



**CAMBRIDGESHIRE
& PETERBOROUGH**
COMBINED AUTHORITY

CAMBRIDGESHIRE & PETERBOROUGH COMBINED AUTHORITY: MINUTES

Date: Wednesday, 27 June 2018

Time: 10.30a.m. – 12.47p.m.

Present: J Palmer (Mayor)

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

Observers: J Bawden (Clinical Commissioning Group)) and Councillor K Reynolds (Chairman, Cambridgeshire and Peterborough Fire Authority)

195. ANNOUNCEMENTS, APOLOGIES AND DECLARATIONS OF INTEREST

Councillor Roberts declared a disclosable interest under the Code of Conduct in Item 3.2: Strategic Community Land Trust (CLT) Programme Development, as a Director of the East Cambridgeshire Trading Company. Councillor Roberts had sought advice from the Monitoring Officer and confirmed that he would be speaking and answering questions but would not vote on this item.

196. MINUTES – 30 MAY 2018

The minutes of the meeting on 30 May 2018 were agreed as a correct record and signed by the Mayor.

197. PETITIONS

No petitions were received.

198. PUBLIC QUESTIONS

The Mayor invited Antony Carpen and Richard Wood to address the Board. *(The questions and the responses are published at the following link: [Cambridgeshire and Peterborough Combined Authority meeting 27/06/2018](#) and attached at **Appendix A**).*

In addition to his written response to Mr Carpen, the Mayor acknowledged the importance of a land value capture mechanism. He highlighted the fact that land value had gone up by three times for the Crossrail Project. He reported that the Combined Authority (CA) was trying to make sure it delivered infrastructure by controlling the price

of land. It would use the uplift from houses being built on land to pay off infrastructure costs. He explained that the CA, as a devolved authority, needed to come up with ideas which were suitable for the area, as a national system would not work for all areas.

In introducing his question, Mr Wood thanked the Mayor for agreeing to meet with the Cambridge Area Bus Users' Group later in the year. The Mayor drew attention to his written response, and added that he understood completely the problem. He welcomed the formation of the Cambridge Area Bus Users' Group but reminded Mr Wood that he would need to wait for the Bus Review report to be finalised before considering what action to take. As a supplementary, Mr Wood asked whether consultation would take place directly with the travelling public. The Mayor reported that there would not be a full public consultation. However, the Cambridge Area Bus Users' Group would be consulted.

199. FORWARD PLAN

The Board noted the Forward Plan of Executive Decisions dated to be published on 27 June 2018.

It was resolved unanimously to:

approve the Forward Plan of Executive Decisions dated to be published on 27 June 2018.

200. APPOINTMENT OF INTERIM DEPUTY CHIEF FINANCE OFFICER AND BUSINESS BOARD CHIEF FINANCE OFFICER

Councillor Count, Portfolio Holder for Fiscal Strategy, introduced a report asking the Board to appoint Noel O'Neill as interim statutory Deputy Chief Finance Officer for the CA, and also to act as the Chief Finance Officer for the Business Board. He drew attention to the fact that the appointment of a Deputy Chief Finance Officer to act as Chief Finance Officer for the Business Board had been through the Employment Committee. He was satisfied that this appointment would ensure a proper separation of duties between the Chief Finance Officer acting primarily for the CA and the Chief Finance Officer acting primarily for the Business Board. In conclusion, he considered Mr O'Neill a strong candidate for the role.

It was resolved unanimously to:

appoint Noel O'Neill as interim deputy Chief Finance Officer to the Combined Authority, and also to act as the Chief Finance Officer for the Business Board.

201. ST NEOTS MASTERPLAN

The Mayor invited, Robin Howe, former Leader of Huntingdonshire District Council, to present the report on the St Neots Masterplan. Mr Howe drew attention to the background to the preparation of the St Neots Masterplan for Growth, which was the first to be considered for the ten market towns in the area. It would accelerate and manage the delivery of £185m of extra economic output by 2036 using a range of interventions. He reminded the Board that the St Neots community, in the form of the St Neots Steering Group, had been instrumental in developing the first strategic case to bring forward investment and begin delivery of the Masterplan. He reported that 40% of the growth rate had already been achieved.

