



**CAMBRIDGESHIRE
& PETERBOROUGH**
COMBINED AUTHORITY

Item 1.2

CAMBRIDGESHIRE & PETERBOROUGH COMBINED AUTHORITY: MINUTES

Date: Wednesday 28 November 2018

Time: 10.30a.m. – 1.10pm

Venue: Fenland Hall, Fenland District Council, March PE15 8NQ

Present: J Palmer (Mayor)

I Bates – Cambridgeshire County Council, G Bull – Huntingdonshire District Council, L Herbert – Cambridge City Council, J Holdich – Peterborough City Council, C Roberts - East Cambridgeshire District Council, C Seaton – Fenland District Council and A Van de Weyer – South Cambridgeshire District Council

Observers: J Ablewhite (Police and Crime Commissioner) and J Bawden (Clinical Commissioning Group)

262. ANNOUNCEMENTS, APOLOGIES AND DECLARATIONS OF INTEREST

Apologies were reported from Councillor S Count, substituted by Councillor I Bates and Councillor B Smith, substituted by Councillor A Van de Weyer.

Declarations of interest were made in relation to Item 6.1: £100m Affordable Housing Programme – Scheme Approvals by Councillor C Roberts and Mr John Hill, Interim Joint Chief Executive as Directors of the East Cambridgeshire Trading Company.

The Mayor stated that he did not consider that he had any interest to declare in relation to Item 1.6: Members' Allowances Scheme.

263. MINUTES – 31 OCTOBER 2018

The minutes of the meeting on 31 October 2018 were agreed as a correct record and signed by the Mayor.

264. PETITIONS

No petitions were received.

265. PUBLIC QUESTIONS

No public questions were received.

266. FORWARD PLAN

It was resolved unanimously to:

- a) note the Forward Plan.

267. MEMBERS ALLOWANCES SCHEME

The Interim Monitoring Officer stated that the Board was being invited to agree that the Independent Remuneration Panel be requested to review the Members' Allowances Scheme in relation to the Mayor's allowance, and to consider the payment of a standard allowance for any independent commissions set up by the Combined Authority. Following the Business Board meeting on 26 November 2018 the Combined Authority Board was further requested to ratify the Business Board's decisions on that date. These were to:

- a) note the Interim Business Board agreed the principle of paying allowances to private sector members of the Business Board and that positions were advertised on this basis;
- b) agree that an independent remuneration panel should be convened to consider the level of allowances payable to:
 - i. the Chair;
 - ii. the Vice Chair;
 - iii. other private sector board members.
- c) agree that the Monitoring Officer be authorised to source a suitable panel to recommend an allowance scheme to the Business Board;
- d) agree as an interim measure until a scheme is agreed to:
 - i. adopt an expenses scheme for private sector board members to take effect from July 2018;
 - ii. confirm the Chair's allowance of £2,000 a month to take effect from the date of the appointment.

It was resolved to:

- a) review the Members' Allowance Scheme (Mayor's Allowance);
- b) consider the payment of allowances/expenses to those appointed to any independent commissions set up by the Combined Authority;
- c) ratify the decisions of the Business Board reported orally at the meeting

268. CHANGE TO THE ORDER OF BUSINESS

The Mayor stated that the Interim Chief Finance Officer had been called away and that Item 2.1: 2019/20 Draft Budget and Medium Term Financial Plan 2019 to 2023 and Item

2.2: Budget Monitor Update would be deferred until the arrival of the Deputy Section 73 Officer.

269. WISBECH TO MARCH RAIL- GRIP 3b STUDY

The Transport Project Manager stated that the Grip 3b Study was looking to develop a business case and single option design for re-instating rail services between March and Wisbech and with the potential for direct connections to Cambridge and Peterborough. In developing the business case the study would consider lower cost, non-heavy rail alternatives as well as a heavy rail solution. Determining the preferred station location in Wisbech would be a key part of the study, taking account of the development proposals in the Fenland District Council Local Plan and emerging Garden Town planning. Consideration of level crossings would also be required, particularly at strategic points.

