



**CAMBRIDGESHIRE
& PETERBOROUGH**
COMBINED AUTHORITY

JAMES PALMER
CAMBRIDGESHIRE &
PETERBOROUGH MAYOR

COMBINED AUTHORITY BOARD

Date: Wednesday, 25 March 2020

Democratic Services
Dermot Pearson
Interim Monitoring Officer

10:30 AM

The Incubator
Alconbury Weald
Cambridgeshire
PE28 4WX

**Open Area, Cambridgeshire and Peterborough Combined
Authority, Incubator 2, The Boulevard, Alconbury Weald
[Venue Address]**

AGENDA

Open to Public and Press

Part 1 - Governance Items

**1.1 Announcements, Apologies for Absence and Declarations of
Interest**

1.2 Minutes of the Meeting on 29 January 2020

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1.3 Petitions

1.4 Public Questions

Arrangements for public questions can be viewed in Chapter 5,
Paragraphs 18 to 18.16 of the Constitution which can be viewed here
- [Cambridgeshire and Peterborough Combined Authority: Constitution](#)

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The Combined Authority Board comprises the following members:

Mayor James Palmer

Austen Adams

Councillor Anna Bailey

Councillor Chris Boden

Councillor Steve Count

Councillor Ryan Fuller

Councillor Lewis Herbert

Councillor John Holdich

Councillor Bridget Smith

Jess Bawden

Councillor Ray Bisby

Councillor David Over

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

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Public speaking on the agenda items above is encouraged. Speakers must register their wish to speak by making a request in writing to the Monitoring Officer (Dermot Pearson) no later than 12.00 noon three working days before the day of the meeting at dermot.pearson@cambridgeshirepeterborough-ca.gov.uk. The request must include the name, address and contact details of the person wishing to speak, together with the full text of the question to be asked.

For more information about this meeting, please contact Richenda Greenhill at Richenda.Greenhill@cambridgeshire.gov.uk or on 01223 699171.



Agenda Item No: 1.2

CAMBRIDGESHIRE & PETERBOROUGH COMBINED AUTHORITY: MINUTES

Date: Wednesday 29 January 2020

Time: 10.30am – 2.30pm

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

Present: J Palmer (Mayor)

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

A Adams – Chair of the Business Board

Co-opted Members: J Bawden (Clinical Commissioning Group) and Councillor D Over (Vice Chairman, Cambridgeshire and Peterborough Fire Authority)

462. ANNOUNCEMENTS, APOLOGIES AND DECLARATIONS OF INTEREST

Apologies for absence were received from Councillors S Count (substituted by R Hickford) and R Fuller (substituted by J Neish)

The following declarations of interest were made:

Item 3.1.1: £100m Affordable Housing Programme (Non-Grant) Proposed Acquisition – Hunts

Mayor James Palmer declared a non-statutory disclosable interest as a director of Angle Developments (East) Ltd. The Mayor did not take part in discussion of the report and did not vote. Minute 477 below refers.

Item 3.1.2: £100m Affordable Housing Programme (Non-Grant) Proposed Acquisition – Fenland

Mayor James Palmer declared a non-statutory disclosable interest as a director of Angle Developments (East) Ltd. The Mayor did not take part in discussion of the report and did not vote. Minute 478 below refers.

Item 5.1: University of Peterborough Outline Business Case Phase 1

Councillor John Holdich declared a non-statutory disclosable interest as the Leader of Peterborough City Council. Following advice from the Monitoring Officer Councillor Holdich did speak and vote on the item. Minute 482 below refers.

Item 6.1: For approval as Accountable Body: Local Growth Fund Project Proposals
January 2020

Austen Adams declared a disclosable pecuniary interest as the managing director of Stainless Metalcraft (Chatteris) Ltd. Mr Adams did not take part in discussion of the report and did not vote. Minute 483 below refers.

463. MINUTES – 27 NOVEMBER 2019

The minutes of the meeting on 27 November 2019 were confirmed as an accurate record and signed by the Mayor.

The Mayor invited Councillor Dupré, Chair of the Overview and Scrutiny Committee, to ask a question on behalf of the Committee. Councillor Dupré asked, further to Minute 455: Climate Change, what progress had been made with the appointment of a Chair of the Independent Commission on Climate Change and what impact the delay in recruiting a Chair would have on the proposed timescales for production of its report. The Mayor stated that he was not sure there had been a delay in recruiting the Chair. Discussions with potential Chair candidates and potential commission members were on-going and an announcement, including information on future timescales, would be made soon.

464. PETITIONS

No petitions were received.

465. PUBLIC QUESTIONS

Nine public questions were received relating to the Local Transport Plan and transport projects around Cambridgeshire. These were taken before discussion of the Local Transport Plan. Minute 467 below refers. Questions from the Overview and Scrutiny Committee were taken when the relevant report was presented.

466. CHANGE TO THE PUBLISHED ORDER OF BUSINESS

Due to the high level of public interest in the Local Transport Plan the Mayor exercised his discretion as Chair to vary the order of business from the published agenda to take this report as the next item of business. This would be followed by a report on Kings Dyke Level Crossing Closure which had been added to the agenda under special urgency arrangements.

467. LOCAL TRANSPORT PLAN

The Local Transport Plan (LTP) would set out the Combined Authority's vision and goals for delivering transport in Cambridgeshire to meet local need and statutory requirements. Officers had worked with key stakeholders both within the county and beyond its borders to produce the Plan, including Cambridgeshire County Council, Peterborough City Council and the Greater Cambridge Partnership. Community Impact Assessments and Environmental Impact Assessments had also been carried out and a public consultation had run for 15 weeks rather than the 12 weeks required by statute in recognition that part of that time fell within the summer holiday period. The LTP would provide a baseline and it would be for the Board to decide when it should be refreshed. The report and recommendations had been considered in detail

by the Transport and Infrastructure Committee on 9 January 2020 and had been unanimously endorsed.

Nine public questions were received regarding the Local Transport Plan and transport projects around Cambridgeshire. A summary of the questions and responses is published at the following link - [Combined Authority: Public Questions](#).

The Mayor invited Councillor Dupré, Chair of the Overview and Scrutiny Committee, to ask a question on behalf of the Overview and Scrutiny Committee. Councillor Dupré asked how consultation responses from members of the public about climate change had resulted in changes to the approach or contents of the Local Transport Plan. The Mayor stated that climate change had been afforded a high priority within the LTP. A key objective was to reduce emissions to 'net zero' by 2050 to minimise the impact of transport and travel on climate change. The Authority understood that climate change, a global issue, required interventions at a local level. By committing to a target of net zero carbon by 2050 it would ensure that Cambridgeshire and Peterborough were at the forefront of driving reductions in emissions from transport. In order to meet this overarching objective, the Authority would look to:

- Utilise new technologies as they became available to minimise the environmental impacts of transport;
- Manage and reduce transport emissions; and
- Encourage and enable sustainable alternatives to the private car, including reducing the need to travel.

In addition, the Authority would look to incorporate climate resilience into the new transport network, designing infrastructure that was resilient but also easily repairable. By ensuring that the transport network was protected against human and environmental disruptions, journey time reliability would be improved.

Councillor Smith commented that it was helpful to the Board to hear from so many members of the public and that this highlighted the importance of the LTP to local residents. Much was happening at present which would influence the LTP, including the emerging Joint Local Plan for South Cambridgeshire and Cambridge City which was currently out for public consultation. This required a dynamic and flexible LTP which would be able to respond to the evolving position.

Councillor Herbert welcomed the LTP as a necessary plan for now but asked when it would be refreshed to reflect the evolving position within the county, such as the creation of larger density sites which would benefit from public transport links to take cars off of the road. He recalled the Combined Authority's previously stated aim of enabling most residents to be able to travel from home to work in 30 minutes. Officers stated that they were working closely with the Bus Reform Taskforce to ensure that public transport options were fully reflected. The LTP would be refreshed as and when the Board saw fit in light of the emerging position of Government and the evolving situation locally.

Councillor Boden commented that the Combined Authority had been tasked with doubling gross value added (GVA) and reducing inequality across Cambridgeshire and Peterborough. It was important that a balance was maintained between these two aims within the LTP. The Mayor endorsed the need for the LTP to improve equality of opportunity for parts of the county which experienced higher levels of deprivation.

Councillor Bailey welcomed the LTP. East Cambridgeshire was experiencing a period a rapid growth and welcomed the improvements to transport infrastructure which had already taken place and those which were planned. She acknowledged the environmental concerns which existed, but noted that the proposals included significant investment in rail, off-road cycle routes and bus provision. The LTP set out a commitment to a better deal for rural areas and this was to be welcomed.

On being proposed by the Mayor, seconded by Councillor Bailey, it was resolved unanimously to:

- a) Note the Public Consultation Report and Final Local Transport Plan;
- b) Approve the Local Transport Plan.

468. KINGS DYKE LEVEL CROSSING CLOSURE

The Mayor stated that a key decision on Kings Dyke Level Crossing Closure was being taken under the special urgency arrangements set out in the Constitution. It had been included with the agreement of Councillor Dupré, Chair of the Overview and Scrutiny Committee, and by the Mayor as the Chair of the Board, as required by Section 100B(4)(b) of the Local Government Act 1972.

The project had previously been considered by the Board on 31 October 2018 with a predicted completion date of late 2020. Cambridgeshire County Council had subsequently been advised of significantly increased project costs by the contractor and had chosen to end that contract and conduct a re-procurement exercise. The revised timeframe had an expected completion date of late 2022. Given this change to the proposal and the need to give confidence to County Council and prospective contractors the Board's agreement was sought to the proposed timeframe.

Councillor Hickford thanked the Mayor and Chair of the Overview and Scrutiny Committee for agreeing to add this urgent item to the meeting agenda.

Councillor Boden expressed his thanks to Cambridgeshire County Council and the Combined Authority for working together to progress the Kings Dyke project as quickly as possible. The project had a benefit cost ratio of almost 8 in normal conditions which rose to an exceptional 270 during times of flood, underlining its vital importance.

Councillor Holdich commented that there had never been any doubt that the project would progress, given its importance to the economies of both Fenland and Peterborough.

Councillor Herbert commented that he remained committed to the project as part of the work to address wider transport issues around the county, but sought more information around the timing of final decisions. Officers stated that the outcome of the current re-procurement exercise would give a new project cost estimate. If this had increased beyond the Combined Authority's existing provision of £30m it would be brought back to the Board for decision.

On being proposed by the Mayor, seconded by Councillor Hickford, it was resolved unanimously to:

469. FORWARD PLAN – JANUARY 2020

The Forward Plan was published on the Combined Authority website and updated regularly. There were no requests to reserve any committee reports to the Board for decision.

It was resolved to:

Approve the Forward Plan published on 17 January 2020 and the addition to the Forward Plan of KD2020/023: A605 Kings Dyke Level Crossing Closure published on 27 January 2020 under special urgency arrangements

470. MEMBERSHIP OF THE COMBINED AUTHORITY BOARD AND APPOINTMENT OF THE LEAD MEMBER FOR HOUSING AND CHAIR OF THE HOUSING AND COMMUNITIES COMMITTEE

The Mayor offered his congratulations to Councillor Ryan Fuller on his appointment as Leader of Huntingdonshire District Council, Councillor Ray Bisby on his appointment as Acting Police and Crime Commissioner and Austen Adams on his appointment as Chair of the Business Board.

The resignation of Councillor Bull as Leader of Huntingdonshire District Council in December 2019 had necessitated a number of changes to Board and Executive Committee membership and Lead Member roles. The changes were shown on the appendix to the report. The Board was asked to note the appointment of Councillor Ray Bisby as Acting Police and Crime Commissioner for Cambridgeshire and Peterborough.

On being proposed by the Mayor, seconded by Councillor Holdich, it was resolved unanimously to:

- a) Note and agree the nominations for membership of the Executive Committees, Chairs and Lead Members for the remainder of the 2019/20 municipal year, as set out in Appendix 1.
- b) Note that Councillor Ray Bisby has been appointed as the acting Police and Crime Commissioner for Cambridgeshire and Peterborough and is now a co-opted member of the Combined Authority Board.

471. REVIEW OF THE CORPORATE RISK MANAGEMENT STRATEGY

The existing Corporate Risk Management Strategy adopted by the Combined Authority in February 2018 had been reviewed to ensure that it reflected current best practice. A revised Strategy had been considered by the Audit and Governance Committee on 16 December 2019 and had been recommended to the Board for adoption.

On being proposed by the Mayor, seconded by Councillor Neish, it was resolved unanimously to:

Adopt the proposed revised Risk Management Strategy [Appendix 2];

472. REVIEW OF THE DATA PROTECTION POLICY

The existing data protection policy had been adopted by the Combined Authority in January 2018. Following review, a revised policy had been produced which drew on the data protection policy adopted by the West Midlands Combined Authority. It continued to reflect European Union regulations as these currently remained in force. The policy would be revised as necessary as data protection requirements evolved.

Councillor Boden asked whether any reports had been made to the Information Commissioner's Office. The Interim Monitoring Officer stated that no reports had been made to the ICO's office during his term of office.

On being proposed by the Mayor, seconded by Councillor Hickford, it was resolved unanimously to:

Adopt the revised Data Protection Policy [Appendix 2]

473. PERFORMANCE REPORTING

The Performance Report provided an overview of delivery against key metrics. There had been a net increase of three projects rated green across the portfolio.

Councillor Smith welcomed the concise nature of the report and the single page appendix, but asked officers to look again at the presentation of the data relating to gross value added to make it more clear whether delivery was on target. The inclusion of some narrative on amber and red rated projects would also be helpful.

Councillor Boden commented that it would be helpful to have a shorter timeframe in relation to housing projects.

On being proposed by the Mayor, seconded by Councillor Boden, it was resolved unanimously to:

Note the January Delivery Dashboard

474. MAYOR'S BUDGET 2020-21

The costs of the mayoral functions for 2020/21 would be funded from Revenue Gainshare. There would be no precepts issued by the Authority to fund the costs of mayoral functions for 2020/21.

On being proposed by the Mayor, seconded by Councillor Holdich, it was resolved by a majority to:

Approve the Mayor's draft budget for 2020/21.

In accordance with the Constitution this was a recorded vote:

	For	Against	Abstain
Austen Adams	X		
Councillor Anna Bailey	X		
Councillor Chris Boden	X		
Councillor Lewis Herbert			X
Councillor Roger Hickford	X		
Councillor John Holdich	X		
Councillor John Neish	X		
Councillor Bridget Smith	X		
Mayor James Palmer	X		

475. COMBINED AUTHORITY BUSINESS PLAN 2020-21

The Board was invited to review and comment on the Combined Authority Business Plan 2020/21. Details of the Authority's budgets would be appended to the final version of the report once approved and it was hoped that the final version would be ready for publication in February 2020. A six month review report would be brought to the Board in September 2020.

The Mayor invited Councillor Dupré, Chair of the Overview and Scrutiny Committee, to ask a question on behalf of the Committee. Councillor Dupré noted that page 130 of the report set out progress on key projects. She asked when funding decisions were expected to be made where there was reference to applications for government funding and whether that information could be included in future reports. The Mayor stated that it was understood that the Chancellor intended to hold a Budget in March 2020 and a Spending Review later in the year. It was expected that decisions about central government funding would be linked to those fiscal events. The Mayor would continue to lobby Government where appropriate.

Councillor Smith commended the clear and concise format of the report and the use of plain English.

On being proposed by the Mayor, seconded by Councillor Smith, it was resolved unanimously to:

- a) Review the draft 2020-21 Combined Authority Business Plan attached at Appendix 1 and consider any appropriate amendments.
- b) Delegate to the Chief Executive the authority to finalise the Business Plan for publication in the light of the view of the Combined Authority Board.

476. BUDGET MONITOR UPDATE

The Board received an update on the financial position to the end of November 2019. Details of forecast variances between the predicted revenue outturn and the annual budget for the main budget headings were set out at paragraph 2.7. These included a favourable variance of £141.3k on external support services due to lower than expected costs to date relating to external legal and professional fees. A favourable variance of £120k also existed in relation to investment revenue from Combined Authority balances. Actual expenditure to date on transport and infrastructure projects reflected the expected cost profile, with increased costs expected in the latter stages of the financial year. A report would be brought in March 2020 which would

invite the Board to review all underspends and to decide which represented true savings and which should be carried forward to the 2020/21 financial year. Some capital projects had been re-profiled and some items had not yet been billed. Updated information would be reported in March.

Councillor Boden commented that the Combined Authority was still quite a new body. As such, a forecast outturn variance of around 6% was to be commended, but he asked what would be considered an appropriate maximum variance as the organisation matured. The Chief Finance Officer stated that no absolute figure was set, but the budget was kept under constant review and the Board would be updated of any variances against forecast outturn.

Councillor Smith commended the clarity of the report. She sought clarification of the reference to the Community Land Trust and £100k homes budget. The Chief Finance Officer stated that this should read, 'The Community Land Trust and £100k homes budgets were established via the MTFP refresh in September and has not incurred limited expenditure to date.'

The Mayor commented that in-year savings on the Mayor's budget were expected due mainly to the departure of his chief of staff, Tom Hunt, following his election as the Member of Parliament for Ipswich. Mr Hunt had made a significant contribution to the Combined Authority's work during his tenure and he wished to place on record his thanks.

On being proposed by the Mayor, seconded by Councillor Hickford, it was resolved unanimously to:

Note the updated financial position of the Combined Authority for the year.

477. £100M AFFORDABLE HOUSING PROGRAMME (NON-GRANT) PROPOSED ACQUISITION – HUNTINGDONSHIRE

Mayor Palmer declared a non-statutory disclosable interest as a director of Angle Developments (East) Ltd. The Mayor did not take part in discussion of the report and did not vote. The Interim Monitoring Officer left the meeting room for the duration of the item. Legal counsel was provided by the Deputy Monitoring Officer.

Councillor Holdich stated that he had resigned from his appointment as a director of Angle Developments (East) Ltd. As such, he had no interest to declare and would chair the item in his capacity as Deputy Mayor.

The Deputy Mayor reminded the Board that the report contained a number of exempt appendices. Should any members wish to discuss these it would be necessary to consider whether to exclude the public and press from that part of the debate. No member expressed the wish to discuss the exempt appendices.

The Board's approval was sought for the grant of a loan of £1.4m to Angle Developments (East) Ltd to enable the acquisition of a freehold residential development site in Huntingdonshire. The loan funding would be taken from the £40m revolving fund within the £100m Affordable Housing Programme. The site currently had planning permission for 11 executive homes with no affordable housing units. If approved, a further planning consent would be sought for up to 24 units, to include affordable housing units. The Combined Authority would take first legal charge over the property until the loan was repaid.

Councillor Boden welcomed the proposal, commenting that this was an entirely appropriate use of the revolving fund. However, he noted that it was difficult to measure the benefit of the proposal using traditional measures as these usually looked to cost, and in these cases there was no cost as the loan would be repaid.

Councillor Herbert commented that he had no objection to the proposed scheme, but that he calculated the Board had already committed in excess of the £40m in the revolving fund. The Chief Finance Officer stated that a close analysis had been undertaken of the cash-flow within the £40m revolving fund. More than £40m had been committed in total, but on current projections the £40m total would not be exceeded at any one time. A further cushion would be provided by the repayment of some previous loans. Councillor Boden suggested this innovative approach might be put forward for an award.

Councillor Smith asked who was responsible for underwriting the project in the case of any overspend. Officers stated that there was an element of risk in any development project. In this case the risk would sit with Angle Developments (East) Ltd, which was wholly owned by the Combined Authority, and would be mitigated by the first legal charge over the land. The value of the land would increase as it was developed and no parent company guarantee was implied.

On being proposed by the Councillor Boden, seconded by Councillor Bailey, it was resolved by a majority to:

- a) Approve the lending of a sum of £1,400,000 from the Combined Authority to Angle Developments (East) Ltd to enable the acquisition and progression of a revised planning application on a site in Huntingdonshire (comprising £900,000 to acquire the site and £500,000 in costs). Heads of terms for the acquisition are detailed in the Business Case at Exempt Appendix 1. The purchase will be Conditional on satisfactory investigation and pricing of land contamination being within the £300,000 allowance provided for in the business case.
- b) Grant delegated authority to the Housing and Development Manager, in consultation with the Deputy Monitoring Officer and the Lead Member for Investment and Finance, to conclude any necessary documentation to complete the loan with Angle Developments (East) Ltd.

478. £100M AFFORDABLE HOUSING PROGRAMME – NON-GRANT – FENLAND

Mayor Palmer declared a non-statutory disclosable interest as a director of Angle Developments (East) Ltd. The Mayor did not take part in discussion of the report and did not vote. The Interim Monitoring Officer remained absent from the meeting room for the duration of the item. Legal counsel was provided by the Deputy Monitoring Officer.

Councillor Holdich stated that he had resigned his appointment as a director of Angle Developments (East) Ltd. As such, he had no interest to declare and would remain in the chair for this item in his capacity as Deputy Mayor.

The Deputy Mayor reminded the Board that the report contained a number of exempt appendices. Should any members wish to discuss these it would be necessary to

consider whether to exclude the public and press from that part of the debate. No member expressed the wish to discuss the exempt appendices.

The Board's approval was sought for a loan of £1.29m to Angle Developments (East) Ltd to enable the acquisition and progression of a revised planning application on a site in Fenland. The site had been given outline planning consent for 29 homes with no affordable units, but this had now lapsed. Purchase would be conditional on a new planning application being approved by Fenland District Council whereby the majority of units would be affordable homes. The Combined Authority would take first legal charge over the property until the loan was repaid.

Councillor Boden commented that this appeared to be prime opportunity to deliver additional affordable homes in Fenland.

On being proposed by the Councillor Boden, seconded by Councillor Bailey, it was resolved by a majority to:

- a) Approve the lending of a sum of £1,290,000 from the Combined Authority to Angle Developments (East) Ltd to enable the acquisition and progression of a revised planning application on a site in Fenland (comprising £790,000 to acquire the site and £500,000 in costs). Heads of terms for the acquisition are detailed in the Business Case at exempt Appendix 1.
- b) Grant delegated authority to the Housing Development Manager, in consultation with the Deputy Monitoring Officer and the Portfolio Holder for Investment and Finance, to conclude any necessary legal documentation to complete the loan with Angle Developments (East) Ltd.

The mayor resumed the chair for the remainder of the meeting. Legal counsel was provided by the Interim Monitoring Officer.

479. £100K HOMES BUSINESS CASE

The need to deliver additional affordable housing across the Combined Authority area was set out in the Cambridgeshire and Peterborough Independent Economic Review (CPIER) report and reflected in the Authority's Housing Strategy. £100k Homes was the preferred mechanism for addressing a gap in affordable housing provision for those who did not qualify for traditional affordable housing, but were unable to afford open market prices. Buyers would own 100% of the property freehold, but any future resale price would be bound by covenant to a price relative to the original purchase price. This would ensure that the discounted price would be available to every subsequent purchaser. The covenant would also require that the property was a main residence to prevent them being used as second homes or sub-let. The proposal had been well received by the development industry and invitations were being offered to work alongside prospective developers and communities to identify suitable locations for £100K Homes. The availability of soft loan financing and land value capture were being explored, but the approach taken would be tailored to meet the need of each site. Some constituent councils had received initial briefings on the product and these would continue.

Councillor Smith expressed her thanks to the Chief Executive and officers for the time spent sharing the proposals with South Cambridgeshire District Council. Based on officers' assurance that this product met the national guidelines as an affordable housing product she would be pleased to run a pilot project in South Cambridgeshire.

There was an expectation that £100k Homes would replace some shared ownership properties, but she would be concerned if they replaced rented units. If the proposals could be made to work in South Cambridgeshire where housing costs were particularly high they should work anywhere in the Combined Authority area. Councillor Smith commented that she had frequent meetings with developers and that it would be helpful if officers could provide a one page summary setting out the proposals which could be easily shared.

Councillor Herbert welcomed the opportunity to expand the affordable housing offer, but asked for more information about what was being done to attract potential developers and the role of the Combined Authority in moderating expectation once the scheme became more widely known. Officers stated that it was intended to hold a series of events for developers to explain how the proposal would work in practice. The management of public expectation was recognised as a particular challenge. A website was being designed to allow potential buyers to register their interest in order to gauge the level of demand, but which would make clear that the product was not yet available.

Councillor Bailey commended the £100k Homes as an innovative product which would put people in the position to buy an affordable first home. She expressed the hope that buyers would have the option to make over-payments on their mortgage in order to build equity quickly and enable them to move on to a second home, freeing up the property for another first time buyer.

Councillor Boden expressed strong support for the proposal and suggested that it was another example of an innovative product which could be put forward for an award. It would be important to recognise the different circumstances which existed in the north and south of the county, but he expected to see demand outstrip supply across the whole of the Combined Authority area. He asked whether any measures would be put in place to ensure that homes went to those who would be living and working locally. Officers confirmed that this would be the case.

The Mayor thanked his advisor Charles Roberts and Emma Grima, Director of Corporate and Commercial Services at East Cambridgeshire District Council, for their work in turning his vision for £100k Homes into a deliverable product. He also thanked the Board for their support for the proposal. He remained confident that it was both possible and necessary to deliver £100k Homes in both the north and south of the county. These were not intended to replace rented accommodation, but would create an additional affordable housing option at zero or minimal cost to the taxpayer. The website would be an important tool as it would provide an indication of the level of demand and how this was distributed across the county. The Combined Authority was not a planning authority, so the support of planning authorities of all political persuasions would be needed to deliver these homes to local residents.

On being proposed by the Mayor, seconded by Councillor Smith, it was resolved unanimously to:

- a) Approve the Business Case detailed in Appendix 1; and
- b) Authorise the Monitoring Officer to amend the terms of reference of the Housing & Communities Committee to include the responsibility for adopting the £100k Homes Allocations Policy.

