



**CAMBRIDGESHIRE  
& PETERBOROUGH**  
COMBINED AUTHORITY

Agenda Item No: 4.2

## Climate and Strategy Business Cases November 2022

To:	Cambridgeshire and Peterborough Combined Authority Board
Meeting Date:	30 November 2022
Public report:	Yes
Lead Member:	Councillor Bridget Smith, Lead Member for the Environment and Climate Change
From:	Steve Cox, Associate Director
Key decision:	Yes
Forward Plan ref:	KD2022/055
Recommendations:	<p>The Combined Authority Board is recommended to:</p> <ul style="list-style-type: none"><li>a) Approve the Business Case for Waterbeach Renewable Energy Network project and approve £2.7m from the subject to approval line in the medium-term financial plan (MTFP).</li><li>b) Approve the Business Case for the Greater Cambridge Chalk Stream project and approve £300,000 capital and £120,000 revenue from the subject to approval line in the MTFP.</li><li>c) Approve the revised expenditure profiles as set out in the Business Cases.</li></ul>
Voting arrangements:	<p>A simple majority of all Members present and voting.</p> <p>To be carried, the vote must include the vote of the Mayor, or the Deputy Mayor when acting in place of the Mayor.</p>

# 1. Purpose

- 1.1 To seek approval for Business Cases and approve funding allocations from the subject to approval lines of the medium term financial plan (MTFP).
- 1.2 The Full Business Cases can be found at Appendix 1: Waterbeach Renewable Energy Network Business Case and Appendix 2a: Greater Cambridge Chalk Stream Business Case.
- 1.3 If approved, the projects will have approved funding to move into the delivery phase of the project. Monitoring and evaluation will continue throughout the delivery phase.

# 2. Background

- 2.1 The below sets out the process these projects have been through to get to this stage.
- 2.2 **Prioritisation and Business case development**
  - 2.2.1 Bids for inclusion in the CPCA budget were submitted by 31 December 2021 in response to the MTFP consultation.
  - 2.2.2 Projects that passed through this stage were included within the MTFP as subject to approval allocations following Board approvals in early 2022.
  - 2.2.3 An HMT Green Book compliant Business Case template was issued that included guidance to support project managers.
  - 2.2.4 The aim of the process has been to ensure the Business Cases evidence value for money whilst also ensuring the document is proportionate to the size of the project and not overly burdensome to complete.
- 2.3 **Project Summary**
  - 2.3.1 Waterbeach Renewal Energy Network

The Greater Cambridge Shared Waste Service (GCSWS) for Cambridge City Council and South Cambridgeshire District Council (SCDC) has made a firm policy commitment to decarbonise the fleet of refuse collection vehicles by 2030. Both Cambridge City and SCDC have declared a Climate Emergency, and each has established targets and an Action Plan to reach zero carbon by 2050. The project scope is to develop an integrated renewable energy and storage solution to serve the electric Refuse Collection Vehicles (eRCVs) within the overall fleet at Greater Cambridge Shared Waste Service (GCSWS) Depot at Waterbeach.

## 2.3.2 Greater Cambridge Chalk Streams

Economic growth (and associated housing supply) in the Greater Cambridge area faces a constraint due to water supply, which is reliant on groundwater extraction from chalk aquifers. This need for water extraction combined with climate change is having a

detrimental impact on sensitive habitats of chalk streams. Chalk streams are internationally rare habitats. In Cambridge, Bin Brook, Cherry Hinton Brook, Coldham's Brook, Hobson's Brook and Vicar's Brook are all chalk streams. The chalk aquifer they emerge from, to the southeast of the city, is a main source of water for residents and businesses.

2.3.3 This project supports action to tackle impacts on chalk streams through a programme of individual schemes by restoring river channels to a more natural shape and size. Done well, flow rate will be increased enough to keep the gravel clean, flow diversity will increase, and the river will behave more naturally, increasing biodiversity requiring less maintenance.

