



CAMBRIDGESHIRE & PETERBOROUGH COMBINED AUTHORITY – OVERVIEW AND SCRUTINY COMMITTEE

MINUTES

Date: 16 December 2019

Time: 11am

Location: South Cambridgeshire County Council

Present:

Cllr Andy Coles
Cllr Ed Murphy
Cllr Alex Miscandlon
Cllr Anne Hay
Cllr Patricia Jordan
Cllr Doug Dew
Cllr Peter Fane
Cllr Lorna Dupre
Cllr Kevin Price
Cllr Alan Sharp
Cllr Mike Davey
Cllr David Connor

Peterborough City Council
Peterborough City Council
Fenland District Council
Fenland District Council
Huntingdonshire District Council
Huntingdonshire District Council
South Cambs District Council
East Cambs District Council
Cambridge City Council
East Cambs District Council
Cambridge City Council
Cambridgeshire County Council

Officers:

Dermot Pearson
Jon Alsop
Paul Raynes
Katarina O'Dell

Interim Monitoring Officer
Head of Finance / S73 Officer
Director of Delivery and Strategy
Interim Scrutiny Officer

1. Apologies

Apologies received from: Cllr Chamberlain, Cllr Scutt.
Cllr Fane substituted for Cllr Heylings.

2. Declaration of Interest

There were no declarations of interest.

3. Minutes

The minutes of the meeting held on the 25 November 2019 were agreed and signed by the Chair.

4. Written Responses from the Combined Authority Board to Overview & Scrutiny Committee Questions – 27 November 2019

Written responses were noted by the Overview & Scrutiny Committee.

5. Public Questions

The Chair confirmed that there had been no questions received from members of the public.

6. Transport and Infrastructure Committee Chair and Senior Officer

The Overview & Scrutiny Committee noted that the Chair of the Transport and Infrastructure Committee, Mayor James Palmer, has sent his apologies and no substitute was identified.

The Director of Delivery and Strategy, Paul Raynes, attended and explained that the Local Transport Plan was one of the key strategies for the Combined Authority and the consultation on the draft Local Transport Plan had been conducted. One of the Local Transport Plan draft's priorities is a world class transport network, enabling a sustainable growth in the area.

The Director of Delivery and Strategy further noted climate change as being one of the main issues arising from the consultation. One question raised by respondents was that, given the objective of local transport aiming to achieve zero carbon, whether the balance in the Local Transport Plan regarding road infrastructure improvements was right. It was further explained that while there would be an opportunity for electric vehicles over the next decade, those electric vehicles would still tend to be individual primary cars, therefore, issues of congestion and need for road space would remain. The Director of Delivery and Strategy added that another priority had to be considered, and that was the opportunity in rural regions, looking at open space and availability for local transport there.

In response to a question on buses and franchising and whether there had been any feedback regarding that following the consultation, the Head of Delivery and Strategy explained that there had been a lot of feedback received about buses and noted that one of the key projects is the work that the Combined Authority has been doing on the future bus strategy. He further explained that by next summer some work will have been done, followed by a consultation and that there was a legal process in place, which the Combined Authority has to follow.

In response to a questions on whether given the responses to the Local Transport Plan there should be a rethink about the approach taken the Head of Delivery and Strategy reassured the Committee that the Local Transport Plan was the overarching framework and the bus reform project was integrated in the whole Local Transport Plan. When the CAM Metro work is in place, across the area, that will also interact with the Local Transport Plan and its wider integrated transport network.

In response to questions about how the CAM was to be financed the Head of Delivery and Strategy explained that the Strategic Outline Business Case has followed the strict structure and showed that the project was financeable and that continued to be the Combined Authority's view.

Responding to a question about the plans to become carbon zero by 2050 but that that the delivery plan was shown only up to 2035, the Director of Delivery and Strategy explained that what could be seen up to 2035 was an established trajectory and a shown confidence that was taking us towards carbon zero by 2050. At the same time the Local Transport Plan is a document that could continue to be reviewed and updated in the future.

A further question was raised on whether the national infrastructure plans had been factored in, to which the Head of Delivery and Strategy responded by saying that the building of national infrastructure that would run through the county, the geography and details had been taken into account.