480. MARKET TOWNS PROGRAMME – APPROVAL OF MASTERPLANS FOR FENLAND

The Board was invited to approve the four Growing Fenland market town masterplans for March, Wisbech, Chatteris and Whittlesey and to note the Overarching Growing Fenland Strategic Report for Fenland. Town teams were established in each of the four towns and asked to identify the strengths of their towns and the areas where improvements could be made. This was used to produce an interim report for each town which informed a public consultation exercise, except in Wisbech where a consultation was already taking place as part of the 'I love Wisbech' project. The outcome of these consultations were used to further tailor the masterplans to local need. Funding opportunities would now be sought from the Combined Authority and other sources. Capital programme funding of £5m was available within the medium term financial plan for market towns pump priming, subject to Board approval, to support the implementation of the masterplans across all 10 market towns. Local authority leads would be invited to submit funding applications against the approved masterplans. These would be independently assessed against published criteria and recommendations made to the Combined Authority Board.

Councillor Boden commended the four Fenland masterplans to the Board. There had been significant public involvement in producing the plans and they reflected the different characteristics of each of the towns concerned. The strategic report contained a number of interesting concepts which went beyond the five year period covered by the masterplans. This had not been approved by Fenland District Council, but the district council would look at the proposals. Councillor Boden welcomed the recognition by other Board members that, whilst Fenland did not need their help, it did welcome their support in ensuring that the north of the county would be offered the same opportunities as its neighbours in the south.

Councillor Smith welcomed the development of the proposals at local level. This spoke to one of the strengths of the Combined Authority in looking beyond the boundaries of individual city and district councils to the life experience across Cambridgeshire and working together to address areas of deprivation and exclusion.

Councillor Herbert commented that it was important that this work was led locally. He agreed that the strategic document needed some further work, but it contained some interesting ideas.

Councillor Bailey commented that the presentation of information around bus subsidies in the strategic document was a little curious. Increasing the use of public transport to reduce the need for passenger subsidies should always be the aim. The Mayor commented that the challenge around bus use was being considered via the Bus Reform Taskforce. Large areas of Huntingdonshire, South Cambridgeshire, East Cambridgeshire and rural Peterborough all experienced these issues.

On being proposed by the Mayor, seconded by Councillor Boden, it was resolved unanimously to:

- a) Approve the four Growing Fenland market town masterplans produced for March, Wisbech, Chatteris and Whittlesey.
- b) Note the Overarching Growing Fenland Strategic Report for the Fenland district (referenced in paragraphs 2.21 – 2.25).

481. CAMBRIDGE AUTONOMOUS METRO CORE OUTLINE BUSINESS CASE – PUBLIC CONSULTATION

The Board's approval was sought to agree that a non-statutory public consultation on the Cambridge Autonomous Metro (CAM) should take place in early 2020. The consultation document was being drawn up in consultation with key partners including Cambridge City Council, South Cambridgeshire District Council and the Greater Cambridge Partner. It would focus on needs and benefits and potential route alignments for tunnelled sections and the findings would influence the concept design. The recommendations were considered by the Transport and Infrastructure Committee on 9 January 2020 and endorsed unanimously.

The Mayor invited Councillor Dupré, Chair of the Overview and Scrutiny Committee, to ask a question on behalf of the Committee. Councillor Dupré asked why members of the Overview & Scrutiny Committee's CAM Metro Task and Finish Group were not provided with advance copies of the consultation materials as agreed with officers. The Mayor stated that the draft consultation material was currently being prepared by the Combined Authority's consultancy team in conjunction with the Mayor's office. It was anticipated that the material would be available in early February 2020 and it would be shared with the Task and Finish Group as soon as it was available.

Councillor Herbert welcomed the proposed consultation process and sought more information on the content of the consultation document. Officers stated that it would include indicative locations for portals, stations in Cambridge City and route alignments. A series of renders would illustrate some of the considerations at key city centre locations, paying due regard to the integration of city centre stations with other modes of transport. The aim was for the consultation to run from mid-February to the end of March 2020 to allow its findings to inform work on the outline business case.

Councillor Bailey commented that East Cambridgeshire District Council had asked that the consultation should make clear what aspects were subject to consultation now and what would be the subject of future consultation. This would be important in order to establish reasonable expectations. Officers stated that the consultation would not be re-visiting questions which had already been the subject of previous consultations, but it would include details of envisaged future consultation proposals. There would be a number of further opportunities for public consultation and engagement during the preparation of the outline business case and final business case.

Councillor Boden acknowledged the need for a project on the scale of the CAM to sustain growth in the south of the county and was supportive of that. However, the effect would not be limited to the greater Cambridge area as those beyond could use it to improve their access to greater Cambridge. It would therefore be important to consult across the whole of Cambridgeshire and possibly beyond. At the least he would want to see the integration of the CAM with transport links in the north of the county.

The Mayor stated that if funding for the Alconbury spur could be confirmed in the spring, work could start on that route, opening up the option to link further north. His ambition was for the CAM to extend across Cambridgeshire, and public consultation would be a key part of that process.

On being proposed by the Mayor, seconded by Councillor Hebert, it was resolved unanimously to:

Agree that a non-statutory public consultation on the CAM should be undertaken in the early part of the New Year.

The meeting was adjourned at 1.05pm for 10 minutes.

482. CAMBRIDGE AUTONOMOUS METRO PROGRAMME - REGIONAL ARMS STRATEGIC OUTLINE BUSINESS CASE (SOBC) TENDER DOCUMENT.

The Board was invited to approve the early development of the Cambridge Autonomous Metro (CAM) regional arms strategic outline business case tender documents as part of the wider CAM programme. This would be funded from the uncommitted contingency funds within the 2019/20 CAM outline business case budget. The recommendation had been considered by the Transport and Infrastructure Committee on 9 January 2020 and endorsed unanimously.

Work on the CAM project was currently focused on the tunnelled section within Cambridge City. However, the CAM was not just an underground metro system for the City but a public transport enabler for the whole region. The aspiration was to bring forward work on the regional arms sooner than originally planned.

The Mayor invited Councillor Dupré, Chair of the Overview and Scrutiny Committee, to ask two questions on behalf of the Committee. Councillor Dupré commented that the Local Transport Plan Consultation referred to the demand for a stop on the CAM network in East Cambridgeshire. She asked how this issue would be developed and where the stop would be located. Officers stated that the requirements for the overall CAM network were subject to the usual demand forecasting and transport analysis as well as consultation with appropriate key stakeholders and local government departments. The Combined Authority was currently unable to answer questions about the specific stops and routes in East Cambridgeshire as options would be developed as part of future work on the business case for the eastern regional route. The Transport and Infrastructure Committee had asked officers to undertake the initial procurement activities to develop the CAM regional routes later in 2020. A specification for the demand modelling for the whole of the CAM network was currently being prepared and would be shared with the Overview and Scrutiny Committee, CAM partnership Board and CAM Technology Advisory Committee in due course.

Councillor Dupré further asked what progress the Combined Authority was making towards identifying funding options for the CAM Metro project. Officers stated that the Strategic Outline Business Case (SOBC) reported that the CAM could be paid for through a series of funding mechanisms, which might include local contributions and dedicated revenue streams, in particular land value capture and tax increment financing. The SOBC indicated that a mixture of these would be required to cover the capital expenditure and financing requirements for implementing the CAM, and to ensure public and business confidence in the development of the scheme. As the development of the business case for the scheme progressed further, work would be done to confirm the appropriate funding and financing package to deliver the CAM. This would need support from Government, but would also include money raised through the economy of Cambridgeshire. The conclusions of that work would be reported in the Outline Business Case in summer 2020.

The Mayor stated that the CAM could only work as the sum of its parts. The underground tunnelled section in Cambridge City would replace the need for a ring

road around Cambridge. The Combined Authority's aim was to reduce the number of cars on the road and the CAM would be instrumental in achieving this.

On being proposed by the Mayor, seconded by Councillor Holdich, it was resolved unanimously to:

Approve early development of the CAM regional arms SOBC tender documents as part of the wider CAM programme and for £100,000 to be utilised from uncommitted contingency within the current 2019/20 CAM OBC budget to fund the early development of these documents.

481. DELEGATION OF PASSENGER TRANSPORT POWERS AND THE TRANSPORT LEVY 2020-21

The Board considered recommendations relating to the delegation of passenger transport powers and the Transport Levy 2020/21. These recommendations had been considered by the Transport and Infrastructure Committee on 9 January 2020 and endorsed unanimously.

The Mayor stated that the Combined Authority was the statutory Transport Authority for Cambridgeshire. Initially these powers had been delegated to Cambridgeshire County Council and Peterborough City Council, but as the Combined Authority matured as an organisation it would be important to forge an agreement to enable it to take over these services from 2020/21 onward. The Combined Authority would work closely with the Cambridgeshire County Council and Peterborough City Council to ensure a smooth transition.

On being proposed by the Mayor, seconded by Councillor Hickford, it was resolved unanimously to:

- a) Approve the delegation of the role of Travel Concessionaire Authority and other powers set out in paragraph 2.8 of the appendix, to Cambridgeshire County Council (CCC) and Peterborough City Council (PCC) for the 2020/21 financial year
- b) Approve the amount and apportionment of the Transport Levy (2020/21 financial year) as set below:

Peterborough City Council: £3,849,906

Cambridgeshire County Council: £8,497,733

482. UNIVERSITY OF PETERBOROUGH OUTLINE BUSINESS CASE – PHASE 1

Councillor John Holdich declared a non-statutory disclosable interest as the Leader of Peterborough City Council. Following advice from the Monitoring Officer Councillor Holdich did speak and vote on the item.

The University of Peterborough project was proceeding on time and was due to open in September 2022. Talks with providers were on-going and it was proposed that the Combined Authority and Peterborough City Council establish a property company to build the new university campus. Subject to the approval of the outline business case the procurement of the infrastructure would involve selecting a contractor to deliver the physical capital works. The building would then be leased to the Higher Education

(HE) provider. A separate company (UniCo) would be established to include the HE provider, Combined Authority and Peterborough City Council to enable the local government partners to continue to influence the delivery model. The HE provider would need to be eligible for registration with the Office of Students and to have validated degree-awarding powers. The outline business case had been produced externally and independently reviewed.

The Mayor reminded the Board that the report contained a number of exempt appendices. Should any members wish to discuss these it would be necessary to consider whether to exclude the public and press from that part of the debate. No member expressed the wish to discuss the exempt appendices.

Councillor Smith commented that she was impressed by the calibre of the work which had been done, but that she would welcome sight of the risk register. Officers undertook to share this with the Board. Councillor Smith further asked for more information about the £5m described as accommodation costs. Officers clarified that this related to teaching space to accommodate more students rather than living quarters.

The Mayor described the University of Peterborough project as an exceptional story which represented the Combined Authority's vision to create a technical university based on the CPIER report. It would be the first university of its kind and would meet the needs of people in the north of the county and have a significant and positive impact for years to come.

On being proposed by the Mayor, seconded by Councillor Boden, it was resolved unanimously to:

- a) Approve the preferred option as part of an Options Appraisal and adopt the Outline Business Case for the new University of Peterborough as a Combined Authority priority and key element of the Local Industrial Strategy and Skills Strategy;
- b) Approve the development of a Subscription Agreement between the Combined Authority and Peterborough City Council for the capital investment into the development of Phase 1 and the land required and delegate to the Director of Business and Skills, in consultation with the Lead Member for Skills, the Chief Financial Officer and the Monitoring Officer, authority to negotiate and complete the Subscription Agreement;
- c) Approve the commitment to invest the £12.3M capital budget into the Phase 1 build and draw down the funding to mobilise the activities and milestones identified within the Outline Business Case to achieve the target of opening the University in September 2022 to 2000 students.

483. FOR APPROVAL AS ACCOUNTABLE BODY – LOCAL GROWTH FUND PROJECT PROPOSALS JANUARY 2020

Austen Adams declared a disclosable pecuniary interest as the managing director of Stainless Metalcraft (Chatteris) Ltd. Mr Adams did not take part in discussion of the report and did not vote.

The Mayor reminded the Board that the report contained a number of exempt appendices, including the new one page project summaries discussed at the previous

meeting which had proved very useful. Should any members wish to discuss these it would be necessary to consider whether to exclude the public and press from that part of the debate. No member expressed the wish to discuss the exempt appendices.

At its meeting on 27 January 2020 the Business Board had considered 15 project proposals which had been submitted in response to the invitation issued in July 2019. £38.3m of funding remained to be allocated by the end of March 2021. Following detailed consideration of the project proposals the recommendations had been revised as set below:

- a) Recommended that the Combined Authority Board approve funding for the projects ranked 1, 2, 4, 5, 6, 7, 8, 9, ~~10~~, 12 and 14 in the table at paragraph 2.8 of the report based on achieving highest scoring criteria and external evaluation recommendation.
- b) Recommended that the Combined Authority Board approve a revised grant funding offer for the project ranked 11 in the table at paragraph 2.8 in the report of £2,400,000.
- c) Recommended that the Combined Authority Board approve a revised grant funding offer for the project ranked 13 in the table at paragraph 2.8 in the report of £1,400,000.
- d) Recommended that the Combined Authority ~~defer project ranked 15 in the table at paragraph 2.8 below based on the scoring criteria, until the next round call of Local Growth funding or alternative funding becomes available~~ **reject** project ranked 15 in the table at 2.8 in the report.
- e) Recommended that the Combined Authority decline projects ranked 3 and 16 in the table at paragraph 2.8 in the report based on the scoring criteria for project 16, as this is the lowest scored project, and the external evaluation recommendation on project 3.
- f) **Recommend that the Director of Business and Skills, in consultation with the Lead Member for Investment and Finance, be granted delegation to approve project ranked 10 upon completion of satisfactory renegotiation of the management fee proposed and due diligence.**

Additions shown in **bold type**.

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Councillor Smith commented that it would be useful to be given some mapping information on the location of the projects. Officers stated that the Business Board had made the same request and had also asked that projects should be grouped thematically in future.

The Mayor thanked the Business Board and the 'Dragons' Den' panellists for their detailed consideration of the projects submitted. He further commended the vision and ambition of the project proposals themselves.

On being proposed by the Mayor, seconded by Councillor Holdich, it was resolved by a majority to:

- a) Approve funding for the projects ranked 1, 2, 4, 5, 6, 7, 8, 9, 12 and 14 in the table at paragraph 2.8 below based on achieving highest scoring criteria and external evaluation recommendation.
- b) Approve a revised grant funding offer for the project ranked 11 in the table at paragraph 2.8 below of £2,400,000.
- c) Approve a revised grant funding offer for the project ranked 13 in the table at paragraph 2.8 below of £1,400,000.
- d) Reject project ranked 15 in the table at paragraph 2.8 in the report.
- e) Decline projects ranked 3 and 16 in the table at paragraph 2.8 below based on the scoring criteria for project 16 as this is the lowest scored project and the external evaluation recommendation on project 3.
- f) Delegate authority to the Director of Business and Skills, in consultation with the Lead Member for Investment and Finance, to approve project ranked 10 upon completion of satisfactory renegotiation of the management fee proposed and due diligence.

484. FOR APPROVAL AS ACCOUNTABLE BODY – LOCAL GROWTH FUND PROGRAMME MANAGEMENT JANUARY 2020

The Board was advised that nine projects were currently in the delivery phase, a further nine were at the pre-contract negotiation stage and a further 12 projects had been approved under the previous item (minute 483 refers). Expenditure to date totalled £77.7k and this would accelerate as more projects entered the delivery phase. The King's Dyke project was currently the only project with a red RAG rating and the reasons behind this had been discussed earlier in the meeting (minute 468 above refers). The Wisbech Access Strategy and Lancaster Way Phase 2 Grant were rated amber. All other projects were rated green.

On being proposed by Mr Adams, seconded by the Mayor, it was resolved unanimously to:

- a) Note the programme updates outlined in this paper to the Combined Authority Board.
- b) Note the submission of the Growth Deal monitoring report to Government to end Q2 2019/20.

485. MONITORING AND EVALUATION PLAN

The Board was invited to agree to the incorporation of the draft Local Growth Fund Monitoring and Evaluation Plan into the Combined Authority's Monitoring and Evaluation Framework. It was a requirement of central government funding that a specific Monitoring and Evaluation Framework for the Local Growth Funding was put in place.

On being proposed by Mr Adams, seconded by the Mayor, it was resolved unanimously to:

- a) Approve the incorporation of the proposed Local Growth Fund Monitoring & Evaluation Plan into the Monitoring and Evaluation Framework and to grant the Monitoring Officer delegated authority to make any consequential amendments required to the Monitoring and Evaluation Framework.
- b) Note the resource implications for effective Monitoring & Evaluation to be delivered.

486. EASTERN AGRI-TECH GROWTH INITIATIVE FUNDING REVIEW

The proposal to approve a reduction in the Local Growth Fund allocated to the Eastern Agri-Tech Growth Initiative scheme of £3.5m had been endorsed by the Business Board on 25 November 2019. This reflected the recognition that it would be difficult to utilise the full sum allocated by the deadline of March 2021. However, in order to allow this key decision to be included on the Forward Plan for a minimum of 28 clear days the report to the Combined Authority Board was deferred to its January meeting.

Councillor Bailey commented that she had been contacted by a fellow councillor and member of a trade association who was concerned that they could not recall having seen any publicity encouraging applications. Whilst she was content to accept the Business Board recommendation she asked that consideration be given to the promotion of the initiative going forward. Officers stated that both the Skills Committee and Business Board had identified the same issue and that it had been agreed that £120k would be spent on future marketing and promotion. There would still be a total of £12m small business grant funding available to 2023 so the budget could be re-balanced in future years if demand increased.

On being proposed by Mr Adams, seconded by the Mayor, it was resolved unanimously to:

Approve a reduction in the Local Growth Fund allocated to the Eastern Agri-Tech Growth Initiative scheme of £3.5m.

487. SMALL BUSINESS CAPITAL GRANT SCHEME FUNDING ALLOCATION

The proposal to approve the allocation of an additional £9m to the Small Business Capital Growth Grant Programme from Local Growth Fund and recycled Growth Fund to create a total £12m budget for the Small Business Capital Growth Grant programme had been endorsed by the Business Board on 25 November 2019. However, in order to allow this key decision to be included on the Forward Plan for a minimum of 28 clear days the report to the Combined Authority Board was deferred to its January meeting.

The scheme remained at an early stage of development and would be more heavily promoted going forward. The Monitoring and Evaluation Plan discussed previously (minute 485 above refers) would be used to identify the best areas for investment. Bench-marking was being carried out with two other Combined Authorities and Local Enterprise Partnerships and a provider had been contracted to work on the first £3m of funding.

Councillor Smith asked what was being done to support start-ups. Officers stated that start-up businesses would be eligible to apply for funding.

Councillor Neish asked how district councils could help make their local businesses aware of the opportunities available to them. Officers stated that meetings were being arranged with district council officers to discuss this.

On being proposed by Mr Adams, seconded by the Mayor, it was resolved unanimously to:

Approve the allocation of an additional £9m to the Small Business Capital Growth Grant Programme from Local Growth Fund and recycled Growth Fund to create a total £12m budget for the Small Business Capital Growth Grant programme.

488. HIGH GROWTH SMALL AND MEDIUM SIZED ENTERPRISERS OBSERVATORY

The Board considered a recommendation to create an Observatory to help identify high growth small and medium enterprises who would be target clients. Promoting the opportunities available to business was a key part of the work being undertaken, but it was important to attract the right applicants. The Observatory would develop the understanding of potential high growth companies so that these could be identified and proactively targeted.

On being proposed by Mr Adams, seconded by the Mayor, it was resolved unanimously to:

- a) Note and approve the proposals to create the Observatory which will act as a Research, Analytical and Market Intelligence function to identify the Combined Authority's target clients at a total cost of £80,000 subject to the following:
- b) Approve the re-profiling of £80,000 from the 19-20 LEP Capacity Funding budget to cover the costs of the High Growth SME Observatory in 2020/21 and 2021/22.

489. BUDGET 2020/21 AND MEDIUM TERM FINANCIAL PLAN 2020-2024

The Board had considered the draft budget for 2020/21 and draft medium term financial plan (MTFP) 2020-24 on 27 November 2019 and had approved them being put out to public consultation from 28 November 2019 to 31 December 2019. A summary of responses was set out at Appendix 4 of the report and changes from the draft considered in November 2019 were summarised at paragraph 3.2. The proposals had been reviewed by the Overview and Scrutiny Committee on 27 January 2020. The over-arching objective was to set an affordable and balanced budget that supported the delivery of the ambitions and priorities of the Mayor and Combined Authority, taking account of the Authority's reserves and expected annual funding stream for 2021 onward. There was no proposal to precept constituent authorities for the 2020/21 financial year.

Councillor Herbert expressed regret that the budget report had not been placed higher on the agenda rather than at the end of a long and busy meeting. He commented that Appendix 3b contained some large numbers which he did not recall being shared

before and asked where these had come from. The Chief Finance Officer stated that the figures related to capital leverage schemes and reflected discussions with Directors about potential future schemes. They had been reported to the Board previously and were included at this stage for information only, not as part of the MTFP. Business cases would be developed for the projects as part of the usual decision-making process. Councillor Herbert asked to take a report on this at a meeting in the near future to allow the Board the opportunity to contribute and to provide greater transparency.

On being proposed by the Mayor, seconded by Councillor Hickford, it was resolved by a majority to:

- a) Approve the revenue budget for 2020/21 and the Medium-Term Financial Plan 2020/21 to 2023/24.
- b) Approve the capital programme 2020/21 to 2023/24

In accordance with the Constitution this was a recorded vote:

	For	Against	Abstain
Austen Adams	X		
Councillor Anna Bailey	X		
Councillor Chris Boden	X		
Councillor Lewis Herbert	X		
Councillor Roger Hickford	X		
Councillor John Holdich			Absent
Councillor John Neish	X		
Councillor Bridget Smith	X		
Mayor James Palmer	X		

490. MOTION RECEIVED FROM COUNCILLOR CHRIS BODEN

The Board considered a Motion submitted under Committee Procedure Rule Section 14 by Councillor Boden, seconded by Councillor Bailey. The Interim Monitoring Officer advised that the Motion was in order as drafted.

Councillor Boden commented that the Combined Authority was the Transport Authority for Cambridgeshire. As such, it was quite hypocritical not to act to address the recognised traffic difficulties in Cambridge City. The Combined Authority comprised six local authority areas, excluding the county council, but around half of meetings were held in Cambridge.

An amendment to the Motion was proposed by Councillor Hickford, seconded by Councillor Bailey, that:

The Combined Authority Board therefore resolves to:

~~No longer use any premises within the City of Cambridge, including Shire Hall and the Guildhall, as the venue for any formal or informal meetings of the Combined Authority, including:~~

- ~~i. Formal meetings of the Combined Authority Board, its Executive Committees, Employment Committee, Overview & Scrutiny Committee and Audit & Governance Committee;~~

- ii. ~~Informal meetings where attendance is limited to the Mayor, and / or Members of the Combined Authority and / or officers of the Combined Authority.~~

Remove Shire Hall, Cambridge from the premises used by the Combined Authority Board, its Executive Committees, Employment Committee, Overview & Scrutiny Committee and Audit & Governance Committee; and not use Shire Hall for informal meetings where attendance is limited to the Mayor, and / or Members of the Combined Authority and / or officers of the Combined Authority.

Additions shown in **bold type**.

Deleted text shown as ~~struck through~~.

The Mayor invited Councillor Dupré, Chair of the Overview and Scrutiny Committee, to ask a question on behalf of the Committee. Councillor Dupré noted that the Committee's comments related to Councillor Boden's Motion as originally drafted and did not take account of the amendment proposed at the meeting by Councillor Hickford. If passed, the original Motion would prevent the Overview and Scrutiny Committee or its working groups meeting in Cambridge. The unanimous view of the Committee was that it was deeply disappointing that the Motion did not mention public transport, that it denied the opportunity to hold meetings in the location with the best public transport links for the maximum number of local people including interested members of the public, and did so without evidence of the impact of Combined Authority meetings on air quality and congestion in Cambridge, or the effect on car mileage or carbon emissions which would be caused by holding meetings in places with poorer public transport connections. The Committee was also concerned about the democratic deficit in not holding meetings at the offices of two of its constituent councils and that the proposal was not in accordance with the spirit of the Constitution. In these circumstances, the Committee asked how the proposal could be justified.

Councillor Boden commented that he had confirmed with the Interim Monitoring Officer that the Motion was not contrary to the Constitution. Councillor Hickford's amendment would address the Overview and Scrutiny Committee's concern about no meetings being held in Cambridge. In his judgement, Peterborough rather than Cambridge City had the best public transport links in the county. Councillor Boden was content to accept the amendment proposed by Councillor Hickford.

Councillor Smith commented that for Combined Authority meetings held outside of Cambridge she needed to drive for at least an hour as no practical public transport alternative currently existed. Meetings in Cambridge offered the option of leaving cars at a park and ride site and walking or cycling into the city from there. The meetings held at Shire Hall were generally those that were most well attended by members of the public. On that basis her preference was to leave the current arrangements unchanged.

Councillor Herbert commented that the location of meetings had been discussed by Leaders in the early days of the Combined Authority and it had been agreed to rotate meetings between constituent councils so that they were held throughout Cambridgeshire. By his recollection the only meetings where some Board members had been late arriving due to traffic problems had been those held in Peterborough,

March and Ely. Councillor Hickford commented that there were many occasions where people arrived late to meetings at Shire Hall due to problems with traffic.

Councillor Over commented that his journey from home to Cambridge took between two and a half and three hours compared to the 30 minutes it had taken him to get to Ely.

Councillor Bailey commented that the Motion also related to meetings of Executive Committees and officer meetings. She took on board the point about the democratic deficit which would arise if no meetings were held in Cambridge and, on that basis, was content to support the amendment proposed by Councillor Hickford.

On being proposed by Councillor Hickford, seconded by Councillor Bailey, it was resolved by a majority to:

Remove Shire Hall, Cambridge from the premises used by the Combined Authority Board, its Executive Committees, Employment Committee, Overview & Scrutiny Committee and Audit & Governance Committee; and not use Shire Hall for informal meetings where attendance is limited to the Mayor, and / or Members of the Combined Authority and / or officers of the Combined Authority.

