



**CAMBRIDGESHIRE
& PETERBOROUGH**
COMBINED AUTHORITY

CAMBRIDGESHIRE AND PETERBOROUGH COMBINED AUTHORITY BOARD	AGENDA ITEM No: 3.3
31 JULY 2019	PUBLIC REPORT

CAMBRIDGE AUTONOMOUS METRO: JULY 2019

1.0 PURPOSE

- 1.1. This report sets out the proposed approach to the governance and funding and client-side delivery arrangement for overseeing the production of the Outline Business Case (OBC) for the CAM Metro.

<u>DECISION REQUIRED</u>	
Lead Member:	James Palmer, Mayor
Lead Officer:	Paul Raynes, Director of Strategy and Delivery
Forward Plan Ref: 2019/044	Key Decision: Yes
<p>The Combined Authority Board is recommended to:</p> <ul style="list-style-type: none"> a) Approve the increased allocation of £780,000 in 19/20 and £965,000 in 20/21 for the CAM OBC to be funded from the Feasibility studies non-capital budgets including reprofiling from 20/21 to 19/20 b) Note the establishment of a Partnership Board with the terms of reference set out at Appendix A c) Note the proposed client-side project management structure 	<p>Voting arrangements</p> <ul style="list-style-type: none"> a) Two thirds of the constituent council members must vote in favour to include Cambridgeshire County Council and Peterborough city Council b) & c) Simple majority of members

2.0 BACKGROUND AND CONTEXT

- 2.1 At its March 2019 meeting, the Combined Authority Board unanimously agreed to approve the Strategic Outline Business Case for the CAM and the commencement of work on the Outline Business Case.
- 2.2 Preparation work for the OBC began immediately following that decision and has included the production of a procurement strategy and associated documentation, a technical study of vehicle technology and enhanced transport modelling. Concurrently there has been a review of project governance and the OBC funding package with partners from the public and private sector.

3 PREPARING TO DELIVER A SUCCESSFUL OBC

Governance and funding

- 3.1 National best practice has demonstrated that the most substantial and complicated infrastructure projects are delivered most successfully when the public and private sector work in partnership. The CAM is no different. To make it a success, it will be crucial to engage other key stakeholders in the region across the public and private sector.
- 3.2 The Combined Authority also needs to ensure that it can retain equal focus on delivering our other transport projects while also progressing the CAM.
- 3.3 The Mayor has therefore proposed to set up a dedicated CAM Partnership Board to guide the project, without prejudice to the CA and GCP's decision-making roles. This arrangement would allow the Combined Authority to:
 - Bring together the key public and private sector partners in a visible, consistent and effective way
 - Put a distance between CAM discussions and the Combined Authority's core business
 - Map out a path to future delivery arrangements after the OBC is delivered.
- 3.4 The CAM Partnership Board has been set up initially as an informal body based on an agreement between the partners. There are precedents for such an arrangement (for example, the Heathrow Strategic Planning Group). Under this model, the Combined Authority continues to be the promoter of the scheme during the preparation of the OBC. The Combined Authority and the GCP retain their decision-making powers and absolute discretion in exercising them. The Board would be supported in this initial phase by the Combined Authority's CAM client-side team, for whom the Combined Authority would be the accountable body, and existing officer liaison arrangements between the Combined Authority, GCP and County Council would continue in place.
- 3.5 The role of the Board would be to hold meetings at key points in the development of the CAM OBC to be informed about progress, contribute ideas and make suggestions on the scheme. Membership will consist of the Combined Authority, GCP, the councils most closely involved, and representatives of local employers

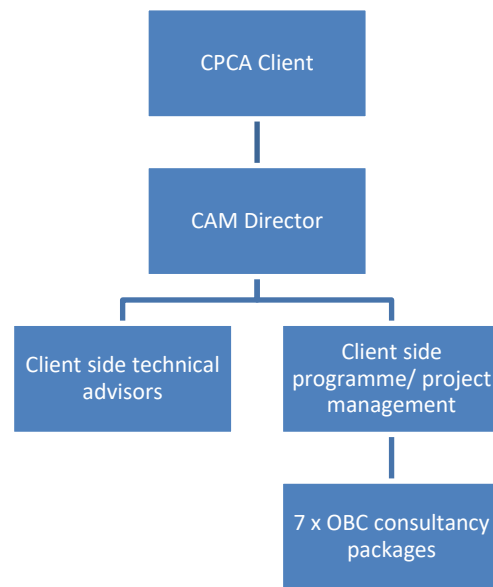
in the public and private sector.

