) Note that 28 applications are undergoing initial internal appraisal before selection to undertake full business case and subsequent external appraisal.</p> <p>(b) <b>Recommend the Combined Authority accept and approve recommendations from officers of small grant awards to Small and Medium Enterprises (SMEs) totalling £19,490.</b></p> <p>(c) <b>Recommend the Combined Authority agree delegated authority to approve small grants to SMEs between £2,000 and £20,000 to Director of Business &amp; Skills subject to Section 151 Officer approval, and regular reporting to the Business Board.</b></p> <p>(d) <b>Recommend the Combined Authority give approval to procure and appoint independent project appraisers of business cases over £20,000.</b></p>	<p><b>Voting arrangements</b></p> <p>Simple majority of all Members</p>

<b><u>Source Documents</u></b>	<b><u>Location</u></b>
Growth Panel ToRs V1 Growth Prospectus – Funding Criteria – EOI Appraisal Matrix CONFIDENTIAL – Summary of Small Grant Recommendations	See link detailed at 1.5





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<b>CAMBRIDGESHIRE AND PETERBOROUGH COMBINED AUTHORITY BOARD</b>	<b><u>AGENDA ITEM No: 4.2</u></b>
<b>28 NOVEMBER 2018</b>	<b>PUBLIC REPORT</b>

## **EASTERN AGRI-TECH GROWTH INITIATIVE**

### **1.0 PURPOSE**

- 1.1 There are over 38,000 people employed in the Agri-Tech sector in the Business Board area and it generates approximately £4bn of economic value per annum. The area contains over 50% of the highest grade of farmland in the country. Agri-tech is a key growth sector for the region and is forecast to grow by over 10% over the next ten years.
- 1.2 The Eastern Agri-tech Growth Initiative was created in 2013, with £3.2m funding from the Government's Regional Growth Fund. The Initiative operates across both the Greater Cambridge and Greater Peterborough and New Anglia LEP areas. It exists to bring together leading agricultural, research, science and technology assets to strengthen a regional and nationally significant cluster.
- 1.3 The purpose of this paper is to:
- inform the Business Board about the Eastern Agri-Tech Growth Initiative, which has transferred over from the previous Local Enterprise Partnership arrangements, and
  - ask the Business Board to recommend to the Combined Authority Board that the Initiative should continue until March 2021 with associated funding.
- 1.4 The Business Board will consider the following recommendations at its meeting on 26 November 2018. The Combined Authority Board will be asked at its meeting on 28 November 2018 to approve the recommendations highlighted in bold. The full report to be considered by the Business Board is available at the link below:
- <https://cmis.cambridgeshire.gov.uk/ccclive/Meetings/tabid/70/ctl/ViewMeetingPublic/mid/397/Meeting/1176/Committee/53/Default.aspx>

<b><u>DECISION REQUIRED</u></b>	
<b>Lead Member:</b>	<b>Chair of the Business Board</b>
<b>Lead Officer:</b>	<b>John Hill, Director of Business &amp; Skills</b>
<b>Forward Plan Ref: 2018/019</b>	<b>Key Decision: Yes</b>
<p><b>Business Board</b></p> <p>Subject to Department for Business, Energy and Industrial Strategy (BEIS) Ministerial approval to release further Growth Deal funding, the Business Board (BB) is invited to make the following recommendations to the Combined Authority (CA) Board:</p> <p>(a) <b>Agree that the Eastern Agri-Tech Growth Initiative should continue across the existing geographical areas of both the BB and New Anglia Local Enterprise Partnership (NALEP);</b></p> <p>(b) <b>Agree a funding allocation of £4m from new Growth Deal funding;</b></p> <p>(c) <b>Agree the Terms of Reference for the Eastern Agri-Tech Programme Board.</b></p> <p>(d) <b>Delegate authority to the Eastern Agri-Tech Programme Board to make decisions about applications for grant funding on behalf of both the CA/BB and NALEP;</b></p> <p>(e) <b>Agree that the Eastern Agri-Tech Programme Board should become a Sub-Board of the BB, and</b></p> <p>(f) <b>Agree that a member of the BB, nominated by the BB, should become Chair of the Eastern Agri-Tech Programme Board.</b></p>	<p><b>Voting arrangements</b></p> <p>Simple majority of all Members.</p>