491. DATE OF NEXT MEETING

The reserve meeting date on 26 February 2020 was not required. The Board would meet next on Wednesday 25 March

(Mayor)



**CAMBRIDGESHIRE
& PETERBOROUGH**
COMBINED AUTHORITY

JAMES PALMER
CAMBRIDGESHIRE &
PETERBOROUGH MAYOR

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

PUBLISHED FRIDAY 13 MARCH 2020

FORWARD PLAN

PURPOSE

The Forward Plan sets out all of the key decisions which the Combined Authority Board and Executive Committees will be taking in the coming months. This makes sure that local residents and organisations know what key decisions are due to be taken and when.

The Forward Plan is a live document which is updated regularly and published on the [Combined Authority website](#) (click the Forward Plan' button to view). At least 28 clear days' notice will be given of any key decisions to be taken.

WHAT IS A KEY DECISION?

A key decision is one which, in the view of the Overview and Scrutiny Committee, is likely to:

- i. result in the Combined Authority spending or saving a significant amount, compared with the budget for the service or function the decision relates to (usually £500,000 or more); or
- ii. have a significant effect on communities living or working in an area made up of two or more wards or electoral divisions in the area.

NON-KEY DECISIONS

For transparency, the Forward Plan also includes all non-key decisions to be taken by the Combined Authority Board and Executive Committees.

ACCESS TO REPORTS

A report will be available to view online one week before a decision is taken. You are entitled to view any documents listed on the Forward Plan after publication, or obtain extracts from any documents listed, 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 this notice can be requested from Dermot Pearson, Interim Monitoring Officer for the Combined Authority at Dermot.Pearson@cambridgeshirepeterborough-ca.gov.uk

The Forward Plan will state if any reports or appendices are likely to be exempt from publication or confidential and may be discussed in private. If you want to make representations that a decision which it is proposed will be taken in private should instead be taken in public please contact Dermot Pearson, Interim Monitoring Officer at Dermot.Pearson@cambridgeshirepeterborough-ca.gov.uk at least five working days before the decision is due to be made. A definition of exempt and confidential information is set out at the end of this document.

NOTICE OF DECISIONS

Notice of the Combined Authority Board's decisions and Executive Committee decisions will be published online within three days of a public meeting taking place.

STANDARD ITEMS TO COMMITTEES

The following reports are standing items and will be considered by at each meeting of the relevant committee. The most recently published Forward Plan will also be included on the agenda for each Executive Committee meeting:

Housing and Communities Committee

1. £100m Affordable Housing Programme Update
2. £70m Cambridge City Council Affordable Housing Programme: Update
3. £100k Homes and Community Land Trusts Update

Skills Committee

1. Budget and Performance Report
2. Employment and Skills Board Update

Transport and Infrastructure Committee

1. Budget Monitor Update
2. Performance Report

DECISION REQUIRED		DECISION MAKER	DATE DECISION EXPECTED	KEY DECISION OR DECISION	PURPOSE OF REPORT	CONSULTATION	CONTACT DETAILS/ REPORT AUTHOR	LEAD MEMBER	DOCUMENTS RELEVANT TO THE DECISION SUBMITTED TO THE DECISION MAKER (INCLUDING EXEMPT APPENDICES)
Combined Authority Board Governance and Finance Items									
1.	Minutes of the meeting on 29 January 2020	Cambridgeshire and Peterborough Combined Authority Board	25 March 2020	Decision	To agree the minutes of the previous meeting.	Relevant internal and external stakeholders	Richenda Greenhill, Democratic Services Officer	Mayor James Palmer	It is not anticipated that there will be any documents other than the report and relevant appendices.
2.	Forward Plan	Cambridgeshire and Peterborough Combined Authority Board	25 March 2020	Decision	To approve the latest version of the forward plan.	Relevant internal and external stakeholders	Richenda Greenhill, Democratic Services Officer	Mayor James Palmer	It is not anticipated that there will be any documents other than the report and relevant appendices.
3.	Designation of Monitoring Officer and Director of Angle Holdings Ltd [May contain exempt appendices]	Cambridgeshire and Peterborough Combined Authority Board	25 March 2020	Decision	To appoint the Monitoring Officer and Director of Angle Holdings Ltd.	Relevant internal and external stakeholders	Dermot Pearson Interim Monitoring Officer	Mayor James Palmer	It is not anticipated that there will be any documents other than the report and relevant appendices.
4.	Designation of Scrutiny Officer	Cambridgeshire and Peterborough Combined Authority Board	25 March 2020	Decision	To designate the Scrutiny Officer.	Relevant internal and external stakeholders	Dermot Pearson Interim Monitoring Officer	Mayor James Palmer	It is not anticipated that there will be any documents other than the report and relevant appendices.
5.	Budget Monitor Update	Cambridgeshire and Peterborough Combined Authority Board	25 March 2020	Decision	To provide an update on the revenue and capital budgets for the year to date	Relevant internal and external stakeholders	Jon Alsop Section 73 Chief Finance Officer	Councillor Steve Count Lead Member for Investment and Finance	It is not anticipated that there will be any documents other than the report and relevant appendices to be published.
6.	Treasury Management Strategies 2020/21	Cambridgeshire and Peterborough Combined Authority Board	25 March 2020	Decision	To review and approve the Combined Authority's draft Capital, Treasury and Investment Strategies and Minimum Revenue Provision (MRP) Statement for 2020/21.	Relevant internal and external stakeholders	Jon Alsop Section 73 Chief Finance Officer	Councillor Steve Count Lead Member for Investment and Finance	It is not anticipated that there will be any documents other than the report and relevant appendices to be published.

DECISION REQUIRED		DECISION MAKER	DATE DECISION EXPECTED	KEY DECISION OR DECISION	PURPOSE OF REPORT	CONSULTATION	CONTACT DETAILS/ REPORT AUTHOR	LEAD MEMBER	DOCUMENTS RELEVANT TO THE DECISION SUBMITTED TO THE DECISION MAKER (INCLUDING EXEMPT APPENDICES)
Combined Authority Decisions									
7.	Market Towns Programme – Approval of Masterplans for Huntingdonshire	Cambridgeshire and Peterborough Combined Authority Board	25 March 2020	Key Decision 2020/015	To approve Market Town Masterplans for Huntingdonshire (Huntingdon, St Ives and Ramsey)	Relevant internal and external stakeholders	John T Hill Director of Business and Skills	Mayor James Palmer	It is not anticipated that there will be any documents other than the report and relevant appendices.
BY RECOMMENDATION TO THE COMBINED AUTHORITY BOARD									
Recommendations from the Housing and Communities Committee									
8.	£100m Affordable Housing Programme (Non-Grant) i. Cambridge City, Histon Road, Development loan to Laragh Homes [May contain exempt appendices]	Cambridgeshire and Peterborough Combined Authority Board	25 March 2020	Key Decision 2020/012	Requesting Board approval of a scheme that forms a part of and will require an investment from the £40m revolving fund.	Relevant internal and external stakeholders	Roger Thompson Director of Housing and Development	Councillor Chris Boden Lead Member for Housing	It is not anticipated that there will be any documents other than the report and relevant appendices.
Recommendations from the Transport and Infrastructure Committee									
9.	Lancaster Way A142/ A10 Roundabout Improvements	Cambridgeshire and Peterborough Combined Authority Board	25 March 2020	Key Decision 2020/028	To confirm funding to support the delivery of the A10/A142 BP roundabout and the Lancaster Way roundabout to support continued investment in the Lancaster Way Enterprise Zone.	Relevant internal and external stakeholders	Paul Raynes Director of Delivery and Strategy	Mayor James Palmer	It is not anticipated that there will be any documents other than the report and relevant appendices.
10.	St Neots River Great Ouse Northern Crossing Cycle Bridge	Cambridgeshire and Peterborough Combined Authority Board	25 March 2020	Key Decision 2020/032	To consider whether work on the St Neots Foot and Cycle Bridge should cease, the project be removed from the Combined Authority’s Business Plan and the remaining project funding be re-allocated to projects	Relevant internal and external stakeholders	Paul Raynes Director of Delivery and Strategy	Mayor James Palmer	It is not anticipated that there will be any documents other than the report and relevant appendices.

DECISION REQUIRED		DECISION MAKER	DATE DECISION EXPECTED	KEY DECISION OR DECISION	PURPOSE OF REPORT	CONSULTATION	CONTACT DETAILS/ REPORT AUTHOR	LEAD MEMBER	DOCUMENTS RELEVANT TO THE DECISION SUBMITTED TO THE DECISION MAKER (INCLUDING EXEMPT APPENDICES)
					within the St Neots Masterplan.				
Recommendation/s from the Business Board									
11.	Business Board Governance Review	Cambridgeshire and Peterborough Combined Authority Board	25 March 2020	Decision	To review and approve recommended changes to the Constitution and the Assurance Framework.	Relevant internal and external stakeholders	Rochelle White Deputy Monitoring Officer	Austen Adams Chair of the Business Board Councillor John Holdich Lead Member for Economic Growth	It is not anticipated that there will be any documents other than the report and relevant appendices to be published
12.	Enterprise Zone Funding Utilisation	Cambridgeshire and Peterborough Combined Authority Board	25 March 2020	Decision	To provide an updated position on Enterprise Zone income and to seek approval of funding utilisation.	Relevant internal and external stakeholders	John T Hill Director of Business and Skills	Austen Adams Chair of the Business Board Councillor John Holdich Lead Member for Skills	It is not anticipated that there will be any documents other than the report and relevant appendices to be published.
13.	Advanced Materials and Manufacturing Sector Strategy	Cambridgeshire and Peterborough Combined Authority Board	25 March 2020	Decision	To approve the adoption of the Advanced Materials and Manufacturing Sector Strategy.	Relevant internal and external stakeholders	John T Hill Director of Business and Skills	Austen Adams Chair of the Business Board Councillor John Holdich Lead Member 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									
14.	Careers Progression and Work Readiness (Hampton Academies Trust pilot) – Update Paper	Skills Committee	27 April 2020	Decision	To receive an update on the Careers Progression and Work Readiness (Hampton Academies Trust pilot)	Relevant internal and external stakeholders	John T Hill Director of Business and Skills	Councillor John Holdich Lead Member for Skills	It is not anticipated that there will be any documents other than the report and relevant appendices to be published.

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15.	Adult Education Budget Top Slice Review [May contain exempt appendices]	Skills Committee	27 April 2020	Decision	To consider a review and recommendation for the future top slice required to implement the delivery of Adult Education Budget and make recommendations to the Combined Authority Board.	Relevant internal and external stakeholders	John T Hill Director of Business and Skills	Councillor John Holdich Lead Member for Skills	It is not anticipated that there will be any documents other than the report and relevant appendices to be published.
16.	Adult Education Budget Innovation Fund	Skills Committee	27 April 2020	Decision	To consider the creation of an Innovation Fund for the Adult Education Budget (AEB) and make recommendations to the Combined Authority Board.	Relevant internal and external stakeholders	John T Hill Director of Business and Skills	Councillor John Holdich Lead Member for Skills	It is not anticipated that there will be any documents other than the report and relevant appendices to be published.
17.	Skills Strategy Delivery Plans	Skills Committee	27 April 2020	Decision	To report on the Delivery Plans associated to the three key interventions that underpin the Combined Authority Skills Strategy.	Relevant internal and external stakeholders	John T Hill Director of Business and Skills	Councillor John Holdich Lead Member for Skills	It is not anticipated that there will be any documents other than the report and relevant appendices to be published.
Housing and Communities Committee									
18.	Communities remit of the Housing and Communities Committee	Housing and Communities Committee	27 April 2020	Decision	To brief the committee on its communities remit.	Relevant internal and external stakeholders	Roger Thompson, Director of Housing and Development	Councillor Chris Boden Lead Member for Housing	It is not anticipated that there will be any documents other than the report and relevant appendices to be published
19.	£100m Affordable Housing Programme Scheme Approvals – April 2020 [May include exempt appendices]	Housing and Communities Committee	27 April 2020	Key Decision 2020/004	To consider and approve allocations to new schemes within the £100m Affordable House Programme	Relevant internal and external stakeholders	Roger Thompson, Director of Housing and Development	Councillor Chris Boden Lead Member for Housing	It is not anticipated that there will be any documents other than the report and relevant appendices to be published
20.	Housing Market Assessment Update	Housing and Communities Committee	27 April 2020	Non-Key	To receive an update on the study into the Housing Needs of Specific Groups commissioned by the local authorities.	Relevant internal and external stakeholders	Roger Thompson, Director of Housing and Development	Councillor Chris Boden Lead Member for Housing	It is not anticipated that there will be any documents other than the report and relevant appendices to be published

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21.	Community Land Trusts Grant Scheme	Housing and Communities Committee	27 April 2020	Non-Key	To approve the grant policy for awarding start up grants for Community Land Trusts.	Relevant internal and external stakeholders	Roger Thompson, Director of Housing and Development	Councillor Chris Boden Lead Member for Housing	It is not anticipated that there will be any documents other than the report and relevant appendices to be published
22.	Allocation Policy - £100k Homes	Housing and Communities Committee	27 April 2020	Non-Key	To approve the allocation policy for £100k Homes.	Relevant internal and external stakeholders	Roger Thompson, Director of Housing and Development	Councillor Chris Boden Lead Member for Housing	It is not anticipated that there will be any documents other than the report and relevant appendices to be published
Combined Authority Board Governance and Finance Items									
23.	Minutes of the meeting on 25 March 2020	Cambridgeshire and Peterborough Combined Authority Board	29 April 2020 <i>[Reserve meeting date]</i>	Decision	To agree the minutes of the previous meeting.	Relevant internal and external stakeholders	Richenda Greenhill, Democratic Services Officer	Mayor James Palmer	It is not anticipated that there will be any documents other than the report and relevant appendices.
24.	Forward Plan	Cambridgeshire and Peterborough Combined Authority Board	29 April 2020 <i>[Reserve meeting date]</i>	Decision	To approve the latest version of the forward plan.	Relevant internal and external stakeholders	Richenda Greenhill, Democratic Services Officer	Mayor James Palmer	It is not anticipated that there will be any documents other than the report and relevant appendices.
25.	Budget Monitor Update	Cambridgeshire and Peterborough Combined Authority Board	29 April 2020 <i>[Reserve meeting date]</i>	Decision	To provide an update on the revenue and capital budgets for the year to date	Relevant internal and external stakeholders	Jon Alsop Section 73 Chief Finance Officer	Councillor Steve Count Lead Member for Investment and Finance	It is not anticipated that there will be any documents other than the report and relevant appendices to be published.
Transport and Infrastructure Committee									
26.	Short Term Transport Improvements between Cambourne and Key Employment Sites in Cambridge	Transport and Infrastructure Committee	29 April 2020	Key Decision 2020/033	To approve short term transport improvements between Cambourne and key employment sites in Cambridge.	Relevant internal and external stakeholders	Paul Raynes Director of Delivery and Strategy	Mayor James Palmer	It is not anticipated that there will be any documents other than the report and relevant appendices.

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27.	A47 Dualling: Outline Next Phase	Transport and Infrastructure Committee	29 April 2020	Decision	To consider proposals for the next phase of work and make recommendations to the Combined Authority Board.	Relevant internal and external stakeholders	Paul Raynes Director of Delivery and Strategy	Mayor James Palmer	It is not anticipated that there will be any documents other than the report and relevant appendices.
28.	Sustainable Travel	Transport and Infrastructure Committee	29 April 2020	Decision	To consider proposals to request the drawdown of funds for the 2020/21 financial year to enable continued support for the sustainable travel project within Peterborough and make recommendations to the Combined Authority Board.	Relevant internal and external stakeholders	Paul Raynes Director of Delivery and Strategy	Mayor James Palmer	It is not anticipated that there will be any documents other than the report and relevant appendices.
29.	Coldhams Lane Roundabout	Transport and Infrastructure Committee	29 April 2020	Decision	To update Committee and to provide variations to the options presented in the January 2020 Committee following a value engineering exercise; and reflect this information in an updated programme for consultation and then to construction.	Relevant internal and external stakeholders	Paul Raynes Director of Delivery and Strategy	Mayor James Palmer	It is not anticipated that there will be any documents other than the report and relevant appendices.
30.	Local Transport Plan – CAM Sub-Strategy	Transport and Infrastructure Committee	29 April 2020	Decision	To consider a draft CAM Sub-Strategy for the Local Transport Plan and agree a consultation process.	Relevant internal and external stakeholders	Paul Raynes Director of Delivery and Strategy	Mayor James Palmer	It is not anticipated that there will be any documents other than the report and relevant appendices.
Combined Authority Board Governance and Finance Items									
31.	Minutes of the meeting on 29 April 2020	Cambridgeshire and Peterborough Combined Authority Board	3 June 2020	Decision		Relevant internal and external stakeholders	Richenda Greenhill, Democratic Services Officer	Mayor James Palmer	It is not anticipated that there will be any documents other than the report and relevant appendices.
32.	Forward Plan	Cambridgeshire and Peterborough Combined Authority Board	3 June 2020	Decision	To approve the latest version of the forward plan.	Relevant internal and external stakeholders	Richenda Greenhill, Democratic Services Officer	Mayor James Palmer	It is not anticipated that there will be any documents other than the report and relevant appendices.

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33.	Membership of the Combined Authority	Cambridgeshire and Peterborough Combined Authority	3 June 2020	Decision	To note the appointment of Members of Constituent Councils and appointments to the Business Board for 2020/21 (and their Substitute Members) and to appoint any Non-Constituent Members of Co-opted Members	Relevant internal and external stakeholders	Dermot Pearson Interim Monitoring Officer	Mayor James Palmer	It is not anticipated that there will be any documents other than the report and relevant appendices.
34.	Appointments to Executive Committees, appointment of Committee Chairs and Lead Members	Cambridgeshire and Peterborough Combined Authority	3 June 2020	Decision	To approve Lead Member responsibilities and appoint such executive Committees as the Combined Authority considers appropriate, their membership and the Chair for 2020/21.	Relevant internal and external stakeholders	Dermot Pearson Interim Monitoring Officer	Mayor James Palmer	It is not anticipated that there will be any documents other than the report and relevant appendices.
35.	Appointment of the Overview and Scrutiny Committee	Cambridgeshire and Peterborough Combined Authority	3 June 2020	Decision	To appoint the Overview and Scrutiny Committee, including its terms of reference, size and allocation of seats to political parties in accordance with political balance requirements, according to the nominations received from constituent councils.	Relevant internal and external stakeholders	Dermot Pearson Interim Monitoring Officer	Mayor James Palmer	It is not anticipated that there will be any documents other than the report and relevant appendices.
36.	Appointment of the Audit and Governance Committee	Cambridgeshire and Peterborough Combined Authority	3 June 2020	Decision	To appoint the Audit and Governance Committee, including its terms of reference, size and allocation of seats to political parties in accordance with political balance requirements, according to the nominations received from constituent councils.	Relevant internal and external stakeholders	Dermot Pearson Interim Monitoring Officer	Mayor James Palmer	It is not anticipated that there will be any documents other than the report and relevant appendices.
37.	Calendar of meetings 2020/21	Cambridgeshire and Peterborough Combined Authority	3 June 2020	Decision	To agree the calendar of meetings for 2020/21.	Relevant internal and external stakeholders	Dermot Pearson Interim Monitoring Officer	Mayor James Palmer	It is not anticipated that there will be any documents other than the report and relevant appendices.

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38.	Review of the new governance arrangements	Cambridgeshire and Peterborough Combined Authority	3 June 2020	Decision	To review the new governance arrangements introduced with effect from 1 November 2019 and agree any proposed changes to the Constitution.	Relevant internal and external stakeholders, including the Audit and Governance Committee	Dermot Pearson Interim Monitoring Officer	Mayor James Palmer	It is not anticipated that there will be any documents other than the report and relevant appendices.
39.	Overview and Scrutiny Committee Annual Report 2019/20	Cambridgeshire and Peterborough Combined Authority	3 June 2020	Decision	To receive the Overview and Scrutiny Committee's annual report 2019/20.	Relevant internal and external stakeholders	Dermot Pearson Interim Monitoring Officer	Mayor James Palmer	It is not anticipated that there will be any documents other than the report and relevant appendices.
40.	Complaints Policy	Cambridgeshire and Peterborough Combined Authority	3 June 2020	Decision	To consider the adoption of a revised complaints policy.	Relevant internal and external stakeholders, including the Audit and Governance Committee	Dermot Pearson Interim Monitoring Officer	Mayor James Palmer	It is not anticipated that there will be any documents other than the report and relevant appendices.
41.	Code of Corporate Governance	Cambridgeshire and Peterborough Combined Authority	3 June 2020	Decision	To consider the adoption of a revised Code of Corporate Governance.	Relevant internal and external stakeholders, including the Audit and Governance Committee	Dermot Pearson Interim Monitoring Officer	Mayor James Palmer	It is not anticipated that there will be any documents other than the report and relevant appendices.
42.	Performance Monitoring Report: June 2020	Cambridgeshire and Peterborough Combined Authority Board	3 June 2020	Decision	To note performance reporting updates.	Relevant internal and external stakeholders	Paul Raynes Director of Delivery and Strategy	Mayor James Palmer	It is not anticipated that there will be any documents other than the report and relevant appendices.
43.	Budget Monitor Report	Cambridgeshire and Peterborough Combined Authority Board	3 June 2020	Key Decision 2020/030	To provide an update on the revenue and capital budgets for the year to date	Relevant internal and external stakeholders	Jon Alsop Section 73 Chief Finance Officer	Councillor Steve Count Lead Member for Investment and Finance	It is not anticipated that there will be any documents other than the report and relevant appendices to be published.

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Combined Authority Decisions									
44.	Market Towns Programme – Approval of Masterplans for East Cambridgeshire	Cambridgeshire and Peterborough Combined Authority Board	3 June 2020	Key Decision 2020/018	To approve Market Town Masterplans for East Cambridgeshire (Littleport, Ely and Soham)	Relevant internal and external stakeholders	John T Hill Director of Business and Skills	Mayor James Palmer	It is not anticipated that there will be any documents other than the report and relevant appendices.
45.	Innovation Body Outline Business Case	Cambridgeshire and Peterborough Combined Authority Board	3 June 2020	Key Decision 2020/022	To approve the Innovation Body outline business case.	Relevant internal and external stakeholders	Kim Sawyer Chief Executive	Mayor James Palmer	It is not anticipated that there will be any documents other than the report and relevant appendices.
Mayoral Decision									
46.	Local Highways Maintenance Capital Grant Allocation 2020/21	Mayor	3 June 2020	Key Decision 2020/031	To consult the Combined Authority Board on the allocation of the 2020/21 Highways Maintenance Capital grants and recommend to the Mayor the allocation in line with the shares set out by the Department for Transport.	Relevant internal and external stakeholders	Jon Alsop Section 73 Chief Finance Officer	Mayor James Palmer	It is not anticipated that there will be any documents other than the report and relevant appendices to be published.
BY RECOMMENDATION TO THE COMBINED AUTHORITY BOARD									
Recommendations from the Transport and Infrastructure Committee									
47.	A47 Dualling: Outline Next Phase	Cambridgeshire and Peterborough Combined Authority Board	3 June 2020	Key Decision 2020/025	To consider and agree the recommendations from the Transport and Infrastructure Committee for the next phase of the project.	Relevant internal and external stakeholders	Paul Raynes Director of Delivery and Strategy	Mayor James Palmer	It is not anticipated that there will be any documents other than the report and relevant appendices.
48.	Sustainable Travel	Cambridgeshire and Peterborough Combined Authority Board	3 June 2020	Decision	To approve the drawdown of funds for the 2020/21 financial year to enable continued support for the sustainable travel project within Peterborough.	Relevant internal and external stakeholders	Paul Raynes Director of Delivery and Strategy	Mayor James Palmer	It is not anticipated that there will be any documents other than the report and relevant appendices.

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Recommendations from the Skills Committee									
49.	Adult Education Budget Innovation Fund	Cambridgeshire and Peterborough Combined Authority Board	3 June 2020	Key Decision 2020/024	To the creation of an Innovation Fund for the Adult Education Budget (AEB).	Relevant internal and external stakeholders	John T Hill Director of Business and Skills	Councillor John Holdich Lead Member for Skills	It is not anticipated that there will be any documents other than the report and relevant appendices to be published.
50.	Adult Education Budget Top Slice Review [May include exempt appendices]	Cambridgeshire and Peterborough Combined Authority Board	3 June 2020	Decision	To consider a review and recommendation for the future top slice required to implement the delivery of Adult Education Budget by the Combined Authority.	Relevant internal and external stakeholders	John T Hill Director of Business and Skills	Councillor John Holdich Lead Member for Skills	It is not anticipated that there will be any documents other than the report and relevant appendices to be published.
Recommendations from the Business Board									
51.	Local Growth Fund Programme Management: June 2020	Cambridgeshire and Peterborough Combined Authority Board	3 June 2020	Key Decision 2020/027	To review the Local Growth Fund Budget and amend as required.	Relevant internal and external stakeholders	John T Hill, Director of Business & Skills	Austen Adams, Chair of the Business Board Councillor John Holdich Lead Member for Economic Growth	It is not anticipated that there will be any documents other than the report and relevant appendices to be published
52.	Growth Service - Full Business Case [May include exempt appendices]	Cambridgeshire and Peterborough Combined Authority Board	3 June 2020	Key Decision 2020/029	To approve the Full Business Case for mobilisation of the Growth Service.	Relevant internal and external stakeholders	John T Hill, Director of Business & Skills	Austen Adams, Chair of the Business Board Councillor John Holdich Lead Member for Economic Growth	It is not anticipated that there will be any documents other than the report and relevant appendices to be published
53.	Local Enterprise Partnership Partnering Strategy	Cambridgeshire and Peterborough Combined Authority Board	3 June 2020	Decision	To approve the Local Enterprise Partnership Partnering Strategy	Relevant internal and external stakeholders	John T Hill, Director of Business & Skills	Austen Adams, Chair of the Business Board Councillor John Holdich	It is not anticipated that there will be any documents other than the report and relevant appendices to be published

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								Lead Member for Economic Growth	
54.	Strategic Partnership Agreements: June 2020	Cambridgeshire and Peterborough Combined Authority Board	3 June 2020	Decision	To recommend Memorandums of Understanding with the remaining seven neighbouring Local Enterprise Partnerships.	Relevant internal and external stakeholders	John T Hill, Director of Business & Skills	Austen Adams, Chair of the Business Board Councillor John Holdich Lead Member for Economic Growth	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 comments or queries to Dermot Pearson, Interim Monitoring Officer at
Dermot.Pearson@cambridgeshirepeterborough-ca.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 AND PETERBOROUGH COMBINED AUTHORITY BOARD		AGENDA ITEM No: 1.6
25 MARCH 2020		PUBLIC REPORT <i>This report contains an appendix which is exempt from publication under Part 1 of Schedule 12A of the Local Government Act 1972, as amended, in that it would not be in the public interest for this information to be disclosed (information relating to any individual)</i>

DESIGNATION OF MONITORING OFFICER AND DIRECTOR OF ANGLE HOLDINGS LTD

1.0 PURPOSE

- 1.1. To designate Robert Parkin as the Monitoring Officer of the Combined Authority and consent to his appointment as a Director of Angle Holdings Ltd.