He advised the Board that Phase 2 would focus on ambitious programmes in skills and employment, and accelerating the delivery of commercial space in line with the industrial needs set out in the Masterplan. Opportunities relating to the CaMkOx corridor, the Metro, and the A428, would need to be exploited to allow inward investment to flourish. It was also proposed to provide a new foot and cycle bridge in the town centre, alongside improvements to the riverside area. Urban & Civic planned to accelerate the delivery of incubator space for small businesses on Wintringham Park. A Skills Strategy involving the St Neots Manufacturing Club, Kier Group, and other major stakeholders would help match skills provision in and around the Town to the current and future needs of the key sectors identified in the Masterplan. In conclusion, he reported that £4.1m of CA funding together with partner investment of £1.7m would help generate growth in St Neots.

Councillor Smith highlighted the significant development which had taken place in St Neots. She queried why the resulting Section 106 contributions and the increase in rates had not been translated into improvements in the town centre. She also drew attention to the significant challenges relating to education and skills in particular the ability of people to access further education.

Mr Howe acknowledged that the Georgian town centre did need refreshing. It was proposed to improve the street furniture in order to make it more attractive and easier for people to travel to the centre. It was also proposed to divert traffic and provide more cycle facilities. The two derelict buildings in the centre had been acquired by the CA and District Council in order to be repurposed.

In relation to education and skills, it was noted that engagement had taken place with the Manufacturers' Association and retail to create a vehicle to deliver apprenticeships. This had been supported by the County Council who were strong advocates of this work. Urban and Civic were committed to providing education and skills provision relevant to jobs in the community. Work was also taking place with the iMET Technical and Vocational Centre to establish a joined up approach to deliver new talent to employers and reduce the 20% of the local community who commuted to London.

Councillor Bradley, a member of the Overview and Scrutiny Committee, reported that the Committee was supportive of the St Neots Market Place Masterplan.

It was resolved unanimously to:

- (a) Note the impact the St Neots Masterplan was already having in providing vision and strategic direction for the town
- (b) Note the recognition the St Neots Masterplan received in the Interim Cambridgeshire and Peterborough Independent Economic Review (CPIER)
- (c) Welcome the partnership with Kier Group and the St Neots Manufacturing Club to provide skills provision and career opportunities within St Neots
- (d) Approve the £4.1m package of funding in order to deliver the first phase of the St Neots Masterplan

The Mayor commented on this tremendous piece of work which was key to the investment of a market town which needed due care and attention. He acknowledged the importance of bringing forward ideas from the Masterplan.

202. STRATEGIC SPATIAL FRAMEWORK PHASE 2

Councillor Herbert, Portfolio Holder for Strategic Planning, introduced a report detailing the next stage of the work on the Cambridgeshire and Peterborough (Non-Statutory) Strategic Spatial Framework. He reminded the Board of the background to Phase 1, which had been produced in collaboration with each local authority, and had addressed obstacles to growth such as flood risk, energy and broadband. Phase 2 would consider the growth ambitions and infrastructure needed beyond that currently addressed in Local Plans extending to 2050. He drew attention to Section 3.5 of the report relating to housing, which would see the Framework seeking to establish the long-term plans for housing growth across the area. In addition work would be commissioned to identify job forecasts and income levels to consider the impact on home ownership and affordable housing. The Board was informed that this would enable housing quantity and the different type of housing needed to be linked with Local Plans. Councillor Herbert stated that a lot more housing particularly social rented housing was needed.

Councillor Holdich proposed an amendment, seconded by Councillor Herbert, which clarified the fact that the Framework was non-statutory, and added the following additional recommendation (c):

Agree that Phase 2 of the non-statutory Strategic Spatial Framework will be developed and delivered in conjunction with the planning policy forum to support the evidence gathering and analysis of spatial implications of the economic and housing projections, key infrastructure and environmental implications and views on strategic sites.

