



CAMBRIDGESHIRE & PETERBOROUGH COMBINED AUTHORITY

Wednesday, 28 June 2017

10:00a.m. – 12:30p.m.

East Cambridgeshire District Council, The Grange, Nutholt Lane, Ely, Cambs CB7 4EE

AGENDA

Open to Public and Press

Number	Agenda Item	Mayor/ Lead Member/ Chief Officer	Papers	Pages
	Part 1 – Governance items			
1.1	Apologies and Declarations of Interests	Mayor	oral	-
1.2	Minutes – 31 May 2017	Mayor	yes	4-8
1.3	Petitions	Mayor	oral	-
1.4	Public Questions	Mayor	oral	-
1.5	Independent Remuneration Panel (IRP) on Mayoral Remuneration Scheme and Independent Person Allowance	Interim Monitoring Officer	yes	9-23
1.6	Appointment of Chief Executive	Lead Chief Executive for governance	yes	24-27

1.7	Arrangements for Appointment of Statutory Officers	Head of Paid Service (Interim Chief Executive)	yes	28-30
1.8	Forward Plan	Mayor	yes	To follow
Part 2 – Key Decisions & Policy				
2.1	Business Case for Phase 2 of the University of Peterborough	Cllr Clark Portfolio Holder for Skills and Education	yes	31-89
2.2	Interim Local Transport Plan	Cllr Roberts Portfolio Holder for Transport and Infrastructure	yes	90-135
2.3	Strategic Transport Infrastructure Schemes	Cllr Roberts Portfolio Holder for Transport and Infrastructure	yes	136-178
2.4	An Independent Economic Commission	Cllr Howe Deputy Mayor & Portfolio Holder for Economic Strategy	yes	179-188

	Part 3 - Decisions			
3.1	National Productivity Investment Fund	Cllr Roberts Portfolio Holder for Transport and Infrastructure	yes	189-197
3.2	Housing Programme: Modular Homes – Off Site Housing	Cllr Topping Portfolio Holder for Housing	yes	198-207
	Part 4 - Financial Management & Audit			
4.1	Budget Update	Cllr Count Portfolio Holder for Fiscal	yes	208-272
	Part 5 – Date of next meeting			
5.1	Date: Wednesday 26 July 2017 at 10.00 am Venue-	Mayor	oral	-

The Combined Authority currently comprises the following members:

Mayor: J Palmer

Councillors: J Clark, S Count, L Herbert, J Holdich, R Howe, C Roberts and P Topping
LEP Chairman M Reeve

Substitute members: Councillors A Bailey, D Brown, W Fitzgerald, R Hickford, K Price, W Sutton & N Wright; LEP substitute member to be confirmed

Observers: J Ablewhite (Police and Crime Commissioner), J Bawden (Clinical Commissioning Group), and Councillor K Reynolds (Chairman - Cambridgeshire and Peterborough Fire Authority)

The Combined Authority is committed to open government and members of the public are welcome to attend Committee meetings. It supports the principle of transparency and encourages filming, recording and taking photographs at meetings that are open to the public. It also welcomes the use of social networking and micro-blogging websites (such as Twitter and Facebook) to communicate with people about what is happening, as it happens.

Public speaking on the agenda items above is encouraged. Speakers must register their wish to speak by making a request in writing to the Monitoring Officer no later than 12.00 noon three working days before the meeting. The request must include the name, address and contact details of the person wishing to speak, together with the full text of the question to be asked.

For more information about this meeting, please contact Michelle Rowe at the Cambridgeshire County Council's Democratic Services on Cambridge (01223) 699180 or by email at michelle.rowe@cambridgeshire.gov.uk



Agenda Item No.1.2

CAMBRIDGESHIRE & PETERBOROUGH COMBINED AUTHORITY: MINUTES

Date: Wednesday, 31st May 2017

Time: 10.00a.m. – 10.25a.m.

Present: James Palmer (Mayor)

J Clark – Fenland District Council, S Count – Cambridgeshire County Council, L Herbert – Cambridge City Council, J Holdich – Peterborough City Council, Councillor R Howe – Huntingdonshire District Council, C Roberts – East Cambridgeshire District Council and P Topping – South Cambridgeshire District Council

28. THE MAYOR – DECLARATION OF ACCEPTANCE OF OFFICE

The outgoing Chairman of the Combined Authority Board, Councillor Howe, congratulated the new Mayor, James Palmer, on his election to Office and invited him to make his Declaration of Acceptance of Office.

James Palmer made and signed the statutory Declaration of Acceptance of Office and took the Chair. He thanked Councillor Steve Count and Councillor Robin Howe for chairing the Combined Authority Shadow Board and Board meetings over the last eight months. He also thanked the Board for its support.

The Mayor reported that he was determined to make the Combined Authority a major success in order to improve the lives of the people of Cambridgeshire and Peterborough and make the whole area a fairer and better place to live. He drew attention to his 100-day plan, which had recently been published. The plan proposed connecting the north of the area to the south spreading wealth and opportunity for all.

29. MEMBERSHIP OF COMBINED AUTHORITY

The Board was asked to note a tabled report setting out the Members and substitute Members appointed by the Constituent Councils, and the Member and substitute Member nominated by the Greater Cambridge/Greater Peterborough Enterprise Partnership (GCGP LEP).

It was resolved unanimously to:

- (a) note the Members and substitute Members appointed by Constituent Councils to the Combined Authority for the municipal year 2017/2018; and

- (b) confirm the appointment of the Member and substitute Member nominated by the Greater Cambridge/Greater Peterborough Enterprise Partnership (GCGP LEP) to the Combined Authority for the municipal year 2017/2018.

30. DEPUTY MAYORS OF THE COMBINED AUTHORITY

The Mayor announced the appointment of Councillor Holdich, as the Constitutional Deputy Mayor, and Councillor Howe, as the Statutory Deputy Mayor, of the Combined Authority.

31. APOLOGIES AND DECLARATIONS OF INTERESTS

Apologies received from M Reeve (GCGP LEP), J Ablewhite (Police and Crime Commissioner) and J Bawden (Clinical Commissioning Group). There were no declarations of interest.

32. MINUTES – 26TH APRIL 2017

The minutes of the meeting held on 26th April 2017 were agreed as a correct record.

33. APPOINTMENT OF CO-OPTED MEMBER ORGANISATIONS

The Board was asked to grant co-opted member status to the bodies listed in the report for the municipal year 2017/18.

It was resolved unanimously to:

- (a) agree that the following bodies be given co-opted member status for the municipal year 2017/18:
 - (i) The Police and Crime Commissioner for Cambridgeshire;
 - (ii) Cambridgeshire and Peterborough Fire Authority representative;
 - (ii) Clinical Commissioning Group representative.

- (b) note the named representative and substitute representative for each organisation as set out in the report.

34. PETITIONS

No petitions were received.

35. PUBLIC QUESTIONS

No public questions were received.

36. FORWARD PLAN

The Board noted a revised Forward Plan of Executive Decisions dated 26 May 2017, which had been circulated on the same day. The Mayor commented that the Forward Plan was updated on a regular basis. (A copy of the current version was available at the following link <https://cmis.cambridgeshire.gov.uk/ccclive/Documents/PublicDocuments.aspx>)

It was resolved unanimously to:

approve the Forward Plan of Executive Decisions.

37. PORTFOLIOS - APPROVAL

The Board was asked to agree the portfolios and note the Mayor's allocation of portfolio responsibilities as set out in Appendix 1 of the report. As a result of these changes, there was also a need to review the membership of the Investment and Delivery Working Groups as set out in the report. The Mayor reported that he would be taking on the governance role for the Combined Authority.

One Member queried the voting arrangements if the Board was required to agree portfolio responsibilities as set out in the Constitution with the Mayor taking responsibility for governance. The Interim Monitoring Officer confirmed that amendments to the Constitution required a vote in favour, by at least two-thirds of all Members present and voting.