<u>DECISION REQUIRED</u>	
Lead Member:	Mayor James Palmer
Lead Officer:	Kim Sawyer, Chief Executive
Forward Plan Ref: n/a	Key Decision: No
<p>The Combined Authority Board is recommended to:</p> <p>(a) Designate Robert Parkin as Monitoring Officer with effect from 26th March 2020</p> <p>(b) Consent to the appointment of Robert Parkin as a Director of Angle Holdings Limited</p>	Voting arrangements Simple majority of all Members

2.0 BACKGROUND

- 2.1 The interim Monitoring Officer, Dermot Pearson, was appointed in May 2019 on an interim basis while the recruitment process for a permanent appointment commenced. That process has now been successfully completed.
- 2.2 Robert Parkin has been recruited to the role of Chief Legal Officer. Monitoring Officer. The Combined Authority is required to designate a Monitoring Officer. Robert Parkin's curriculum vitae is included as **exempt appendix 1**.
- 2.3 Angle Holdings Ltd was incorporated in September 2019. At its meeting on 31 July 2019 the Combined Authority Board approved the Shareholder Agreement which regulates the relationship between the Combined Authority and its subsidiaries and agreed the composition of the Angle Holdings Limited Board of Directors. It was decided that the Combined Authority's Monitoring Officer should be a Director of Angle Holdings Limited [the Company]. The company's business plan approved by the Combined Authority Board in March 2019 requires that two Senior Officers are directors of the company.
- 2.4 The interim Monitoring Officer, was therefore appointed as a Director of the Company. The Interim Monitoring Officer will resign as a Director of the Company as and when the new Monitoring Officer is appointed as a Director to avoid any overlap. The Shareholder Agreement requires that the consent of the Combined Authority to the appointment and dismissal of Directors.
- 2.5 It is recommended that, to maintain a consistent approach, the Combined Authority Board consent to the appointment of Robert Parkin as a Director of Angle Holdings Ltd. Consequently, and as a result of Dermot Pearson's departure from the Combined Authority, Mr Pearson's appointment as Director of Angle Holdings Ltd is to be terminated.
- 2.6 The Interim Monitoring Officer will cease to be the Company Secretary of both Angle Holdings Ltd and Angle Developments (East) Ltd. The Boards of Directors for both companies will progress his replacement in those roles.

3.0 FINANCIAL IMPLICATIONS

- 3.1. There are no additional financial implications arising from this report.

4.0 LEGAL IMPLICATIONS

- 4.1. The Combined Authority is required to designate a Monitoring Officer to meet its statutory requirements under the Local Government and Housing Act 1989.
- 4.2. The Monitoring Officer's statutory duty can be summarised as being a duty to report to the Combined Authority in any case where they are of the opinion that any proposal, decision or omission of the Mayor, the Combined Authority, its

Executive Committees or officers has given rise to or is likely to or would give rise to a contravention of any enactment or rule of law or maladministration.

- 4.3. This is a personal duty and cannot be delegated unless the Monitoring Officer is absent or ill, in which case the duties may be carried out by the person the Monitoring Officer has appointed as their Deputy

5.0 APPENDICES

- 5.1. Exempt Appendix 1 – C.V. of Mr Robert Parkin
This appendix is exempt from publication under Part 1 of Schedule 12A of the Local Government Act 1972, as amended, in that it would not be in the public interest for this information to be disclosed (information relating to any individual)

<u>Source Documents</u>	<u>Location</u>
n/a	



CAMBRIDGESHIRE AND PETERBOROUGH COMBINED AUTHORITY BOARD	AGENDA ITEM No: 1.7
25 MARCH 2020	PUBLIC REPORT

DESIGNATION OF SCRUTINY OFFICER

1.0 PURPOSE

- 1.1 To request the Board to designate Robert Fox as the interim Scrutiny Officer until the return of the permanent Scrutiny Officer.

<u>DECISION REQUIRED</u>	
Lead Member:	Mayor James Palmer
Lead Officer:	Dermot Pearson, Interim Monitoring Officer
Forward Plan Ref: n/a	Key Decision: No
The Combined Authority Board is recommended to designate Robert Fox as the interim Scrutiny Officer until the return of the permanent Scrutiny Officer.	Voting arrangements Simple majority of all Members

2.0 BACKGROUND

- 2.1 The Combined Authorities (Overview and Scrutiny Committees, Access to Information and Audit Committees) Order 2017 provides that a combined authority must designate one of its officers as the scrutiny officer of the overview and scrutiny committee to discharge specified scrutiny the functions in paragraph (2).
- 2.2 The functions are:
- (a) to promote the role of the overview and scrutiny committee;
 - (b) to provide support and guidance to the overview and scrutiny committee and its members;
 - (c) to provide support and guidance to members of the combined authority and to the Mayor in relation to the functions of the overview and scrutiny committee.

2.3 The previous interim Scrutiny officer was designated by the Combined Authority Board in October 2019. That postholder left the Combined Authority on 5th March 2020. The permanent Scrutiny officer is not expected to be able to return to work for several months and cover for the scrutiny officer role is required.

2.4 It is recommended that Robert Fox be designated as interim Scrutiny Officer for the purposes of the 2017 Order until the return of the permanent post holder.

3.0 FINANCIAL IMPLICATIONS

3.1 There are no additional financial implications arising from this report.

4.0 LEGAL IMPLICATIONS

4.1 There are no additional legal implications to those mentioned in the report.

5.0 SIGNIFICANT IMPLICATIONS

5.1 There are no equalities or other implications arising from this report.

6.0 APPENDICES

6.1 None

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



CAMBRIDGESHIRE AND PETERBOROUGH COMBINED AUTHORITY BOARD	AGENDA ITEM No: 2.1
25 MARCH 2020	PUBLIC REPORT

BUDGET MONITOR UPDATE

1.0 PURPOSE

- 1.1 This report provides an update of the 2019/20 financial position as at 31st January 2020 and keeps the Board informed of developments affecting the external audit of the 2019-20 accounts.

<u>DECISION REQUIRED</u>	
Lead Member:	Councillor Steve Count, Lead Member for Investment and Finance
Lead Officer:	Jon Alsop, Chief Finance Officer (Section 73 Officer)
Forward Plan Ref: n/a	Key Decision: No
The Combined Authority Board is recommended to: a) note the updated financial position of the Combined Authority for the year.	Voting arrangements A simple majority of members

2.0 BACKGROUND

- 2.1. At its September 2019 meeting, the Board approved a refreshed Medium-Term Financial Plan (MTFP), including balanced revenue and capital budgets for 2019/20. This report presents the progress made against these budgets along with any changes in line with subsequent Executive Committee and Board decisions.

- 2.2. Over the last quarter there has been substantial work undertaken to improve budget and expenditure monitoring within the Combined Authority. This has resulted in the formalisation of a monthly reporting cycle, improved internal financial reports, and regular meetings between project managers and Directors at which directorate finance leads provide support and challenge.
- 2.3. This process has resulted in more robust forecasting for the 2019-20 financial year, as well as enabling more effective contract and supplier management within the delivery Directorates.
- 2.4. Between March and June 2020 a detailed analysis of underspends will take place across the Combined Authority to establish where underspends represent an actual saving against expected costs, and therefore releases funding to be reallocated based on the Combined Authority's priorities, and where it represents slippage of project budgets, which do not change overall project budgets but instead represent a re-profiling of expenditure.
- 2.5. The Combined Authority Board reserves the power to authorise carry forward of budgets between financial years, therefore underspends will (where relevant) be presented to May Committees with the request to recommended underspends to the Combined Authority Board in June. The Board will then decide on which budgets to allow carry forward into 2020-21 and which should be recovered corporately for reallocation.

3.0 CHANGES TO REPORTING ARRANGEMENTS

- 3.1. As the Executive Committees have embraced their role in monitoring projects and programmes at the operational level, the Combined Authority Board can place assurance on this and need only consider variances where they are material at a corporate level.
- 3.2. Excluding the Transport Levy expenditure, as the responsibility for delivering these services is currently passported to the Local Highways Authorities, the gross revenue budget for the Combined Authority for 2019-20 is £24.2m. A materiality limit of approximately 1% results in a threshold of £250k, thus variances below this level will not be reported in detail to the Combined Authority Board. As operational budgets are not reported to an Executive Committee a lower threshold of £100k is used to ensure a more operational level of oversight is maintained.
- 3.3. The capital programme for the 2019-20 financial year is £121.9m. Applying a similar materiality limit results in a threshold of £1.2m, however the vast majority of our capital projects have annual budgets significantly below this level. As such an alternative level of £500k has been taken to ensure reporting to the Board is meaningful.

4.0 REVENUE BUDGET

- 4.1. A summary of the financial position of the Authority, showing 'Revenue' income and expenditure for the ten-month period to 31 January 2020, is set out in the

table below. A more detailed breakdown of income and expenditure for the year to date is shown at **Appendix 1**.

2019/20 Revenue	19-20 Budget (Nov) £'000	Budget Adjustments £'000	19-20 Budget (Jan) £'000	Actuals to 31 January 2019 £000	Forecast Outturn (Nov) £'000	Forecast Outturn (Jan) £'000	Change in Forecast Outturn £'000	Appendix 3 ref:
Income								
Grant Income	(30,213.0)	0.0	(30,213.0)	(26,190.1)	(30,303.9)	(30,213.0)	-	
Total Income	(30,213.0)	0.0	(30,213.0)	(26,190.1)	(30,303.9)	(30,213.0)	-	
Expenditure								
Mayor's Office	379.9	0.0	379.9	306.2	368.0	368.2	0.2	
Operational Budget:								
Combined Authority Staffing	5,122.1	0.0	5,122.1	4,301.0	5,081.8	5,276.7	194.9	1
External Support Services	505.0	0.0	505.0	265.3	363.7	365.2	1.5	
Corporate Overheads	748.7	0.0	748.7	659.1	803.7	806.7	3.0	
Governance	205.0	0.0	205.0	99.5	143.3	143.3	-	
Election Provision	260.0	0.0	260.0	0.0	260.0	260.0	-	
Capacity Funding	125.0	-	125.0	101.6	125.0	125.0	-	
Financing Costs/(Income)	(1,480.0)	0.0	(1,480.0)	(1,294.6)	(1,600.9)	(1,508.5)	92.4	
Workstream/Programme Budget:							0.0	
Transport	16,252.7	250.0	16,502.7	12,053.6	15,852.7	15,408.0	(444.7)	2,3
Business and Skills	9,669.0	0.0	9,669.0	6,201.2	9,324.6	8,722.2	(602.4)	4
Economic Strategy	2,907.0	-80.0	2,827.0	328.8	2,319.1	1,905.7	(413.4)	5
Strategy and Performance	498.0	0.0	498.0	277.4	405.9	368.0	(37.9)	
Housing	957.5	0.0	957.5	135.6	457.5	261.3	(196.2)	
Total Expenditure	36,149.9	170.0	36,319.9	23,434.6	33,904.5	32,501.8	(1,402.7)	
Total (Income) less Total Expenditure	5,936.9	170.0	6,106.9	(2,755.5)	3,600.6	2,288.8		

- 4.2. The Forecast Outturn in the table above shows a 'favourable' variance of forecast expenditure against budget of £3.8m (£36.3m - £32.5m).
- 4.3. There have been three changes to the budget since the position reported to the January Board: A decrease of £80k within Economic Strategy, and movement of £100k from the CAM OBC to fund the SOBC of the CAM arms both reflecting the decisions of the January Combined Authority Board. The updated budget also reflects a £250k virement from the capital programme to the revenue Transport budget reflecting the A10 feasibility study being brought in house and thus not being eligible for capitalisation.
- 4.4. 'Actual' figures for the period to 31 January 2020 are based on payments made and accrued expenditure where known. Actual expenditure has accelerated as the year has progressed, having increased by £5.35m from November to January – this behaviour is expected to continue which is reflected in the forecast £9.1m expenditure between January and March (£32.5m - £23.4m).
- 4.5. The current approved budget shows total revenue expenditure for the year of £36.3m against grant income receivable in year of £30.2m. The difference of £6.1m was to be funded by revenue reserves. The favourable £3.8m forecast outturn variance means that the draw on reserves will be reduced this year; however, any of these underspends which reflect a re-phasing of expenditure could result in a correspondingly higher than anticipated draw on reserves in 2020-21.
- 4.6. The majority of revenue grant income has been received 'in advance'. These funds have been apportioned to show the amount relevant to the ten-month period to 31st January 2020. Funding for the devolved Adult Education Budget (AEB) has been received but it is only applied to the academic year from September to March as this was the first year this funding was devolved.

4.7. The forecast underspend for the year has increased by £1.4m since the report seen at the November Combined Authority Board: the material variances since the last report are summarised below, full details of these variances, including relevant mitigations and responses, are included in Appendix 3.

- Combined Authority staffing: As a result of the recent staff restructuring exercise, which reduced forecast staffing costs by £800k over two years, an additional payment to the pension fund to cover potential future pension liabilities has been provided for. (+£184k),
- A revised profile of expenditure on the Bus Review Implementation (-£650k),
- The A10 SOBC project being brought in house (+£250k),
- Provision of Adult Education courses by procured providers lagging behind the expected profile (-£596k)
- The Rural Communities Energy Hub Fund has awarded its first funding agreement to a project, however this award was made months later than planned due to delays with the governance structure being signed off by the Energy Hub Board. (-£300k)

5.0 CAPITAL BUDGET

5.1. The year to date 'Capital' position of the Combined Authority (as at 31st January) is shown at **Appendix 2**.

5.2. As with revenue budgets, reflecting the role of the Executive Committees, a corporate materiality limit has been established and only variances of £500k or more will be detailed in these reports going forward.

5.3. Many of the capital programmes show little or limited spend to date. These apparent underspends are due mainly to suppliers not yet having charged for services provided, or where commissioned activities are work in progress. In these cases the overall project lifetime costs are not decreasing and apparent underspends actually reflect delays in the project (slippage) rather than a reduction in the total project cost.

5.4. The forecast underspend for the year to March 2020 has increased by £11.8m since the report seen at the November Combined Authority Board: the material variances since the last report are summarised below. Full details of these variances, including relevant mitigations and responses, are included in Appendix 3.

- University of Peterborough Business Case is forecasting an underspend due to delays at the beginning of the financial year pushing costs back to 2020-21. (-£1,220k)
- The Wisbech Garden Town business case development has been put on hold pending further work on the A47 dualling. (-£1,700k)
- Market Town Pump Priming expenditure is not forecast this year as the majority of the masterplans were only completed in the current quarter. (-£500k)

- Cambridge City Housing Programme is running behind profile however the delivery partner is confident that this will not result in an underspend across the total programme lifetime. (-£1,710k)
- The Affordable Housing Programme has revised back its expenditure profile due to a number of drawdowns scheduled for Q4 2019-20 being delayed into 2020-21. The total value of approved schemes within the £40m revolving fund is over £40m, with a peak drawdown of £35m (-£2,780k)
- A47 Junction 18 Improvements is back on track to spend to profile after anticipated delays have been avoided. (£850k)
- A605 Stanground East was forecasting a saving due to an alternative delivery option, unfortunately this option has proved too complex and thus the project has reverted to its original plan. (550k)
- The Agri-Tech Programme has revised down its forecast spend in line with the January Combined Authority Board decision to reduce its total funding. (-£2,780k)
- Project Living Cell's initial loan drawdown is now anticipated in Q1 2020-21 due to delays in contract negotiation. (-£1,350k)

6.0 2019-20 EXTERNAL AUDIT

- 6.1. The audit of the Combined Authority's 2018-19 accounts was completed in October 2019, three months after the statutory deadline in Audit and Accounts Regulations 2015 for publishing final accounts of 31st July. The delay was due to our external auditor's (EY) resourcing issues and did not reflect any issues with the Combined Authority's Statement of Accounts which were ultimately given a clean audit opinion.
- 6.2. The difficulties experienced by EY were reflective of a national issue affecting all public sector audits. EY have taken steps to address their resourcing issues through recruitment and retention, however they have informed us that issues are ongoing and will impact on the 2019/20 audit.
- 6.3. EY have established a phased approach to the Local Authority audits in the Cambridgeshire and Peterborough area which will result in all authorities fieldwork being completed between 12th June and the 16th October.
- 6.4. While the Combined Authority has been put into the earliest possible audit phase (18th May to the 12th June), and thus will have its audit fieldwork completed in time for the 31st July deadline. However, EY have indicated that they will not be providing any audit opinions until late September or October in order to be fair to authorities in later phases.
- 6.5. As such the high-level timeline for the 2019-20 audit of the accounts is expected to be:
 - 18th May – External audit fieldwork commences.
 - 31st May – Draft Accounts published on the Combined Authority's website.
 - 12th June – External audit fieldwork completes
 - Late September/October – Audit opinion provided

A draft audit plan is due to be presented by EY to the Audit and Governance Committee on 27th March

7.0 FINANCIAL IMPLICATIONS

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

8.0 LEGAL IMPLICATIONS

- 8.1. The Combined Authority is required to prepare a balanced budget in accordance with statutory requirements.
- 8.2. The Audit and Accounts Regulations 2015 require the Combined Authority to publish its statement of accounts for 2019/20 by 31 July 2020. As set out above in section 6 of this report, the current situation in the external audit sector and with the Combined Authority's external auditors means that this deadline will not be met. In these circumstances the Combined Authority will be required publish as soon as reasonably practicable on or after 31 July 2020 a notice stating that it has not been able to publish the statement of accounts and its reasons for this.

9.0 Significant Implications

- 9.1. There are no other significant implications.

• APPENDICES

Appendix 1 - Detailed breakdown of the revenue position for the year to 31st January 2020.

Appendix 2 – Capital position for the year to 31st January 2020

Appendix 3 – Detailed explanations of material variances

<u>Source Documents</u>	<u>Location</u>
None	n/a



Appendix 1: CPCA Revenue 2019/20

	19-20 Budget (Nov)	Budget Adjustments	19-20 Budget (Jan)	Actuals to 31 January 2020	Forecast Outturn (Nov)	Forecast Outturn (Jan)	Change in Forecast Outturn	Forecast Outturn Variance
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Income								
Gain Share Revenue	(8,000.0)		(8,000.0)	(6,666.7)	(8,000.0)	(8,000.0)	-	0.0
Mayoral Capacity Building Fund	(1,000.0)		(1,000.0)	(833.3)	(1,000.0)	(1,000.0)	-	0.0
Transport Levy (Passported to PCC and CCC)	(12,369.0)		(12,369.0)	(10,307.5)	(12,369.0)	(12,369.0)	-	0.0
Enterprise Zone Receipts	(138.0)		(138.0)	(115.0)	(138.0)	(138.0)	-	0.0
Growth Hub - BEIS	(246.0)		(246.0)	-	(246.0)	(246.0)	-	0.0
LEP Core Funding from BEIS	(500.0)		(500.0)	(416.7)	(500.0)	(500.0)	-	0.0
EZ contribution to LEP activity	(250.0)		(250.0)	(208.3)	(250.0)	(250.0)	-	0.0
CPCA LIS Implementation (LEP Capacity Funding)	(200.0)		(200.0)	(166.7)	(200.0)	(200.0)	-	0.0
AEB implementation Grant	(40.6)		(40.6)	(40.6)	(40.6)	(40.6)	-	0.0
AEB Devolved Funding	(7,253.5)		(7,253.5)	(7,253.5)	(7,253.5)	(7,253.5)	-	0.0
EU Exit Funding	(90.9)		(90.9)	(181.8)	(181.8)	(181.8)	-	-90.9
Careers and Enterprise Company (CEC) Funding	(125.0)		(125.0)	0.0	(125.0)	(125.0)	-	0.0
Total Income	(30,213.0)	0.0	(30,213.0)	(26,190.1)	(30,303.9)	(30,303.9)	-	(90.9)
Expenditure								
Mayor's Office								
Mayor's Allowance	85.0		85.0	97.3	85.0	85.0	0.0	0.0
Mayor's Office Expenses	25.0		25.0	27.3	25.0	25.0	0.0	0.0
Mayor's Office Accommodation	52.4		52.4	37.0	52.4	52.4	0.0	0.0
Mayor's Office Staff	217.5		217.5	144.6	205.6	205.8	0.2	(11.7)
Total Mayoral Costs	379.9	0.0	379.9	306.2	368.0	368.2	0.2	(11.7)
Combined Authority Staffing Costs								
Salaries								
Chief Executive	269.0		269.0	252.2	272.1	272.1	-	3.1
Business and Skills	1,655.2		1,655.2	1,271.9	1,615.2	1,615.2	-	(40.0)
Delivery and Strategy	1,217.6		1,217.6	953.5	1,153.0	1,153.0	-	(64.6)
Housing	362.0		362.0	288.6	315.9	326.8	10.9	(35.2)
Corporate Services	1,408.3		1,408.3	1,383.7	1,515.6	1,515.6	-	107.3
Travel	100.0		100.0	101.5	100.0	100.0	0.0	0.0
Restructure Costs	0.0		0.0	-	-	184.0	184.0	184.0
Apprenticeship Levy	10.0		10.0	0.0	10.0	10.0	0.0	0.0
Training, Conferences & Seminars	100.0		100.0	49.6	100.0	100.0	0.0	0.0
Total Combined Authority Staffing Costs	5,122.1	0.0	5,122.1	4,301.0	5,081.8	5,276.7	194.9	154.6

	19-20 Budget (Nov)	Budget Adjustments	19-20 Budget (Jan)	0	Actuals to 31 January 2020	Forecast Outturn (Nov)	Forecast Outturn (Jan)	Change in Forecast Outturn	Forecast Outturn Variance
	£'000	£'000	£'000		£'000	£'000	£'000	£'000	£'000
<u>Externally Commissioned Support Services</u>									
External Legal Counsel	200.0		200.0		45.7	60.0	60.0	-	(140.0)
Finance Service	90.0		90.0		48.4	90.0	90.0	0.0	0.0
Democratic Services	90.0		90.0		91.5	90.0	91.5	1.5	1.5
Payroll	10.0		10.0		5.7	8.0	8.0	-	(2.0)
HR	25.0		25.0		11.2	25.0	25.0	0.0	0.0
Procurement	25.0		25.0		3.5	25.0	25.0	0.0	0.0
Finance System	15.0		15.0		15.7	15.7	15.7	0.0	0.7
ICT external support	50.0		50.0		43.5	50.0	50.0	0.0	0.0
Total Externally Commissioned Support Services	505.0	0.0	505.0		265.3	363.7	365.2	1.5	(139.8)
<u>Corporate Overheads</u>									
Accommodation Costs	339.2		339.2		323.0	339.2	339.2	0.0	0.0
Software Licences, Mobile Phones cost etc.	20.0		20.0		18.0	20.0	20.0	0.0	0.0
Communications	50.0		50.0		33.5	50.0	50.0	0.0	0.0
Website Development	29.5		29.5		0.0	29.5	29.5	0.0	0.0
Recruitment Costs	160.0		160.0		162.8	185.0	185.0	0.0	25.0
Insurance	30.0		30.0		28.2	30.0	30.0	0.0	0.0
Audit Costs	85.0		85.0		30.8	85.0	85.0	0.0	0.0
Office running costs	25.0		25.0		25.7	25.0	28.0	3.0	3.0
Corporate Subscriptions	10.0		10.0		37.1	40.0	40.0	0.0	30.0
Total Corporate Overheads	748.7	0.0	748.7		659.1	803.7	806.7	3.0	58.0
<u>Governance Costs</u>									
Committee/Business Board Allowances	185.0		185.0		99.5	123.3	123.3	-	(61.7)
Meeting Costs	0.0		0.0		0.0	0.0	0.0	0.0	0.0
Governance Projects	20.0		20.0		0.0	20.0	20.0	0.0	0.0
Total Governance Costs	205.0	0.0	205.0		99.5	143.3	143.3	-	(61.7)
<u>Election Costs</u>									
Election costs	260.0		260.0		0.0	260.0	260.0	0.0	0.0
Total Election Costs	260.0	0.0	260.0		0.0	260.0	260.0	0.0	0.0
<u>Capacity Funding</u>									
Capacity Funding	125.0		125.0		101.6	125.0	125.0	0.0	0.0
Total Capacity Funding	125.0	-	125.0		101.6	125.0	125.0	0.0	0.0
<u>Financing Costs</u>									
Interest Receivable on Investments	(1,480.0)		(1,480.0)		(1,294.6)	(1,600.9)	(1,508.5)	92.4	(28.5)
Total Financing Costs	(1,480.0)	0.0	(1,480.0)		(1,294.6)	(1,600.9)	(1,508.5)	92.4	(28.5)
Total Operational Expenditure	5,485.8	-	5,485.8		4,131.7	5,176.6	5,468.4	291.8	(17.4)