In discussion, Councillor Holdich highlighted the need for clarity particularly during a sensitive time when Local Plans were going public. Councillor Herbert raised the need to develop planning policy with officers and Portfolio Holders, as the Local Plans needed to be linked with the infrastructure plan in order to plan ahead to 2030. Councillor Count acknowledged that the addition of “non-statutory” was a good reminder. He commented that the CA had been established to enable authorities to work together. However, it was important to bear in mind the sensitivity of the fact that the Local Plans for each District were at different stages. On being put to the vote, the amendment was carried unanimously.

Councillor Smith welcomed the commitment in the report to partnership working with the Districts. However, she queried the lack of clarity in relation to precipitated new legal challenges. She also queried the timeframe for the deliverability of this ambitious Framework.

The Director Strategy and Planning acknowledged the ambitious timetable but commented that the CA was breaking new ground. In relation to comments on legal checking, he reported that the change in national plan policy would impact on the Framework. However, the CA could move quickly providing an evidence base to the Independent Commission. As a result, a budget had been identified to resource this work.

Councillor Smith highlighted the limitation of resources available to District Councils, as she did not want this ambitious programme undermined by lack of capacity. She

therefore proposed a proper review of resources to enable the CA and District Councils to then review timescales. The Director Strategy and Planning confirmed that this would be addressed as part of discussions already taking place with District Councils. He acknowledged that additional funding might be needed.

Councillor Bradley, a member of the Overview and Scrutiny Committee, asked, on behalf of the Committee, what consultation process had been undertaken for the Framework. The Mayor responded that the amendment answered this question.

It was resolved unanimously to:

- (a) Agree the work programme and approach for Phase 2 of the non-statutory Strategic Spatial Framework;
- (b) Agree a budget provision of up to £135,000 for Phase 2;
- (c) Agree that Phase 2 of the non-statutory Strategic Spatial Framework would be developed and delivered in conjunction with the planning policy forum to support the evidence gathering and analysis of spatial implications of the economic and housing projections, key infrastructure and environmental implications and views on strategic sites.

203. EAST-WEST (NORTH) CORRIDOR – A47 DUALLING STUDY – STRATEGIC OUTLINE BUSINESS CASE

The Chief Executive reported that the strategic importance of the A47 to the regional and national economy had long been recognised by the CA and partner organisations. He drew attention to the context to the A47 dualling study in particular the importance of the corridor to Norfolk and the Midlands. The scope of the study had covered the A47 corridor between the A16 Junction and Walton Highway, and included both qualitative and quantitative evidence and growth assumptions in local plans.

He informed the Board that the Strategic Outline Business Case (SOBC) concluded that there was a strong case for dualling the A47, which would improve journey times, enable economic growth across all areas of Cambridgeshire, and contribute to the growth of Cambridgeshire and Peterborough. The SOBC had been produced in line with the Treasury's Green Book five case business model which aligned with the Authority's assurance framework. He drew attention to the transport interventions considered, which included four individual connections. Each section would fit as a package and had been evaluated with some stronger than others. In conclusion, he commented that the recommendations in this report would support economic growth particularly in Fenland and Peterborough and wider growth. The Options Appraisal Report (OAR) and the public consultation would be progressed in tandem.

The Mayor drew the Board's attention to the serious accident on the A47 on 26 June 2018. He reported that the thoughts of the Board were with those who had died or been injured in the accident.

Councillor Bradley, a member of the Overview and Scrutiny Committee, asked, on behalf of the Committee, whether the carbon footprint had been taken into account when considering the East-West (North) Corridor - A47 Dualling Study, and that the Committee hoped that the carbon footprint for the project would be a key point to be considered as part of the business case. In response to this question, the Director

Transport and Infrastructure reported that the OAR would consider environmental matters. Whilst the carbon footprint would be considered it might not be explicitly calculated.

Councillor Smith asked what work had taken place to project future freight demand. The Director Transport and Infrastructure reported that modelling had been carried out which gave strong support to a significant increase. Councillor Holdich highlighted the significant number of commercial vehicles using the A47. He stressed that the road could not cope with this volume and was cracking up. He also raised the impact of delays on the tourist trade to the coast.