It was resolved unanimously to:

- (a) agree the portfolio responsibilities as set out in Appendix 1 and note that the Mayor would be responsible for governance;
- (b) note the Mayor's allocation of portfolio responsibilities to each Member of the seven Constituent Councils as set out in Appendix 1; and
- (c) agree the revised membership of the Investment Working Group and the Delivery Working Group as set out in the report.

38. APPOINTMENT OF THE OVERVIEW AND SCRUTINY COMMITTEE

The Board received a report detailing the political balance on constituent councils following local elections and by-elections. It was asked to agree the size of the Overview and Scrutiny Committee and the political balance on the committee. It was also asked to appoint the Members and substitute Member nominated by Constituent Councils and confirm these appointments as set out in Appendix 2 tabled at the meeting.

It was resolved unanimously to:

- (a) note the political balance on constituent councils following the local elections;

- (b) confirm that the size of the Overview and Scrutiny Committee should be 14 members; two members from each Constituent Councils and two substitute members for the municipal year 2017/2018;
- (c) agree the political balance on the committee as set out in Appendix 1;
- (d) confirm the appointment of the Member and substitute Member nominated by Constituent Councils to the Overview and Scrutiny Committee for the municipal year 2017/2018 as set out in Appendix 2.

39. APPOINTMENT OF AUDIT AND GOVERNANCE COMMITTEE

The Board was asked to agree the size and political balance of the Audit and Governance Committee. It was also asked to appoint the members and substitute member nominated by Constituent Councils to the Committee, to appoint an independent person for the Committee, and appoint the Chair and Vice-Chair to the Committee. It was proposed by the Mayor, and seconded by the Deputy Mayor, Councillor Howe, that the independent person be appointed as Chair, with the Committee electing a Vice-Chair.

It was resolved unanimously to:

- (a) confirm that the size of the Audit and Governance Committee should be 8 members; one member and one substitute from each Constituent Council and one independent person for the municipal year 2017/2018;
- (b) agree the political balance on the committee as set out in Appendix 1;
- (c) confirm the appointment of the Member and substitute Member nominated by Constituent Councils to the Committee for the municipal year 2017/2018 as set out in Appendix 2;
- (d) appoint Mr Alan John Pye as the independent person of the Audit and Governance Committee for a term of four years ending May 2021; and
- (e) appoint Mr Alan John Pye as Chair, and ask the Committee to elect a Vice Chair, of the Audit and Governance Committee for the municipal year 2017/2018.

40. EXCLUSION OF PRESS AND PUBLIC

It was resolved unanimously:

That the press and public be excluded from the meeting on the grounds that the agenda contained exempt information under Paragraph 1 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 any individual).

The Mayor asked all officers to leave except for the Interim Monitoring Officer, the Chief Executive of East Cambridgeshire District Council, and the Democratic Services Manager.

41. CHIEF EXECUTIVE RECRUITMENT UPDATE

The Board considered an update report on progress toward the recruitment of a permanent Chief Executive and details of the arrangements for the final assessment centre.

It was resolved unanimously:

to note the progress towards the recruitment of a permanent Chief Executive and propose questions for inclusion in the assessment centre interviews.

42. CALENDAR OF MEETINGS 2017/2018

The Board was asked to agree the date and time of ordinary meetings of the Board (and its Committees) for the coming Municipal Year. It was also asked to agree the calendar of meetings for 2017/18 Municipal Year.

It was resolved unanimously:

to approve the revised Calendar of Meetings for 2017 / 2018 (Appendix 1).

43. DATE OF NEXT MEETING

It was resolved unanimously to note the date of the next meeting – Wednesday, 28 June 2017 at 10.00am at East Cambridgeshire District Council offices, The Grange, Ely.

Mayor



CAMBRIDGESHIRE AND PETERBOROUGH COMBINED AUTHORITY BOARD	AGENDA ITEM No: 1.5
	PUBLIC REPORT

**TITLE: INDEPENDENT REMUNERATION PANEL (IRP) ON MAYORAL
REMUNERATION SCHEME AND INDEPENDENT PERSON ALLOWANCE**

1.0 PURPOSE

1.1 The purpose of this report is to:

- (a) consider the Independent Remuneration Panel's report in respect of the Mayor's allowance scheme; and
- (b) review the allowance of the Independent Person on the Audit and Governance Committee.

<u>DECISION REQUIRED</u>	
Date:	28 June 2017
Lead Member:	Not applicable
Lead Officer and Author:	Kim Sawyer, Interim Monitoring Officer
Forward Plan Ref:	Not applicable Key Decision: No
<p>The Combined Authority Board is requested to:</p> <ul style="list-style-type: none"> (a) consider the Independent Remuneration Panel's report in respect of the Mayor's allowance scheme (Appendix A); (b) agree the scheme of Mayoral allowance as set out in Appendix A1 for the municipal year 2017/18 and 2018/19; (c) agree that the Independent Remuneration Panel be requested to undertake a further review no later than 24 months from the date of this decision; 	<p><i>Voting arrangements</i></p> <p>Simple majority of Members including the LEP</p>

(d) the Independent Person of the Audit and Governance Committee be increased to £1534 to take account of his additional duties as Chair of the Audit and Governance Committee.	
---	--

2.0 BACKGROUND

Mayoral Scheme

- 2.1 The Cambridgeshire and Peterborough Combined Authority Order 2017 enables the Combined Authority to pay an allowance to the Mayor if:
- (a) the Combined Authority has considered a report published by an independent remuneration panel established by one or more of the constituent councils under regulation 20 of the Local Authorities (Members' Allowances) (England) Regulations 2003(a) which contains recommendations for such an allowance; and
 - (b) the allowance paid by the Combined Authority does not exceed the amount specified in the recommendation made by the independent remuneration panel.
- 2.2 The Board on 20 March 2017 ratified the shadow board's previous decision to instruct the interim Monitoring Officer to convene an independent remuneration panel (IRP) and to make recommendations to the Combined Authority for the remuneration of the elected Mayor. The Board also requested the IRP to take into account additional criteria relating to the remuneration of Mayors and other national criteria.
- 2.3 As Cambridgeshire County Council was in the process of recruiting a new panel via an open recruitment process aimed at encouraging applicants from a range of backgrounds, the interim Monitoring Officer commissioned the County Council's panel to undertake the review.
- 2.4 The Panel undertook its review in April 2017 and its report and recommendations are attached. The Panel is recommending an allowance of £75,000 based upon the significant level of responsibility associated with the role. The Panel took the view that the role requires a high level of knowledge, skill and experience and is likely to be subject to the highest level of public accountability. The allowance is not pensionable and will not be index-linked, but the Panel further recommended that it should be reviewed no later than 24 months after approval of the allowance. This would allow the Panel to conduct that review with input from the Mayor.
- 2.5 The Board is asked to agree the scheme for the mayoral allowance set out in appendix A1 of the panel's report and summarised on page 4 of the report.

Independent Person – Audit and Governance Committee

- 2.6 The Combined Authorities (Overview and Scrutiny Committees, Access to Information and Audit Committees) Order 2017 requires the Combined Authority to appoint at least one independent person to the Audit and Governance Committee.
- 2.7 On 20 March 2017, the Board affirmed the decision of the shadow Board to appoint one independent person and agreed to pay an allowance of £920.
- 2.8 At the annual meeting on 31 May, the Board agreed to appoint Mr Alan John Pye as the independent person for a term of four years. The Board also agreed that the Independent person should be appointed as Chair of the Committee.
- 2.9 The allowance of £920 was based on the assumption that the role of independent person would involve 12 days' work a year. As Chair, the Independent Person will have increased responsibilities, including liaising with the Chief Finance Officer and the Internal and External Auditors, and additional preparation for meetings. It is estimated that the role of Chair would require an additional 8 days' work a year. It is therefore recommended that the allowance be increased to £1534.

3.0 FINANCIAL IMPLICATIONS

- 3.1 Budget adjustments have been made in the budget report elsewhere on the agenda.

4.0 LEGAL IMPLICATIONS

- 4.1 These are dealt with in the report.

5.0 EQUALITIES IMPLICATIONS

- 5.1 Not applicable.