<b>Source Documents</b>	<b>Location</b>
Growth Prospectus	<a href="http://cambridgeshirepeterborough-ca.gov.uk/assets/Uploads/Business-Board-Growth-Prospectus-201819-F.pdf">http://cambridgeshirepeterborough-ca.gov.uk/assets/Uploads/Business-Board-Growth-Prospectus-201819-F.pdf</a>



**CAMBRIDGESHIRE  
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COMBINED AUTHORITY

<b>CAMBRIDGESHIRE AND PETERBOROUGH COMBINED AUTHORITY BOARD</b>	<b><u>AGENDA ITEM No: 4.3(a)</u></b>
<b>28 NOVEMBER 2018</b>	<b>PUBLIC REPORT</b>

## **WISBECH ACCESS STRATEGY – SUMMARY OF STUDY WORK AND REQUEST TO PROCEED TO DELIVERY OF DESIGN WITH SIMULTANEOUS CONSTRUCTION OF PHASE 1 INTERVENTIONS**

### **1.0 PURPOSE**

- 1.1. The Fenland Local Plan was adopted May 2014 and includes proposals for 3,550 new homes in Wisbech and 30 hectares of new employment land to deliver around 2,500 new jobs to 2031.
- 1.2. In order to stimulate this growth, £1m from the Growth Deal fund and £0.5m Combined Authority funding was approved at the October 2017 and March 2018 Combined Authority Board, as part of the Priority Transport Schemes paper to undertake feasibility studies of potential transport interventions (highway and rail).
- 1.3. A Business Case was produced with a very high Benefit Cost Ratio (BCR) for a preferred package of highway interventions identified for public consultation. BCR is a means of representing anticipated benefits of a given scheme proposal against the anticipated costs. A BCR above 2, is considered 'high' and is typically required to secure central government funding, this can be as low as 1.5 on occasions which is considered 'medium'.
- 1.4. A public consultation of the identified package schemes, resulted in amendments and the business case has subsequently been independently assessed as providing value for money for this revised package of schemes for which approval to complete preliminary design and proceed to an overlapped detailed design and construction programme via a design and build contract, is sought.
- 1.5. The Government's Growth Deal programme currently ends in March 2021. Due to the complexity of the nature of the interventions proposed, it is imperative that approval is given to enable this scheme to progress to the next

stage now or the risk of not delivering within the time criteria is significant.

- 1.6. Based on the Business case and the need to deliver the proposed package of schemes prior to 31st March 2021, Business Board approval is sought for the full release of the previously allocated £10.5m Growth Deal investment in the October 2017 priority transport schemes paper of October 2017 and March 2018 to:

Enable the delivery phase to include:

- (a) Completion of the Preliminary and detailed design
- (b) to include land requirements, consents and possible land purchase,
- (c) to conduct surveys and apply for planning where appropriate, and
- (d) Sequence the design and construction of the interventions to run simultaneously, to synchronise interventions, ensuring minimum impact on traffic flows in and around Wisbech.

- 1.7 The Business Board will consider the following recommendations at its meeting on 26 November 2018. The Combined Authority Board will be asked at its meeting on 28 November 2018 to approve the recommendations highlighted in bold. The full report to be considered by the Business Board is available at the link below:

<https://cmis.cambridgeshire.gov.uk/ccclive/Meetings/tabid/70/ctl/ViewMeetingPublic/mid/397/Meeting/1176/Committee/53/Default.aspx>

<b><u>DECISION REQUIRED</u></b>	
<b>Lead Member:</b>	<b>Charles Roberts, Chair of Business Board</b>
<b>Lead Officer:</b>	<b>John T Hill, Director of Business and Skills</b>
<b>Forward Plan Ref: 2018/024</b>	<b>Key Decision: Yes</b>
<p>The Business Board is requested to:</p> <p>(a) Note the proposed package of measures for further development (Table 2 Recommended Wisbech Access Strategy Package).</p> <p>(b) <b>Recommend the Combined Authority Board approve a budget of £10,500,000 to enable the procurement of an appropriate design and build contractor to immediately commence the delivery of an overlapped phased design and construction programme.</b></p> <p>(c) <b>Recommend the Combined Authority Board delegate authority to the</b></p>	<p><b>Voting arrangements</b></p> <p>(a) No vote required</p> <p>(b) No vote required</p> <p>(c) Simple majority of all members</p>