- 3.6 It is proposed that the Board meet in this configuration while the OBC is being prepared. During that time, consideration can be given to how the Board and its role might evolve against the background of developing delivery models as part of the OBC Management Case and financial models as part of the OBC Financial Case.
- 3.7 Full terms of reference for the Board are attached.

Client-side delivery capacity

- 3.8 The Combined Authority has taken the positive decision to build a strong client-side team to support the CAM Director in managing the technical consultants delivering the CAM Outline Business Case. There are two components of the team as follows:
- Programme and project management
 - Technical advisors
- 3.9 The programme and project management function will be sourced from an independent organisation, separate from the technical advisors and the organisations that are entitled to bid through the selected framework for the seven other technical packages. It will consist of the CAM Director and two supporting project managers.
- 3.10 The technical advisors will work alongside the programme and project managers to provide the expert capability to interrogate, challenge and coordinate the work of the OBC consultant teams.
- 3.11 The consultant teams required to deliver the OBC span across the following seven disciplines:
- Engineering and technology
 - Transport planning and demand
 - Environment and planning
 - OBC + funding and finance
 - Engagement and communications
 - Legal
 - Property and land referencing

3.12 The management structure of the team delivering the OBC is set out below:



4 NEXT STEPS

4.1 The key activities for the next year and the associated timescales are set out below:

Activity	Dates
Procurement of technical team	June to August 2019
Establish CAM Board	June 2019
Procure/ source client-side team	June to August 2019
Outline business case production	August 2019 to Summer 2020
CA Board Approval of OBC	Summer 2020

5 FINANCIAL IMPLICATIONS

- 5.1 The Combined Authority authorised funding of £1m for the OBC in 19/20 at the March 2019 CA Board in the expectation that further funding would be sought from partners, and in the expectation that the full OBC cost might be around £3m.
- 5.2 The GCP has confirmed it will provide a £300,000 funding contribution towards the cost of the OBC subject to agreement of a Memorandum of Understanding being agreed between the CPCA and GCP. It is not recommended that further partner funding is sought at this point.
- 5.3 A tendering exercise has provided market information on the cost of producing the OBC which has confirmed that the work can be carried out within the original estimate.
- 5.4 It is therefore proposed that the Combined Authority increases the 2019/2010 funding allocation by £780,000 and allocates £965,000 for the period 2020/2021

to cover the remaining projected costs of producing the OBC. Both of these will be funded from the Feasibility studies non-capital budgets created within the Medium-Term Financial Plan approved at the January 2019 Board meeting; including reprofiling from 20/21 to 19/20.

6 LEGAL IMPLICATIONS

- 6.1 This report explains the arrangements for a new advisory body in relation to the CAM and the Outline Business Case called the CAM Partnership Board. It describes the proposed client-side management structure and support arrangements for the CAM Project Manager and seeks approval for deployment of additional funding to enable the preparation of the CAM Outline Business Case.
- 6.2 The CAM Partnership Board will be a non-decision making body whose attendees will be invited and be able to offer advice on the CAM project and the preparation of the Outline Business Case. It will represent local employers, Councils, Greater Cambridge Partnership. The Nolan principles will be applied to meetings and members, and commercial and pecuniary interests will be noted; and to avoid bias and maintain transparency members will remove themselves from discussions that directly affect their business commercial or financial interest. The full terms of reference attached place further responsibilities on Members.
- 6.3 The management structure describes the support that will be given to the CAM Director. These are technical and programme advisers; they will oversee the seven contract packages working on the CAM Project. Members are asked to note these arrangements.

7 SIGNIFICANT IMPLICATIONS

- 7.1 There are no other statutory matters to bring to the Board's attention.