6.0 APPENDICES

- 6.1 Appendix 1 – – Report of the Independent Remuneration Panel

<u>Source Documents</u>	<u>Location</u>
Agendas, reports and decisions of the Board	Combined Authority website

**REPORT BY
THE CAMBRIDGESHIRE AND PETERBOROUGH
COMBINED AUTHORITY
INDEPENDENT REMUNERATION PANEL**

**An Independent Review of Allowances
April 2017**

Contents	Page
Foreword	3
Executive Summary	4
Introduction	5
The Panel	5
Terms of Reference	5
The Evidence Considered	6
The Panel's Conclusions	8
Appendix – Proposed new Scheme of Allowances	9

Foreword

We are pleased to present the first report by the Independent Remuneration Panel for consideration by the Cambridgeshire and Peterborough Combined Authority. The creation of a Combined Authority for Cambridgeshire and Peterborough is an important milestone for the area. There can be no doubt that the Combined Authority, led by a directly elected Mayor, will be in a unique position to shape that area's future.

As a Panel, we have been given an insight into the work of the authority, as well as the work required in order to ensure the new authority is able to operate effectively and efficiently. Our review forms part of the work required to ensure that the Combined Authority has the correct arrangements for governance in place from the outset.

The Cambridgeshire and Peterborough Combined Authority Order 2017 has the effect of restricting the Panel's deliberations to the subject of the allowance for the directly-elected Mayor. With the new Mayor not due to take up office until after the elections on 4 May 2017, we were obviously unable to hear first hand from the post holder. We were, however, provided with a range of information and advice by officers. We are particularly thankful to Martin Whiteley, the Interim Chief Executive of the Combined Authority, for the insights he provided into the work of both the Combined Authority and the Mayor.

It is often said that there is never a good time to review allowances. This is particularly true in the current economic and financial climate. Nevertheless, the Combined Authority has a statutory duty to create a scheme of allowances, regardless of the financial challenges with which the area is faced. The Panel hopes that their recommendations will be helpful in enabling the Combined Authority to arrive at a decision. We believe that these recommendations, if adopted, will result in a scheme of allowances that is fair, transparent and affordable. We hope that the Authority will approve these recommendations.

Nicky Blanning

Alan Rodger

Colin Wiles

The Independent Remuneration Panel

Executive Summary

In preparing this report, the Independent Remuneration Panel has been required to create a completely new scheme for the Cambridgeshire and Peterborough Combined Authority. In doing so, they have considered all aspects of the scheme in accordance with the Local Authorities (Members' Allowances) (England) Regulation 2003, including the structure of the scheme, the level of allowances paid and the circumstances in which allowances may be claimed.

The Panel considered a range of evidence before formulating their recommendations. Although it was necessary to undertake the review before the poll to elect the Combined Authority's first Mayor had taken place, the Panel felt that they were nevertheless able to review sufficient information to enable them to make informed and robust recommendations on the matter of allowances. The Panel considered the statutory framework for the new Combined Authority, as well as a range of supporting documentation such as the details of the devolution deal produced by the Department of Communities and Local Government. The Panel received a presentation from, and were also able to ask questions of the interim Chief Executive of the Combined Authority, Martin Whiteley.

The Panel used their knowledge of the role the new Mayor will be expected to undertake in order to compare it to other broadly similar public service roles. In making such comparisons, the Panel sought to ascertain the likely time commitment and the level of responsibility required by the role of Mayor and determine how this compared to the other roles. The Panel reviewed a range of such roles, including that of Member of Parliament, members of the various devolved assemblies and Police and Crime Commissioners. The Panel also took account of statutory guidance issued by the Government and relevant points of law. The Panel were particularly cognisant of the requirements relevant to their deliberations that are contained within the Cambridgeshire and Peterborough Combined Authority Order 2017. The Panel was also mindful of the prevailing economic and financial climate as well as the need to encourage democratic diversity and participation in local democracy.

The Panel would like to draw attention to the following aspects of their recommendations:

- For the directly-elected Mayor, the Panel recommends an allowance of £75,000 per annum.
- The panel was cognisant of the fact that, in the context of the Cambridgeshire and Peterborough Combined Authority Order 2017, this represents an upper limit.
- The Panel recommends that, rather than linking the allowance to any particular index for the purpose of inflationary adjustments, the scheme should be subject to review no longer than 24 months after its adoption.
- Travel allowances should be payable at the rates set out within the Appendix to this report.
- A carer's allowance should be payable at the rates set out within the Appendix to this report.

- The circumstances in which travel and carers allowances may be claimed should be as set out within the Appendix to this report.
- Subsistence allowances should be payable only in exceptional circumstances.

Introduction

1.1 This report presents the recommendations of the Independent Remuneration Panel to the Cambridgeshire and Peterborough Combined Authority Board for consideration and approval.

1.2 The Authority is required to make a scheme of allowances in accordance with the Local Authorities (Members' Allowances) (England) Regulation 2003. The process for making and reviewing such a scheme is regulated so that the public can have confidence in the independence, openness and accountability of the process involved. The process requires that the Authority must establish an independent remuneration panel, and before making or amending its scheme of allowances, it must have regard to the recommendations of the Panel.

The Panel

2.1 The Board instructed the Interim Monitoring Officer to convene an Independent Remuneration Panel taken from the independent members across the geography of Cambridgeshire and Peterborough to make recommendations to the Combined Authority for the remuneration of the elected Mayor of Cambridgeshire and Peterborough at its meeting on 31st January 2017. As Cambridgeshire County Council was in the process of recruiting a completely new panel, via an open recruitment process aimed at encouraging applicants from a range of backgrounds, it was proposed to use this panel to make recommendations to the Combined Authority.

2.2 The Panel comprises the following members:

- Mrs Nicky Blanning. Nicky is Head of the Accommodation Service at the University of Cambridge. She is also a Trustee and Chair of the Foundation of Edward Storey and Chair of a community music organisation.
- Professor Alan Rodger. Alan is a retired Director of the British Antarctic Survey. He has been involved in the leadership and management of national and international science organisations for thirty years. He is currently a Director and Trustee of the Morris Education Trust.
- Mr Colin Wiles. Colin is a consultant, providing services to housing associations and other similar bodies. He was previously Chief Executive of the King Street Housing Society and is a trustee of The Whitworth Trust.

2.3 The Panel undertook their review in April 2017. They have now completed their review and have recommended that the Authority adopt a new scheme of allowances as set out at Appendix 1 to this report.

Terms of Reference for the Review

3.1 The terms of reference for the review followed the requirements of the Local Authorities (Members' Allowances) (England) Regulation 2003 and, in particular, the Cambridgeshire and Peterborough Combined Authority Order 2017. The latter set out the following in relation to allowances payable in respect of the Combined Authority:

Remuneration

8. (1) *Save as provided for in sub-paragraph (2), no remuneration is to be payable by the Combined Authority to its members.*
- (2) *The Combined Authority may only pay an allowance to the Mayor if—*
 - (a) *the Combined Authority has considered a report published by an independent remuneration panel established by one or more of the constituent councils under regulation 20 of the Local Authorities (Members' Allowances) (England) Regulations 2003(3) which contains recommendations for such an allowance; and*
 - (b) *the allowance paid by the Combined Authority does not exceed the amount specified in the recommendation made by the independent remuneration panel.*

3.2 The effect of this provision is that the Panel is required only to formulate a recommended allowance for the new directly-elected Mayor. Aside from the amount of such an allowance, the Panel also considered:

- The duties for which travelling and/or subsistence allowance could be paid and the amount of such an allowance;
- Whether the Authority's scheme should include an allowance in respect of the expenses of arranging for the care of children and dependants, the amount of this allowance and the means by which it should be determined;
- Whether annual adjustments of allowance levels should be made by reference to an index, and, if so, for how long such a measure should run; and
- The fact that membership of the Local Government Pension Scheme in respect of remuneration received as Mayor is no longer permitted.