Councillor Count supported and welcomed the dualling of the A47, for which he had been campaigning for years. It was vital for Fenland and Peterborough, and Norfolk providing a significant East-West route. He drew attention to the SOBC and where the funding would come from. He acknowledged that in order to move ahead the Business Case had been modelled on the way government did business. However, there were many substantial outcomes which were not allowed under the Government model. For example, the CA might put a higher value on safety. It was therefore important that the Authority had a clear understanding of what it wanted when it sought agreement from government, and that it did not just follow prescriptive government modelling.

Councillor Count reported that better infrastructure would help to address social deprivation in Wisbech. The options around Wisbech needed to be considered carefully by the Authority, as one would help the North Garden Town Project, and another the Town itself. He drew attention to Routes 2.2 and 2.3 of the report, and highlighted the need to avoid wasted work by focusing on the clear front runners. It was also important to run work in parallel. In his view, a dual carriageway to the north of Wisbech, which was supported by the pricing, was the ultimate solution.

The Mayor reported that he had aligned the Authority to the A47 Alliance. It was important that the two cities of Peterborough and Norwich were linked by a dual carriageway. The Authority using the Cambridgeshire and Peterborough Independent Economic Review report would make the case to government. Economic deprivation in parts of the county would not be addressed without improving the route. It was also needed to address transport issues in Wisbech, which would include Wisbech rail.

It was resolved unanimously to:

- (a) Note the findings of the A47 Strategic Outline Business Case, and that a strong case exists for the dualling of the whole section of the route, and the intention to update this for new growth figures stated within this paper.
- (b) Approve the procurement of consultancy support for the planned public consultation and the development of an Outline Business Case.
- (c) Note that further Board approval would be sought prior to supplier appointment, along with the associated budget.
- (d) Note that engagement with the Department for Transport and its partners would now commence to explore alternative delivery arrangements in order to bring forward completion to 2025 to 2027.

204. CAMBRIDGESHIRE AND PETERBOROUGH COMBINED AUTHORITY UNIFIED STAFFING STRUCTURE – COMBINED AUTHORITY AND LOCAL ENTERPRISE PARTNERSHIP

The Board considered a report detailing the newly unified staffing team, incorporating activity and staff transferred from the Local Enterprise Partnership (LEP) on 1 April 2018. The new structure was designed to support the CA Board, its work programme, and the new Business Board and its activities. The arrangements provided a new operational model to support public and private sector partnerships and were a demonstration of public sector reform delivery. It was important to bear in mind that the structure was not one which allowed the Authority to operate as a Local Authority. Attention was drawn to the five core guiding principles which formed the design for the proposed staffing structure. The Chief Executive explained the proposed structure and teams in detail.

Councillor Herbert requested details of the number of posts to be created in total, the timing for making the appointments, and whether this would be the final make-up of the organisation. The Chief Executive reported that this accounted for 62 posts. However, he could not confirm the final position, as the nature of the CA's business was constantly changing. He reported that during the last three months the Authority had been given additional resources from the Department for Education for Adult Education. A flexible model would therefore be needed to support such initiatives. It was noted that senior posts, such as Directors, would be appointed to as soon as possible or by the end of July. It was hoped that Assistant Directors would be in post by the end of the calendar year. At the same time, the Authority would consider how all staff in the organisation matched posts; this work would start immediately and would hopefully be concluded in the summer.

Councillor Herbert was concerned about the Authority's reliance on 'Headhunters' and hoped that there would be open advertising for vacancies. The Chief Executive reported that the Authority would use the most appropriate method. It had indicated that it would make posts available in the community or wherever appropriate.

Councillor Roberts was pleased to read that the Authority would be a lean, agile and different organisation. He stressed the importance of doing things differently and faster. It was therefore essential to have a culture and structure which supported this. Councillor Count acknowledged that the structure was fit for purpose today but needed to be flexible for the future. He reminded the Board that the key promise of devolution was further devolution powers and resources. This would need to occur if the Government wanted to prevent stagnation. He highlighted the example of the energy report, which used to be the role of government, and was now being devolved to a more local level.

The Mayor commended the Chief Executive for confirming that the CA was not a council, as there were already seven well run councils in the area. The CA was a delivery body for the people of Cambridgeshire and Peterborough. He reminded the Board that it had an opportunity to do things differently which should not be slowed down by process.