Responding to a question on growth and the extend to which responses to the consultation had suggested tensions between growth and other aspirations, the Head of Delivery and Strategy noted that the consultation seemed to endorse the overall approach.

Responding to a further question on spreading the region's prosperity evenly and whether that is feasible, realistic or appropriate, the Head of Delivery and Strategy explained that this was not about diluting Cambridge but about enabling other parts of geography to thrive.

In response to a question on the draft Local Transport Plan talking about different requirement for public transport for rural and urban areas, it was explained that the sort of transport solutions that are needed in for example in Cambridge, are different to those needed in villages around the county.

Responding to a question about the East Cambridgeshire connect scheme, the Head of Delivery and Strategy said that the County Council continued to have the responsibility for services on a day-to-day basis and that this would continue into next year but that it was being looked at as part of the bus service review.

In regards to a questions on the provision for hydrogen filling stations and electric charging points, the Head of Delivery and Strategy explained that was something that the Combined Authority would have to work in partnership with the independent commission. He noted there were some regulatory issues but that the ideas needed to be developed further.

Discussion on Climate Change following Written Responses from the Combined Authority Board to Overview & Scrutiny Committee Questions – 27 November 2019.

Responding to a supplementary question on responsibility at officer level within the Combined Authority, the Head of Delivery and Strategy said he would take the comments to the senior management team and CEOs.

In regards to a supplementary question on the Climate Change Commission, the Director of Delivery and Strategy explained that discussions were under way with a potential Chair; a member of staff had been put into the role to support the formation of the Advisory Committee.

RESOLVED:

That the responses and clarifications by the Head of Delivery and Strategy regarding the draft Local Transport Plan be noted.

7. Combined Authority Budget and Medium-Term Financial Plan

The Head of Finance, Jon Alsop, updated the Overview & Scrutiny Committee and explained that the draft Budget had been approved by the Combined Authority Board at their last meeting and that the consultation had started for a period of 4 weeks. In accordance with the Constitution, the Combined Authority had sent invitations to Chief Executives and Chief Finance Officers of Constituent Councils, Members of the Business Board and Overview & Scrutiny Committee. Additionally, the Communications Team had communicated the message with the public through the Combined Authority's website.

The Head of Finance further explained that an updated version of the Budget would go to the Combined Authority Board in January 2020 and to the Overview & Scrutiny Committee before that.

In response to a question of clarity regarding the wording 'Growth Fund Top Slice reserve', the Head of Finance explained that this refers to the part of the growth fund that the Combined Authority has inherited; that this was a capital fund, however, a top slice can cover some revenue expenditure (the cost of running the fund) and clarified that this was included in the Combined Authority's Budget every year.

A question was raised about the Combined budget line for other income and whether it is known which year that other income was coming in from each fund; e.g. the EU money was for last year and this year and that the projection for the next couple of years is unclear due to Brexit. The Head of Finance explained that some of these would be time limited. If they had been time limited as part of the grant condition, the expenditure lines of those would be profiled in accordance to that grant condition. Anything that is not limited, would be coming forward on a balance sheet. The Head of Finance explained that all those could be seen in expenditure lines in the draft Budget.

To a further question on whether some of the grant money would have to be given back if unspent, the Head of Finance clarified that some grants were conditioned, in which case the money left unspent would have to be given back.

A question was raised on the Garden Cities Project and noted that a projection of £700k was to be spent but no expenditure had been recorded in the draft budget. The Head of Finance explained that this was for comparison and that at the present time there was £700k allocated in this year's Budget, however, nothing had been allocated for future years against that project.

In response to a question regarding leveraged schemes, the Head of Finance explained that both tables in Appendix 3 sat outside the Medium-Term Financial Plan and each of those were subject to business cases and external funding. He further explained that there was some expenditure that was last year included in the Budget as projects had been successfully approved.

Responding to the Chair's question regarding assumptions made about needing to look for savings within non-discretionary cost spending (6.1 of the Budget), the Head of Finance explained this was about looking at a difference between non-discretionary as being part of the service areas of the Budget, whereas with the corporate there were certain areas that

could be more fixed and the Combined Authority having less control over, e.g. rates. The Head of Finance reassured the Committee that those could be reviewed at any point if the Combined Authority believed that was suitable at that time.