<p><b>Transport Director, in consultation with the Chair of the Transport Committee, at key gateway stages to deliver this package of works on behalf of the Business Board.</b></p> <p><b>(d) Recommend to the Combined Authority Board to, subject to BEIS Ministerial approval of the release of future Growth Deal funds, release of the £10.5m Growth Deal funding for the delivery of this vital scheme for the housing and economic growth of Wisbech.</b></p>	<p>(d) Simple majority of all members</p>
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<u>Source Documents</u>	<u>Location</u>
None	Not applicable



**CAMBRIDGESHIRE  
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COMBINED AUTHORITY

<b>CAMBRIDGESHIRE AND PETERBOROUGH COMBINED AUTHORITY BOARD</b>	<b><u>AGENDA ITEM No: 4.3(b)</u></b>
<b>28 NOVEMBER 2018</b>	<b>PUBLIC REPORT</b>

## **M11 JUNCTION 8 IMPROVEMENT PROJECT**

### **1.0 PURPOSE**

- 1.1. This report details the M11 Junction 8 improvement project that is being led by Essex County Council (ECC) and requests that the Business Board support the recommendation to release £1million of Growth Funding towards this project.
- 1.2. The growth of Stansted Airport is seen as key in facilitating the development of the Cambridgeshire and Peterborough economy. The Cambridgeshire and Peterborough Independent Economic Review (CPIER) final report highlights the significance of the international connection that Stansted provides to the region, and the economic growth that it supports.
- 1.3. Junction 8 on the M11 is an important intersection for Stansted Airport, located at the junction of the M11 and A120, where the airport is located. The junction is currently operating at or near capacity during peak periods, limiting Stansted Airport's potential increase in passenger numbers. The project proposes to deliver a series of improvements designed to help alleviate congestion, allowing for around 10 years growth at the junction and facilitating further Stansted expansion which will generate employment growth connected to the airport and allow for the Uttlesford local plan to progress.
- 1.4. The total cost of the project is expected to be £9.056m and other funding bodies include the South East LEP (SELEP), ECC, housing developer contributions, funds from the Department for Transport (DFT) and Manchester Airport Group (MAG). The Greater Cambridge Greater Peterborough LEP had already allocated of £1million of Growth Deal funding, subject to the successful submission of business case. This report seeks to release that funding to enable the completion of the project, which is anticipated to complete May 2021.

- 1.5 The Business Board will consider the following recommendations at its meeting on 26 November 2018. The Combined Authority Board will be asked at its meeting on 28 November 2018 to approve the recommendation highlighted in bold. The full report to be considered by the Business Board is available at the link below:

<https://cmis.cambridgeshire.gov.uk/ccclive/Meetings/tabid/70/ctl/ViewMeetingPublic/mid/397/Meeting/1176/Committee/53/Default.aspx>

<b><u>DECISION REQUIRED</u></b>	
<b>Lead Member:</b>	<b>Chair of Business Board</b>
<b>Lead Officer:</b>	<b>John T Hill</b>
<b>Forward Plan Ref: 2018/024</b>	<b>Key Decision: Yes</b>
<p>The Business Board is requested to:</p> <p>(a) Note the independently reviewed business case commending the scheme as representing value for money and the anticipated economic benefits as a result of the project;</p> <p>(b) <b>Recommend the Combined Authority Board release the £1m Growth Deal funding to Essex County Council, to support the delivery of the range of improvements outlined within this paper for the M11 Junction 8</b></p>	<p><b>Voting arrangements</b></p> <p>(a) No action required</p> <p>(b) Simple majority of all Members</p>

<b><u>Source Documents</u></b>	<b><u>Location</u></b>
<ul style="list-style-type: none"> <li>• Capital Project Business Case M11 Junction 8 Improvements</li> <li>• GCGP letter of support</li> <li>• Independent Technical Evaluator – Growth Deal Business Case Assessment (Q3 2017/18)</li> </ul>	<p>Cambridgeshire and Peterborough Combined Authority, First Floor Incubator 2, The Boulevard, Enterprise Campus Alconbury Weald, Huntingdon, PE28 4XA</p>