8 APPENDICES

- 8.1 Appendix A – CAM Partnership Board terms of reference

<u>Source Documents</u>	<u>Location</u>
Report and decisions of the Board dated 30 th January 2019	Agenda item 2.2 https://cambridgeshirepeterborough-ca.gov.uk/assets/Combined-Authority/agenda-document-pack-30.1.19.pdf

Report and decisions of the Board dated 27 th March 2019	Agenda item 4.2 https://cambridgeshirepeterboroughcagov.cmis.uk.com/Meetings/tabid/70/ctl/ViewMeetingPublic/mid/397/Meeting/917/Committee/63/Default.aspx
---	--

APPENDIX A - CAM PARTNERSHIP BOARD TERMS OF REFERENCE

Introduction

1. The Cambridgeshire Autonomous Metro (CAM) Partnership Board is established to champion the proposed metro network for Cambridge and the surrounding region, and to provide advice to the statutory authorities leading the development of the business case for the metro on the needs of business, employees, and the wider community.
2. The scope of the proposed CAM is set out in the Strategic Outline Business Case which was adopted by the Cambridge and Peterborough Combined Authority Board on 27 March 2019. The Combined Authority is developing an Outline Business Case and aims to complete that during 2020.

Role of the CAM Partnership Board

3. The role of the CAM Partnership Board is to
 - Support the development of the OBC for the CAM with advice on the needs of, and potential benefits of the scheme for, employers, employees and the wider community
 - Support the development of the OBC for the CAM with advice on possible future delivery models for later stages of the scheme's development (in support of Management Case development)
 - Support the development of the OBC for the CAM with advice on possible future financing models (in support of Financial Case development)
 - Champion the strategic case for the CAM with other stakeholders
4. The Board is constituted at the invitation of the Mayor of Cambridgeshire and Peterborough, and will provide its advice to the Combined Authority and Greater Cambridge Partnership which are statutory authorities promoting the CAM project. Its advice will be without prejudice to their statutory roles and decision-making. Its advice may be provided both at its meetings and also in written form.

Role of the Combined Authority and Greater Cambridge Partnership

5. The Combined Authority was established under the Devolution Deal between the local authorities for Cambridgeshire and Peterborough and HM Government and under the Cambridgeshire and Peterborough Combined Authority Order 2017. It is the statutory Transport Authority for Cambridgeshire and Peterborough. The Combined Authority led the development of the SOBC for the CAM metro and is leading the development of the OBC.
6. The Greater Cambridge Partnership was established under the Growth Deal of 2014 between Cambridgeshire County Council, Cambridge City Council, South Cambridgeshire District Council and HM Government. Its accountable body is Cambridgeshire County Council and it exercises statutory functions delegated by the County Council.

7. The Combined Authority and Greater Cambridge Partnership are working in partnership to promote the CAM metro project described in the SOBC document.

Time limit

8. The CAM Partnership Board is constituted to support the project during the OBC development phase which is expected to end in 2020.

Membership

9. Membership of the CAM Partnership Board will be by invitation from the Mayor of Cambridgeshire and Peterborough. It will include elected representatives of the Combined Authority and Greater Cambridge Partnership, as well as local authorities through whose areas the CAM metro is expected to pass. It will also include representatives of businesses and other major employers from the area of the metro network. Membership should be broadly balanced between the public and private sectors.

10. The CAM Partnership Board will initially be chaired by the Mayor of Cambridgeshire and Peterborough.

Transparency and probity

11. Members of the CAM Partnership Board will be expected to respect the Nolan principles of conduct in public life. It will not be appropriate for members of the Board – from either the public or private sectors - to advocate for the direct commercial interests of the organisation they are representing, or to be perceived to do so. The Chair of the Board will compile a register of Board members' commercial and pecuniary interests that are relevant to the CAM scheme.

12. Where the Board discusses issues which may affect the direct commercial and pecuniary interests of a member, they will not be entitled to speak or participate in any vote on that item and at the Chair's discretion may be asked to leave the room for the duration of the discussion.

13. In the event that the Board discusses confidential information, members of the Board will respect its confidentiality.

Decision making

14. The CAM Partnership Board is not empowered to make decisions that would constrain any of its members which have statutory powers. It is not intended that the Board should hold or control any monies.

15. In formulating its advice to the Combined Authority and GCP, the Board will seek to reach consensus.