The Mayor stated that he had received notice that the Overview and Scrutiny Committee wished to comment on this report and invited Councillor Mike Bradley to address the Board. Councillor Bradley stated that the Overview and Scrutiny Committee had expressed concern that there were two options being considered and asked if the Portfolio Holder could explain why Light Rail had been included as an option in the Wisbech Rail Study. Concern had further been expressed about the capacity of the proposed service and that it should not be just a shuttle service between March and Wisbech. The Transport Project Manager stated that the Grip 2 study had identified six options including Light Rail and that to ensure robust analysis it was right that all options from the Grip 2 study should be explored.

Councillor Herbert commented that the economic case for the proposed service would not work if it was simply a shuttle service. It would not attract sufficient passengers unless it was a through service. He questioned whether the proposed £1.5m budget for the study would come from the revenue pot set aside for feasibility studies and how this would link with other feasibility studies, such as the one relating to CAM Metro.

The Transport Project Manager stated that evidence from the Grip 2 study had identified the need to link the proposed service to Cambridge as offering the highest benefit cost ratio (BCR). It would be important for the Grip 3b study to give a clear steer so that a factual proposal could be developed. Work was in hand to look at reducing the budget and timescale of the study where possible to enable it to be done more quickly and efficiently. The Deputy Section 73 Officer stated that there was a set revenue budget for feasibility studies so if agreed the funding of the Grip 3b study would impact on the sum available to fund other feasibility studies.

Councillor Seaton commented that he was supportive of the report recommendations, but asked whether officers were confident that the £1.5m budget proposed was sufficient to conclude the study. The Transport Project Manager stated that there was contingency funding contained within the £1.5m figure and that he was confident that the study would be delivered within that sum.

Councillor Bates commented that he fully supported the proposal. Stakeholders needed confidence from the rail provider and he recommended early engagement to support this.

Councillor Van de Weyer commented that he felt this to be an excellent scheme, but that it was regrettable that the report did not state how this would fit in with wider

Combined Authority plans or how it sat within the Board's prioritisation of projects. He judged that it was vital that the Board should carry out a prioritisation of its projects.

The Mayor stated that Wisbech Town had great potential, but that decisions regarding infrastructure had been put off for many years which had caused immeasurable suffering. This was one of a number of projects which would address that.

It was resolved to:

- a) approve the budget of £1,500,000 (£1,300,000 estimated cost and £200,000 contingency for Chief Executive Officer/Chief Finance Officer discretionary release) as a proportion of the £3.25m indicated in March 2018 as part of the potential £6.5m Wisbech Garden Town funding,
- b) agree to delegate authority to the Transport Director to appoint a supplier to deliver the study as successful tenderer in the current procurement exercise;
- c) agree to delegate authority to the Transport Director to negotiate with all relevant stakeholders both in regard of the exploration of the rail link and low cost non-heavy rail alternative, in consultation with the Chairman/woman of the Transport Committee.

270. 2019/20 DRAFT BUDGET AND MEDIUM TERM FINANCIAL PLAN

The Mayor stated that he wished to take the opportunity to robustly address any concerns that may have arisen as a result of the presentation of the Medium Term Financial plan to the Overview and Scrutiny Committee earlier in the week. It was unfortunate that some of the comments had been taken out of context by the press and reported in an alarmist fashion. It was the responsibility of the Interim Chief Finance Officer to set out the challenges which existed at the start of any budget round. However, it had not been made sufficiently clear that these challenges must be viewed in the context of the on-going review of the organisation which was being conducted by Mr John Hill, Joint Interim Chief Executive. It was clearly understood that schemes like the dualling of the A47, A10 improvements and CAM Metro were key priorities which would require significant investment. The Combined Authority was working closely with Government, local partners, stakeholders and private investors to ensure that these ambitious schemes were deliverable. Publication of the Medium Term Financial Plan for consultation formed part of the process which would enable the Combined Authority to move forward with the support of member organisations and partners to deliver these projects for the benefit of the people of Cambridgeshire and Peterborough.