**CAMBRIDGESHIRE  
& PETERBOROUGH**  
COMBINED AUTHORITY

<b>CAMBRIDGESHIRE AND PETERBOROUGH COMBINED AUTHORITY BOARD</b>	<b><u>AGENDA ITEM No: 4.4</u></b>
<b>28 NOVEMBER 2018</b>	<b>PUBLIC REPORT</b>

## **THE GREATER SOUTH EAST ENERGY HUB - RURAL COMMUNITY ENERGY FUND**

### **1.0 PURPOSE**

- 1.1. The Greater South East Energy Hub was established in April 2018 with funding from the Department of Business, Energy and Industrial Strategy to address technical, financial, regulatory and policy blockages in delivering and deploying local energy solutions.
- 1.2. The Cambridgeshire and Peterborough Combined Authority is the Accountable Body for the Greater South East Energy Hub that covers fifteen counties and Greater London. The Hub was funded (£1.29m) in advance for two years of operation by the Department of Business, Energy and Industrial Strategy (BEIS). A fully funded team of seven currently exists, with an eighth team member to be recruited, and is dedicated to local energy project delivery in the Greater South East area.
- 1.3. The Rural Community Energy Fund (RCEF), currently offered by WRAP (a charity contracted by the Department for the Environment, Food and Rural Affairs to deliver the funding in England) has been agreed by Ministers to be transferred to the five Local Energy Hubs in England with offer an improved funding level on that of the initial offer and be more connected with local energy delivery.
- 1.4. The Business Board (acting as the Local Enterprise Partnership for this area) is asked to approve the inclusion of the RCEF as an additional funding support offer by the Greater South East Energy Hub in advance of final agreement by the Combined Authority as Hub Accountable Body.
- 1.5. The RCEF will be funded in advance by BEIS for delivery in up to three years and will include funding for a full time Community Energy Advisor and a grant funding budget, £2.9m in total.



- 1.6 The Business Board will consider the following recommendations at its meeting on 26 November 2018. The Combined Authority Board will be asked at its meeting on 28 November 2018 to approve the recommendation highlighted in bold. The full report to be considered by the Business Board is available at the link below:

<https://cmis.cambridgeshire.gov.uk/ccclive/Meetings/tabid/70/ctl/ViewMeetingPublic/mid/397/Meeting/1176/Committee/53/Default.aspx>

<b><u>DECISION REQUIRED</u></b>	
<b>Lead Member:</b>	<b>Aamir Khalid, Chair of Business Board</b>
<b>Lead Officer:</b>	<b>John T Hill, Director of Business and Skills</b>
<b>Forward Plan Ref: 2018/034</b>	<b>Key Decision: Yes</b>
<p>The Business Board is requested to:</p> <p style="text-align: center;"><b>Recommend the Combined Authority Board to agree that the Greater South East Energy Hub assumes the RCEF management role, administers the fund and employs the Community Energy Advisor.</b></p>	<p><b>Voting arrangements</b></p> <p>Simple majority of all members</p>

<b><u>Source Documents</u></b>	<b><u>Location</u></b>
None	Not applicable



<b>CAMBRIDGESHIRE AND PETERBOROUGH COMBINED AUTHORITY BOARD</b>	<b><u>AGENDA ITEM No: 5.1</u></b>
<b>28 NOVEMBER 2018</b>	<b>PUBLIC REPORT</b>

**UNIVERSITY OF PETERBOROUGH – REVIEW AND EVALUATION FOR PHASE 1 AND 2 OF THE PROGRAMME**

**1. PURPOSE**

- 1.1. To inform the Skills Committee of the next steps in the delivery of the University of Peterborough programme and outline the scope of work of both the Financial and Technical/Partnership Approach reviews of the work that has been carried out to date/is being carried out on the University of Peterborough programme. This period of review creates an opportunity of pause and reflection to ascertain how the Cambridgeshire and Peterborough Combined Authority (CPCA) investment in the programme has supported the advancement of this project.
- 1.2 The Skills Committee will consider the following recommendations at its meeting on 21 November 2018. The Combined Authority Board will be asked at its meeting on 28 November 2018 to approve the recommendation highlighted in bold. The full report to be considered by the Skills Committee is available at the link below: [Skills Committee meeting 21/11/2018](#)