	19-20 Budget (Nov)	Budget Adjustments	19-20 Budget (Jan)	Actuals to 31 January 2020	Forecast Outturn (Nov)	Forecast Outturn (Jan)	Change in Forecast Outturn	Forecast Outturn Variance
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Workstream Revenue Budgets								
Transport								
CAM OBC	1,907	-100	1,807	1,043	1,907	1,807	(100.0)	0.0
CAM arms SOBC	0	100	100	0	0	100	100.0	0.0
A10 SOBC	0	250	250	75	0	250	250.0	-
A14 Revenue Feasibility	150		150	0	0	0	-	(150.0)
Huntingdon 3rd River Crossing	300		300	19	50	30	(20.0)	(270.0)
Bus Review Implementation	800		800	27	800	150	(650.0)	(650.0)
Cambridge South - Interim Concept	100		100	97	100	97	(3.0)	(3.0)
Transport Levy PCC	3,631		3,631	3,026	3,631	3,631	-	-
Transport Levy CCC	8,738		8,738	7,282	8,738	8,738	-	-
Local Transport Plan	377		377	316	377	355	(21.7)	(21.7)
Sustainable Travel	150		150	111	150	150	-	-
Schemes, Studies and Monitoring	100		100	58	100	100	-	-
Total Transport	16,253	250	16,503	12,054	15,853	15,408	(444.7)	(1,094.7)
Business and Skills								
Work Readiness Programme (Hamptons)	110.0		110.0	109.7	83.2	109.6	26.4	(0.4)
Skills Brokerage	344.2		344.2	183.9	344.2	309.6	(34.6)	(34.6)
University of Peterborough Taught Degree Awarding Powers	201.9		201.9	182.9	190.0	190.8	0.8	(11.1)
University of Peterborough	235.0		235.0	238.3	235.0	235.0	0.0	0.0
Skills Strategy Programme Delivery	150.0		150.0	148.0	150.0	148.0	-2.0	-2.0
AEB Devolution programme - Grant	5,576.3		5,576.3	4,639.2	5,576.3	5,576.3	0.0	0.0
AEB Devolution programme - ITP	1,282.3		1,282.3	274.1	1,000.0	404.0	(596.0)	(878.3)
AEB Programme Costs	115.4		115.4	85.5	100.0	95.0	(5.0)	(20.4)
Health and Care Sector Work Academy	1,500.0		1,500.0	267.1	1,500.0	1,500.0	0.0	0.0
EU Exit Funding	90.9		90.9	30.2	90.9	90.9	0.0	0.0
Growth Company Development	63.0		63.0	42.4	55.0	63.0	8.0	-
Total Business and Skills	9,669.0	0.0	9,669.0	6,201.2	9,324.6	8,722.2	(602.4)	(946.8)
Economic Strategy								
Growth Hub	92.2		92.2	55.0	92.2	92.2	0.0	0.0
Market Town Strategy Implementation	200.0		200.0	75.5	150.0	102.6	(47.4)	(97.4)
Energy Hub	615.4		615.4	14.3	500.0	520.0	20.0	(95.4)
Rural Communities Energy Fund	1,052.5		1,052.5	0.0	800.0	500.0	(300.0)	(552.5)
St Neots Masterplan Revenue	171.9		171.9	45.6	171.9	171.9	0.0	0.0
Trade and Investment Programme	100.0		100.0	45.0	80.0	99.0	19.0	(1.0)
CPCA LIS Implementation	200.0		200.0	58.9	150.0	200.0	50.0	-
LEP Capacity Funding	400.0	80.0	320.0	19.3	300.0	145.0	(155.0)	(175.0)
Skills Advisory Panel (SAP)	75.0		75.0	15.2	75.0	75.0	0.0	0.0
Total Economic Strategy	2,907.0	-80.0	2,827.0	328.8	2,319.1	1,905.7	(413.4)	(921.3)

	<u>19-20 Budget (Nov)</u>	<u>Budget Adjustments</u>	<u>19-20 Budget (Jan)</u>	0	<u>Actuals to 31 January 2020</u>	<u>Forecast Outturn (Nov)</u>	<u>Forecast Outturn (Jan)</u>	<u>Change in Forecast Outturn</u>	<u>Forecast Outturn Variance</u>
	£'000	£'000	£'000		£'000	£'000	£'000	£'000	£'000
<u>Strategy, Planning and Performance</u>									
Monitoring and Evaluation Framework	163.0		163.0		104.1	163.0	163.0	0.0	0.0
Public Service Reform	100.0		100.0		89.3	100.0	100.0	0.0	0.0
Non-Statutory Spatial Framework (Phase 2)	130.0		130.0		54.1	112.9	74.0	(38.9)	(56.0)
Cambridgeshire and Peterborough Land Commission	105.0		105.0		30.0	30.0	31.0	1.0	(74.0)
Total Strategy and Performance	498.0	0.0	498.0		277.4	405.9	368.0	(37.9)	(130.0)
<u>Housing</u>									
War Veterans Homelessness Support Grant	90.9		90.9		90.9	90.9	90.9	0.0	0.0
CLT / £100k Housing	166.6		166.6		40.9	166.6	166.6	0.0	0.0
Garden Villages	700.0		700.0		3.8	200.0	3.8	(196.2)	(696.2)
Total Housing	957.5	0.0	957.5		135.6	457.5	261.3	(196.2)	(696.2)
Total Workstream expenditure	30,284.2	170.0	30,454.2		18,861.0	28,359.9	26,665.2	(1,694.7)	1,924.4
<u>Total Revenue Expenditure</u>	36,149.9	170.0	36,319.9		23,434.6	33,904.5	32,501.8	(1,402.7)	(3,818.1)

Appendix 2: CPCA Capital Programme - 2019/20

Capital	19-20 Budget (Nov)	Budget Adjustments	19-20 Budget (Jan)	Actuals to 31 Jan 2020	Forecast Outturn (Nov)	Forecast Outturn (Jan)	Change in Forecast Outturn	Forecast Outturn Variance
	£m	£m	£m	£m	£m	£m	£m	£m
Kings Dyke CPCA Contribution	2.50		2.50	0.00	0.46	0.00	(0.46)	(2.50)
Cambridge South Station	0.75		0.75	0.00	0.75	0.75	0.00	0.00
A10 SOBC Capital	0.25	(0.25)	0.00	0.00	0.15	0.00	(0.15)	0.00
Peterborough University - Business case	1.52		1.52	0.14	1.52	0.30	(1.22)	(1.22)
Soham Station	0.95		0.95	0.03	0.95	0.95	0.00	0.00
St Neots River Crossing Cycle Bridge	0.60		0.60	0.00	0.45	0.03	(0.42)	(0.57)
St Neots Masterplan Capital	0.33		0.33	0.12	0.33	0.33	0.00	0.00
Wisbech Garden Town	1.75		1.75	0.05	1.75	0.05	(1.70)	(1.70)
Wisbech Rail	1.48		1.48	0.83	1.48	1.05	(0.43)	(0.43)
Wisbech Access Strategy	0.30		0.30	0.30	0.30	0.30	0.00	0.00
Digital Connectivity Infrastructure	0.84		0.84	0.29	0.84	0.62	(0.22)	(0.22)
A47 Dualling	0.41		0.41	0.11	0.41	0.31	(0.10)	(0.10)
Total Committed Direct Control Expenditure	11.67	(0.25)	11.42	1.86	9.38	4.68	(4.70)	(6.74)
Costed but not Committed								
Ely Rail Capacity next stage	1.00		1.00	0.00	0.00	0.00	0.00	(1.00)
Market Town pump priming	0.50		0.50	0.00	0.50	0.00	(0.50)	(0.50)
Coldhams Lane roundabout improvements	0.53		0.53	0.06	0.13	0.06	(0.07)	(0.47)
Eastern Industries Access - Phase 1	0.43		0.43	0.08	0.15	0.27	0.12	(0.16)
University Access	0.10		0.10	0.01	0.03	0.11	0.08	0.01
March junction improvements	1.08		1.08	0.31	0.50	0.55	0.05	(0.53)
Investment into CAM Innovation Company	0.30		0.30	0.00	0.30	0.30	0.00	0.00
Regeneration of Fenland Railway Stations	0.09		0.09	0.00	0.09	0.00	(0.09)	(0.09)
Regeneration of Fenland Railway Stations - Non Platforms	0.61		0.61	0.17	0.61	0.17	(0.44)	(0.44)
A1260 Nene Parkway Junction 15	0.36		0.36	0.12	0.10	0.35	0.25	(0.01)
A1260 Nene Parkway Junction 32-3	0.32		0.32	0.18	0.19	0.28	0.10	(0.04)
A141 Capacity enhancements	1.27		1.27	0.07	0.50	0.15	(0.35)	(1.12)
A16 Norwood Dualling	0.05	0.01	0.06	0.00	0.13	0.06	(0.07)	0.00
A505 Corridor	1.00		1.00	0.05	0.17	0.15	(0.02)	(0.85)
A605 Oundle Rd Widening - Alwalton-Lynch Wood	0.51		0.51	0.11	0.40	0.54	0.14	0.03
Schemes Previously Identified and Costed Total	8.15	0.01	8.16	1.16	3.80	2.99	(0.81)	(5.17)

<u>Passported</u>	<u>19-20 Budget (Nov)</u>	<u>Budget Adjustments</u>	<u>19-20 Budget (Jan)</u>	<u>Actuals to 31 Jan 2020</u>	<u>Forecast Outturn (Nov)</u>	<u>Forecast Outturn (Jan)</u>	<u>Change in Forecast Outturn</u>	<u>Forecast Outturn Variance</u>
	£m	£m	£m	£m	£m	£m	£m	£m
<u>Passported</u>								
Cambridge City Housing Programme	20.61		20.61	9.90	20.61	18.90	(1.71)	(1.71)
Housing Affordable Housing Programme	41.18		41.18	25.18	34.18	31.40	(2.78)	(9.78)
Highways Maintenance Capital Grants	23.08		23.08	18.83	23.54	23.54	0.00	0.46
A47 J18 improvements	3.85		3.85	2.10	3.00	3.85	0.85	0.00
A605 Stanground East (whittlesea Access)	2.80		2.800	0.26	0.36	0.91	0.55	(1.89)
Passported/Ringfenced Total	91.52	0.00	91.52	56.27	81.69	78.60	(3.09)	(12.92)
<u>Growth Funds</u>								
King's Dyke Crossing (Growth Fund)	0.78		0.78	0.55	0.45	0.64	0.19	(0.14)
A428 Cambourne to Cambridge	0.00		0.00	0.00	0.00	0.00	0.00	0.00
Ely Area Capacity Enhancements	2.32		2.32	0.86	1.50	1.16	(0.34)	(1.16)
In Collusion	0.02		0.02	0.02	0.02	0.02	0.00	0.00
Wisbech Access Strategy - Delivery Phase	1.00		1.00	0.36	1.00	0.51	(0.49)	(0.49)
Agri-tech	3.69	(2.69)	1.00	0.61	2.00	0.70	(1.30)	(0.30)
M11 Junction 8	0.00		0.00	0.00	0.00	0.00	0.00	0.00
Soham Station Feasibility	1.00		1.00	1.00	1.00	1.00	0.00	0.00
Haverhill Innovation Centre	1.35		1.35	0.67	1.60	1.49	(0.11)	0.14
Small Grants Programme	0.10		0.10	0.14	0.06	0.06	0.00	(0.04)
Whittlesea and Manea Railway Stations	0.03		0.03	0.00	0.03	0.03	0.00	0.00
iMET Phase 3	0.30		0.30	0.00	0.00	0.00	0.00	(0.30)
Lancaster Way Phase 2	0.15		0.15	0.00	0.15	0.15	0.00	0.00
TeraView Loan	0.12		0.12	0.12	0.12	0.12	0.00	0.00
Project Living Cell	1.35		1.35	0.00	1.35	0.00	(1.35)	(1.35)
Capital Growth Grant Scheme	0.00	0.20	0.20	0.03	0.00	0.20	0.20	0.00
Illumina Accelerator Global Expansion	1.00		1.00	0.00	0.00	0.00	0.00	(1.00)
Growth Funds Total	13.21	(2.49)	10.72	4.34	9.28	6.08	(3.19)	(4.64)
Total	124.55	(2.73)	121.82	63.63	104.14	92.35	(11.79)	(29.47)



Appendix 3 – Detailed explanations of material variances

Operational Revenue Variances >£100k

1. Restructure Costs		Change in forecast expenditure	£184k
2019-20 Budget	£0k	Forecast expenditure	£184k
<p>As a result of the restructure exercise at the beginning of the financial year, which reduced forecast staffing costs by £800k over two years, an additional payment to the pension fund for a provision to cover anticipated future pension liabilities has been required by the Authority's actuaries.</p>			

Workstream Revenue Variances >£250k

2. Bus Review Implementation		Change in forecast expenditure	(£650k)
2019-20 Budget	£800k	Forecast expenditure	£150k
<p>A new permanent project manager has been put in place of this programme and has undertaken a complete review of the planned programme. This has resulted in a re-phasing of the project expenditure, to include additional bus services between Cambourne and Cambridge. The programme is still expected to deliver to it's original budget over the 12 month implementation period.</p>			

3. A10 SOBC		Change in forecast expenditure	£250k
2019-20 Budget	£250k	Forecast expenditure	£250k
<p>The delivery of the A10 strategic outline business case has been taken in-house from the original delivery partner to accelerate delivery. The Combined Authority cannot capitalise this expenditure thus funding has been allocated from revenue sources, there is a corresponding decrease in the capital programme.</p>			

4. Adult Education Budget - ITP		Change in forecast expenditure	(£596k)
2019-20 Budget	£1,282k	Forecast expenditure	£404k
<p>The AEB team have been working with providers to understand the reasons for the underspend, and providers have highlighted that it is due to it taking time for them to gain traction in the market as this is the first 6 months of the new devolved regime; however, providers remain confident that they can</p>			

deliver the total number of contracted courses within the academic year.

The contracts with the providers are for a number of courses to be run over the academic year, and providers are forecasting to over deliver in the latter part of the academic year to make up for slow take up in the earlier part. Various avenues are being considered to mitigate continued potential underspend including providing additional funding to those providers who are currently achieving their targets (over-committing) and reviewing the terms of the AEB funding to establish other projects which could be funded.

5. Rural Communities Energy Fund		Change in forecast expenditure	(£300k)
2019-20 Budget	£1,053k	Forecast expenditure	£500k
<p>There have been continued delays in the Energy Hub Board agreeing the governance structure required to award the RCEF to projects, this has delayed the majority of fund expenditure into future years. The governance system is now in place and the first funding award has been made, as such there should be no further slippage.</p> <p>The Department for Business, Energy & Industrial Strategy (BEIS) has set a deadline of March 2021 for all the funds to be committed. If this is not met the Energy Hub and the Combined Authority can work with BEIS to see if an alternative use can be agreed. Otherwise under-allocated grant must be repaid to BEIS.</p> <p>It is anticipated that the Energy Hub will transfer to another Local Authority from the Combined Authority in 2020-21, and thus the RCEF will also be transferred.</p>			

Capital Variances >£500k

6. University of Peterborough Business Case		Change in forecast expenditure	-£1,220k
2019-20 Budget	£1,520k	Forecast expenditure	£300k
<p>The University of Peterborough Outline Business Case (OBC) has been approved with the Full Business Case (FBC) being presented in financial year 2020-21. Due to delays in this project at the beginning of the financial year, a large portion of the capital expenditure that was programmed for 2019-20 is now expected in 2020-21, thus resulting in the need for budget reprofiling</p>			

7. Wisbech Garden Town		Change in forecast expenditure	-£1,700k
2019-20 Budget	£1,750k	Forecast expenditure	£50k

The development of the Wisbech Garden Town business case is dependant on certainty around the location and timing of the A47 upgrade. As such, the development of the business case has been put on hold pending further progress in delivering the A47 upgrade.

8. Market Town Pump Priming		Change in forecast expenditure	-£500k
2019-20 Budget	£500k	Forecast expenditure	£0k

As the majority of these plans have only been approved in 2020 there has been nothing spent to date. As the plans are now in place it is anticipated that projects will start to come forward, but it is unlikely that these will commence spending prior to April 2020. As the Combined Authority has communicated to the Market Towns an overall capital budget of £5m of seed funding to pump-prime projects, the June Board will be asked to approve carrying this budget forward.

9. Cambridge City Housing Programme		Change in forecast expenditure	-£1,710k
2019-20 Budget	£20,610k	Forecast expenditure	£19,900k

This programme is managed and delivered by Cambridge City Council who have indicated that the project's expenditure is running behind profile. The City Council is confident that they will still utilise the entirety of the £70m within the programme lifetime.

10. Affordable Housing Programme		Change in forecast expenditure	-£2,780k
2019-20 Budget	£41,180	Forecast expenditure	£31,400k

A number of the schemes that were due to draw down in Q4 2019-20 have been delayed and will instead draw down in 2020-21.
As has been reported to the Housing Committee the overall maximum drawdown of the £40m housing fund is c.£35m with more than £40m of total schemes included in the programme.

11. A47 Junction 18 Improvements		Change in forecast expenditure	£850k
2019-20 Budget	£3,850k	Forecast expenditure	£3,850k

This project had been forecast to slip, but the delivery partner has indicated that it is now back on track and will spend on profile.

12. A605 Stanground East		Change in forecast expenditure	£550k
2019-20 Budget	£2,800k	Forecast expenditure	£910k
<p>The project has been delayed due to a gas main identified in the centre of the junction to be improved, the utility company is now carrying out a detailed design and costing exercise to give a better idea of the costs of the diversion works. Design of alternative options was considered, with a potential cost saving, but due to complexity of this option the original option will now be progressed.</p>			

13. Agri-Tech Programme		Change in forecast expenditure	-£2,780k
2019-20 Budget	£1,000	Forecast expenditure	£700k
<p>The January Combined Authority Board approved a reduction in the Agri-tech Programme of £4.5m due to the programme not anticipating the required spending before the deadline, due to it's funding source, of March 2021. This reduction in forecast is in line with the recommendation to the January Board.</p>			

14. Project Living Cell		Change in forecast expenditure	-£1,350k
2019-20 Budget	£1,350	Forecast expenditure	£0k
<p>Due to delays in contract negotiation the loan drawdown for this project is now anticipated in Q1 2020-21.</p>			



CAMBRIDGESHIRE AND PETERBOROUGH COMBINED AUTHORITY BOARD	AGENDA ITEM No: 2.2
25 MARCH 2020	PUBLIC REPORT

TREASURY MANAGEMENT STRATEGIES 2020/21

1.0 PURPOSE

1.1 This report provides the draft Treasury Management Strategies for 2020/21.

<u>DECISION REQUIRED</u>	
Lead Member:	Councillor Steve Count, Lead Member for Investment and Finance
Lead Officer:	Jon Alsop, Chief Finance Officer (Section 73 Officer)
Forward Plan Ref: n/a	Key Decision: No
<p>The Combined Authority Board is recommended to:</p> <p>a) Approve the following Treasury Strategies:</p> <ul style="list-style-type: none">i. The Capital Strategy 2020/21ii. The Treasury Management Strategy 2020/21iii. The Investment Strategy 2020/21iv. The Minimum Revenue Provision Statement 2020/21 <p>b) Approve the creation of a £40m 'top up' fund to extend the availability of recycled funding to bring additional affordable housing to the market.</p>	Voting arrangements Simple majority of all Members

2.0 BACKGROUND

2020/21 Strategies

- 2.1. Under the Combined Authority's Constitution, the Combined Authority Board is responsible for the adoption of, and any amendment to, the Treasury Management Strategy.
- 2.2. The Audit and Governance Committee's role is to 'ensure there is effective scrutiny of the treasury management strategy and policies in accordance with CIPFA's Code of Practice'
- 2.3. The Combined Authority appointed Arlingclose as its Treasury Advisors with effect from 1 August 2019 to support the Combined Authority in developing strategies that are tailored to the specific requirements, constraints and ambitions of the Combined Authority.
- 2.4. The following strategies have been drafted with the support of Arlingclose for 2020/21 to provide a framework for the Combined Authority's management of its financial affairs.
 - (a) **Capital Strategy:** To provide a high-level overview for elected members to understand how stewardship, value for money, prudence, sustainability and affordability will be secured.
 - (b) **Treasury Management Strategy:** Being the management of the Authority's cash flows, borrowing and investments and the associated risks.
 - (c) **Investment Strategy:** To meet the requirements of statutory guidance in which the Authority would support local public services by lending to or buying shares in other organisations, or to earn investment income.
 - (d) **Minimum Revenue Provision (MRP) Statement:** A Ministry of Housing, Communities and Local Government (MHCLG) requirement to approve an MRP Statement each year to ensure that capital expenditure is financed over a reasonable period.
- 2.5. The Board is asked to approve the Treasury Strategies as shown in the appendices.

£40m 'top up' fund

- 2.6. As part of its Treasury and Investment Strategies, the Board is asked to approve the creation of a £40m 'top up' fund to extend the availability of recycled funding to bring additional affordable housing to the market.
- 2.7. The additional funds would be made available from existing cash balances to enable quicker delivery and more affordable housing.
- 2.8. At the September 2018 meeting, the Board agreed a concept of creating a revolving fund of £40m from within the £100m programme for housing investment, to run within and beyond the 5-year programme.

- 2.9. A clear benefit of a revolving fund is that it will remain at the end of the loan period and will also return interest and profit share to the CPCA to potentially increase the fund and to provide affordable housing above what the market is able to deliver.
- 2.10. As at 29 February 2020, the Combined Authority had £170.2m of 'treasury' investments (mainly with Local Authorities) providing an average annual return of 0.84%. These balances are held in accordance with the Combined Authority's current Treasury Management Strategy and the principles of 'security' as a first priority, then 'liquidity', to ensure funds are available to be drawn down when needed to support the activities of the Combined Authority (including its Capital Programme) and then 'yield'.
- 2.11. The success of the initial £40m revolving fund and the availability of 'cash' balances held by the Combined Authority provides an opportunity to create a 'top up' £40m fund.
- 2.12. Whilst the revolving £40m fund derives from the £100m grant funding for affordable housing, the 'top up' fund is 'treasury' cash, being earmarked for other projects within the Medium Term Financial Plan (MTFP), but available for investment until such time as they are required to be drawn down to fund delivery. The availability of these balances is identified within the Authority's cashflow forecast. The criteria for the use of these balances will be consistent with the fundamental treasury management concepts of 'Security' first, then 'Liquidity' and then 'Return'.
- 2.13. The two £40m funds will be managed such that 'investments' can be transferred between them according to how they meet the criteria of each fund.

3.0 FINANCIAL IMPLICATIONS

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

4.0 LEGAL IMPLICATIONS

- 4.1. Treasury Management activities have to conform to the Local Government Act 2003, the Local Authorities (Capital; Finance and Accounting) (England) Regulations 2003 (SI 2003/3146), which specifies that the Authority is required to have regard to the CIPFA Prudential Code and the CIPFA Treasury Management Code of Practice and also the Local Authorities (Capital Finance and Accounting) (England) (Amendment) Regulations 2008 (SI 2008/414), which clarifies the requirements of the Minimum Revenue Provision guidance.

5.0 SIGNIFICANT IMPLICATIONS

- 5.1. There are no other significant implications.

6.0 APPENDICES

- Appendix 1 – Draft Capital Strategy 2020/21
- Appendix 2 – Draft Treasury Management Strategy 2020/21
- Appendix 3 – Draft Investment Strategy 2020/21
- Appendix 4 – Draft Minimum Revenue Provision Statement 2020/21

<u>Source Documents</u>	<u>Location</u>
CA Board 26 September 2018 - reports	https://cambridgeshirepeterboroughcagov.cmis.uk.com/Meetings/tabid/70/ctl/ViewMeetingPublic/mid/397/Meeting/913/Committee/63/Default.aspx

Cambridgeshire and Peterborough Combined Authority
Capital Strategy Report 2020/21

Introduction

This capital strategy report gives a high-level overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of local public services along with an overview of how associated risk is managed and the implications for future financial sustainability. It has been written in an accessible style to enhance members' understanding of these sometimes technical areas.

Decisions made this year on capital and treasury management will have financial consequences for the Authority for many years into the future. They are therefore subject to both a national regulatory framework and to a local policy framework, summarised in this report.

Capital Expenditure and Financing

Capital expenditure is where an Authority spends money on assets, such as property or vehicles, that will be used for more than one year. In local government this includes spending on assets owned by other bodies, and loans and grants to other bodies enabling them to buy assets.

In 2020/21, the Authority is planning capital expenditure of £173.53m as summarised below.

Table 1: Prudential Indicator: Estimates of Capital Expenditure in £ millions

	2018/19 actual	2019/20 forecast	2020/21 budget	2021/22 budget
Capital investments	60.82	92.35	173.53	81.12
TOTAL	60.82	92.35	173.53	81.12

The budget figures for 2020/21 and 2021/22 are taken from the Approved Capital Expenditure Programme as set out and described in the Medium Term Financial Plan which was approved by the Board in January 2020.

Governance:

The Combined Authority's Assurance Framework sets out:

(a) How the seven principles of public life shape the culture within the Combined Authority in undertaking its roles and responsibilities in relation to the use and administration of the Cambridgeshire and Peterborough Investment, incorporating the Single Pot funding. This culture is developed and underpinned by processes, practices and procedures.

(b) The respective roles and responsibilities of the Combined Authority, the Local Enterprise Partnership and the Section 73 Officer, in decision-making and ways of working is set out in the terms of reference of the Business Board and forms part of the Combined Authority and the Local Enterprise Partnership constitutions.

(c) The key processes for ensuring accountability, including public engagement, probity, transparency, legal compliance and value for money.

(d) How potential investments to be funded through the Cambridgeshire and Peterborough Medium Term Financial Plan, incorporating the Single Pot, will be appraised, prioritised, approved, signed off and delivered.

(e) The processes for oversight of projects, programmes and portfolios and how the progress and impacts of these investments will be monitored and evaluated.

All capital expenditure must be financed, either from external sources (government grants and other contributions), the Authority's own resources (revenue, reserves and capital receipts) or debt (borrowing, leasing and Private Finance Initiative). The planned financing of the above expenditure is as follows:

Table 2: Capital financing in £ millions

	2018/19 actual	2019/20 forecast	2020/21 budget	2021/22 budget
Gainshare Capital/TCF	5.15	7.67	55.39	32.92
Housing Capital	13.89	50.30	44.61	23.47
Highways Maintenance Grant	23.08	23.54	23.08	23.08
Local Growth Fund	15.67	6.08	50.45	1.65
Other (2019/20 – NPIF)	3.03	4.76	0	0
Debt	0	0	0	0
TOTAL	60.82	92.35	173.53	81.12

Debt is only a temporary source of finance, since loans and leases must be repaid, and this is therefore replaced over time by other financing, usually from revenue which

is known as minimum revenue provision (MRP). Alternatively, proceeds from selling capital assets (known as capital receipts) may be used to replace debt finance.