The Deputy Section 73 Officer stated that the report before the Board was presented in a slightly different format to that of previous years as it was split into revenue and capital funding. The aim was to be clear about what funding was available in order to balance the ambitions of the Combined Authority with what was deliverable. Section 3 of the report included all of the organisation's running costs, including staffing overheads. This was somewhat distorted for the current year due to the inclusion of in-year of staff costs relating to the Adult Education Board, the former Local Enterprise Partnership and the Energy Hub which now fell within the Combined Authority's responsibilities. The staffing report submitted to the Board in summer 2018 reflected this structure but had not included the Energy Hub costs. Paragraph 3.11.2 set out how the Authority was progressing its priorities. A finite amount of money was available and the prioritisation process over the next few months would bring greater granularity to reporting.

Investments were made in a safe and prudent way to obtain a return. The intention was to borrow in 2021/22 to create future capacity, but there were no plans at present for that money to be spent. A balance level had been set at £1m which represented around 4-5% of overall revenue which was in line with usual practice for an organisation of this size. The capital programme set out how capital funding would be used to deliver projects to meet the Authority's ambitions. Capital funding consisted of directly controlled expenditure, potential future schemes, passported expenditure and growth funds expenditure. In summary, the report presented a balanced budget which reflected both decisions made by the Board and the Board's ambitions.

The Mayor invited Councillor Bradley to share the Overview and Scrutiny Committee's comments on the report. Councillor Bradley commented that the Overview and Scrutiny Committee wished to express its thanks to the Interim Chief Finance Officer for his openness and transparency during the presentation he had made to the Committee on the draft Medium Term Financial Plan. The Committee felt it was important that there was a clear connection between the recommendations that had come out of the Cambridgeshire and Peterborough Independent Economic Review (CPIER) report and the prioritisation of projects that the Combined Authority would need to carry out. The Committee felt it was important that each project should be viewed holistically as part of the larger set of projects for each area, not just individually. The Overview and Scrutiny Committee also asked if it could be involved in the project prioritisation process. The Mayor thanked the Overview and Scrutiny Committee for its comments and stated that its future input into the prioritisation process would be discussed.

Councillor Van de Weyer, seconded by Councillor Roberts, proposed that the following additional resolution be made:

That each element of the annual Combined Authority overheads budget be urgently reviewed and overheads spend significantly reduced for 2019/2020 from the projected figures when the annual budget is published in February 2019.

Councillor Roberts commented that he was happy to support the additional resolution as the work described was already underway.

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

Councillor Herbert commented that he welcomed the real figures contained in the report. He asked what controls were now in place which had not been in place earlier in the year. He noted the changes in expenditure on staffing over time and commented that he understood that many of those decisions had been taken under delegated authority. The Deputy Section 73 Officer stated that he had only been in post since June 2018 and so was unsure of the practice before then. However, there was now a fairly strong budget structure which was evolving over time. A staffing structure had been agreed in June 2018 and there had been a consolidation since then with vacancies being controlled by the Interim Joint Chief Executives. In relation to the salary budget, he stated that a number of staff were being employed on an interim basis which was more costly than paying permanent appointees. The organisation was now looking to recruit permanent staff to fill these roles. Councillor Herbert commented that he was glad to see that work had started on this and that if the organisation was in a position to cut overheads this should be reported to the Board.

Councillor Van de Weyer commented that he felt there was in part a problem of perception over what was being done and asked whether more could be done to

address this. Councillor Roberts supported this, commenting that a further breakdown of the costs between the Combined Authority, the AEB and the former LEP was essential. A breakdown of committed schemes including key milestones, further detail behind the costs and the cash feasibility for each project would also be valuable.

Councillor Bull supported the request for more detailed information, particularly in relation to the third river crossing. He further questioned the purpose of the £10m risk contingency fund when each project already had a contingency fund within its project costs. The Deputy Section 73 Officer confirmed that the risk contingency fund represented unallocated funding in addition to the contingency funding for individual projects which it was proposed to set aside against any future problems. This was good practice and would provide an additional safeguard, but the money would not be spent without the approval of the Board. Mr John Hill, Interim Joint Chief Executive, stated that holding an unallocated sum of money might restrict the ability to progress work going forward. The answer to this was to ensure that it was reviewed on a very regular basis as projects evolved. At the very least the Audit and Governance Committee and the Board would wish to review this on a regular basis. Councillor Bull endorsed this view and commented that the Board would want to see proper governance around this money. The Mayor stated that the discussion had highlighted the issues which had informed his decision to invite Mr Hill to conduct a full review of the Combined Authority.