<b><u>DECISION REQUIRED</u></b>	
<b>Lead Member:</b>	<b>Councillor John Holdich – Portfolio Holder for Skills and Chairman of Skills Committee</b>
<b>Lead Officer:</b>	<b>John T Hill, Director of Business and Skills</b>
<b>Forward Plan Ref:</b> Not applicable	<b>Key Decision:</b> No
<p>The Skills Committee is recommended to:</p> <p>(a) Note that the CPCA has commissioned both a Financial Review with Pinsent Masons and a Technical/Partnership approach review with Gleeds.</p>	<p><b>Voting arrangements</b></p> <p>Simple majority of all members</p>

<p>(b) Note the timetable for delivery and reporting back.</p> <p>(c) <b>Recommend to the Combined Authority Board that authority be delegated to the Director of Business and Skills, in consultation with the Chairman of the Skills Committee, to use the evidence base of the reviews to support future decisions on collaborative delivery models, and direction of travel.</b></p>	
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<u>Source Documents</u>	<u>Location</u>
None	Not applicable



<b>CAMBRIDGESHIRE AND PETERBOROUGH COMBINED AUTHORITY BOARD</b>	<b><u>AGENDA ITEM No: 5.2</u></b>
<b>28 NOVEMBER 2018</b>	<b>PUBLIC REPORT</b>

## **ADULT EDUCATION BUDGET DEVOLUTION**

### **1.0 PURPOSE**

- 1.1. This report informs the Skills Committee of the current state of the devolution of the Adult Education Budget (“AEB”) from the Department for Education to the Cambridgeshire and Peterborough Combined Authority (“CPCA”) in 2019.
- 1.2. The report seeks to secure support to the proposal for progressing with the next steps of the Devolution of the AEB and its implementation by agreeing to the proposal for financial sustainability in AEB delivery, the progress towards the devolution programme, and the role of the Skills Committee in governing the AEB programme post 2019.
- 1.3 The Skills Committee will consider the following recommendations at its meeting on 21 November 2018. The Combined Authority Board will be asked at its meeting on 28 November 2018 to approve the recommendations highlighted in bold. The full report to be considered by the Skills Committee is available at the link below: [Skills Committee meeting 21/11/2018](#)

<b><u>DECISION REQUIRED</u></b>	
<b>Lead Member:</b>	<b>Councillor John Holdich – Portfolio Holder for Skills and Chairman of Skills Committee</b>
<b>Lead Officer:</b>	<b>John T Hill, Director of Business and Skills</b>
<b>Forward Plan Ref: 2018/037</b>	<b>Key Decision: Yes</b>
The Skills Committee is asked to:  a) note progress on the devolution of the AEB Programme in Cambridgeshire & Peterborough	<b>Voting arrangements</b>  Simple majority of all members

<p>b) comment on the proposed options for governance of the AEB as outlined in paragraphs 2.14 – 2.16</p> <p>c) <b>endorse and recommend the Combined Authority Board approve business case requesting a top slicing allocation up to 4.9% to ensure the delivery of the AEB is resourced appropriately.</b></p> <p>d) <b>endorse and recommend the Combined Authority Board approve the proposed commissioning approach for the CPCA devolved AEB</b></p> <p>e) <b>recommend the Combined Authority Board authorise officers to enter into a negotiated grant commissioning process to develop and work with the 15 indigenous and contiguous Cambridgeshire and Peterborough Colleges and Local Authority providers currently grant funded by the Education Skills Funding Agency. (This will mean disinvestment in the remaining 120 Grant funded providers spatially distant from Cambridgeshire &amp; Peterborough.)</b></p> <p>f) <b>recommend the Combined Authority Board agree to procure contracts for services for all other providers, including Independent Training Providers, Further Education Institutions based outside of the CPCA area and other organisations (which may include the voluntary &amp; community sector). Further to give delegated authority to the Director of Business &amp; Skills to award contracts.</b></p> <p>g) note the procurement timeline for contracts for services.</p>	
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<u>Source Documents</u>	<u>Location</u>
<p>CPCA Board Paper on AEB, July 2018</p> <p>CPCA Board Paper on AEB, November 2017</p>	<p>The Incubator 2, First Floor, Alconbury Weald Enterprise Campus, Alconbury Weald, Huntingdon, PE28 4WX</p>