The Evidence Considered

4.1 The Panel considered a range of evidence before formulating their recommendations. Because the Panel was required to undertake the review prior to the election of the Mayor, the evidence base was chiefly made up of a range of sources about the Combined Authority

and devolution deal, including that produced by the Department of Communities and Local Government and the Local Government Association. The Panel were also mindful of the statutory framework for the new Combined Authority, as detailed above.

4.2 As well as a range of documentation, the Panel was also able to draw upon the knowledge of the interim Chief Executive of the Combined Authority, Martin Whiteley. Mr Whiteley was able to provide a great deal of information to the Panel which enabled it to build up a picture of the principal duties of the Mayor, including the role of the Mayor in decision making, in liaising with the Government and in driving economic growth and improvement in the delivery of public services.

4.3 The Panel sought to understand the nature of the role of Mayor in terms of the following factors:

- Time – Elected roles are not always full-time, so the Panel sought to establish the relative time commitment required of the Mayor to fulfil the functions of the role.
- Decision making – The Panel sought to ascertain the impact and complexity of the decision making responsibilities likely to be associated with the role, including the range of information that has to be considered by the post holder, the extent to which this information may be conflicting or unclear and the involvement of other decision makers.
- Public accountability - the visibility and degree to which the Mayor is responsible and accountable in the eyes of the public.
- Skills - skills that are required to undertake the role, acquired through natural ability, training, experience or practice. This also includes the people skills required to build consensus and achieve shared outcomes.
- Knowledge - the breadth and depth of knowledge likely to be required to undertake the role effectively. This includes knowledge of relevant subjects as well as knowledge of local areas.
- Creative thinking – the degree to which the post holder will be required to develop and implement strategic policy in a creative and collaborative way.
- Leadership – the Mayor will undertake a key negotiating and influencing role, persuading potential partners and stakeholders to invest in infrastructure projects promoted by the combined authority.

4.4 The Panel’s approach enabled it to examine the likely nature of the role in order to compare it to other similar public service roles, including that of Members of Parliament, members of the various devolved assemblies and Police and Crime Commissioners.

4.5 The Panel considered whether the current financial and economic climate should inform their recommendations. The Panel took the view that this was an important factor and the public would rightly expect it to form part of the Panel’s considerations, although they acknowledged that such expectations had to be balanced against other factors, including

the need to ensure that the recommended allowance is fair when compared to other similar roles.

4.6 The Panel believes that no-one should be prevented from undertaking the role as a result of their personal circumstances. Factors such as the time commitment required of the post holder, as well as the impact it would have on their ability to maintain employment and contribute to a pension scheme, have a direct bearing on the level of allowance necessary to ensure that a wide range of citizens are able to consider standing for election.

The Panel's Conclusions

5.1 The Panel took the view that the role of Mayor is associated with a very significant level of responsibility indeed. While members of the Panel understood that the executive decision making power of the role is limited by the voting arrangements of the Combined Authority, they nevertheless took the view that the role requires a high level of knowledge, skill and experience in order to carry it out to the expected standard. They also took the view that the role is equivalent to a demanding full-time job.

5.2 The Panel felt that, as a directly elected position, the Mayor is likely to be subject to the highest level of public accountability, comparable to a Member of Parliament or a Police and Crime Commissioner. They also took the view that the post holder will be in a unique position to shape the strategic direction of the Combined Authority Area by creating policy and overseeing its implementation. As such, it is likely that the Mayor will have a very significant impact on the Authority area. The relatively modest resource commitment associated with the Combined Authority is likely to magnify this responsibility.

5.3 The Panel accordingly recommend an allowance of £75,000 per annum be payable to the Mayor. The panel were cognisant of the fact that, in the context of the Cambridgeshire and Peterborough Combined Authority Order 2017, this represents an upper limit.

5.4 The Panel recommend that this allowance should not be indexed for inflationary purposes now, but should instead be subject to review before the expiry of 24 months from the date that the scheme of allowances is adopted. This will enable the Panel to review the allowance with input from the Mayor and compare the allowance to that paid for other similar roles.

5.5 The Panel considered other allowances and expenses in accordance with their terms of reference. They have decided to make the following recommendations:

- Travel expenses should be reimbursed in accordance with the provisions set out in the appendix to this report. Travel expenses should only be reimbursed when incurred in connection with the undertaking of approved duties, but not for journeys between the Mayor's home and ordinary place of work.
- Dependants' carers' expenses should be reimbursed in accordance with the provisions set out in the appendix to this report.

- Subsistence expenses should not be paid, with the exception of overnight hotel accommodation, which must be booked via the Authority at the appropriate market rate.

Scheme of Allowances for the Cambridgeshire and Peterborough Combined Authority

(to take effect from May 2017, subject to agreement by the Combined Authority Board)

1. Mayor's Allowance

1.1 An allowance of £75,000 per annum shall be payable to the Mayor. This allowance is subject to review by the Independent Remuneration Panel no more than 24 months following the adoption of the scheme.

2. Travel expenses

2.1 It is expected that Mayor will utilise public transport where possible, in order to reduce his/her carbon footprint and maximise efficiency.

2.2 Public transport fares will be reimbursed at cost on production of a valid ticket or receipt. In the case of travel by rail, standard class fare or actual fare paid (if less) will be reimbursed.

2.3 Travel by private vehicles will be reimbursed at the rates set for tax allowance purposes by the Inland Revenue for business travel. Currently these are 45p per mile for the first 10,000 miles and 25p a mile thereafter and an additional 5p per mile where a passenger (such as a member of the Combined Authority) is carried. Parking fees will be reimbursed at cost on production of a valid ticket or receipt.

2.4 Taxi fares will only be reimbursed on production of a valid receipt. Travel by taxi should only be undertaken where use of an alternative is not available or if the following conditions are applicable:

- There is a significant saving in official time;
- The Mayor has to transport heavy luggage or equipment; and/or
- Where the Mayor is travelling with other officials of the Combined Authority together and it is therefore a cheaper option.

2.5 International travel must be booked through the offices of the Combined Authority at the appropriate market rate. Higher rates for international travel will only be booked where it is clearly in the Combined Authority's interest and where formal approval has been given in advance by the Chief Executive. Any other reasonable and unavoidable costs related to international travel will be reimbursed on production of a receipt.

2.6 Travel expenses will be reimbursed for any journey undertaken where the Mayor was undertaking approved duties (see section 5 below). Travel expenses will only be reimbursed if claimed within two months.

3. Subsistence expenses

3.1 Subsistence should not be claimed except in exceptional circumstances.

3.2 Overnight hotel accommodation must be booked through the offices of the Combined Authority at the appropriate market rate. Higher rates of accommodation will only be booked where it is clearly in the Combined Authority's interest and formal approval has been given in advance by the Chief Executive. Any other reasonable and unavoidable costs related to overnight stays will be reimbursed on production of a receipt.

3.3 Where the Mayor is required to be away overnight then the offices of the Combined Authority should, where possible, make advance provision for meals. Where this is not possible, then the maximum rates that can be claimed are shown below. Any claim for subsistence must be supported with receipts for actual expenditure incurred.

- Lunch - £10
- Evening meal - £15

4. Dependants' carers' expenses

4.1 If the Mayor has care responsibilities in respect of dependant children under 16 or dependant adults certified by a doctor or social worker as needing attendance, they will be reimbursed, on production of valid receipts, for actual payments to a registered or professional carer. Where care was not provided by a registered or professional carer but was provided by an individual not formally resident at the Mayor's home, a maximum hourly rate of £6.50 will be payable.

4.2 Dependants' carer's expenses will only be reimbursed if incurred where the Mayor was undertaking approved duties (see section 5 below).

5. Approved duties

5.1 Travel and dependants' carer's expenses incurred when undertaking duties matching the following descriptions may be claimed for:

- a) Attendance at meetings or events within the Combined Authority area and away from the normal place of work where attendance is required in connection with the role of Mayor, including attendance at meetings of committees, working groups or other bodies of the Authority, as well as formal briefings, training sessions or attendance at pre-arranged meetings with senior officers to discuss the business of the Combined Authority;

- b) Representing the Combined Authority at meetings or events outside of the Combined Authority area;
- c) In respect of dependants' carer's expenses only, undertaking general duties, including surgeries.