Councillor Bates commented that the Deputy Section 73 Officer stated that it was a balanced budget and that he was comforted by that professional advice.

Councillor Herbert asked whether the Authority was being forward funded on capital, the capital available and what flexibility existed in its use. The Deputy Section 73 Officer stated that the Authority had a cash balance of around £150m as of the meeting date.

Councillor Bull questioned the reconciliation of the two finance reports regarding the in-year funding available. The Deputy Section 73 Officer confirmed that he was confident that the two reports did reconcile and undertook to circulate a note on this later in the day. The presentation would also be revised to make this clear when the report was brought back to the Board in January 2019.

It was resolved unanimously to:

- a) agree the draft revenue budget for 2019/20 and the MTFP to 2023 to go forward for consultation with wider stakeholders;
- b) agree the draft capital programme to go forward for consultation with the wider community;
- c) that each element of the annual Combined Authority overheads budget be urgently reviewed and overheads spend significantly reduced for 2019/2020 from the projected figures when the annual budget is published in February 2019.

271. BUDGET MONITOR UPDATE

The Deputy Section 73 Officer stated that the report had been broken down to show outcomes in both revenue and capital terms. This could be further refined over time. The forecast outturn was based on the position now and would be used to produce the draft budget 2019/20.

Councillor Herbert commented that the budgeted spend on affordable housing had been £27m in May 2018, but was now £6m and asked for the reason for this fall. The Director of Housing and Development stated that there would be a phased programme through the period of construction and that this reflected a delayed cash flow effect. Expenditure would accelerate over the next two years. The Deputy Section 73 Officer stated that this passported expenditure was ringfenced.

It was resolved unanimously to:

- a) note the half year financial position of the Combined Authority for the year to 31 March 2019;
- b) agree the provisional outturn for 2018/19.

272. RESPONSE TO THE CAMBRIDGESHIRE AND PETERBOROUGH INDEPENDENT ECONOMIC REVIEW (CPIER): A GROWTH AMBITION STATEMENT

The Director of Strategy and Assurance stated that the Combined Authority had commissioned the CPIER report which had resulted in 14 main recommendations and a number of further subsidiary recommendations as well as a narrative which provided context to its findings. There was now a need to weave those individual recommendations into a coherent whole. The CPIER report had identified that growth in Cambridgeshire and Peterborough was significant to the economy of the United Kingdom as a whole. Alongside such positive findings it had also identified a number of challenges, such as the risk of the economy in the Greater Cambridge area overheating and the work needed to drive up aspirations regarding to health and education in Fenland and the north of the county. There was also an identified need to address housing formation amongst young people. A response to the CPIER report was needed which would join together the Combined Authority's ambitions and strategies. There was also a flavour of the partnership working which would continue to be developed between constituent councils and partner organisations.

Councillor Herbert moved that an additional recommendation be added to the report, that:

the Mayor and Combined Authority urgently produce a comprehensive funding strategy for CAM Metro, covering both capital and operating costs, ahead of further decisions on CAM, and on the need for Mayoral Development Corporations as potential funding sources.

Councillor Herbert commented that he did not want to detract from the breadth of the report. However, he judged it was important to address funding for the CAM Metro project and the need to link up City Deal money with the funding. There was a need for an overall funding strategy and to deliver a system which would run within revenue costs.

In the interests of achieving consensus, Councillor Herbert moved the revised recommendation, seconded by the Mayor, that:

the Mayor and Combined Authority ~~urgently produce~~ *commence producing* a comprehensive funding strategy for CAM Metro, covering both capital and operating costs, ahead of further decisions on CAM, and on the need for Mayoral Development Corporations as potential funding sources.