It was resolved unanimously to:

support the Chief Executive's proposed unified structure of the Combined Authority.

205. COMBINED AUTHORITY AND BUSINESS BOARD OFFICES

The Mayor informed the Board that if it wished to discuss the confidential appendix, it would be necessary to exclude the press and public.

The Board received a report setting out the business case, the cost implications and the flexibility of the proposed office arrangements. The bringing together of CA staff and the former Greater Cambridge Greater Peterborough Local Enterprise Partnership into a single organisation had provided the opportunity to rationalise the accommodation into a single, fit for purpose, agile working office space. Following an assessment of the various options available, office space at Alconbury Weald had been found to provide the best value for money. It was also of key strategic importance within the CA area. Attention was drawn to the Business Case and value for money. The lease was for a period of 15 years; however, either party could give one year's notice to terminate.

Councillor Count reminded the Board that the County Council was vacating Shire Hall and relocating to Alconbury. Although, this would not be delivered at the same time the CA was considering its base, he hoped that the County Council would engage with the CA to incorporate space and increase flexibility.

It was resolved unanimously to:

- (a) Agree the location of the Combined Authority offices at the Alconbury Weald Enterprise Campus.
- (b) Approve the 2018/19 budget for occupation of the accommodation of £169,300.
- (c) Approve the 2019/20 and ongoing budget for occupation of the accommodation of £225,300 per annum.
- (d) Agree that any final insubstantial amendments that were required prior to signing the lease could be made by the Legal Counsel, in consultation with the Mayor.
- (e) Agree that any final insubstantial financial amendments that were required could be made by the Section 151 Officer.

206. GROWTH PROGRAMME UPDATE (REFERRAL FROM BUSINESS BOARD)

Councillor Roberts, Chair of Business Board and Deputy Mayor, drew attention to the work being carried out to reinvent the Local Enterprise Partnership (LEP). During this period of transition, an Interim Business Board had been established to provide an innovative model for the voice of business and protect the substantial amount of money, which had flowed through the LEP. As a result, Interim Business Board recommendations would be presented to the CA. He reported that there would be fewer infrastructure projects funded by the Authority and more by business. He invited the Interim Director, Business and Skills to provide an update.

The Board received a report summarising the current position on Growth Deal, some major milestones which were about to be completed, and the major scheme commitments from Growth Deal which had been transferred to the CA after the closure of the LEP and a status position of those projects. Attention was drawn to the background, the Growth Deal financial position, the official launch of the iMET Technical and Vocational Centre at Alconbury, the Bourges Boulevard 2 Project, the Growing

Places Fund including the Business Growth Prospectus, and the commitment of further growth funds. Members were reminded that the CA was the Accountable Body for the Growth Deal and Growing Places Fund and, as a result, proposals recommended by the Business Board would need sign-off by the Authority. Attention was drawn to the Growth Deal and Growing Places Risk Profile at Appendix 1 to the report.

Councillor Count queried the limited timeframe for spending the Growth Funds. It was noted that all capital projects had to be completed by 2021. He acknowledged that the Business Growth Prospectus had been delayed for appropriate reasons. However, given the tight timeframe, he stressed the importance of identifying projects with local authorities as soon as possible.

Councillor Holdich asked for an update on the project for The Mill in Peterborough. The Interim Director, Business and Skills reported that officers had been in discussion with and a bid had been submitted for The Mill. It was noted that at no point had full funding been agreed. She welcomed The Mill submitting a bid under the Growth Fund programme. Councillor Holdich reported that he thought funding had already been made available for this programme by the LEP.

Councillor Herbert commented on the timing of the funding even though the process had not yet been decided. He urged the Business Board to work in partnership with local councils to identify potential projects to access this funding. The Interim Director, Business and Skills reported that a prospectus had been produced in June after a considerable amount of work. It was noted that a series of meetings was planned for the next two weeks followed by a series of workshops. A draft prospectus would then be available to the Chair of the Business Board. This prospectus would be sent to all Chief Executives and Councils by the end of July.