5.2 Travel expenses are not to be paid for journeys between the Mayor's home and ordinary place of work.

5.3 Travel expenses are not to be paid for attendance at political group meetings or other party political events.

6. Renunciation of Allowances and Part Year Entitlements

6.1 The Mayor may elect to forego any part of their entitlement to an allowance under this scheme by providing written notice to the Combined Authority's Monitoring Officer.

6.2 Where the term of office of the Mayor begins or ends otherwise than at the beginning or end of a year, payment of allowances will be pro-rata.

6.3 If an amendment to this Scheme is made which affects payment of an allowance in the year in which the amendment is made, payment of the amended allowance will be pro-rata.



CAMBRIDGESHIRE AND PETERBOROUGH COMBINED AUTHORITY BOARD	AGENDA ITEM No: 1.6
	PUBLIC REPORT

TITLE: APPOINTMENT OF CHIEF EXECUTIVE

1.0 PURPOSE

1.1 The purpose of this report is to:

- (a) Consider a recommendation from the Chair of the Appointment Panel convened to appoint a Chief Executive;
- (b) Approve the appointment to the post of Chief Executive for the Combined Authority.

<u>DECISION REQUIRED</u>	
Date:	28 June 2017
Lead Member:	James Palmer – Mayor
Lead Officer and Author:	John Hill, Chief Executive, East Cambridgeshire District Council
Forward Plan Ref: Not applicable	Key Decision: No
<p>The Combined Authority Board is requested to:</p> <ul style="list-style-type: none"> (a) Consider the recommendation from the Chair of the Appointments Panel which will be made to the meeting (b) Approve the appointee to the post of Chief Executive as set out in the recommendation by the Chair of the Appointments panel which will be reported to this meeting following the final interviews on the 27th June. 	<p><i>Voting arrangements</i></p> <p>Simple majority of the Members of Constituent Councils and the LEP</p>

2.0 BACKGROUND

- 2.1 It is a legal requirement under the Local Government and Housing Act 1989 that the Combined Authority appoints a Head of Paid Service. This officer will also act as the Chief Executive.
- 2.2 The Shadow Board on 14th December 2017 made an interim appointment to the post until 31st March 2017. A further interim appointment was made by the Board on 20th March pending the appointment of a permanent Chief executive. On 31st May, the Board was updated on progress.
- 2.3 The recruitment consultants Penna were commissioned to search and assist with the assessment of candidates for the role. In January 2017 the post was advertised in the Municipal Journal and, subsequently in order to attract a broader spectrum of candidates, in the Times online recruitment page.
- 2.4 In total 24 applications were received. A long list was then drawn up of 8 candidates who were given a technical interview. Following this, 3 candidates attended a final selection process on 27th June 2017.
- 2.5 Following this, a preferred candidate was agreed upon and the Combined Authority will be asked to agree this appointment at the meeting when the Chairman of the Appointments Panel makes his recommendation.
- 2.6 Under the Combined Authority Officer Employment Procedure Rules (section 4.3), the Mayor is entitled to make a well-founded objection to the appointment. The Mayor, as part of the interview panel will have the opportunity to register any objection and if this is received, then this will be reported to this meeting.

3.0 FINANCIAL IMPLICATIONS

- 3.1 Provisions have been made in the budget for this appointment.

4.0 LEGAL IMPLICATIONS

- 4.1 These are dealt with in the report.

5.0 EQUALITIES IMPLICATIONS

- 5.1 The role has been advertised widely via national media and all parties involved in the process have acted in accordance with Equalities legislation.

6.0 APPENDICES

- 6.1 Job Description and Person Specification.

<u>Source Documents</u>	<u>Location</u>
Agendas, reports and decisions of the Board	Combined Authority website

CAMBRIDGESHIRE AND PETERBOROUGH COMBINED AUTHORITY

JOB PROFILE

JOB TITLE: CHIEF EXECUTIVE	
REPORTS TO: COMBINED AUTHORITY	DATE: NOVEMBER 2016

Purpose

To provide outstanding organisational leadership to the Combined Authority and the Mayor of Cambridgeshire and Peterborough to deliver the priorities of the Cambridgeshire and Peterborough devolution programme.

The key elements of the role are as follows:-

- To act as Head of Paid Service to the Combined Authority.
- To champion the delivery of the strategic priorities of the Combined Authority and put in place the resources necessary to achieve this.
- To further develop new opportunities for the Combined Authority and the Mayor in conjunction with all partners for further devolution of funding and powers to Cambridgeshire and Peterborough.
- To manage the budgets and funding allocations available to the Combined Authority, in partnership with the S151 officer.
- To manage the political interface between the organisation and the Combined Authority and Mayor.
- To ensure effective and transparent governance and act as the custodian of the constitution of the Combined Authority and audit arrangements, in partnership with the other statutory officers.
- To act as an ambassador for the Combined Authority at local, regional and national level in partnership with the Mayor.

Key Outcomes

1. An organisation which is led and managed with clarity of direction and purpose.
2. An organisation which focuses on delivery and making a difference.
3. An organisation which acts in accordance with adopted value and codes of behavior.
4. A constructive and complementary relationship with members of the Combined Authority, elected Mayor and senior management team.
5. Robust performance management, resource management and governance regimes.
6. Effective networking at local, county and national levels to deliver and develop their priorities and ambitions of the Cambridgeshire and Peterborough Devolution Deal.

PERSONAL SPECIFICATION

Experience/Knowledge	<p>Track record of outstanding leadership at a senior level, with evidence of developing and leading successful sustainable partnership and working through multi-sector and multi-disciplinary boards.</p> <p>Evidence of significant and measurable achievement and success in a senior management and leadership role including delivery of key projects.</p> <p>Proven track record of leading and shaping an organization through transitions, securing resources and applying performance monitoring procedures within an accountable framework.</p> <p>Political awareness and experience and confidence in operating at the political/management interface.</p> <p>Clear understanding of strong governance, financial and performance management.</p> <p>Experience of successful collaboration working with external organizations across the public, private and community sectors.</p> <p>Proven ability to understand/emphasise with private sector growth ambitions.</p>
Competence	<p>First class verbal and written communication skills and comfortable in dealing with press and media.</p> <p>Clarity of thought and ability to process complex information.</p> <p>Political awareness and demonstrable ability to build effective and appropriate relationships with elected members.</p> <p>Partnership and consensus building abilities focused on delivery.</p> <p>Persuading and negotiating skills.</p> <p>Ability to inspire and lead others to contribute towards achieving organisational success.</p> <p>Ability to adapt a managed approach to risk and reward with a clear focus on business like and commercial practices.</p>
Qualifications	Degree or relevant professional or managerial qualification.
Personal Qualities and Attributes	<p>Commitment to 'excellent' performance for self and organisation.</p> <p>'Can do' approach</p> <p>Ability to 'think outside of the box'</p> <p>Self awareness.</p> <p>Openness and honesty.</p> <p>Personal resilience.</p> <p>Ability to work under pressure.</p> <p>Probity and integrity.</p> <p>Fairness and consistency.</p> <p>Charisma and confidence</p>
Personal circumstances	The job will involve some every day and weekend working.