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

The Clinical Commissioning Group Observer expressed thanks to Dame Kate Barker and her team for briefing NHS colleagues on the Commission's findings. However, she expressed some concern about the pace of growth and how public services would keep up. She suggested that the Independent Commission for Public Sector Reform might undertake a piece of work on the impact on the public sector. The Police and Crime Commissioner stated that there was nothing wrong with ambition, but that public services could not deliver all that was needed alone. The Mayor acknowledged the impact on public services. He stated that he would be happy for public sector colleagues to take this work forward and that he stood ready to work with partner organisations to lobby central Government where needed.

Councillor Bates commented that pressures also existed in relation to demand-led services such as Social Services provision, particularly in relation to Looked After Children.

Councillor Bull noted the work being led by the Director of Business and Skills to explore a strategic approach which would avoid spending public money where it was not needed or would distort the market.

Councillor Herbert commented that a study in Milton Keynes had calculated that each new home built cost the local council and public services £1,100 per year net of council tax. This meant that in revenue terms councils were losing money when building new homes. There was a need to quantify this funding gap locally in conjunction with public sector partners. In supporting the CPIER conclusions it was important to recognise that there were 100,000 homes within the constituent councils' Local Plans. Speeding up delivery of these was a priority, particularly in relation to working with the relevant planning authorities where they had locked sites.

Councillor Holdich commented that there were 9,000 homes in Peterborough that were currently being delayed by developers and that he felt central Government should be pressed to give local authorities the powers to deal with this.

Summing up, the Mayor stated that he believed the Spatial Strategy would have an important role to play going forward and reiterated that he would be happy to work with partner organisations to lobby central Government on relevant issues for the benefit of the region.

It was resolved unanimously to:

- a) agree the response to the CPIER main recommendations at Annex B;
- b) adopt the Growth Ambition Statement at Annex A;
- c) mandate officers to ensure consistency with the Growth Ambition Strategy in developing future strategy documents and business plans for transport, planning, business and skills, including reviewing previously agreed timescales to make aligning content more feasible.
- d) the Mayor and Combined Authority commence producing a comprehensive funding strategy for CAM Metro, covering both capital and operating cost, ahead

of further decisions on CAM, and on the need for Mayoral Development Corporations as potential funding sources.

273. PERFORMANCE REPORTING

The Director of Strategy and Assurance stated that the table relating to gross value added (GVA) contained cash rather than real terms figures. Information on apprenticeships was based on returns from providers whilst the table showing the number of homes built was based on returns from councils. The information on affordable homes was based on in-house performance reporting. Across the programme as a whole to the end of October RAG (red/amber/green) ratings had improved.

The recommendations in the report were moved by the Mayor, seconded by Councillor Roberts.

It was resolved unanimously to:

- a) note the November Delivery Dashboard.

274. GROWTH FUND PROJECTS

The Mayor reminded the Board that all recommendations from the Business Board were conditional pending confirmation from Government that local growth funds had been released for allocation by the Business Board.

Councillor Roberts commented that the Business Board had carefully considered and fully debated Items 4.1-4.4 (Growth Fund Projects, Eastern Agri-Tech Growth Initiative, Growth Deal and the Greater South East Energy Hub – Rural Community Energy Fund) at its meeting on 26 November 2018. The Business Board's recommendations were being brought to the Combined Authority Board for ratification and he did not anticipate it would be necessary to duplicate the debate which had already taken place.

The recommendations in the report were moved by Councillor Roberts, seconded by Aamir Khalid.

It was resolved unanimously to note the decisions of the Business Board and, subject to confirmation from Government that local growth funds have been released for allocation by the Business Board, to:

- a) accept and approve recommendations from officers of small grant awards to Small and Medium Enterprises (SMEs) totalling £19,490;
- b) agree delegated authority to approve small grants to SMEs between £2,000 and £20,000 to Director of Business & Skills subject to Section 151 Officer approval, and regular reporting to the Business Board;
- c) give approval to procure and appoint independent project appraisers of business cases over £20,000.

275. EASTERN AGRI-TECH GROWTH INITIATIVE

The recommendations in the report were moved by Councillor Roberts, seconded by Aamir Khalid.