<b>CAMBRIDGESHIRE AND PETERBOROUGH COMBINED AUTHORITY BOARD</b>	<b><u>AGENDA ITEM No: 5.3</u></b>
<b>28 NOVEMBER 2018</b>	<b>PUBLIC REPORT</b>

## **SKILLS PRIORITISATION PLAN - CAREERS ENTERPRISE COMPANY**

### **PURPOSE**

- 1.1. To inform the Skills Committee of the next steps in the delivery of the Careers Enterprise Company (CEC) contract.
- 1.2. To seek support for the proposed ways of working in the delivery of the contract post March 2019.
- 1.3. The Skills Committee will consider the following recommendations at its meeting on 21 November 2018. The Combined Authority Board will be asked at its meeting on 28 November 2018 to approve the recommendations highlighted in bold. The full report to be considered by the Skills Committee is available at the link below: [Skills Committee meeting 21/11/2018](#)

<b><u>DECISION REQUIRED</u></b>	
<b>Lead Member:</b>	<b>Councillor John Holdich – Portfolio Holder for Skills and Chairman of Skills Committee</b>
<b>Lead Officer:</b>	<b>John T Hill, Director of Business and Skills</b>
<b>Forward Plan Ref: N/A</b>	<b>Key Decision: No</b>
The Skills Committee is recommended to endorse the following and forward to the Combined Authority Board for approval:  (a) <b>that the CPCA cease resourcing the Careers Enterprise Company contract for delivery</b>  (b) <b>that delegated authority be provided to the Portfolio Holder and Director of</b>	<b>Voting arrangements</b>  Simple majority of all members

<p><b>Business and Skills to engage with the CEC to identify potential local partners to undertake the remaining CEC Delivery Contract</b></p>	
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<u>Source Documents</u>	<u>Location</u>
None	Not applicable



<b>CAMBRIDGESHIRE AND PETERBOROUGH COMBINED AUTHORITY BOARD</b>	<b>AGENDA ITEM No: 6.1</b>
<b>28 NOVEMBER 2018</b>	<b>PUBLIC REPORT</b> <i>This report has three confidential appendices that 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**

### **1.0 PURPOSE**

- 1.1. To seek approval from the Board for the provision of a 2 year repayable commercial loan facility capped at £24.4m to the East Cambridgeshire Trading Company (ECTC) to purchase a site currently comprising 88 empty houses and land.
- 1.2. The loan will be used to acquire the units and complete a rolling refurbishment programme including the division of 4 units into 2 parts to result in the finished scheme comprising 92 units.
- 1.3. The units have been unoccupied for a number of years. Through this transaction they will rapidly be returned to the market for the benefit of local families.
- 1.4. Providing the loan will enable 15 of the units to become affordable units for the benefit of a local community lands trust, without any grant being required. If the site was purchased by private developers, they will have no obligation to supply any affordable housing.
- 1.5. The CPCA could also enter into a future joint venture with ECTC to develop undeveloped infill land within the site being purchased for potentially a further 62 homes (with a no less than policy compliant affordable housing provision).



<b><u>DECISION REQUIRED</u></b>	
<b>Lead Member:</b>	<b>Mayor James Palmer</b>
<b>Lead Officer:</b>	<b>Roger Thompson, Director of Housing and Development</b>
<b>Forward Plan Ref: 2018/004</b>	<b>Key Decision: Yes</b>
<p>The Combined Authority Board is recommended to:</p> <p>(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 the exempt <b>Appendix 1</b>.</p> <p>(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.</p> <p>(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</p>	<p><b>Voting arrangements</b></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
- under paragraph 3.17 to promote all housing that is in addition to the existing development pipeline.
  - 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.
  - Under 3.20 the CPCA (and as reflected in the devolution deal) to agree the support the spread of community lands trusts.
  - This proposal is further supported by paragraph 3.23 to encourage the best use of all property assets, **bringing homes that are currently excluded from the market back into market use**
  - Under 3.24 to helping to accelerate schemes using financial mechanisms in the toolbox.
  - Under 3.25 to more enabling action including loans
  - Under 3.27 to taking the initiative on more direct interventions as exemplified in the toolbox above.
- 2.4. The site and houses in this proposal are surplus to the operational requirements of the current owner. The intention is that ECDC will acquire the property and immediately transfer it to ECTC. This would allow the seller to meet any legal obligations that might relate to public sector land transfers.