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

TITLE: ARRANGEMENTS FOR APPOINTMENT OF STATUTORY OFFICERS

1.0 PURPOSE

1.1 The purpose of this report is to:

- (a) Consider proposals for interim arrangements in respect of the following statutory officers:
 - a. Monitoring Officer
 - b. Chief Finance Officer (s151 officer)

<u>DECISION REQUIRED</u>	
Date:	28 June 2017
Lead Member:	Not applicable
Lead Officer and Author:	Chief Executive
Forward Plan Ref: Not applicable	Key Decision: No
<p>The Combined Authority Board is requested to:</p> <ul style="list-style-type: none"> (a) Approve proposals in respect of the role of Interim Monitoring Officer as set out in section 3 of this report and verbal updates from the Chief Executive. (b) Approve the proposals in respect of the role of Interim Chief Finance Officer as set out in section 3 of this report and verbal updates from the Chief Executive 	<p><i>Voting arrangements</i></p> <p>Simple majority of the Members of Constituent Councils and the LEP</p>

2.0 BACKGROUND

2.1 It is a legal requirement under the Local Government and Housing Act 1989 that the Combined Authority appoints a Monitoring Officer. It is also a legal requirement under the 1972 Local Government Act that the Combined Authority appoints a Chief Finance Officer (known as the s151 officer)

2.2 The Combined Authority at its meeting on 20th March 2017 made interim appointments to these posts on a part time basis as follows:

Monitoring Officer - 2 days per week
S151 Officer - 2 days per week

2.3 It is now apparent that as the work of the Combined Authority develops apace there is a need to resource both of these important roles on a full time basis.

3.0 PROPOSALS

3.1 With regards to the Monitoring Officer, interim support is currently provided by Kim Sawyer from Peterborough City Council. The City Council is prepared to release Mrs Sawyer on a full time basis and therefore it is proposed that she remain as the Interim Monitoring Officer but on a full time basis with effect from 1st July 2017 pending a permanent appointment.

3.2 Interim support for the S151 Officer is provided by John Harrison from Peterborough on a 2 day a week basis. Unfortunately it is not possible to increase this support and therefore alternative arrangements will need to be made. Therefore it is proposed that a full time interim S151 be sourced as soon as possible pending a permanent appointment.

3.3 Both officers are continuing to provide the interim statutory officer support. Mr Harrison has agreed to continue to provide support on the current arrangement until such time as a full time interim appointment can be made.

3.4 A report will be brought to the next meeting of the Combined Authority setting out the proposed process for permanent recruitment to these roles including proposals to agree the job description, competencies and remuneration required for the role. The newly appointed Chief Executive will also have had an opportunity to have an input in the process and will also bring forward a broader staffing structure for Members views.

4.0 FINANCIAL IMPLICATIONS

4.1 The 2017/18 budget for these roles is currently £41,000 for the Chief Finance Officer (including budget for interim cover arrangements) and £25,800 for the Monitoring Officer. Estimated costs for filling both roles in 2017/18 and 2018/19 are as follows:

- Total costs for the Chief Finance Officer role is expected to be £160,000 in

2017/18. An increase of £119,000 over the existing budget. The total costs for the permanent role in 2018/19 is expected to be £150,000 including oncosts (existing budget is £32,000)

- Total costs for the Interim Monitoring Officer is expected to be £130,000 including oncosts. This is an additional £104,200 required in 2017/18, and £119,000 for 2018/19 on top of the existing budget of £11,000.
- In addition, budget allocation is requested for £30,000 for recruitment costs to cover both permanent roles.

5.0 LEGAL IMPLICATIONS

5.1 These are dealt with in the report.

6.0 EQUALITIES IMPLICATIONS

6.1 The roles will be advertised in accordance with the Officer Employment Procedure Rules and the process will comply with all Equalities legislation.

<u>Source Documents</u>	<u>Location</u>
Agendas, reports and decisions of the Board	Combined Authority website



CAMBRIDGESHIRE AND PETERBOROUGH COMBINED AUTHORITY SHADOW BOARD	AGENDA ITEM No:2.1
	PUBLIC REPORT

**TITLE: BUSINESS CASE FOR PHASE 2 OF THE UNIVERSITY OF
PETERBOROUGH**

1.0 PURPOSE AND REASON FOR REPORT

- 1.1 This report provides a business case for Phase 2 of the University of Peterborough and seeks approval in principle for grant funding of £6.53m from the Combined Authority, with an initial draw down of £3.83m to cover the first three out of five workstreams in the project.
- 1.2 It is intended to develop more detailed costings for the remaining two workstreams, for subsequent approval and draw down, in October 2017.

<u>DECISION REQUIRED</u>	
Date:	28 June 2017
Lead Member:	Cllr John Clark
Lead Officer and Author:	Martin Whiteley, Interim Chief Executive
Forward Plan Ref: 2017/010	Key Decision: Yes
It is recommended that the Combined Authority Board:	
1. Agree to support Phase 2 of the University of Peterborough project.	
2. Note the development of the Phase 2 business case to date, and approve in principle, the overall funding request for £6.53m.	
3. Approve the initial draw down of £3.83m from the overall total subject to agreement of the grant conditions attaching to the funding.	
4. Note that this initial drawdown is intended to fund curriculum development, marketing and engagement work, and development of the Phase 3 Business Case and overall Investment Strategy.	

5. Notes that the following will come to future meetings as indicated:
- a. a further set of costed options for work streams 4 and 5 – improving student amenities and the securing and refurbishment of interim accommodation for the University, (September 2017 meeting).
 - b. reports timed around key milestones on the delivery of Phase 2 (on-going)
 - c. a detailed Business Case and Investment Strategy for Phase 3 of the University “Design and build of a University campus” (December 2018).

2.0 BACKGROUND & KEY RATIONALE

Higher Education Gap

- 2.1 The University Centre Peterborough was created as a joint venture in 2007 by Anglia Ruskin University and Peterborough Regional College and it was agreed by both organisations that they would work together to establish an independent university in Peterborough. This is enshrined in the legal agreements between the two organisations and is the underpinning philosophy which governs their support and operation of the University Centre Peterborough.
- 2.2 The creation of an independent University in Peterborough with its own degree awarding powers has been a long held desire of the leaders, employers and people of Peterborough and the surrounding area.
- 2.3 The northern area of Cambridgeshire and Peterborough sits within a Higher Education (HE) cold spot. The city is one of the largest conurbations in the UK without a university and contains six wards with the lowest higher education progress in the East of England. Specifically, this restrains economic growth by perpetuating high end skills shortages, deters future investment by technology-based industries in the area and drives an outward migration of intellectual and skilled talent.
- 2.4 Recent analysis of job, advertisements in the Peterborough area undertaken for Opportunity Peterborough, highlighted that around a third do require a degree qualification. However, the current position is that only 17.8% of Peterborough’s population has a degree and a similar proportion of the local population progress into Higher Education. Upskilling the local population is a priority to ensure the local economy continues to flourish in the future. The obvious way to achieve this outcome is for aspirations to be raised among those who do not see Higher Education as a route for them to take their lives and careers forward and through working with local employers to understand the demand for higher level skills.

- 2.5 In 2013/14 1030 young people undertook 'A' levels or equivalent in Peterborough Schools. Of these 59% progressed to higher education. It is predicted that the 18-21 year old population in Peterborough will grow from 8,311 in 2015 to 9,523 in 2035, but it is estimated that six times this number will live within 30 miles of the City. This picture will be enhanced by the need for 773 more secondary school and 658 more post 16 places by 2023, facilitated in part by the building of three new secondary schools at Hampton Gardens, Great Haddon and Paston Ridings.

The Demand

- 2.6 Meeting the demand for Higher Education from both potential students and employers is strategically and economically a key issue for Cambridgeshire and Peterborough. Specifically, the economy of the area will continue to be constrained if there is no investment.
- 2.7 The environment is now right to move forward the previous commitment based on the requirement to grow the University Centre Peterborough to help meet the demands for higher skills in the locality to maintain economic growth. The establishment of the proposed University has been made possible by devolution and the alignment of wider stakeholders as the higher education sector continues to be deregulated and the diversity of provision increases.
- 2.8 The Devolution Deal for Cambridgeshire and Peterborough will enable the Combined Authority to take a key role in shaping and driving the University of Peterborough project to meet the needs of the local area.
- 2.9 It is expected that at least 85% of students for the University of Peterborough will come from within a 30-mile radius, based on both the current student population of University Centre Peterborough and the cohort that will be targeted (through the marketing and engagement work). This is likely to remain the case for at least the first five years while the profile and reputation of the university grows. There is an aspiration that by 2035 there will be at least 500 international students and 750 European students among the overall student population of 12,500, based on data from elsewhere.