Regarding the question raised on the contributions to A14 and the timeline of the Local Enterprise Partnership (LEP) contribution set as 30% share of the Enterprise zone receipts, the Head of Finance agreed to provide information to the Chair after the meeting.

In response to a question on the site tech container village business space, the Head of Finance agreed to provide a response after the meeting.

Regarding a question raised on the outcome of the proposed capital equity investment by the Combined Authority to become a shareholder in the new technologies' accelerator, the Head of Finance agreed to provide information to the Chair after the meeting.

The Chair raised a question on the significant jump in the Mayoral allowance between 2020/21 and 2021/22 from £85k to £95.6k, the Head of Finance informed the Committee that the Mayor's allowance had been set by the Remuneration Committee and that the Mayor had given assurances that he would not accept any increase in his allowance up to the end of his term in office. However, the draft Budget takes into account the allowance set by the Remuneration Committee. The Interim Monitoring Officer clarified that the order setting up the Combined Authority sets up a process on how the mayoral allowances are dealt with and uses one of the remuneration panels from the Constituent Councils. It was agreed that the Head of Finance would confirm how these were calculated and come back to the Chair.

Another question was raised in regards to a significant jump in costs in CEO line. The head of Finance explained this was based on the assumption of the existing arrangement whereby the Combined Authority has the joint Chief Executives. The Head of Finance agreed to confirm how these were calculated and come back to the Chair.

The Chair further questioned the jump in costs of legal and governance and less spending on external legal counsel. The Head of Finance clarified that as the recruitment continues, there would be less reliance on external legal counsel. The Interim Monitoring Officer explained that we did network with other Monitoring Officers in Combined Authorities and where possible, we would take advice from colleagues.

Regarding the question about Kings Dyke and how robust the estimate of the total cost is, the Head of Finance explained that the estimation reflected all budgetary decision and approval up to the end of November and, therefore, reflected the expectations at that point in time.

A question was asked about why the housing development company and Angle Holding Ltd could not be found in the draft budget. The Head of Finance clarified that that they were reflected in the budget but would be taken forward once the numbers have been approved by the Board.

A question was raised regarding Appendix 1b and £8.6m interest on borrowing and interest received on investment. The Head of Finance explained that at the moment there was no borrowing and there were no plans so far to borrow, but there is an allowance for revenue cost if the Combined Authority decided to borrow. The Committee agreed that wording and language would need to be re-visited.

The Chair noted that the Overview & Scrutiny Committee is a formal consultee to the budget process and wondered whether there was anything arising for the discussion at the meeting

that the Committee wished to put in a response as a formal consultee to the Combined Authority about the Budget proposals. Issues noted and put forward were as follows:

- i) Concerns about the jump in the Mayor's allowance budget line
- ii) Concerns about the jump in the line of Chief Executives' costs

RESOLVED:

- a) That the update and clarifications from the Head of Finance be noted.
- b) That the Head of Finance would provide agreed information to the Chair after the meeting.
- c) That the wording and language in Appendix 1b regarding interest on borrowing be re-visited.
- d) That the Overview & Scrutiny Committee would raise concerns with the Combined Authority Board about the two identified jumps in the draft Budget costs as a formal consultee to the budget process.

8. Combined Authority Forward Plan

The Committee considered the Combined Authority Forward Plan.

As the Lead Member on Housing, Councillor Murphy noted that the Housing Committee had to look at housing needs more and how the Combined Authority would be dealing with those.

RESOLVED:

That the Combined Authority Forward Plan be noted.

9. Overview and Scrutiny Work Programme

The Committee received the report which outlined the Work Programme for the Committee for the municipal year 2019/20.

Identified items to be added to the Work Programme:

- i) Climate Commission – once established, the Overview & Scrutiny Committee would like to hear from the Chair (before the interim report) – February/March
- ii) Lead Member Roles Description - January
- iii) Combined Authority Board agenda item – January

RESOLVED:

That the items be added to the Work Programme.

10. Date and Location of the next Committee meeting:

The Committee agreed that the next meeting would be held on 27 January at 11:00am, at East Cambridgeshire District Council with a pre-meeting at 10am

The meeting concluded at 12.58pm.