Councillor Count drew attention to the fact that the Government had set specific criteria before it would release the 18/19 Growth Deal allocation, which included the CA responding to the (as yet to be published) national Review of Local Enterprise Partnerships (LEPs). He was concerned about the delay and suggested that the Authority write to Government to confirm that it had met all its other requirements, and ask whether it would release the funding. The Mayor reported that this action would be taken. **Action Required.** It was noted that the Review of LEPs was scheduled to be published on 23 July 2018. Councillor Smith queried whether the Growing Places budget of just under £8m was also time limited. The Director Strategy and Planning confirmed that it was not and there was also more flexibility, as it had already been recycled.

It was resolved unanimously to:

- (a) note the programme updates for the Local Growth Fund (Growth Deal) and Growing Places Fund;
- (b) note activity to bring forward business cases for provisional schemes and develop approach for new allocations;
- (c) approve payment to Peterborough City Council of £513,492.63 for Claim 8 under the Bourges Boulevard 2 contract.

207. LOCAL ENERGY EAST STRATEGY (REFERRAL FROM BUSINESS BOARD)

The Head of Sustainability introduced a report detailing the Local Energy Strategy, which had to be endorsed by all three Local Enterprise Partnerships (LEPs) to meet the requirements of the Department for Business, Energy and Industrial Strategy (BEIS). Attention was drawn to the background to the development of the Strategy, which included a focus on three primary energy local priorities and the strategic ambition and potential solutions in response. The Strategy provided an opportunity to address the clear challenges by providing an evidence base to garner support and direct funding. This was the first strategy in the country at a multi-LEP area level. It was noted that the detail would be compiled over the autumn.

Councillor Herbert, Portfolio Holder for Strategic Planning, acknowledged the considerable amount of background information contained in the report including the mapping of regional challenges. He drew attention to particular issues of concern such as a dysfunctional rail network and energy supply. If the latter was not addressed, new developments and the resulting jobs would be put at risk. He was concerned that people had been stopped from adding renewable energy to the network and identified such a restriction in North West Cambridge. He stressed the need for the Government to act quickly otherwise the new developments at the biomedical campus could come to a halt. In welcoming the Strategy, he stressed the importance of bringing to the Government's attention the fact that the energy grid was not working. In his view, the Government needed to address the issue of unaccountable utilities in order to provide a flexible grid to serve the area.

It was resolved unanimously to:

- (a) note and endorse the decision of the Business Board (reported at the meeting).
This included:
- (b) endorse the Strategy for the whole LEP area and as the basis for the Local Energy Hub to start considering projects in the Cambridgeshire and Peterborough area.
- (c) agree the Strategy and use of the Combined Authority name and logo within the final version of the Strategy.

208. STRATEGIC COMMUNITY LAND TRUST (CLT) PROGRAMME DEVELOPMENT

The Mayor moved an alteration to recommendation (d), as follows (*addition in bold and deletion in strikethrough*):

- (d) ~~Agree that the Board will approve~~ **the intention for the Chief Executive, Monitoring Officer and the Chief Finance Officer to develop the following in consultation with the Portfolio Holder Fiscal**
 - a. ~~(based upon the principles in paragraph 3.6)~~ the procedures for agreeing the future draw down of funding within the loan facility

The Director of Housing and Development reported that the CA was committed to work to encourage Community Land Trusts (CLTs) to deliver new housing schemes. The report gave an example in principle to provide the East Cambs Trading Company Ltd (ECTC) with an umbrella agreement through which ECTC could make subsequent applications for individual project specific loans, funded from CA borrowing. This would

enable ECTC to be more active in the market. Attention was drawn to the key principles of an umbrella agreement for ECTC which could then be applied on an area wide scale. It was noted that the Authority would need to set up a structure to consider and process loan applications quickly.

Councillor Herbert acknowledged the importance of delivering affordable housing. He was concerned that the Board had only received notification of the alteration to recommendations and additional information at 9.30p.m. the day before the meeting. He would therefore have preferred more time to consider this information. He drew attention to the fact that it was proposed that the Portfolio Holder for Fiscal Strategy and the officer team be delegated to make decisions regarding the use of public money. He raised questions in relation to the loan to ECTC regarding the interest rate and who would cover the risk. He queried whether East Cambridgeshire District Council (ECDC) would be indemnifying the full loan amount.