It was resolved to note the decisions of the Business Board and, subject to confirmation from Government that local growth funds had been released for allocation by the Business Board, to:

- a) agree that the Eastern Agri-Tech Growth Initiative should continue across the existing geographical areas of both the BB and New Anglia Local Enterprise Partnership (NALEP);
- b) agree a funding allocation of £4m from new Growth Deal funding;
- c) agree the Terms of Reference for the Eastern Agri-Tech Programme Board;
- d) delegate authority to the Eastern Agri-Tech Programme Board to make decisions about applications for grant funding on behalf of both the CA/BB and NALEP;
- e) agree that the Eastern Agri-Tech Programme Board should become a Sub-Board of the BB;
- f) agree that a member of the BB, nominated by the BB, should become Chair of the Eastern Agri-Tech Programme Board.

276. GROWTH DEAL

The recommendations in the report were moved by Councillor Roberts, seconded by Aamir Khalid.

Councillor Herbert asked whether the Authority was free to spend this money or whether Government approval was required. The Mr John Hill, Interim Joint Chief Executive stated that all the required documentation had been submitted and was in order. All that was awaited was final approval from the Secretary of State and this was expected in around a week. If the Business Board's recommendations were ratified by the Combined Authority Board the Authority would be able to defray funds as soon as Secretary of State approval was received. Members would be informed immediately when authority to act as a Local Enterprise Partnership (LEP) was received.

It was resolved to note the decisions of the Business Board and, subject to confirmation from Government that local growth funds had been released for allocation by the Business Board, to:

- a) approve a budget of £10,500,000 to enable the procurement of an appropriate design and build contractor to immediately commence the delivery of an overlapped phased design and construction programme;
- b) delegate authority to the Transport Director, in consultation with the Chair of the Transport Committee, at key gateway stages to deliver this package of works on behalf of the Business Board;

- c) subject to BEIS Ministerial approval of the release of future Growth Deal funds, release of the £10.5m Growth Deal funding for the delivery of this vital scheme for the housing and economic growth of Wisbech;
- d) release the £1m Growth Deal funding to Essex County Council, to support the delivery of the range of improvements outlined within this paper for the M11 Junction 8.

277. THE GREATER SOUTH EAST ENERGY HUB – RURAL COMMUNITY ENERGY FUND

The recommendations in the report were moved by Councillor Roberts, seconded by Aamir Khalid.

Councillor Herbert commented on the large numbers of staff and sites involved, restrictions on renewable energy and difficulties delivering the grid capacity required. The Head of Sustainability stated that that the Energy Hub was almost separate to the Rural Community Energy Fund, although complimentary. This was a separate activity at more of a community level.

It was resolved to note the decisions of the Business Board and, subject to confirmation from Government that local growth funds had been released for allocation by the Business Board, to:

- a) agree that the Greater South East Energy Hub assumes the RCEF management role.

278. UNIVERSITY OF PETERBOROUGH – REVIEW AND EVALUATION OF PHASE 1 AND PHASE 2 OF THE PROGRAMME

The Mayor stated that following discussion of the report by the Skills Committee on 21 November 2018 recommendation (c) had been withdrawn. As this was the only recommendation in the report which required ratification by the Combined Authority Board the report to the Combined Authority Board had been withdrawn.

279. ADULT EDUCATION BUDGET DEVOLUTION

The recommendations in the report were moved by Councillor Holdich, seconded by Councillor Bull.

The Mayor stated that he had received notice of the following amendment from Councillor Herbert, seconded by Councillor Van de Weyer:

- c) ~~endorse and recommend the Combined Authority Board approve business case requesting a top slicing allocation up to 4.9% to ensure the delivery of the AEB is resourced appropriately.~~
- c) *Cap the extra overhead budget top-sliced from the Adult Education Budget to a maximum of £400,000, roughly 2/3rds of the current proposal to a) increase money available for adult education, and b) establish a precedent for reducing other Combined Authority overhead budgets.*

Councillor Herbert commented that he had questions about the oversight of projects and that in his view the range of costs listed in Table 1 were excessive. He felt a pattern

needed to be established of seeking to cap or drive down overheads and his amendment sought to do both. He urged the Board and the Interim Joint Chief Executives to avoid falling into a pattern of accepting incremental increases in staffing level and expenditure without robust challenge. Councillor Herbert commented that in reaching his view he had not had the benefit of the Skills Committee's views having been shared with him.