The Combined Authority currently does not have any debt and has no immediate plans to obtain debt. There is however provision in the draft budget and MTFP to service debt up to the current agreed debt cap.

The Authority's cumulative outstanding amount of debt finance is measured by the capital financing requirement (CFR). This increases with new debt-financed capital expenditure and reduces with MRP and capital receipts used to replace debt. The Authority currently has no debt and therefore no CFR.

The Authority expects that its capital financing requirement will be nil on 31st March 2020 and in line with the MHCLG Guidance expects to charge no MRP in 2020/21.

For capital expenditure loans to third parties that are repaid in annual or more frequent instalments of principal, the Authority will make nil MRP, but will instead apply the capital receipts arising from principal repayments to reduce the capital financing requirement instead.

Where loans are made from grant funds, there will be no Capital Finance Requirement and therefore no MRP. Where loans are made from the Treasury top up fund, where creditworthiness of the borrower decreases or the asset value drops below the loan value, MRP will be charged on the shortfall.

Asset disposals: When a capital asset is no longer needed, it may be sold so that the proceeds, known as capital receipts, can be spent on new assets or to repay debt. Repayments of capital grants, loans and investments also generate capital receipts.

Treasury Management

Treasury management is concerned with keeping sufficient but not excessive cash available to meet the Authority's spending needs, while managing the risks involved. Surplus cash is invested until required, while a shortage of cash will be met by borrowing, to avoid excessive credit balances or overdrafts in the bank current account. The Authority is typically cash rich in the short-term as revenue income is received before it is spent.

As at 29 February 2020, the Authority had no borrowing and £170.2m treasury investments at an average rate of 0.84%

Borrowing strategy: The Authority's main objectives when borrowing are to achieve a low but certain cost of finance while retaining flexibility should plans change in future. These objectives are often conflicting, and the Authority therefore seeks to strike a balance between cheap short-term loans (currently available at around 0.75%) and long-term fixed rate loans where the future cost is known but higher (currently 2.0 to 3.0%).

Projected levels of the Authority's total outstanding debt (which comprises borrowing, PFI liabilities, leases are shown below, compared with the capital financing requirement (see above).

Table 4: Prudential Indicator: Gross Debt and the Capital Financing Requirement in £ millions

	31.3.2019 actual	31.3.2020 forecast	31.3.2021 budget	31.3.2022 budget
Debt (incl. PFI & leases)	0	0	0	0
Capital Financing Requirement	0	0	0	0

Statutory guidance is that debt should remain below the capital financing requirement, except in the short-term. The Authority expects to comply with this in the medium term.

Liability benchmark: To compare the Authority's actual borrowing against an alternative strategy, a liability benchmark is calculated showing the lowest risk level of borrowing. Given that there are no current plans to borrow, this benchmark is currently set at the existing debt cap, but will be kept under review.

Table 5: Borrowing and the Liability Benchmark in £ millions

	31.3.2019 actual	31.3.2020 forecast	31.3.2021 budget	31.3.2022 budget
Outstanding borrowing	0	0	0	0
Liability benchmark	0	0	84.81	84.61

Affordable borrowing limit: The Authority is legally obliged to set an affordable borrowing limit (also termed the authorised limit for external debt) each year and to keep it under review. In line with statutory guidance, a lower "operational boundary" is also set as a warning level should debt approach the limit.

Table 6: Prudential Indicators: Authorised limit and operational boundary for external debt in £m

	2019/20 limit	2020/21 limit	2021/22 limit
Authorised limit – total external debt	84.61	84.61	84.61
Operational boundary – total external debt	74.61	74.61	74.61

Treasury investment strategy: Treasury investments arise from receiving cash before it is paid out again. Investments made for service reasons or for pure financial gain are not generally considered to be part of treasury management.

The Authority's policy on treasury investments is to prioritise security and liquidity over yield, that is to focus on minimising risk rather than maximising returns. Cash that is likely to be spent in the near term is invested securely, for example with the government, other local authorities or selected high-quality banks, to minimise the risk of loss. Money that will be held for longer terms is invested more widely, including in bonds, shares and property, to balance the risk of loss against the risk of receiving returns below inflation. Both near-term and longer-term investments may be held in pooled funds, where an external fund manager makes decisions on which particular investments to buy and the Authority may request its money back at short notice.

Risk management: The effective management and control of risk are prime objectives of the Authority's treasury management activities. The treasury management strategy therefore sets out various indicators and limits to constrain the risk of unexpected losses and details the extent to which financial derivatives may be used to manage treasury risks.

Governance: Decisions on treasury management investment and borrowing are made daily and are therefore delegated to the Head of Finance and staff, who must act in line with the treasury management strategy approved by the Board. Regular reports on treasury management activity are presented to the Audit and Governance Committee who are responsible for ensuring effective scrutiny of the treasury management strategy and policies in accordance with CIPFA's Code of Practice.

Investments for Service Purposes

The Authority makes investments to assist local public services, including making loans to and buying shares in local service providers, local small businesses to promote economic growth and the Authority's subsidiaries that provide services. In light of the public service objective, the Authority is willing to take more risk than with treasury investments, however it still plans for such investments to break even after all costs.

Governance: Decisions on service investments are made by the relevant service manager in consultation with the Head of Finance and must meet the criteria and limits laid down in the investment strategy. Most loans and shares are capital expenditure and purchases and will therefore also be approved as part of the capital programme.

Commercial Activities

The Combined Authority currently does not invest in commercial property for financial gain

Liabilities

There are currently no commitments to make future payments in relation to debt, future payments to cover pension fund deficits or *other major liabilities*. There is currently no requirement to cover risks of other *provisions, financial guarantees or major contingent liabilities*.

Governance: Decisions on incurring new discretionary liabilities are taken by Directors in consultation with the Head of Finance. The risk of liabilities crystallising and requiring payment is monitored by the Finance team and reported to the Audit and Governance committee. New liabilities/loans are reported to the Board for approval/notification as appropriate.

Revenue Budget Implications

Although capital expenditure is not charged directly to the revenue budget, interest payable on loans and MRP are charged to revenue, offset by any investment income receivable. The net annual charge is known as financing costs; this is compared to the net revenue stream i.e. the amount funded from general government grants.

Table 7: Prudential Indicator: Proportion of financing costs to net revenue stream

	2018/19 actual	2019/20 forecast	2020/21 budget	2021/22 budget
Financing costs (£m)	0	0	£2.56m	£2.56m
Proportion of net revenue stream	0%	0%	15.1%	17.6%

Sustainability: Due to the very long-term nature of capital expenditure and financing, the revenue budget implications of expenditure incurred in the next few years will extend into the future. The Head of Finance is satisfied that the proposed capital programme is prudent, affordable and sustainable as demonstrated in the Medium-Term Financial Plan.

Knowledge and Skills

The Authority employs professionally qualified and experienced staff in senior positions with responsibility for making capital expenditure, borrowing and investment decisions. For example, the Head of Finance is a qualified accountant with 25 years post qualification experience. The Authority pays for staff to study towards relevant professional qualifications and for all qualified staff to keep up to date with relevant 'continuing professional development'.

Where Authority staff do not have the knowledge and skills required, use is made of external advisers and consultants that are specialists in their field. The Authority currently employs Arlingclose Limited as treasury management advisers and Peterborough City Council to provide a Capital and Treasury support service via a service level agreement. This approach is more cost effective than employing such staff directly and ensures that the Authority has access to knowledge and skills commensurate with its risk appetite.

Cambridgeshire and Peterborough Combined Authority Treasury Management Strategy Statement 2020/21

Introduction

Treasury management is the management of the Authority's cash flows, borrowing and investments, and the associated risks. The Authority has invested substantial sums of money and is therefore exposed to financial risks including the loss of invested funds and the revenue effect of changing interest rates. The successful identification, monitoring and control of financial risk are therefore central to the Authority's prudent financial management.

Treasury risk management at the Authority is conducted within the framework of the Chartered Institute of Public Finance and Accountancy's *Treasury Management in the Public Services: Code of Practice 2017 Edition* (the CIPFA Code) which requires the Authority to approve a treasury management strategy before the start of each financial year. This report fulfils the Authority's legal obligation under the *Local Government Act 2003* to have regard to the CIPFA Code.

Investments held for service purposes or for commercial profit are considered in a different report, the Investment Strategy.

External Context

Economic background: The UK's progress negotiating its exit from the European Union, together with its future trading arrangements, will continue to be a major influence on the Authority's treasury management strategy for 2020/21. More immediately, the effect of the coronavirus epidemic has depressed economic activity in some countries, particularly China, and is likely to have damaging repercussions for the global economy.

Since first appearing in China in December 2019, the coronavirus has now spread to around 40 countries and caused sharp falls in financial markets as part of a flight to quality into sovereign debt and other perceived 'safe' assets. The longer-term impact of the virus on global growth remains uncertain at the moment but as the number of cases and affected countries grows, the impact increases in severity, particularly given the importance of China in global trade. The Federal Reserve cut the Fed Funds policy rate by 0.50% to 1.0 – 1.25%, in order to restore investor confidence and cushion the impact of the virus on activity. Other central banks have followed suit, but this has not stopped a severe reaction in financial markets as investors project a sharp slowdown in global growth.

The UK economy flatlined in Q4 2019 as the political uncertainties surrounding the General Election and Brexit weighed on business and household sentiment. UK GDP

growth was flat in the fourth quarter of 2019, according to the initial estimate from the Office for National Statistics, down from an upwardly revised 0.5% in Q3. A recovery in various economic indicators in Q1 2020 suggested the resumption of confidence following the Election result, but expectations of a reduction in Bank Rate are high due to the impact of coronavirus.

Credit outlook: Credit Default Swap spreads have remained broadly flat since the start of 2020 and trading in a slightly tighter range compared to the last calendar quarter of 2019. Spreads have risen due to the onset of coronavirus, but remain low historically.

There were only a few credit updates over the period. Standard & Poor's revised the outlook on Clydesdale Bank to positive (and affirmed the long-term and short-term ratings) to reflect its view that as part of the Virgin Money group it has made good progress increasing its capital buffer and bail-in eligible liabilities. Moody's upgraded the long-term ratings of Barclays Bank Plc (non-ringfenced) to A1 and changed the outlook to stable, reflecting an improved operating performance and profitability prospects of the parent, Barclays Plc, which itself was updated to Baa2.

Interest rate outlook: The global economic outlook has rapidly deteriorated with the escalation and spread of coronavirus (COVID-19) to all regions and concerns over its scale and longevity. The economic shock is affecting both supply and demand sides of economies through disruption to trade; containment efforts by governments, corporates and individuals and the damage to sentiment could halve global growth from 2.9% to 1.5% in 2020 (OECD), with a worse case scenario of a sharper contraction and global recession.

Central banks have already responded in the US, Canada and Australia with interest rate cuts. Outgoing Bank of England Governor has commented the Bank's response will be "powerful and timely" and, in an emergency meeting on the 11th March 2020, the MPC cut the base rate by 0.5% reducing it to 0.25%.

The government will outline its public spending intentions in the March Budget and undertake substantial fiscal loosening in 2020/21. The Chancellor is now also expected to announce a package of measures to ease COVID-19's pressure on the health service, consumers and businesses. Nevertheless, activity will also hinge on COVID-19's global economic damage and outcome.

Chinese activity remains impaired despite a slowdown in cases. As one of the main drivers of global economic growth and its integral position in many global supply chains, a persistent downturn in its economy is having a global spill-over and wide-ranging ramifications. The UK economy is likely to face issues with supply, due to the global impact on supply chains, and demand, as individuals travel less frequently for both work and leisure. Economic growth will therefore be weak for H1 2020. Prior to the virus, the more stable political environment had prompted a partial return in business and

household confidence, and a bounce in economic activity and inflation. Whether this can be maintained or at least returned to during this year depends on the extent and duration of the virus impact.

	Mar-20	Jun-20	Sep-20	Dec-20	Mar-21	Jun-21	Sep-21	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23	Average
Official Bank Rate														
Upside risk	0.00	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.23
Arlingclose Central Case	0.50	0.25	0.25	0.25	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.44
Downside risk	0.50	0.25	0.25	0.25	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.44
3-month money market rate														
Upside risk	0.00	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.30	0.30	0.30	0.30	0.30	0.25
Arlingclose Central Case	0.50	0.25	0.25	0.25	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.44
Downside risk	0.50	0.25	0.25	0.25	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.44
1yr money market rate														
Upside risk	0.10	0.20	0.20	0.20	0.20	0.20	0.20	0.25	0.30	0.30	0.30	0.30	0.30	0.23
Arlingclose Central Case	0.65	0.40	0.45	0.60	0.70	0.70	0.70	0.70	0.70	0.70	0.70	0.70	0.70	0.65
Downside risk	0.30	0.30	0.40	0.60	0.60	0.65	0.65	0.65	0.65	0.65	0.65	0.65	0.65	0.57
5yr gilt yield														
Upside risk	0.35	0.35	0.35	0.35	0.35	0.35	0.35	0.35	0.35	0.40	0.45	0.45	0.45	0.38
Arlingclose Central Case	0.30	0.20	0.25	0.35	0.60	0.60	0.60	0.65	0.65	0.70	0.70	0.70	0.70	0.54
Downside risk	0.35	0.35	0.40	0.55	0.60	0.60	0.60	0.65	0.65	0.70	0.70	0.70	0.70	0.58
10yr gilt yield														
Upside risk	0.35	0.35	0.35	0.35	0.35	0.35	0.35	0.35	0.35	0.40	0.40	0.45	0.45	0.37
Arlingclose Central Case	0.50	0.40	0.45	0.60	0.65	0.70	0.70	0.75	0.75	0.80	0.80	0.85	0.85	0.68
Downside risk	0.50	0.50	0.60	0.70	0.65	0.70	0.65	0.70	0.70	0.70	0.70	0.70	0.70	0.65
20yr gilt yield														
Upside risk	0.35	0.35	0.35	0.35	0.35	0.35	0.35	0.35	0.35	0.40	0.40	0.45	0.45	0.37
Arlingclose Central Case	0.75	0.70	0.75	0.80	0.85	0.85	0.90	0.90	0.95	0.95	1.00	1.00	1.05	0.88
Downside risk	0.50	0.50	0.60	0.70	0.65	0.70	0.65	0.70	0.70	0.70	0.70	0.70	0.70	0.65
50yr gilt yield														
Upside risk	0.35	0.35	0.35	0.35	0.35	0.35	0.35	0.35	0.35	0.40	0.40	0.45	0.45	0.37
Arlingclose Central Case	0.75	0.70	0.75	0.80	0.85	0.85	0.90	0.90	0.95	0.95	1.00	1.00	1.05	0.88
Downside risk	0.50	0.50	0.60	0.70	0.65	0.70	0.65	0.70	0.70	0.70	0.70	0.70	0.70	0.65

PWLB Certainty Rate (Maturity Loans) = Gilt yield + 1.80%

PWLB Local Infrastructure Rate (Maturity Loans) = Gilt yield + 0.60%

Local Context

On 29th February 2020 the Authority held £nil borrowing and £170.2m of treasury investments.

The underlying need to borrow for capital purposes is measured by the Capital Financing Requirement (CFR), while usable reserves and working capital are the underlying resources available for investment.

The Authority is currently debt free and its capital expenditure plans do not currently imply any need to borrow over the forecast period. Investments are forecast to fall from current levels (end of Feb 2020) of £170m to £22m (end Mar 2024) as capital funding is used to finance capital expenditure as set out in the Capital programme and the Medium-Term Financial Plan.

CIPFA's *Prudential Code for Capital Finance in Local Authorities* recommends that the Authority's total debt should be lower than its highest forecast CFR over the next three years.

The Authority expects that its capital financing requirement will be nil on 31st March 2020 and in line with the MHCLG Guidance it expects to charge no MRP in 2020/21. The Combined Authority has no current requirement to borrow over the lifetime of the Medium Term Financial Plan and so the forecast CFR until 2024 is £nil.

Borrowing Strategy

The Authority currently does not hold any loans. The balance sheet forecast shows that the Authority does not expect to need to borrow in 2020/21. However, the Authority may borrow to pre-fund future years' requirements, providing this does not exceed the authorised limit for borrowing of £84.61 million.

Objectives: The Authority's chief objective when borrowing money is to strike an appropriately low risk balance between securing low interest costs and achieving certainty of those costs over the period for which funds are required. The flexibility to renegotiate loans should the Authority's long-term plans change is a secondary objective.

Strategy: The Authority's borrowing strategy will address the key issue of affordability without compromising the longer-term stability of any future debt portfolio. With short-term interest rates currently much lower than long-term rates, it is likely to be more cost effective in the short-term to either use internal resources, or to borrow short-term loans instead.

The benefits of internal / short-term borrowing will be monitored regularly against the potential for incurring additional costs by deferring borrowing into future years when long-term borrowing rates are forecast to rise modestly. Arlingclose will assist the Authority with this 'cost of carry' and breakeven analysis. Its output may determine whether the Authority borrows additional sums at long-term fixed rates in 2020/21 with a view to keeping future interest costs low, even if this causes additional cost in the short-term.

The government increased PWLB rates by 1% in October 2019 making it now a relatively expensive option. The Authority will now look to borrow any long-term loans from other sources including banks, pensions and local authorities, and will investigate the possibility of issuing bonds and similar instruments, in order to lower interest costs and reduce over-reliance on one source of funding in line with the CIPFA Code.

Alternatively, the Authority may arrange forward starting loans, where the interest rate is fixed in advance, but the cash is received in later years. This would enable certainty of cost to be achieved without suffering a cost of carry in the intervening period.

In addition, the Authority may borrow short-term loans to cover unplanned cash flow shortages.

Sources of borrowing: The approved sources of long-term and short-term borrowing are:

- Public Works Loan Board (PWLB) and any successor body

- any institution approved for investments (see below)
- any other bank or building society authorised to operate in the UK
- any other UK public sector body
- UK public and private sector pension funds (except the Combined Authority's Pension Fund)
- capital market bond investors
- UK Municipal Bonds Agency plc and other special purpose companies created to enable local authority bond issues

Other sources of debt finance: In addition, capital finance may be raised by the following methods that are not borrowing, but may be classed as other debt liabilities:

- leasing
- hire purchase
- Private Finance Initiative
- sale and leaseback

Municipal Bonds Agency: UK Municipal Bonds Agency plc was established in 2014 by the Local Government Association as an alternative to the PWLB. It plans to issue bonds on the capital markets and lend the proceeds to local authorities. This will be a more complicated source of finance than the PWLB for two reasons: borrowing authorities will be required to provide bond investors with a guarantee to refund their investment in the event that the agency is unable to for any reason; and there will be a lead time of several months between committing to borrow and knowing the interest rate payable. Any decision to borrow from the Agency will therefore be the subject of a separate report to the Board.

Short-term and variable rate loans: These loans leave the Authority exposed to the risk of short-term interest rate rises and are therefore subject to the interest rate exposure limits in the treasury management indicators below. Financial derivatives may be used to manage this interest rate risk (see section below).

Debt rescheduling: The PWLB allows authorities to repay loans before maturity and either pay a premium or receive a discount according to a set formula based on current interest rates. Other lenders may also be prepared to negotiate premature redemption terms. The Authority may take advantage of this in the future and replace some loans with new loans, or repay loans without replacement, where this is expected to lead to an overall cost saving or a reduction in risk.

Investment Strategy

The Authority holds significant invested funds, representing income received in advance of expenditure plus balances and reserves held. In the past 12 months, the Authority's investment balance has ranged between £160m and £260million, and levels are expected to be subject to the drawdown of funds to support the delivery of the Combined

Authority's priorities and objectives as set out in the Business Plan and the Medium-Term Financial Plan.

Objectives: The CIPFA Code requires the Authority to invest its funds prudently, and to have regard to the security and liquidity of its investments before seeking the highest rate of return, or yield. The Authority's objective when investing money is to strike an appropriate balance between risk and return, minimising the risk of incurring losses from defaults and the risk of receiving unsuitably low investment income. Where balances are expected to be invested for more than one year, the Authority will aim to achieve a total return that is equal or higher than the prevailing rate of inflation, in order to maintain the spending power of the sum invested.

Negative interest rates: If the UK enters into a recession in 2020/21, there is a small chance that the Bank of England could set its Bank Rate at or below zero, which is likely to feed through to negative interest rates on all low risk, short-term investment options. This situation already exists in many other European countries. In this event, security will be measured as receiving the contractually agreed amount at maturity, even though this may be less than the amount originally invested.

Strategy: Given the increasing risk and very low returns from short-term unsecured bank investments, the Authority will continue to diversify into more secure and/or higher yielding asset classes during 2020/21. A small proportion of the Authority's surplus cash is currently invested in short-term unsecured bank deposits, and money market funds.

Approved counterparties: The Authority may invest its surplus funds with any of the counterparty types in table 3 below, subject to the cash limits (per counterparty) and the time limits shown.

Table 3: Approved investment counterparties and limits

Credit rating	Banks unsecured	Banks secured	Government	Corporates	Registered Providers
UK Govt	n/a	n/a	£ Unlimited 50 years	n/a	n/a
AAA	£15m 5 years	£25m 20 years	£25m 50 years	£15m 20 years	£15m 20 years
AA+	£15m 5 years	£25m 10 years	£25m 25 years	£15m 10 years	£15m 10 years
AA	£15m 4 years	£25m 5 years	£25m 15 years	£15m 5 years	£15m 10 years
AA-	£15m 3 years	£25m 4 years	£25m 10 years	£15m 4 years	£15m 10 years
A+	£15m 2 years	£25m 3 years	£25m 5 years	£15m 3 years	£15m 5 years
A	£15m 13 months	£25m 2 years	£25m 5 years	£15m 2 years	£15m 5 years
A-	£15m 6 months	£25m 13 months	£25m 5 years	£15m 13 months	£15m 5 years
None	£1m 6 months	n/a	£25m 25 years	£10m 5 years	£15m 5 years
Pooled funds and real estate investment trusts		£25m per fund or trust			

This table must be read in conjunction with the notes below

Credit rating: Investment limits are set by reference to the lowest published long-term credit rating from a selection of external rating agencies. Where available, the credit rating relevant to the specific investment or class of investment is used, otherwise the counterparty credit rating is used. However, investment decisions are never made solely based on credit ratings, and all other relevant factors including external advice will be taken into account.

Banks unsecured: Accounts, deposits, certificates of deposit and senior unsecured bonds with banks and building societies, other than multilateral development banks. These investments are subject to the risk of credit loss via a bail-in should the regulator determine that the bank is failing or likely to fail. See below for arrangements relating to operational bank accounts.

Banks secured: Covered bonds, reverse repurchase agreements and other collateralised arrangements with banks and building societies. These investments are secured on the bank's assets, which limits the potential losses in the unlikely event of insolvency, and means that they are exempt from bail-in. Where there is no investment specific credit rating, but the collateral upon which the investment is secured has a credit

rating, the higher of the collateral credit rating and the counterparty credit rating will be used to determine cash and time limits. The combined secured and unsecured investments in any one bank will not exceed the cash limit for secured investments.

Government: Loans, bonds and bills issued or guaranteed by national governments, regional and local authorities and multilateral development banks. These investments are not subject to bail-in, and there is generally a lower risk of insolvency, although they are not zero risk. Investments with the UK Central Government may be made in unlimited amounts for up to 50 years.

Corporates: Loans, bonds and commercial paper issued by companies other than banks and registered providers. These investments are not subject to bail-in, but are exposed to the risk of the company going insolvent. Loans to unrated companies will only be made either following an external credit assessment or to a maximum of £10m per company as part of a diversified pool in order to spread the risk widely.

Registered providers: Loans and bonds issued by, guaranteed by or secured on the assets of registered providers of social housing and registered social landlords, formerly known as housing associations. These bodies are tightly regulated by the Regulator of Social Housing (in England), the Scottish Housing Regulator, the Welsh Government and the Department for Communities (in Northern Ireland). As providers of public services, they retain the likelihood of receiving government support if needed.

Pooled funds: Shares or units in diversified investment vehicles consisting of the any of the above investment types, plus equity shares and property. These funds have the advantage of providing wide diversification of investment risks, coupled with the services of a professional fund manager in return for a fee. Short-term Money Market Funds that offer same-day liquidity and very low or no volatility will be used as an alternative to instant access bank accounts, while pooled funds whose value changes with market prices and/or have a notice period will be used for longer investment periods.

Bond, equity and property funds offer enhanced returns over the longer term, but are more volatile in the short term. These allow the Authority to diversify into asset classes other than cash without the need to own and manage the underlying investments. Because these funds have no defined maturity date, but are available for withdrawal after a notice period, their performance and continued suitability in meeting the Authority's investment objectives will be monitored regularly.

Real estate investment trusts: Shares in companies that invest mainly in real estate and pay the majority of their rental income to investors in a similar manner to pooled property funds. As with property funds, REITs offer enhanced returns over the longer term, but are more volatile especially as the share price reflects changing demand for the shares as well as changes in the value of the underlying properties. Investments in REIT shares cannot be withdrawn but can be sold on the stock market to another investor.

Operational bank accounts: The Authority may incur operational exposures, for example through current accounts, collection accounts and merchant acquiring services, to any UK bank with credit ratings no lower than BBB- and with assets greater than £25 billion. These are not classed as investments, but are still subject to the risk of a bank bail-in, and balances will therefore be kept below £25m per bank. The Bank of England has stated that in the event of failure, banks with assets greater than £25 billion are more likely to be bailed-in than made insolvent, increasing the chance of the Authority maintaining operational continuity.