### 3.0 PROPOSAL

- 3.1. The proposal is to offer a loan agreement to ECTC in the maximum sum of £24.4m for 2 years to acquire the site with the 88 houses. Detailed heads of terms for the loan are attached in confidential **Appendix 1**.
- 3.2. The intention is to refurbish the units, create an additional 4 units by dividing 4 units into 8, making the total number of completed units 92 instead of the 88 originally acquired. The proposed refurbishment works will include:

#### **Proposed Works (All units)**

1. Strip-out 'wet' areas (kitchens; bathrooms; en-suites)
2. Additional bedrooms, where appropriate
3. Replace Kitchen and appliances
4. Replace floor coverings as appropriate
5. Replace bathrooms and en-suites
6. Replace garden fencing as appropriate
7. Additional parking allocation where possible (off-road)

#### **Unit Division works:**

As above but convert 4 x 3bed houses to form 4 x 1bed and 4 x 2bed maisonettes for shared ownership.

#### **Certification (All units)**

1. Gas safety certificates
  2. EPC
  3. Electrical certificates
- 3.3. Although there is no planning obligation to do so, as part of the condition on the loan, 15 affordable housing units will be provided to a local community lands trust from the total of 92 units.
  - 3.4. The remaining units will be sold back to the Market within 2 years. Attached in **Appendix 2** is the ECTC business plan which includes the strategy, red book valuation, boundary plan, market report, pricing schedule for the unit sales, development appraisal and cashflow with a projected drawdown schedule. It is projected that by year end March 2020 re-payments will have reduced the loan to £18,140,000 and the loan repaid in full by year end March 2021.

- 3.5. The loan will be secured against a charge on the land which includes the 88 existing houses.
- 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 £1.5m. In the event of any profit in excess of £1.5m, CPCA will receive 30% of any additional profit achieved.

#### **4.0 CONCLUSIONS**

- 4.1. This opportunity brings back into supply 88 homes that are currently sitting vacant, creates an additional 4 homes through sub-division and creates 15 affordable housing units 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 new housing development.
- 4.3. This opportunity has the potential to bring forward the development of a further 62 homes through infill development around the site, which will provide additional affordable units. Potentially this could be a joint venture partnership between CPCA and ECTC. Further commercial consideration of this needs to be undertaken and a further paper will be brought to board if this opportunity develops.

#### **5.0 FINANCIAL IMPLICATIONS**

- 5.1. It is proposed that the Combined Authority provides a £24.4m commercial loan facility for a two-year period to ECTC. Anticipated commencement of drawdown is April 2019 from the £100m Housing programme.
- 5.2. Maximum loan drawdown is projected to be £24.342m (In Aug 19). This loan is secured against assets that will be acquired with it. It is projected that by year end March 2020 re-payments will have reduced the loan to £18,140,000 and the loan is projected to be repaid in full by year end March 2021.
- 5.3. The interest rate is shown in the heads of terms with the other commercial terms (see Confidential **Appendix 1**). The overall return reflects a balance of the debt and the funding from ECTC, the financial standing of ECTC and the overall risk of the project. In this case the risk is mitigated because the funding is being used to acquire completed houses and a primary charge is secured against these assets.

## 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 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 88 houses and land 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.

## 7.0 CONFIDENTIAL APPENDICES

- 7.1. Exempt Appendix 1 – Heads of Terms for Loan Agreement between CPCA and ECTC
- 7.2. Exempt Appendix 2 – ECTC Business Plan
- 7.3 Exempt Appendix 3 – Combined Authority Commercial Overview

<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