Councillor Herbert also called for some consistency in the affordable housing programme. He asked for there to be an annual report for CLTs detailing what had been delivered, as required for the £100m Housing Programme. He was concerned that the Board was just being presented with the headline figures rather than the cost per unit and the timescale. He drew attention to the fact that the report considered by the Board previously had reported that the £6.5m loan for Haddenham would come from the £100m Housing Fund. However, there was no mention of this in the report. Whilst he supported CLTs, he was of the view that they would not work in high cost land areas such as Cambridge. He reminded the Board of its core objective to deliver affordable housing.

In response, Councillor Count reported that there had been a need to address a number of issues which were not clear in the report. As a result, the new documentation (attached at **Appendix B**), had provided greater clarity and resulted in the need to alter recommendation (d). He reported that ECDC was not indemnifying the loan. As in the case of the Haddenham loan, the funding would be secured fully against the land. He stressed that all loans would need to have security which was satisfactory to the Board. He confirmed that the recommendations did not authorise a loan of £40m instead they set the direction of travel including arrangements to speed up the process.

Work to develop loan terms would need to be determined, which identified the key principles upon which future CLT loans could be made by the Authority. Key aims would form a document to be presented to the Board which would then decide how much funding officers could sign off. It was expected that every CLT would have a monitoring status. In relation to funding from the Housing Programme, it was important to deliver affordable housing at speed. CLTs reflected one way of delivering such housing, there were of course other ways. Councillor Count explained that the Haddenham loan was subject to delegated authority and was waiting sign off subject to legal Heads of Terms. In conclusion, he reported that papers would come back to the Board to speed up the process, and he encouraged other proposals to come forward.

Councillor Smith reported that she could not support the recommendations and called for a recorded vote. She stated that it was not acceptable to circulate an alteration to recommendations and additional information at 9.30p.m. the day before the meeting. She was of the view that there were too many unknowns which would prevent due diligence. She stressed the need to push an ambitious and different affordable homes programme, which could influence the affordable homes market rather than small projects.

Councillor Herbert reiterated his point regarding who was guaranteeing the loan. He stressed the need for no loan to be made unless the CA was absolutely sure it would not lose money. He reported that the Haddenham loan amounted to £342,000 per each of the fourteen homes. He was concerned that a big economic downturn could put the money at risk. He queried why ECDC was not guaranteeing its own company.

In response, Councillor Count reported that the land at Haddenham had been valued independently and the value amounted to £12m of assets. Councillor Count explained that officers needed to work up procedures for agreeing the future draw down of funding within the loan facility in order to avoid missing opportunities. It was important to bear in mind that this process would recycle the Housing Fund money to deliver more affordable housing in the future. The recommendation to sign off the delegation would require a change to the Authority's constitution.

Councillor Roberts expressed disappointment regarding the misunderstanding in relation to CLTs. He explained that CLTs were ambitious and did deliver something different. The Haddenham Scheme had delivered affordable homes without Government or Authority grant. He urged the Board to consider and understand properly the CLT model. He reported that the interest rate was to be agreed. However, he queried why it was so important given the return on delivery in relation to affordable housing. He was of the view that the CLT would be very successful in areas with high land values, as a result of the cross subsidy model. The cost per unit was not relevant, as this was a loan not a grant. He questioned how much of the other Authority funding for affordable housing had been recycled.

Councillor Herbert reminded the Board that Councillor Roberts had a significant interest in this report. He was therefore surprised that he had not stepped away from this debate. ECDC had an interest because this proposal enabled Council Tax rates to be lowered. He was still of the view that if the Authority was loaning money at a 1.5% interest rate, these loans needed to be defended. He reported that he was not persuaded of the risk, as it was not clear what this money had been guaranteed against. He drew attention to the number of affordable homes being delivered in Cambridge and Northstowe in particular the 100 Council homes scheduled to be built on the old Mill Road Depot. He recognised the value of CLTs and welcomed information on where in Cambridge they could be actioned.