Economic Impacts

- 2.10 In addition to establishing the University of Peterborough to meet student demand, tackle the skills agenda and contribute to the economy in the long-term, the initial investment of up to £6.53m during Phase 2, could further generate economic benefits during the five-year period which leads up to the establishment and opening of the new University campus. These benefits would accrue through the ongoing growth in activity stimulated through an expanding student base, the generation of jobs, attraction of inward investment and the additional expenditure of both students, employees and those that remain in the area following graduation by finding employment.
- 2.11 The likely economic impacts of a university in Peterborough are as follows:

- In the longer-term, using the figure above, the University is expected to create up to 1500 new jobs in the city, as part of its own operations.
- Using standard employment multipliers, for every 100 full-time jobs at the university, another 117 full-time jobs are generated in other sectors of the economy – this could therefore be up to a further 1755 additional new jobs outside the direct university operation.
- According to research, universities generate more GDP per unit of expenditure than health, public administration and construction sectors
- The University will create expenditure in the local areas through the purchasing of supplies and services in addition to the off-campus spend of both international students and domestic students from outside the area
- By 2035 and based on today's costs, students will give the economy a £112m boost, as they typically spend annually a minimum of £9,000 per head excluding rent and tuition fees. A further boost is given to the economy by partners, family and friends visiting the students
- The University will attract international visitors and students bringing revenue that would otherwise have not found its way into the region
- Four in 10 young adults have a degree and they can earn annually £9,000 more than without one, which potentially means more disposable income.

Phase 2 outcomes

2.12 At the end of Phase 2 the demonstrable key outcomes will be:

- An expanded curriculum offer in line with student demands and employer needs
- Taught Degree Awarding Powers by the end of September 2019
- Evidenced assessment of student numbers
- An infrastructure framework for the fledgling university: including autonomous degree development and approval processes, financial independence and additional infrastructure to support expansion to a full university institution
- Enhanced community educational aspirations ensuring that student numbers grow at the required rate
- An investment ready growth model for Phase 3 which will deliver a fully operational university to meet the needs to meet the needs of the

increased student community (outputs will be a business case, investment strategy and identified campus site).

Impacts of not changing

- 2.13 The area has a strong case for developing a Higher Education offer within Peterborough and help meet the demands for higher level skills. Without this, employers will continue to struggle to attract and retain employees of suitable skill levels to enable them to innovate, increase productivity and grow effectively. Local employers are keen to establish a local university and there is an opportunity to work with them to establish a curriculum base that delivers what the local area needs. The overall economic impacts on the area should not be underestimated; Peterborough will continue to have a greater proportion of low-skilled labour if there is not a significant investment in Higher Education provision.

3.0 THE PROGRAMME

- 3.1 **Phase 1 (completed):** This involved an assessment of potential student demand and initial planning. On 26 January 2016, the Greater Cambridge Greater Peterborough Enterprise Partnership (GCGPEP) Board agreed to support the first phase of the project. The first phase has demonstrated the potential to establish a viable self-sustaining university in Peterborough as further evidenced in this business case.
- 3.2 **Phase 2 – Business case validation and creation of a platform for growth.** This phase is the focus of this covering report and attached business case and comprises the following work streams:
- Curriculum development - develop student base, confirm demand for courses and mode of delivery, recruit staff, raise aspirations and understanding
 - Marketing, engagement and widening participation strategy
 - Development of a robust business case for phase 3 – the design and build phase of the university campus
 - Developing student facilities/amenities to attract additional students who want a wider student experience
 - Securing/ refurbishing interim University building / premise
- 3.3 It seeks an initial draw down of just over £3.83m in July 2017, from the £6.53m funding to be approved in principle, in order to enable delivery of workstreams one to three above, (curriculum development, marketing and engagement work and development of a business case for phase 3).
- 3.4 Improvements to student amenities are likely to include establishing a Students' Union; provision of an enhanced programme of social activities; development of a broader student experience to include volunteering and extra curricula study opportunities and stronger access support for students from low income backgrounds). Current students have expressed that the additional facilities (library and learning facilities, nightlife and other available

activities) are the aspects that they were “most disappointed with” and in recent surveys, have been critical of the lack of facilities. Detailed costs for the work required and associated expenditure is to come forward in October 2017.

- 3.5 Further work will also be undertaken to assess the options for interim accommodation for the education setting (including necessary refurbishment work). This will cover the fifth workstream in Phase 2 and is likely to come forward in October 2017.
- 3.6 **Phase 3: Creation of the long-term physical estate:** This future phase will involve the creation of a minimum of four bespoke facility buildings, an administrative centre and general student amenities which may include student accommodation and sports facilities. These are judged to be the minimum required for a university of the target size. Inevitably there will be some opportunity for private finance to be involved, particularly around student accommodation. A business case for this phase will come forward in December 2018.

4.0 FINANCIAL IMPLICATIONS

- 4.1 The University project is a long-term undertaking, which is likely to require a combined public and private investment in excess of £60 million over the next 20 years, based on experience from other universities. A full investment strategy needs to be developed as a matter of priority over the next 12 months in order to create a stronger understanding about how the full costs will be met.
- 4.2 The funding approach to Phase 3 (design and build) could draw upon a blend of public and private sources of capital to efficiently bring the project forward. Capital could be supplied in the form of debt or equity. Debt would be sourced on a fixed term basis and secured against the asset. Equity would be supplied as a project cost on the basis that it is recoverable via an agreed coupon and or profit share should predetermined criteria be met.
- 4.3 This Business Case indicates that an investment of £6,539,583 will be required to complete the next phase of the development of the University (Phase 2), in the form of a grant from the Combined Authority, with an initial draw down of £3,839,583 which will be subject to agreement of the grant conditions attaching to the funding.
- 4.4 The Phase 2 Project Costs are shown in **Appendix 1**. The capital cost of this project is £2,900,000, and the revenue cost is £3,639,583. This aggregates to a total indicative cost of £6,539,583.
- 4.5 In terms of VAT implications, this is a complex area and there is ongoing work to understand the full implications of recoverability of VAT. VAT costs in workstreams 1, 2 & 3 are likely to be minimal, but will need to be funded from within the initial draw down if and when they occur and where VAT is not recoverable.

4.6 VAT is to be calculated for workstreams 4 & 5 and built into the overall detailed costings where not recoverable.

5.0 LEGAL IMPLICATIONS

Powers of the Combined Authority

5.1 The constituent Councils of the Combined Authority expressed their intention to deliver a University for Peterborough in the devolution deal signed with Government in July 2015. The Combined Authority was given a general power of competence in order to deliver upon its aspirations in the devolution deal.

5.2 The general power of competence allows the Combined Authority to pay grant funding to the University Centre Peterborough to take forward phase 2 of the university development.

5.3 University Centre Peterborough (UCP) was formed in 2007 and is a joint venture company limited by guarantee between Anglia Ruskin University (ARU) and Peterborough Regional College (PRC). The joint venture agreement outlines the responsibilities of both parties for managing academic standards.

5.4 Giving grant to the University Centre Peterborough raises two important issues:

- I. Grant conditions
- II. State aid

Grant conditions

5.5 The Combined Authority is accountable to Government for spending the funds given to it. It has an Assurance Framework and a Monitoring & Evaluation Framework which provides assurance to Government that it provides value for money in the delivery of its aspirations.

5.6 The Combined Authority has set up a Delivery Group to ensure that the requirements of the Monitoring and Evaluation Framework are met in the delivery of its projects. Suitable grant conditions will be developed between the Combined Authority and the University Centre Peterborough which will be monitored by the Delivery Group and reported into the Combined Authority at suitable milestones.

State Aid

5.7 State aid can occur whenever state resources are used to provide assistance that gives organisations engaged in economic activity an advantage over others. When making grant payments the Combined Authority is required to comply with state aid regulations which avoid negative effects on competition.