Risk assessment and credit ratings: Credit ratings are obtained and monitored by the Authority's treasury advisers, who will notify changes in ratings as they occur. Where an entity has its credit rating downgraded so that it fails to meet the approved investment criteria then:

- no new investments will be made,
- any existing investments that can be recalled or sold at no cost will be, and
- full consideration will be given to the recall or sale of all other existing investments with the affected counterparty.

Where a credit rating agency announces that a credit rating is on review for possible downgrade (also known as "rating watch negative" or "credit watch negative") so that it may fall below the approved rating criteria, then only investments that can be withdrawn on the next working day will be made with that organisation until the outcome of the review is announced. This policy will not apply to negative outlooks, which indicate a long-term direction of travel rather than an imminent change of rating.

Other information on the security of investments: The Authority understands that credit ratings are good, but not perfect, predictors of investment default. Full regard will therefore be given to other available information on the credit quality of the organisations in which it invests, including credit default swap prices, financial statements, information on potential government support, reports in the quality financial press and analysis and advice from the Authority's treasury management adviser. No investments will be made with an organisation if there are substantive doubts about its credit quality, even though it may otherwise meet the above criteria.

When deteriorating financial market conditions affect the creditworthiness of all organisations, as happened in 2008 and 2011, this is not generally reflected in credit ratings, but can be seen in other market measures. In these circumstances, the Authority will restrict its investments to those organisations of higher credit quality and reduce the maximum duration of its investments to maintain the required level of security. The extent of these restrictions will be in line with prevailing financial market conditions. If these restrictions mean that insufficient commercial organisations of high credit quality are available to invest the Authority's cash balances, then the surplus will be deposited with the UK Government via the Debt Management Office or invested in government treasury

bills for example, or with other local authorities. This will cause a reduction in the level of investment income earned but will protect the principal sum invested.

Investment limits: In order to minimise the risk of a single default against available reserves, the maximum that will be lent to any one organisation (other than the UK Government) will be £25m. A group of banks under the same ownership will be treated as a single organisation for limit purposes. Limits will also be placed on fund managers, investments in brokers' nominee accounts, foreign countries and industry sectors as below. Investments in pooled funds and multilateral development banks do not count against the limit for any single foreign country, since the risk is diversified over many countries.

Table 4: Investment limits

	Cash limit
Any single organisation, except the UK Central Government	£25m each
UK Central Government	unlimited
Any group of organisations under the same ownership	£25m per group
Any group of pooled funds under the same management	£50m per manager
Negotiable instruments held in a broker's nominee account	£50m per broker
Foreign countries	£25m per country
Registered providers and registered social landlords	£50m in total
Unsecured investments with building societies	£25m in total
Loans to unrated corporates	£40m in total
Money market funds	£100m in total
Real estate investment trusts	£50m in total

'Top Up' Fund

The Investment Strategy sets out provision for the Combined Authority to make 'service investments' from the £40m 'revolving' Housing Fund and the Local Growth Fund. Whilst the revolving £40m fund derives from the £100m grant funding for affordable housing, the 'top up' fund is 'treasury' cash, being earmarked for other projects within the Medium Term Financial Plan (MTFP), but available for investment until such time as they are required to be drawn down to fund delivery. The availability of these balances is identified within the Authority's cashflow forecast. The criteria for the use of these balances will be consistent with the fundamental treasury management concepts of 'Security' first, then 'Liquidity' and then 'Return'.

Security: The main risk when making service loans is that the borrower will be unable to repay the principal lent and/or the interest due. In order to limit this risk and ensure that total exposure to service loans remains proportionate to the cash balances available, upper limits on outstanding loans made from the 'top up' fund are limited to £40m in total and £10m to any individual borrower.

Risk assessment: The Authority would assess the risk of loss before entering into and whilst holding service loans. Loans are subject to the following risk assessment and mitigating actions:

- 1) An appropriate level of due diligence, to include the use of external advisors where appropriate.
- 2) An appropriate loan period and timing of repayments and within balances available as determined by the Combined Authority's Cashflow forecast.
- 3) The calculation of an interest rate that would represent 'value for money' be of 'no detriment' to the Combined Authority and to minimise the risk of State Aid challenge.
- 4) Approval being subject to a business case, due diligence and loan agreement to the satisfaction of the Chief Executive, Monitoring Officer and Chief Finance Officer.
- 5) The business case would be reviewed to include focus on:
 - a. Impact of existing loans and charges on assets
 - b. Accuracy and reasonableness of Cashflow and profit forecasts
 - c. Ambition of future sales targets and income to repay loan
 - d. Provisions/allowances for contingency, inflation
 - e. Review of credit worthiness of business and collateralisation of loan
- 6) First legal charge over land and assets
- 7) Regular review and valuation of the assets
- 8) Drawdown subject to a gateway process
- 9) Consideration of options of parent company guarantees
- 10) Consideration of obligations of S106 agreements

All loans are subject to approval by the Combined Authority Board.

Liquidity management: The Authority uses cash flow forecasting to determine the maximum period for which funds may prudently be committed. The forecast is compiled on a prudent basis to minimise the risk of the Authority being forced to borrow on unfavourable terms to meet its financial commitments. Limits on long-term investments are set by reference to the Authority's medium-term financial plan and cash flow forecast.

Treasury Management Indicators

The Authority measures and manages its exposures to treasury management risks using the following indicators.

Security: The Authority has adopted a voluntary measure of its exposure to credit risk by monitoring the value-weighted average credit score of its investment portfolio. This is

calculated by applying a score to each investment (AAA=1, AA+=2, etc.) and taking the arithmetic average, weighted by the size of each investment. Unrated investments are assigned a score based on their perceived risk.

Credit risk indicator	Target
Portfolio average credit rating	6 (A)

Liquidity: The Authority has adopted a voluntary measure of its exposure to liquidity risk by monitoring the amount of cash available to meet unexpected payments within a rolling three month period, without additional borrowing.

Liquidity risk indicator	Target
Total cash available within 3 months	£50m

Interest rate exposures: This indicator is set to control the Authority's exposure to interest rate risk:

Interest rate risk indicator	Limit
Upper limit on one-year revenue impact of a 1% <u>rise</u> in interest rates	£1m
Upper limit on one-year revenue impact of a 1% <u>fall</u> in interest rates	£1m

The impact of a change in interest rates is calculated on the assumption that maturing loans and investments will be replaced at current rates.

Time periods start on the first day of each financial year. The maturity date of borrowing is the earliest date on which the lender can demand repayment.

Principal sums invested for periods longer than a year (excluding loans): The purpose of this indicator is to control the Authority's exposure to the risk of incurring losses by seeking early repayment of its investments. The limits on the long-term principal sum invested to final maturities beyond the period end will be:

Price risk indicator	2020/21	2021/22	2022/23
Limit on principal invested beyond year end	£160m	£50m	£50m

Related Matters

The CIPFA Code requires the Authority to include the following in its treasury management strategy.

Financial Derivatives: Local authorities have previously made use of financial derivatives embedded into loans and investments both to reduce interest rate risk (e.g. interest rate collars and forward deals) and to reduce costs or increase income at the expense of greater risk (e.g. LOBO loans and callable deposits). The general power of competence in Section 1 of the *Localism Act 2011* removes much of the uncertainty over local authorities' use of standalone financial derivatives (i.e. those that are not embedded into a loan or investment).

The Authority will only use standalone financial derivatives (such as swaps, forwards, futures and options) where they can be clearly demonstrated to reduce the overall level of the financial risks that the Authority is exposed to. Additional risks presented, such as credit exposure to derivative counterparties, will be taken into account when determining the overall level of risk. Embedded derivatives, including those present in pooled funds and forward starting transactions, will not be subject to this policy, although the risks they present will be managed in line with the overall treasury risk management strategy.

Financial derivative transactions may be arranged with any organisation that meets the approved investment criteria. The current value of any amount due from a derivative counterparty will count against the counterparty credit limit and the relevant foreign country limit.

In line with the CIPFA Code, the Authority will seek external advice and will consider that advice before entering into financial derivatives to ensure that it fully understands the implications.

Markets in Financial Instruments Directive: The Authority has opted up to professional client status with its providers of financial services, allowing it access to a greater range of services but without the greater regulatory protections afforded to individuals and small companies. Given the size and range of the Authority's treasury management activities, the Chief Financial Officer believes this to be the most appropriate status.

Financial Implications

The budget for investment income in 2020/21 is £1.02 million, based on the expected investment portfolio. The budget for debt interest paid in 2020/21 is £2.56 million, based on the maximum debt cap available to the authority calculated at the current PWLB 25 year borrowing rate.

Other Options Considered

The CIPFA Code does not prescribe any particular treasury management strategy for local authorities to adopt. The Chief Financial Officer, having consulted the Portfolio Holder for Investment and Finance, believes that the above strategy represents an appropriate balance between risk management and cost effectiveness. Some alternative strategies, with their financial and risk management implications, are listed below.

Alternative	Impact on income and expenditure	Impact on risk management
Invest in a narrower range of counterparties and/or for shorter times	Interest income will be lower	Lower chance of losses from credit related defaults, but any such losses may be greater
Invest in a wider range of counterparties and/or for longer times	Interest income will be higher	Increased risk of losses from credit related defaults, but any such losses may be smaller
Borrow additional sums at long-term fixed interest rates	Debt interest costs will rise; this is unlikely to be offset by higher investment income	Higher investment balance leading to a higher impact in the event of a default; however long-term interest costs may be more certain
Borrow short-term or variable loans instead of long-term fixed rates	Debt interest costs will initially be lower	Increases in debt interest costs will be broadly offset by rising investment income in the medium term, but long-term costs may be less certain
Reduce level of borrowing	Saving on debt interest is likely to exceed lost investment income	Reduced investment balance leading to a lower impact in the event of a default; however long-term interest costs may be less certain

Appendix B – Existing Investment & Debt Portfolio Position

	29 Feb 2020 Actual Portfolio £m	Average Rate %
External borrowing:		
Public Works Loan Board	0	
Local authorities	0	
LOBO loans from banks	0	
Other loans	0	
Total external borrowing	0	
Total gross external debt	0	
Treasury investments:		
Banks & building societies (unsecured)	6.2	0.55
Government (incl. local authorities)	154.0	0.86
Money Market Funds	10.0	0.72
Total treasury investments	170.2	0.84
Net debt	(170.2)	

Cambridgeshire and Peterborough Combined Authority Investment Strategy Report 2020/21

Introduction

The Authority invests its money for three broad purposes:

- because it has surplus cash as a result of its day-to-day activities, for example when income is received in advance of expenditure (known as **treasury management investments**),
- to support local public services, skills or economic growth by lending to or buying shares in other organisations (**service investments**), and
- to earn investment income (known as **commercial investments** where this is the main purpose).

This investment strategy meets the requirements of statutory guidance issued by the government in January 2018 and focuses on the second and third of these categories.

Treasury Management Investments

The Authority typically receives its income in cash (e.g. from grants) before it pays for its expenditure in cash (e.g. through payroll, invoices and grants). It also holds reserves for future expenditure. These activities, plus the timing of borrowing decisions, lead to a cash surplus which is invested in accordance with guidance from the Chartered Institute of Public Finance and Accountancy. The balance of treasury management investments is expected to fluctuate between £150m and £300m during the 2020/21 financial year.

Contribution: The contribution that these investments make to the objectives of the Authority is to support effective treasury management activities.

Further details: Full details of the Authority's policies and its plan for 2020/21 for treasury management investments are covered in a separate document, the treasury management strategy.

Service Investments: Loans

Contribution: The Council lends money to its subsidiaries and local businesses to support local public services, to support the provision of affordable housing and to stimulate local economic growth and skills development.

Revolving Housing Fund

In September 2018, the Combined Authority Board approved the creation of a £40m revolving fund from the £100m fund receivable from central government to bring forward 2,000 affordable homes by March 2022.

The £40m fund will gradually grow over time through financial investment, including the provision of loans to re-invest into more housing schemes.

Key objectives and principles in the service investments within the Housing Strategy include the following:

- To accelerate housing delivery to support Economic Growth.
- To create Prosperous Places where people want to live.
- To expand housing choices and opportunity through promotion of steps to promote home ownership using alternative tenure structures, potential starter homes and more shared ownership schemes.
- Promoting all Housing (not just affordable) that is in addition to the existing development pipeline and encourage accelerated delivery within adopted local plans.
- Be creative, in using a range of financial delivery mechanisms that have not traditionally been a method through which public sector organisations have supported and delivered housing. This aims to create a revolving fund that will outlast the £170m programme that will help to meet the longer term target of an additional 100,000 homes by 2037.
- An ambition to deliver 40,000 affordable homes within the same time period, to help address the affordability of housing, particularly for key workers, first time buyers and those in low and medium paid employment who cannot easily access the home ownership market without family or other third party support. This will support more sustainable communities.
- To support the spread of Community Land Trusts (CLT's) which support their local communities.
- Ensuring that housing supports the most vulnerable by offering increased choice and affordability for those requiring specialist care.
- Supporting infrastructure to enable new housing schemes through a co-ordinated approach, particularly regarding transport by making strong links across strategies and projects within the Combined Authority.
- Encouraging best use of all property assets, bringing homes that are currently excluded from the market back into market use and supporting the creation of new homes from existing built assets not currently in residential use.
- To consider using the combined authorities borrowing powers to help to accelerate schemes using financial mechanisms, where it aligns to the overall Combined Authority Investment strategy.

Local Growth Fund Loans

The CPCA offers capital loans to local companies, and other Local Authorities, on the advice of the Business Board, where the projects are considered to achieve value for money and fit with the strategic direction set out in the Local Industrial

Strategy. In 2020-21 the value of loans made available via this programme is estimated to stand at £6.6m

Security: The main risk when making service loans is that the borrower will be unable to repay the principal lent and/or the interest due. In order to limit this risk, and ensure that total exposure to service loans remains proportionate to the size of the Authority, upper limits on the outstanding loans to each category of borrower have been set as follows:

Table 1: Loans for service purposes in £ millions

Category of borrower	31.3.2019 actual			2020/21
	Balance owing	Loss allowance	Net figure in accounts	Approved Limit
Subsidiaries	0.000	0.000	0.000	20.000
Local businesses	7.227	0.000	7.227	90.000
TOTAL	7.227	0.000	7.227	110.000

Accounting standards require the Authority to set aside loss allowance for loans, reflecting the likelihood of non-payment. The figures for loans in the Authority's statement of accounts are shown net of this loss allowance. However, the Authority makes every reasonable effort to collect the full sum lent and has appropriate credit control arrangements in place to recover overdue repayments.

Risk assessment: The Authority would assess the risk of loss before entering into and whilst holding service loans. The Combined Authority approved its first loan in May 2018 and used this agreement as a 'proof of concept'. All future loans would be subject to the following risk assessment and mitigating actions:

- 1) An appropriate level of due diligence, to include the use of external advisors where appropriate.
- 2) An appropriate loan period and timing of repayments
- 3) The calculation of an interest rate that would represent 'value for money' be of 'no detriment' to the Combined Authority and to minimise the risk of State Aid challenge
- 4) Approval being subject to a business case, due diligence and loan agreement to the satisfaction of the Chief Executive, Monitoring Officer and Chief Finance Officer.
- 5) The business case would be reviewed to include focus on:
 - a. Impact of existing loans and charges on assets
 - b. Accuracy and reasonableness of Cashflow and profit forecasts
 - c. Ambition of future sales targets and income to repay loan
 - d. Provisions/allowances for contingency, inflation

- e. Review of credit worthiness of business and collateralisation of loan
- 6) First legal charge over land and assets
- 7) Regular review and valuation of the assets
- 8) Drawdown subject to a gateway process
- 9) Consideration of options of parent company guarantees
- 10) Consideration of obligations of S106 agreements

All loans are subject to approval by the Combined Authority Board.

‘Top Up’ Fund

The Treasury Management Strategy sets out provision for the Combined Authority to make ‘service investments’ from Treasury balances. Whilst the revolving £40m fund derives from the £100m grant funding for affordable housing, the ‘top up’ fund is ‘treasury’ cash, being earmarked for other projects within the Medium Term Financial Plan (MTFP), but available for investment until such time as they are required to be drawn down to fund delivery. The availability of these balances is identified within the Authority’s cashflow forecast. The criteria for the use of these balances will be consistent with the fundamental treasury management concepts of ‘Security’ first, then ‘Liquidity’ and then ‘Return’.

Service Investments: Shares

Contribution: The Council invests in the shares of its subsidiaries and local businesses to support local public services and stimulate local economic growth. Currently the CPCA owns shares in its wholly owned subsidiaries (Angle Holdings Ltd and Angle Developments East Ltd) and in the Med-tech accelerator which provides loans to SMEs in the bio-medical field to develop novel services and products, promoting GVA growth and job creation in the area.

The CPCA has approved a number of further service equity investments as part of its Business and Skills agenda, the shareholding agreements for these had not been finalised at the end of March 2020 however they are expected within the 2020-21 financial year and thus are accounted for in our indicators as set out below:

University of Peterborough Phase 1

Equity investment into a JV along with Peterborough City Council total of £23.5m.

The Growth Service

Approved by CPCA and involves equity investment of up to £7.7m of CPCA and LGF funding.

Other LGF equity investments

There are a number of smaller equity investments made within the Local Growth Fund programme, these total £5.7m currently awarded with a further pipeline of up to £5.5m.

Capital Growth Scheme Investments

In November 2019, the Combined Authority Board approved the creation of a £12m partially revolving fund of which £5.46m is earmarked for small scale equity investments into SMEs or larger companies who require investment at the higher level from £150k to £250k. These provide working capital to fund growth projects which unlock growth in jobs or scale a company to secure more income generation and jobs at a level where private sector equity finance is lacking due to its focus on high-tech, Intellectual Property (IP) based start-ups and much higher growth rates, which typically favour much higher value equity investments of at least £250k up to £2m and higher.

For this scheme, the following phases of administration apply:

1. Establish evaluation panel – create a panel of representatives who will appraise the applications and ensure there are sufficient funds available and that projects are prioritised according to outcomes and need
2. Receiving Applications – administrative support to receive and check applications.
3. Reviewing Applications – administrative support to check applications are complete and all associated documentation supporting the application is included
4. Financial due diligence check – carry out checks that the funds will be utilised correctly, the business is viable, the project is as described in the application, there is no potential for reputational damage and the project will deliver the outcomes as set out
5. State aid check – that there has been independent legal advice sought by the applicant and the grant administrator has checked this
6. Financial processes for payments and repayments – establish the routines for financially managing the share-holding and repayment requirements
7. Legal agreements/contracts - develop shareholding agreements– ensure legal advice is in place to agree contracts with applicants
8. Audit arrangements – establish mechanism for financial audit of accounts

Security: One of the risks of investing in shares is that they fall in value meaning that the initial outlay may not be recovered. In order to limit this risk, upper limits on the sum invested in each category of shares have been set as follows:

Table 2: Shares held for service purposes in £ millions

Category of company	31.3.2019 actual			2020/21
	Amounts invested	Gains or losses	Value in accounts	Approved Limit
Subsidiaries	0.000	0.000	0.000	40.000
Local businesses	0.341	0.132	0.209	7.000
TOTAL	0.341	0.132	0.209	47.000

Risk assessment: The Authority would assess the risk of loss before entering into and whilst holding shares. The approach followed would be to consider:

- 1) an assessment of the market that the Authority would be competing in, the nature and level of competition, how market/customer needs will evolve over time, barriers to entry and exit and any ongoing investment requirements;
- 2) whether to use external advisors;
- 3) risk assessment based on credit ratings and the use of credit rating agencies;
- 4) the monitoring of risk in accordance with the Combined Authority's risk management policy.

Liquidity: Investments will be subject to the drawdown requirements of the Capital programme as set out in the Medium-Term Financial Plan and as monitored in the monthly cashflow forecast.

Non-specified Investments: Shares are the only investment type that the Authority has identified that meets the definition of a non-specified investment in the government guidance. The limits above on share investments are therefore also the Authority's upper limits on non-specified investments. The Authority has not adopted any procedures for determining further categories of non-specified investment since none are likely to meet the definition.

Commercial Investments: Property

The Authority currently does not invest in property with the intention of making a profit that will be spent on local public services and has no immediate plans to do so. In the event that commercial property investments would be held in future, the Authority would consider the following:

Security: In accordance with government guidance, the Authority considers a property investment to be secure if its accounting valuation is at or higher than its purchase cost including taxes and transaction costs.

Risk assessment: The Authority would assess the risk of loss before entering into and whilst holding property investments. The approach followed would be to consider:

- 1) A full due diligence exercise covering an assessment of: the property business plan, including sensitivity and scenario analysis; the credit quality of incumbent tenants (if any); the local property market, including demand, availability and voids in current similar commercial stock; the area's economic outlook and potential; how market/customer needs will evolve over time; barriers to entry and exit and any ongoing investment requirements;
- 2) Where in-house expertise does not cover the relevant investment opportunity, we will use external advisors for all/part of the due diligence and any other specialist areas;
- 3) External advice will be monitored by relevant officers, including adherence to deadlines, regular advisory meetings and adherence to project objectives;

- 4) The risk assessment will include credit ratings as part of the overall in-depth credit assessment of tenants. The creditworthiness of tenants will be monitored on a regular basis, using external expertise where necessary to give a credit view and an early warning of possible issues. As landlord, the Authority will maintain open dialogue with tenants, including discussion of financial stress;
- 5) The Authority will monitor the performance of the property asset against business plans throughout the life of the asset, assessing its performance and contribution of continued investment against the probable returns from sale.

Liquidity: Compared with other investment types, property is relatively difficult to sell and convert to cash at short notice and can take a considerable period to sell in certain market conditions. Each potential investment would be considered to ensure that the invested funds can be accessed when they are needed, for example to repay capital borrowed.

Loan Commitments and Financial Guarantees

Although not strictly counted as investments, since no money has exchanged hands yet, loan commitments and financial guarantees carry similar risks to the Authority and were the Authority to enter into any, a process in line with that taken for service loans, as set out above, would be followed, including a calculation of a loss allowance where appropriate.

Investment Indicators

The Authority has set the following quantitative indicators to allow elected members and the public to assess the Authority's total risk exposure as a result of its investment decisions.

Total risk exposure: The first indicator shows the Authority's total exposure to potential investment losses. This includes amounts the Authority is contractually committed to lend but have yet to be drawn down.

Table 3: Total investment exposure in £millions

Total investment exposure	31.03.2019 Actual	31.03.2020 Forecast	31.03.2021 Forecast
Treasury management investments	166.800	150.000	50.000
Service investments: Loans	7.227	50.000	110.000
Service investments: Shares	0.209	1.000	47.000
TOTAL INVESTMENTS	174.236	161.000	207.000
Commitments to lend	30.900	10.000	10.000
TOTAL EXPOSURE	205.136	201.000	217.000

How investments are funded:

To date, all investments are funded by the Authority's useable reserves and income received in advance of expenditure. There are no immediate plans to borrow.

Rate of return received: This indicator shows the investment income received less the associated costs, including the cost of borrowing where appropriate, as a proportion of the sum initially invested. Note that due to the complex local government accounting framework, not all recorded gains and losses affect the revenue account in the year they are incurred.

Table 4: Investment rate of return

Investments net rate of return	2018/19 Actual	2019/20 Forecast	2020/21 Forecast
Treasury management investments	0.790%	0.824%	0.600%
Service investments - Loans	0.000%	3.290%	4.000%
ALL INVESTMENTS	0.790%	1.200%	1.200%

**Cambridgeshire and Peterborough Combined Authority
Minimum Revenue Provision Statement 2020/21**

Annual Minimum Revenue Provision Statement 2020/21

Where the Authority finances capital expenditure by debt, it must put aside resources to repay that debt in later years. The amount charged to the revenue budget for the repayment of debt is known as Minimum Revenue Provision (MRP), although there has been no statutory minimum since 2008. The Local Government Act 2003 requires the Authority to have regard to the Ministry of Housing, Communities and Local Government's *Guidance on Minimum Revenue Provision* (the MHCLG Guidance) most recently issued in 2018.

The broad aim of the MHCLG Guidance is to ensure that capital expenditure is financed over a period that is either reasonably commensurate with that over which the capital expenditure provides benefits, or, in the case of borrowing supported by Revenue Grant, reasonably commensurate with the period implicit in the determination of that grant.

The MHCLG Guidance requires the Authority to approve an Annual MRP Statement each year and recommends a number of options for calculating a prudent amount of MRP. The following statement incorporates options recommended in the Guidance.

- The Authority expects that its capital financing requirement will be nil on 31st March 2020 and in line with the MHCLG Guidance it expects to charge no MRP in 2020/21.
- For capital expenditure loans to third parties that are repaid in annual or more frequent instalments of principal, the Authority will make nil MRP, but will instead apply the capital receipts arising from principal repayments to reduce the capital financing requirement instead.
- Where loans are made from grant funds, there will be no Capital Finance Requirement and therefore no MRP.
- Where loans are made from the Treasury top up fund, where creditworthiness of the borrower decreases or the asset value drops below the loan value, MRP will be charged on the shortfall.
- The table below summarises the MRP Policy.

Capital Expenditure Incurred	MRP Policy
Expenditure funded by unsupported borrowing	Asset Life, annuity method – MRP will be based on the prevailing PWLB interest rate for a loan with a term equivalent to the estimated life of the project.
Finance Leases	Charged in relation to asset life on the annuity method
Secured Loans to third parties repaid in bullet form.	No MRP will be charged as reliance can be placed on the capital receipt that will be generated when the loan is repaid or, in the event of a default, the realisation of the security. If realisation of the security does not equate to the original loaned amount, the Authority will recognise the associated impairment and will charge MRP on the outstanding balance.



CAMBRIDGESHIRE AND PETERBOROUGH COMBINED AUTHORITY BOARD	AGENDA ITEM No: 3.1
25 MARCH 2020	PUBLIC REPORT

MARKET TOWNS PROGRAMME – APPROVAL OF MASTERPLANS FOR HUNTINGDONSHIRE

1.0 PURPOSE

- 1.1. The Combined Authority is working closely with Town Councils, District Councils, the County Council and local partners across Huntingdonshire, Fenland and East Cambridgeshire to deliver 11 key market town masterplans. The Market Towns Programme is supported by revenue investment from the Combined Authority for each market town to commission the new research and analysis required to deliver the bold growth ambitions.
- 1.2. The purpose of this paper is to request Combined Authority Board approval of 'Prospectus for Growth' Market Town Masterplans produced for the Huntingdonshire towns of St Ives, Huntingdon, and Ramsey.