Councillor Count expressed disappointment regarding how much the report had been misunderstood. Councillor Roberts reminded the Board that the ECTC was not applying for loans at this stage. As the report was about the principles, he felt that he did not need to declare an interest. As the Leader of ECDC, his objective was to deliver affordable housing. ECDC was the sole shareholder of ECTC, and as a small local authority, it was of the view that it was better to work together with the CA, rather than underwrite the CLT programme itself.

As two Members had requested a recorded vote, the Mayor exercised his discretion for it to take place.

It was resolved by a majority to:

- (a) Note the intention to develop a strategic model to deliver Community Land Trust schemes across the Cambridgeshire and Peterborough area, including an assessment of the total loan facility required

- (b) Agree the s151 Officer engage with HM Treasury to establish the position with regards to the existing Borrowing Cap for CPCA in respect of the potential borrowing requirement, and establish any treasury rules, guidelines or requirements for borrowing for this purpose.
- (c) Agree in principle the proposal to develop an umbrella agreement which could provide a loan facility, with up to £40m to potentially be funded through borrowing for ECTC
- (d) Agree the intention for the Chief Executive, Monitoring Officer and the Chief Finance Officer to develop the following in consultation with the Portfolio Holder Fiscal
 - a. the procedures for agreeing the future draw down of funding within the loan facility
 - b. the appropriate level of any delegations to officers and Portfolio Holder, for individual loan and/or total scheme sign off
 - c. the monitoring of the delivery of housing schemes under the loan facility at appropriate stages to maintain oversight of delivery, including reporting to Board and External Audit

[Voting pattern – Councillors Bull, Count, Holdich and Seaton in favour; Councillor Smith against; Councillors Herbert and Roberts abstained]

The Mayor, in conclusion, commented that CLTs provided a different and additional way of delivering affordable housing. He reminded the Board that there was a deficit of all types on homes. Preventing CLTs from progressing was therefore doing a disservice to the people of Cambridgeshire and Peterborough. The *raison d'être* of the Authority was to do things differently and to step out of its comfort zone to do things which had not be done before by working together. He acknowledged that CLTs were not the only way but they were a tangible way. He encouraged Board members to identify sites in their area where CLTs could be delivered at no cost to the tax payer.

209. BUDGET UPDATE

Councillor Count, Portfolio Holder for Fiscal Strategy, presented a report detailing the outturn position against budget for the year to 31 March 2018 and an update of the preparation and audit of the draft Statement of Accounts of the CA for the year to 31 March 2018. The outturn position showed overall expenditure for the year of £40.7m, against a budget of £53.5m, a net underspend of £12.8m. Attention was drawn to the breakdown of underspends for the first year. He reminded the Authority that the budget was complex and that capital projects were in their infancy. An exercise to improve the accuracy level to analyse all 2017/18 variances would therefore be progressed.

Councillor Herbert queried the fiscal transfer to the LEP and requested assurance that there would be no net cost to the CA. Councillor Count reported that it had been unbudgeted for at the start of the year so was shown as a variance. The Section 151 officer reported that this reflected the required payment for the liquidation of the LEP. However, it was important to note that the CA had inherited income streams which more than exceeded other income streams. Councillor Herbert requested the financial figures.

Attention was drawn to Transport and Infrastructure where £11m had been allocated but only £1m spent. Councillor Herbert reported that a number of projects were therefore not proceeding as scheduled. He therefore welcomed the proposal for the accounting practice to identify genuine underspends. Councillor Count reported that the Board would be asked what it wanted to do with genuine underspends in the future. He confirmed that actual underspends would be identified in future rather than underspends caused by a slippage in schemes.

It was resolved unanimously to:

1. Note the outturn position against budget for the year to 31 March 2018.
2. Note progress being made in the preparation and audit of the draft Statement of Accounts for 2017/18.
3. Note that a further report would be brought to the Board to recommend the approval of certain unspent budgets, to be identified in that report, to be carried forward for use in 2018/19.

210. DATE OF NEXT MEETING

The Combined Authority Board will meet next on Wednesday 25 July 2018, East Cambridgeshire District Council, Council Chamber, The Grange, Nutholt Lane, Ely, CB7 4EE

Mayor