2.3.4 The Full Business Cases can be found within the appendices of this report.

### 3. Assessing Value for Money

3.1 The CA Programme Office reviewed the Combined Authority Assurance Framework, HMT Green Book (2020) and National Audit Office (NAO) guidance and met with the Chief Finance Officer when deciding on the guidance for evidencing Value for Money.

3.2 The Assurance Framework states that to achieve value for money in spending public funds is through ensuring that all projects contribute to the objectives of the Combined Authority via adherence to the Green Book principles, specifically that unless fulfilling a statutory requirement, all business cases must demonstrate a strong fit with the strategic objectives of the relevant Board.

3.3 NAO uses three criteria to assess the value for money of government spending i.e., the optimal use of resources to achieve the intended outcomes:

- Economy: minimising the cost of resources used or required (inputs) – spending less.
- Efficiency: the relationship between the output from goods or services and the resources to produce them – spending well; and
- Effectiveness: the relationship between the intended and actual results of public spending (outcomes) – spending wisely.

3.4 The NAO guidance states that there must be a balance of inputs, outputs & outcomes, that 'optimal' is the most desirable possible given restrictions or constraints, and that the question of 'what does good look like?' has been answered.

3.5 Within the Strategic Case of each Business Case the scope of each project has been fully developed and there is a case for change section which assesses what do nothing looks like and what good looks like, linking to CPCA strategic objectives.

3.6 Within the Economic Case a Green Book Project Profile Tool was adapted for each project to link outputs to outcomes to impacts and to CPCA strategic objectives and metrics. A logic model has also been developed. Also included in the Business Cases is a Monitoring and Evaluation section that includes an evaluation plan and how progress against these inputs, outputs and outcomes will be measured.

3.7 Within the Economic Case there is also an assessment of options against costs and benefits including do nothing and do minimum which aims to assess which is the optimal

use of resources.

- 3.8 The Chief Finance Officer has reviewed each Business Case and assesses them to represent Value for Money against the above criteria.

## 4. Timescales and next steps

- 4.1 If approved the above projects will have funding to move into the delivery phase of the project. Monitoring and evaluation will continue throughout the delivery phase.

## 5 Financial Implications

- 5.1 The Combined Authority Board approved, as part of the 2022/23 revenue budget, Capital Programme 2022/23 to 2025/26 and Medium-Term Financial Plan (MTFP) 2022/23 to 2025/26, a list of climate and strategy related projects, presented on 26 January 2022.
- 5.2 The initial allocation of subject to approval budgets within the MTFP was agreed at this Board, ensuring that funding would be available for these projects, should they be approved via the gateway stages and provide evidence as value for money.
- 5.3 The Business Cases presented in this report provide revised profiling of spend compared to the initial subject to approval MTFP budgets. The revised profiles reflect updated inception dates of the projects. Overall expenditure is unchanged.
- 5.4 There are no additional financial implications arising from the recommendations in this report.

## 6. Legal Implications

- 6.1 There are no legal implications anticipated with the project that are not addressed herein

## 7. Public Health Implications

- 7.1 Please refer to individual business cases.

## 8. Environmental and Climate Change Implications

- 8.1 Please refer to individual business cases.

## 9. Appendices

- 9.1 Appendix 1 – Waterbeach Renewable Energy Network Business Case
- 9.2 Appendix 2a – Greater Cambridge Chalk Stream Business Case

9.3 Appendix 2b: Chalk Streams Indicative Projects

## 10. Background Papers

10.1 [Combined Authority reports January 2022 - Sustainable Growth Ambition Statement, 2022/23 Budget and Medium-Term Financial Plan 2022 to 2026](#)

10.2 [Combined Authority Board March 2022](#)

## 11. Accessibility

11.1 An accessible version of the information contained in the appendices to this report can be obtained on request from [democratic.services@cambridgeshirepeterborough-ca.gov.uk](mailto:democratic.services@cambridgeshirepeterborough-ca.gov.uk)