<u>DECISION REQUIRED</u>	
Lead Member:	Mayor James Palmer
Lead Officer:	John T Hill, Director for Business & Skills
Forward Plan Ref: 2020/015	Key Decision: Yes
The Combined Authority Board is recommended to: (a) Approve the Huntingdonshire 'Prospectus for Growth' Market Town Masterplans produced for St Ives, Huntingdon and Ramsey.	Voting arrangements Simple majority of all Members

2.0 BACKGROUND

- 2.1. A third of our population lives in market towns, with nearly as many again living in surrounding areas and, although links with our core cities are vital, investment and attention has often favoured cities and forgotten the role that market towns play for our region. Alongside this under-investment towns are facing many external pressures like declining town centres and high streets, an ageing population and a reduction of in-town job opportunities leading to more outward commuting.
- 2.2. The Combined Authority is committed to the future prosperity and success of every market town in the county and is investing in making this a reality by supporting market towns as economic and social hubs. This approach gives each town its own starting point, and the evidence base in order to tailor and customise interventions to meet the distinctive needs of each local economy.
- 2.3. There is no one-size-fits-all solution – and the Combined Authority is providing investment that adds value by helping towns clarify and reassess their priorities for future growth. In this way the identity and role of each town will be brought to prominence and enable each town to grow their economies and contribute to the overall doubling of our gross value added (GVA) over the next 25 years.
- 2.4. The strategic need, economic and commercial case for the projects will be examined and a programme of proposed interventions will be presented to the Combined Authority Board for each town. The Combined Authority is providing additional capital investment to mobilise each town masterplan and to act as a funding catalyst to securing additional investment
- 2.5. Following this process, the Combined Authority retains a strategic partner role – ensuring that county-wide decisions meet the needs of each town masterplan, and lobbying Government for further resource to deliver high-growth towns (and to promote the concept of place-based interlinked growth strategies).
- 2.6. This focus on market towns has been heralded by Government, by the Cambridgeshire and Peterborough Independent Economic Commission, and by other partners as a bold and progressive step towards inclusive growth.
- 2.7. Following a successful pilot scheme undertaken in St Neots, the Combined Authority Board agreed to provide funding to create masterplans for a further 10 key market towns within the CPCA area at the Board meeting held on 28 March 2018. The 11 Market Towns are: St Neots, St Ives, Huntingdon, Ramsey, March, Wisbech, Chatteris, Whittlesey, Ely, Littleport and Soham.
- 2.8. With the aim of bringing jobs, infrastructure and growth, the masterplans would enable each town to become and remain "vibrant and thriving places" whilst helping to boost the local and regional economy. A commitment of £50k revenue support was made by the Combined Authority to produce a masterplan for each of the key towns.

Huntingdonshire Prospectus for Growth Market Town Masterplans

- 2.9. The master planning project for Huntingdonshire was given a working title of 'Prospectus for Growth' which linked the proposed growth of the local market towns. The project was developed alongside a team of Huntingdonshire District Council (HDC) officers.
- 2.10. Following the successful St Neots pilot project, a procurement exercise was undertaken to appoint economic specialists to help deliver a 'Prospectus for Growth' Market Town Masterplan for St Ives, Huntingdon, and Ramsey. Metro Dynamics were appointed having demonstrated substantial masterplanning experience. They also had in depth knowledge of the local area having been the lead consultant for producing the Cambridgeshire and Peterborough Independent Economic Review (CPIER).
- 2.11. Town Teams were convened for each market town, including representatives from Town, District and County Councils as well as community and business representatives, and students from local high schools.
- 2.12. The Town Teams were asked about the strengths in their towns and what improvements could be made. Metro Dynamics also carried out extensive research and data collection in relation to various factors including:
- Population demographics
 - Retail information (including vacancy rates on the High Street)
 - Transport connectivity and commuter information
 - Occupation categories
 - Housing numbers and planned developments
 - Access to the countryside
 - Educational attainment
 - Job opportunities
 - Health stats
- 2.13. The information was collated to produce an interim report for each of the towns which were discussed with each town team.
- 2.14. Once the interim reports were agreed and published, public consultation was carried out through face to face interaction at public events. Stakeholders and wider town teams were also engaged through themed meetings and telephone interviews. The results of the consultation were used to further tailor the reports to ensure that they reflected the views of the local community.
- 2.15. The Huntingdonshire Prospectus for Growth market town masterplan programme has the potential to drive a re-branding exercise for the area following successful delivery of the pilot masterplan for St Neots, where it has helped to drive economic growth, and to strengthen the business case for the Future High Streets Fund town bid.

- 2.16. The Huntingdonshire Prospectus for Growth Market Town Masterplans outlines several proposals to drive economic growth whilst celebrating the unique character and strengths of each individual town and local area.
- 2.17. Funding opportunities will be sought from the Combined Authority and other sources to deliver the proposals outlined in the masterplans. Delivery will be further improved through attracting external funding to deliver the outlined projects whilst linking with other initiatives being delivered in the local area.
- 2.18. The final Masterplan reports are attached as Appendices 1 to 3.

3.0 CONSULTATION WITH LOCAL COUNCILS

- 3.1. The individual masterplans were consulted with councils, local businesses, community groups, and Councillors. Three town team meetings were held for each town:
- The first meeting was principally to gather information on the town, and included a walk around the town centre to gather impressions;
 - The second meeting featured presenting back initial analysis of the town, bringing together the previous discussion with available data at the town level. It also set out initial ideas to respond to local challenges for discussion;
 - The third meeting was held with Mayor James Palmer, where the groups talked through a first draft of the report to get the views of everyone gathered.
- 3.2. The Prospectus for Growth masterplans have all been approved by Huntingdonshire District Council.

4.0 FINANCIAL IMPLICATIONS

- 4.1. There is £5m Combined Authority capital within the Medium Term Financial Plan (Market Towns Pump Priming) to support the implementation of the approved Market Town Masterplans. The development of masterplans is funded from revenue budget.
- 4.2. The Combined Authority funds are allocated to Market Towns, but will be subject to a call process and made available for bidding from June 2020. In order to secure funds, town teams and local authority leads will be invited to submit bids. All funding applications will be independently assessed in accordance with specific call specifications & criteria (including match funding and value for money), and against delivery of approved Masterplans.
- 4.3. The £5m Combined Authority funding will be shared equally across the 10 market towns, with town teams and local authority leads able to bid for up to

£500k of capital funding. Consideration will be given to a variety of funding proposals and applicants will have the opportunity to bid for one or few many investments or may want to fund several smaller scale interventions. Further details regarding the funding call will be made available before the end of May 2020.

5.0. LEGAL IMPLICATIONS

- 5.1. Market Town Masterplans are a key priority within the Combined Authority's Business Plan 2019-20 and the Constitution reserves to the Combined Authority Board decisions on the adoption, withdrawal or amendment of Market Town Masterplans.

6.0. OTHER SIGNIFICANT IMPLICATIONS

None.

7.0. APPENDICES

Appendices to follow:

- 7.1. Appendix 1 – St Ives 'Prospectus for Growth' Market Town Masterplan.
- 7.2. Appendix 2 – Huntingdon 'Prospectus for Growth' Market Town Masterplan.
- 7.3. Appendix 3 – Ramsey 'Prospectus for Growth' Market Town Masterplan.

<u>Background Papers</u>	<u>Location</u>
CA Board 28 March 2018 – reports	<u>CA Board 28 March 2018</u>



CAMBRIDGESHIRE AND PETERBOROUGH COMBINED AUTHORITY BOARD	AGENDA ITEM No: 4.1
25 MARCH 2020	PUBLIC REPORT

LANCASTER WAY A142/ A10 ROUNDABOUT IMPROVEMENTS

1.0 PURPOSE

- 1.1. To present a summary of the position on the A142/A10 roundabout scheme to date. This scheme is being managed by Cambridgeshire County Council and funded through developer contributions supported by Business Board funding.
- 1.2. The Transport and Infrastructure Committee was asked to consider whether to recommend a further Combined Authority financial contribution to enable the scheme to proceed and to recommend flexibility about project scope in order to manage remaining budget risks.
- 1.3. The proposals were discussed at the Transport and Infrastructure Committee meeting on 6 March 2020 where they were unanimously endorsed by those present.
- 1.4. The report to the Transport and Infrastructure Committee can be viewed at:

[https://cambridgeshirepeterboroughcagov.cmis.uk.com/Meetings/tabid/70/ctl/Vi
ewMeetingPublic/mid/397/Meeting/890/Committee/67/SelectedTab/Documents/
Default.aspx](https://cambridgeshirepeterboroughcagov.cmis.uk.com/Meetings/tabid/70/ctl/Vi
ewMeetingPublic/mid/397/Meeting/890/Committee/67/SelectedTab/Documents/
Default.aspx)

Item 10 refers.

<u>DECISION REQUIRED</u>	
Lead Member:	Mayor James Palmer
Lead Officer:	Paul Raynes, Director of Delivery and Strategy
Forward Plan Ref: KD2020/028	Key Decision: Yes
The Combined Authority Board is recommended to:	Voting arrangements

<p>(a) Approve a new additional budget of £1,168,243.20 from the 2020/21 single pot allocation to reflect current cost estimate, including a 20% risk allowance.</p> <p>(b) Grant the Director of Delivery and Strategy, in consultation with the Mayor, delegated authority to approve a reduction in the scope of the scheme to enable delivery of the BP Roundabout alone in the event of the risks set out at paragraph 2.7 of the report materialising.</p>	<p>A vote in favour, by at least two-thirds of all Members (or their Substitute Members) appointed by the Constituent Councils to include the Members appointed by Cambridgeshire County Council and Peterborough City Council, or their Substitute Members</p>
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2.0 CONSIDERATIONS

- 2.1 Please note, a revised table for item 2.6 for the Transport and Infrastructure Committee paper (6 March) is below:

Current funding contributions

Scheme Elements	Contributor	Amount
BP Roundabout	Grovemere and approved LGF funds	£930,000.00
BP roundabout total		£930,000.00
Lancaster Way	Cambridgeshire County Council Scheme development Fund Loan	£60,000.00
Lancaster Way	ECDC (CIL)	£150,000.00
Lancaster Way Total		£210,000.00
Combined Total	£1,140,000.00 minus £60,000.00 (CCC Loan)	£1,080,000.00

3.0 APPENDICES

- 3.1 None

<u>Background Papers</u>	<u>Location</u>
n/a	



CAMBRIDGESHIRE AND PETERBOROUGH COMBINED AUTHORITY BOARD	AGENDA ITEM No: 4.2
25 MARCH 2020	PUBLIC REPORT

ST NEOTS RIVER GREAT OUSE NORTHERN CROSSING CYCLE BRIDGE

1.0 PURPOSE

- 1.1. To summarise work to date on the St Neots Foot and Cycle Bridge and Regatta Meadows, confirm that the projected construction costs for the project now exceed the allocated budget and seek the agreement of the Combined Authority Board that the scheme should not proceed as it no longer meets the requirements for Value for Money set out in the Combined Authority's Assurance Framework.
- 1.2. It is proposed that the remaining £3.1m of funding allocated to the project should be re-allocated to projects within the St Neots Masterplan.
- 1.3. The proposals were discussed by the Transport and Infrastructure Committee on 6 March 2020 where they were unanimously endorsed by those present.
- 1.4. The report to the Transport and Infrastructure Committee on 6 March 2020 can be viewed at:

<https://cambridgeshirepeterboroughcagov.cmis.uk.com/Meetings/tabid/70/ctl/ViewMeetingPublic/mid/397/Meeting/890/Committee/67/SelectedTab/Documents/Default.aspx>

Item 7 refers.

<u>DECISION REQUIRED</u>	
Lead Member:	Mayor James Palmer
Lead Officer:	Paul Raynes, Director of Delivery and Strategy
Forward Plan Ref: KD2020/032	Key Decision: Yes
The Combined Authority Board is recommended to:	Voting arrangements

<p>(a) Agree that work on the St Neots Foot and Cycle Bridge should cease and the project be removed from the Combined Authority's Business Plan; and</p> <p>(b) Agree that the remaining funding allocated to the project be re-allocated to projects within the St Neots Masterplan.</p>	<p>A vote in favour, by at least two-thirds of all Members (or their Substitute Members) appointed by the Constituent Councils to include the Members appointed by Cambridgeshire County Council and Peterborough City Council, or their Substitute Members</p>
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2.0 CONSIDERATIONS

- 2.1 The report was added to the Forward Plan as a key decision on 13 March 2020 under the General Exception Rules after notice was given to Chair of the Overview and Scrutiny Committee and published on the Combined Authority's website. A copy of the General Exception notice is attached at Appendix 1.

3.0 APPENDICES

- 3.1 Appendix 1 - General Exception Notice: Published 13 March 2020

<u>Background Papers</u>	<u>Location</u>
n/a	

TO THE CHAIR OF THE CAMBRIDGESHIRE AND PETERBOROUGH COMBINED AUTHORITY'S OVERVIEW AND SCRUTINY COMMITTEE

THE COMBINED AUTHORITIES (OVERVIEW AND SCRUTINY COMMITTEES, ACCESS TO INFORMATION AND AUDIT COMMITTEES) ORDER 2017

GENERAL EXCEPTION PROCEDURE

ST NEOTS RIVER GREAT OUSE NORTHERN CROSSING CYCLE BRIDGE

The Combined Authority intends to make a Key Decision for which 28 days' notice has not been given and which has not previously been published on the Combined Authority's Forward Plan of Key Decisions as required by Article 11 of the Combined Authorities (Overview and Scrutiny Committees, Access to Information and Audit Committees) Order 2017. In those circumstances, the Key Decision may only be made after the Combined Authority's Monitoring Officer has informed the Chair of the Combined Authority's Overview & Scrutiny Committee by notice in writing of the matter about which the Key Decision is to be made and the Key Decision may only then be made after 5 clear days have elapsed following the publication of this Notice.

The Key Decision relates to St Neots River Great Ouse Northern Crossing Cycle Bridge and recommendations from the Transport & Infrastructure Committee to the Combined Authority Board, made at its meeting on 6 March 2020, that work on the St Neots Foot and Cycle Bridge should cease and the project be removed from the Combined Authority's Business Plan for 2020-21 and that the remaining funding allocated to the project be re-allocated to projects within the St Neots Masterplan.

These recommendations will be considered by the Combined Authority Board at its meeting on 25 March 2020.

It has not been practical to comply with Article 11 and provide 28 days notice of the Key Decision in the Forward Plan because until Cambridgeshire County Council provided the Combined Authority's officers with a feasibility report from its contractor which indicated that the overall construction cost for the bridge would be £7.4m it was not known that a Key Decision would be required. The allocated budget for the project is £3.7m.

If the making of the Key Decision were to be postponed beyond the Combined Authority Board's Meeting on 25 March 2020 to a later meeting it would prejudice Huntingdonshire District Council's ability to seek the reallocation of the funding. Huntingdonshire District Council wish to use the funding as match funding for a bid to the government's Future High Streets Fund [FHSF]. In order for that bid to proceed the budget from the bridge would have to be transferred to the Combined Authority's Gainshare budget which requires a decision from the Combined Authority Board. Unless the Key Decision is made promptly Huntingdonshire District Council will not be able to deal with any queries about match funding from the Ministry of Housing, Communities and Local Government about the bid in a timely manner. For these reasons it is not practical to give 28 days notice of the Key Decision in the Forward Plan.

Dermot Pearson

Interim Monitoring Office

Cambridgeshire and Peterborough Combined Authority

12 March 2020



CAMBRIDGESHIRE AND PETERBOROUGH COMBINED AUTHORITY BOARD	AGENDA ITEM No: 5.1
25 MARCH 2020	PUBLIC REPORT <i>The report to the Transport and Infrastructure Committee on 6 March 2020 contained appendices 1 and 3 which were exempt from publication under Part 1 of Schedule 12A of the Local Government Act 1972, as amended, in that it would not be in the public interest for this information to be disclosed (information relating to the financial or business affairs of any particular person (including the authority holding that information)). Two further exempt appendices (appendices 5 and 6) are appended to this report and are exempt from publication on the same basis.</i>

£100M AFFORDABLE HOUSING PROGRAMME (NON-GRANT): CAMBRIDGE CITY, HISTON ROAD, DEVELOPMENT LOAN TO LARAGH HOMES

1.0 PURPOSE

- 1.1. To seek approval from the Combined Authority Board for the provision of a 30 month repayable loan facility capped at £9.637m to Histon Road Development LLP for the development of a 27 unit housing scheme at 295-301 Histon Road, Cambridge, CB4 3NF.
- 1.2. The loan will be used to acquire the land and develop the site of 27 housing units that will include 10 affordable residential units.
- 1.3. Through this transaction the site will be delivered, without which the developer has advised that this will not happen due to constraints of a lack of funding from traditional High Street lenders and willing equity partners in the current economic climate.
- 1.4. Providing the loan will enable 10 affordable units to be delivered under the current S106 agreement, without which the scheme will not proceed in the foreseeable future. No grant is requested or involved.
- 1.5. The loan will be secured against a first charge on the land on which the property sits.

1.6. These proposals were discussed at the Housing and Communities Committee meeting on 9 March 2020 where they were endorsed by a majority of those present.

1.7. The report to the Housing and Communities Committee can be viewed at:

[https://cambridgeshirepeterboroughcagov.cmis.uk.com/Meetings/tabid/70/ctl/VewMeetingPublic/mid/397/Meeting/1957/Committee/65/SelectedTab/Documents/Default.aspx](https://cambridgeshirepeterboroughcagov.cmis.uk.com/Meetings/tabid/70/ctl/ViewMeetingPublic/mid/397/Meeting/1957/Committee/65/SelectedTab/Documents/Default.aspx)

Item 2.1 refers.

<u>DECISION REQUIRED</u>	
Lead Member:	Councillor Chris Boden, Lead Member for Housing
Lead Officer:	Roger Thompson, Director of Housing and Development
Forward Plan Ref: 2020/012	Key Decision: Yes
<p>The Combined Authority Board is recommended to:</p> <p>(a) Approve the provision of a loan facility of £9.637m to Histon Road Developments LLP for a scheme of 27 units based on the heads of terms detailed in exempt Appendix 1.</p> <p>(b) Delegate authority to the Director of Housing and Development, in consultation with the Lead Member for Housing, the Monitoring Officer and the Lead Member for Investment and Finance, to conclude any necessary legal documentation, including the determination of the interest rate to be charged and the security for the loan by way of a first charge upon the land.</p>	<p>Voting arrangements</p> <p>A simple majority of all Members</p>

2.0 CONSIDERATIONS

2.1 For the purposes of the board an executive summary of the financial proposition is attached in exempt Appendix 5.

- 2.2 The £40m revolving fund cumulative cashflow has been risk assessed in the event of delayed re-payments from the existing loan portfolio. This is shown in exempt Appendix 6.

3.0 APPENDICES TO THE REPORT TO THE HOUSING AND COMMUNITIES COMMITTEE 9 MARCH 2020

- 3.1 Exempt Appendix 1 - Heads of Terms for Loan Agreement between CPCA and Histon Road Developments LLP
- 3.2 Appendix 2 – Site location plan
- 3.3 Exempt Appendix 3 – Borrower’s Business Plan
- 3.4 Appendix 4 - £40m revolving fund cumulative cashflow
- 3.5 Exempt Appendix 5 - Executive summary of financial position
- 3.6 Exempt Appendix 6 - £40m revolving fund cumulative cashflow including delayed repayments risk

Public appendices are available to view at:

<https://cambridgeshirepeterboroughcagov.cmis.uk.com/Meetings/tabid/70/ctl/ViewMeetingPublic/mid/397/Meeting/1957/Committee/65/SelectedTab/Documents/Default.aspx>

Item 2.1 refers.

<u>Background Papers</u>	<u>Location</u>
Reports and minutes of the Combined Authority Board 26 September 2018	<u>Combined Authority Board 26 September 2018</u>



CAMBRIDGESHIRE AND PETERBOROUGH COMBINED AUTHORITY BOARD	AGENDA ITEM No: 6.1
25 MARCH 2020	PUBLIC REPORT

BUSINESS BOARD GOVERNANCE REVIEW

1.0 PURPOSE

- 1.1. To consider the findings of the Business Board Governance Review and approve the recommendations.
- 1.2. These proposals will be discussed by the Business Board on 23 March 2020. The report to the Business Board can be viewed at:

<https://cambridgeshirepeterboroughcagov.cmis.uk.com/Meetings/tabid/70/ctl/ViewMeetingPublic/mid/397/Meeting/876/Committee/69/SelectedTab/Documents/Default.aspx>

Item 3.6 refers

<u>DECISION REQUIRED</u>	
Lead Member:	Austen Adams, Chair of the Business Board
Lead Officer:	Rochelle White, Deputy Monitoring Officer
Forward Plan Ref: n/a	Key Decision: No
The Combined Authority Board is recommended to: (a) Approve the preliminary recommendations and next steps outlined in the Appendix. (b) Delegate authority to the Monitoring Officer to amend the Assurance Framework and Constitution to reflect the recommendations outlined in the Appendix.	Voting arrangements Two thirds of all Members (or their Substitute Members) present and voting

2.0 APPENDICES

2.1 Appendix – Governance review

(available to view at

<https://cambridgeshirepeterboroughcagov.cmis.uk.com/Meetings/tabid/70/ctl/ViewMeetingPublic/mid/397/Meeting/876/Committee/69/SelectedTab/Documents/Default.aspx>)

<u>Background Papers</u>	<u>Location</u>
n/a	



CAMBRIDGESHIRE AND PETERBOROUGH COMBINED AUTHORITY BOARD	AGENDA ITEM No: 6.2
25 MARCH 2020	PUBLIC REPORT

ENTERPRISE ZONE FUNDING UTILISATION

1.0 PURPOSE

1.1. The purpose of the report is to:

- provide an updated position regarding Combined Authority Enterprise Zone business rates income based on the latest National Non-Domestic Rates (NNDR) figures received from each Collecting Authority.
- set-out the revised financial commitments and allocations made against Combined Authority Enterprise Zone NNDR income.
- Seek approval to revise the level of financial commitment made against Combined Authority Enterprise Zone NNDR income and reallocate a proportion to Local Growth Funds (LGF).

1.2. These proposals will be discussed at the Business Board meeting on 23 March 2020. The report to the Business Board can be viewed at:

<https://cambridgeshirepeterboroughcagov.cmis.uk.com/Meetings/tabid/70/ctl/ViewMeetingPublic/mid/397/Meeting/876/Committee/69/SelectedTab/Documents/Default.aspx>

<u>DECISION REQUIRED</u>	
Lead Member:	Austen Adams, Chair of the Business Board
Lead Officer:	John T Hill, Director of Business and Skills
Forward Plan Ref: n/a	Key Decision: No

<p>The Combined Authority Board is recommended to:</p> <p>(a) approve the reallocation of £306,313 (representing 75% of all eligible costs) from Enterprise Zone National Non-Domestic Rates (NNDR) income to Local Growth Fund.</p>	<p>Voting arrangements</p> <p>A simple majority</p>
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3.0 APPENDICES

- 3.1 Appendix 1 – Combined Authority Enterprise Zones NNDR Income 2019-2023 (November 2019).
- 3.2 Appendix 2 – Latest Position: Combined Authority Enterprise Zones NNDR Income 2019-2023 (March 2020) with revised service cost allocations.

Appendices available to view at:

<https://cambridgeshirepeterboroughcagov.cmis.uk.com/Meetings/tabid/70/ctl/ViewMeetingPublic/mid/397/Meeting/876/Committee/69/SelectedTab/Documents/Default.aspx>

<u>Background Papers</u>	<u>Location</u>
None	



CAMBRIDGESHIRE AND PETERBOROUGH COMBINED AUTHORITY BOARD	AGENDA ITEM No: 6.3
25 MARCH 2020	PUBLIC REPORT

ADVANCED MATERIALS AND MANUFACTURING SECTOR STRATEGY

1.0 PURPOSE

- 1.1. To recommend the adoption of the Advanced Materials and Manufacturing Sector Strategy and for the Business Board to decide any prioritisation of the recommended interventions proposed in the strategy.
- 1.2. Any interventions prioritised for delivery will require Officers to work up business cases, explore funding options and take a report to a future Business Board meeting for further consideration. Any funding recommendations would be submitted the Combined Authority Board for approval.
- 1.3. These proposals will be discussed at the Business Board meeting on 23 March 2020. The report to the Business Board can be viewed at:

<https://cambridgeshirepeterboroughcagov.cmis.uk.com/Meetings/tabid/70/ctl/ViewMeetingPublic/mid/397/Meeting/876/Committee/69/SelectedTab/Documents/Default.aspx>

Item 3.4 refers.

<u>DECISION REQUIRED</u>	
Lead Member:	Austen Adams, Chair of the Business Board
Lead Officer:	John T Hill, Director of Business and Skills
Forward Plan Ref: n/a	Key Decision: No
The Combined Authority Board is recommended to: (a) approve the adoption of the Advanced Materials & Manufacturing Sector Strategy.	Voting arrangements Simple majority of all voting Members (or their Substitutes)

2.0 APPENDICES

Appendix 1 – Advanced Materials & Manufacturing sector strategy

Appendix available to view at:

<https://cambridgeshirepeterboroughcagov.cmis.uk.com/Meetings/tabid/70/ctl/ViewMeetingPublic/mid/397/Meeting/876/Committee/69/SelectedTab/Documents/Default.aspx>

<u>Background Papers</u>	<u>Location</u>
Cambridgeshire & Peterborough Advanced Materials & Manufacturing	https://cambridgeshirepeterborough-ca.gov.uk/business-board/strategies/
Cambridgeshire and Peterborough Independent Economic Review (CPIER)	http://www.cpier.org.uk/
Cambridgeshire & Peterborough Local Industrial Strategy (LIS)	C&P LIS