Councillor Holdich, Chairman of the Skills Committee, called on the Board to reject the amendment. He commented that there had been a lively debate at the Skills Committee which had resulted in unanimous support for the recommendation as drafted. Officers had given an assurance that the Skills Committee would be invited to review the position every six months.

Councillor Bull commented that he had great sympathy for Councillor Herbert's position. He had felt that a top slice of up to 4.9% was a high figure, but was persuaded that this sum was required to set the organisation up. He was reassured that this figure would be kept under regular review by the Skills Committee, but commented that sufficient detail would be required to inform the Skills Committee's scrutiny of expenditure levels.

Councillor Van de Weyer commented that there was no suggestion that it was not important to monitor and plan appropriately; it was the level of funding which was required to achieve this which was in question.

Councillor Roberts commented that the matter had been considered in detail by the Skills Committee and that a commitment had been made to keeping costs under close review.

The Mayor stated that the Combined Authority absolutely demanded that overhead costs were kept under control, as evidenced by the review currently being undertaken by Mr John Hill, Interim Joint Chief Executive. The comments offered in the discussion were well made and would be taken on board.

On being put to the vote, the amendment was lost.

It was resolved by a majority to note the recommendations of the Skills Committee and to:

- a) approve the business case requesting a top slicing allocation up to 4.9% to ensure the delivery of the AEB is resourced appropriately;
- b) approve the proposed commissioning approach for the CPCA devolved AEB;
- c) authorise officers to enter into a negotiated grant commissioning process to develop and work with the 15 indigenous and contiguous Cambridgeshire and Peterborough Colleges and Local Authority providers currently grant funded by the Education Skills Funding Agency. (This will mean disinvestment in the remaining 120 Grant funded providers spatially distant from Cambridgeshire & Peterborough.)
- d) agree to procure contracts for services for all other providers, including Independent Training Providers, Further Education Institutions based outside of the CPCA area and other organisations (which may include the voluntary &

community sector). Further to give delegated authority to the Director of Business & Skills to award contracts.

280. SKILLS PRIORITISATION PLAN – CAREERS ENTERPRISE COMPANY

The recommendations in the report were moved by Councillor Holdich, seconded by Councillor Bull.

It was resolved unanimously:

- a) to approve that the CPCA cease resourcing the Careers Enterprise Company contract for delivery;
- b) that delegated authority be provided to the Portfolio Holder and Director of Business and Skills to engage with the CEC to identify potential local partners to undertake the remaining CEC Delivery Contract.

281. £100M AFFORDABLE HOUSING PROGRAMME – SCHEME APPROVALS

The Mayor stated that all of the exempt appendices to the report would now be taken into public session. Declarations of interest in this item had been made at the start of the meeting by Councillor Roberts and Mr John Hill, Joint Interim Chief Executive as Directors of the East Cambridgeshire Trading Company. The recommendations in the report were moved by Councillor Bull, seconded by Councillor Bates.

Councillor Herbert commented that he felt it was confusing to both the Board and the public as to which reports were in the public domain and which were exempt from publication. He had not been given prior notice that the appendices to the report were to be made public and he felt this would lead to a stilted debate.

The Director of Housing and Development stated that the proposed loan would support the delivery of 92 housing units which were currently excluded from the market place. The project was relatively low risk as no significant construction was required. It was anticipated that a large proportion of the loan would have been repaid by March 2020 and the whole amount repaid by the end of the following year. A legal charge would be placed over the houses until the loan was repaid.

The Mayor stated that he had received notice of the following amendment from Councillor Herbert, seconded by Councillor Van de Weyer:

The Combined Authority Board is recommended to switch the funding from affordable housing funds so the project is reallocated to be a Treasury Management proposition by the Combined Authority and funded as a fixed two year loan from significant CA reserves, and is recommended also to:

(Recommendations a – c as included in the report)

Councillor Herbert commented that during informal Board discussions the point had been made that this report was as much about Treasury Management as it was about housing. The key point was that it was a loan rather than a grant. He also had wider concerns about how the affordable housing programme was progressing. If agreed, the proposal before the Board would see £24.4m of Treasury Management investment being taken out of the £100m affordable housing pot and he was unsure how this

played in relation to the wider commitment to deliver 2,000 affordable homes. The Board had been advised that this could be done because the Authority was sitting on significant reserves, so his amendment proposed that the loan should be treated as a Treasury Management proposition and funded from Combined Authority reserves rather than from the affordable housing budget.

Councillor Van de Weyer questioned whether the proposals contained in the report were a good way to achieve the Combined Authority's affordable housing aim. In his judgement committing this amount of money for two years was a mistake. South Cambridgeshire District Council hoped to bring forward some longer term projects, but also had some that could be delivered more quickly. The Mayor invited South Cambridgeshire District Council to bring these schemes forward for consideration, commenting that there was an open door to such proposals.

On being put to the vote, the amendment was lost.

Councillor Herbert questioned whether the site had been marketed or, if this was not the case, how the Board could know that the price for the land was reasonable. He questioned what knowledge of the Ely housing market had informed the recommendations and how the resultant properties would be marketed. The Director of Housing and Development stated that the Combined Authority was not in direct negotiation with the vendor as this was being carried out by East Cambridgeshire Trading Company (ECTC). However, it was hoped that the price quoted could be achieved through negotiation. The ECTC business plan described the value of the site in the context of the local housing market and the arrangement of the units into a pleasant estate with larger than average room sizes for the area. The Combined Authority would not be directly involved in marketing the properties as this would be for the ECTC.

Councillor Herbert asked whether an assurance had been received from Government that this form of investment was considered suitable. The Director of Housing and Development stated that there had been no direct discussion of this and that he did not consider it was needed. The Combined Authority had been complimented by Government on its diverse housing strategy and no concerns had been expressed.

Councillor Bates commented that at present the site consisted of 88 empty homes. Bringing these back into use was the priority. ECTC was a well-established company and he saw no reason not to support it in this endeavour. The money being discussed was a short-term loan and would be repaid.

It was resolved by a majority to:

- a) approve the provision of a commercial loan facility of £24.4m to East Cambridgeshire Trading Company (ECTC) for a scheme of 92 units based on the heads of terms detailed in Appendix 1;
- b) authorise the Director, Housing to bring forward commercial proposals for the CPCA to joint venture as a development partner with ECTC for the delivery of up to 62 additional homes on the undeveloped infill land, once the land has been acquired;

- c) authorise the Director, Housing in consultation with Legal Counsel and Portfolio Holder Fiscal to conclude any necessary legal documentation to secure the loan, to include a charge upon the land.

The Mayor stated that he was delighted that the Board had approved the recommendations which would bring 88 derelict properties back into use. The money involved could be re-invested over time via a rolling fund to support further projects in the future. Cambridge City Council had £70m ring-fenced funding to deliver 500 affordable homes within the City. The Combined Authority's ambition was slightly different, with a 60/40 split between grant funding and rolling programme funding.

282. EXCLUSION OF PRESS AND PUBLIC

The Mayor stated that he understood that Councillor Herbert wished to oppose the motion to exclude the press and public during consideration of Item 6.2: Wisbech – 11&12 High Street. Councillor Herbert commented that he would instead be proposing a motion during the private session that the report be deferred to the January meeting when a full report would be brought before the Board for discussion and decision in public session.

It was resolved:

- a) that the press and public be excluded from the meeting on the grounds that the agenda contained exempt information under Paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972, as amended, and that it would not be in the public interest for this information to be disclosed -information relating to the financial or business affairs of any particular person (including the authority holding that information)

Councillor Bradley asked whether, as a member of the Overview and Scrutiny Committee, he might remain during discussion of the report. The Monitoring Officer confirmed that this was permissible and that he would be bound by the same requirement for confidentiality as all those present.

283. WISBECH: 11&12 HIGH STREET

It was resolved by a majority to:

- a) approve the recommendations in the report.

(Mayor)