5.8 The provision of education is a non-economic activity and therefore would fall outside of the state aid regulations. Furthermore, the grant funding is not considered to distort competition on the basis that the provision being funded is for a public institution. The creation of the university will increase competition in the market and it is expected that the grant funding will enable the university to compete in the market on equal financial terms to other universities in the region and nationally.

5.9 However, this situation will also continue to be monitored to ensure that no state aid issues arise as commercial terms are finalised.

6.0 EQUALITIES IMPLICATION

6.1 It is envisaged that the establishment of the University of Peterborough will help to address current inequalities that exist in accessing Higher Education provision in the area, particularly for those in the more deprived parts of the Combined Authority area.

6.2 Given that many students do not apply for university place on the basis of their current financial circumstances (avoiding student debt, needing to live at home or coming from a low-income background), it stands to reason that having a more locally-based institution would afford greater Higher Education opportunities, whilst enabling them to reside at home.

6.3 In addition, Higher Education and skills can lead to greater opportunity in the workplace; graduates on average earn £9,000 more per annum than those without degrees.

7.0 APPENDICES

7.1 Business Case for Phase 2 University of Peterborough.

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



**CAMBRIDGESHIRE
& PETERBOROUGH**
COMBINED AUTHORITY

University of Peterborough Project Phase 2

Business Case

(Final draft)

Table of Contents

1. Executive Summary.....	3
2. Strategic Case	7
Background	7
Business need – The Devolution Deal	9
Business need – Student Demand.....	9
Business Need – Employment Landscape & Employer Demand	12
3. The Programme	13
Programme Overview	13
Phase 2 Scope & Objectives.....	16
Phase 2 Project Outputs & Outcomes	17
Phase 2 Project Timescales.....	19
Strategic Benefits.....	20
Stakeholders.....	20
Options for delivery.....	20
Risks.....	20
Project Interdependencies & dependencies	22
Programme Governance, Organisation Structure and Roles	22
Key Issues for Implementation	23
Risk Management Strategy.....	23
Programme Review and Evaluation	23
4. Economic Case	24
Economic Impact	24
Examples of Economic Impact	25
5. Commercial Case.....	27
Purpose	27
6. Financial Case	27
Purpose	27
Funding Options	28
Budget Arrangements	29
Funding Request	30
Contract Arrangements.....	31
7. Recommendations	31
Other options considered.....	31
Recommendations.....	32
Appendices.....	33

1. Executive Summary

Introduction

- 1.1 There is a longstanding ambition across sectors to create a university in Peterborough. The city is one of the largest conurbations in the UK without a university and six of its wards are amongst the lowest in the East of England for people progressing through the Higher Education system. The northern area of Cambridgeshire and Peterborough sits within a Higher Education Cold Spot. This restrains economic growth by perpetuating high end skills shortages, deters future investment by technology-based industries in the area and drives an outward migration of intellectual and skilled talent.
- 1.2 The Devolution Deal for Cambridgeshire and Peterborough will enable the Combined Authority to shape the University of Peterborough project to meet the needs of the local area.
- 1.3 When the University Centre Peterborough was created as a joint venture in 2007 by Anglia Ruskin University and Peterborough Regional College it was agreed by both organisations that they would work together to establish an independent university in Peterborough. This is enshrined in the legal agreements between the two organisations and is the underpinning philosophy which governs their support and operation of the University Centre Peterborough.
- 1.4 The environment is now right to move forward this commitment based on the requirement to grow the University Centre Peterborough to help meet the demands for higher skills in the locality to maintain economic growth. The establishment of the proposed University has been made possible by devolution and the alignment of wider stakeholders as the higher education sector continues to be deregulated and the diversity of provision increases.

Vision

- 1.5 The vision is that by 2035, Peterborough will have a thriving, independent, campus-based university with an undergraduate population of 12,500 students. The University will be a powerhouse for economic and intellectual growth across East Cambridgeshire, Fenland, Huntingdonshire, Peterborough and South Cambridgeshire. The University will be outward-looking, working with employers, other education providers and the wider community to raise aspirations and skills in order to meet employer needs and help drive forward a high skills economy, rooted in the ingenuity and diversity of its people.

Economic Benefits

- 1.6 The basis of a financially viable and sustainable university is its student population. Earlier work has identified a potential student base and this will be validated and confirmed before fully embarking on the establishment of its physical infrastructure and estate. This activity will enable the creation of a robust development and investment strategy for the University, underpinned by additional business cases which will confirm the growth, shape and direction of the Institution.
- 1.7 It is well documented that universities bring many benefits to a local area and the wider region, from innovation and research, educational opportunities to leadership and collaboration. The benefits brought by a university's student population to its local area have also been heavily researched and assessed, particularly in terms of the economic impact. Universities UK published a report in 2014 examining these impacts in more detail. Universities as a whole in the UK have a revenue of £27.9 billion, employ over 262,700 staff and provide education for over two million students (2011 figures).
- 1.8 The universities themselves spend and contribute to the local economy, through the purchasing of supplies and services, in addition to the off-campus spend of both international students and domestic students from outside the area. The report highlights that whilst universities are slow to grow in

comparison to other employers, they do not suffer the same level of impacts during a period of recession, thereby providing more stability to the local area. The East of England generated a university revenue of £2.46bn in 2011-12 with £467m of that coming from international sources and when added to the off-campus spending of international students, this totalled £836m revenue that would otherwise have not found its way into the region.

1.9 If these benefits are extrapolated against the aims of the University of Peterborough then the overall economic returns are forecast to be broadly as follows:

- Table 3 in Appendix 1, gives an estimated overall turnover during Phase 2 of £23.1m; students will be likely to spend £9,000 each in the area whilst attending university during this phase, which in turn, will have an impact on the local economy of £27m. The minimum number of jobs created would be 176 based on one new academic and an additional 1.2 support staff for every 30 students above 750. Using the standard multiplier of 1.17 this would mean at least 205 jobs would be created in the wider economy.
- Based on previous analyses of existing universities and taking into account the local conditions and population, there are predicted to be 3,000 students at the University of Peterborough by 2022 and 12,500 students by 2035.
- In the longer-term, using the figure above, the University is expected to create up to 1,500 new jobs in the city, as part of its own operations.
- Using standard employment multipliers, for every 100 full-time jobs at the university, another 117 full-time jobs are generated in other sectors of the economy – this could therefore be up to a further 1,755 additional new jobs outside the direct university operation.
- According to research, universities generate more GDP per unit of expenditure than health, public administration and construction sectors
- The University will create expenditure in the local areas through the purchasing of supplies and services in addition to the off-campus spend of both international students and domestic students from outside the area
- By 2035 and based on today's costs, students will give the economy a £112m boost, as a result of 12,500 students typically spending annually a minimum of £9,000 per head excluding rent and tuition fees. This is the predicted maximum figure to be achieved in 2035 based on today's costs and spending activities. A further boost is given to the economy by partners, family and friends visiting the students
- The University will attract international visitors and students bringing revenue that would otherwise have not found its way into the region
- Four in 10 young adults have a degree – and they can earn annually £9,000 more than without one, which potentially means more disposable income.

1.10 In summary, the total economic value of the University when it is fully operating is expected to be similar to that of the University of Northampton which employed 1,058 members of staff and had a turnover of £126.9 million in 2014/15, directly generating £110m output in the area.

1.11 When the knock-on effects of the University of Northampton were overlaid onto the wider economy, with student, visitor and university employee expenditure taken into account, the indirect impact was an additional 506 FTE jobs and £50m output in the surrounding area. This means there was an overall impact of 2260 FTE jobs and £244m output attributable to the university.

1.12 The University of Peterborough's strategic objectives are similar in terms of the opportunity we want to create.

Financial Requirement

1.13 The University project is a long-term undertaking, which is likely to require a combined public and private investment in excess of £60 million over the next 20 years, based on experience from other universities. However, a full investment strategy needs to be developed as a matter of priority over the next 12 months in order to create a stronger understanding about the full costs and how they will be met.

1.14 The funding approach to Phase 3 (design and build) could draw upon a blend of public and private sources of capital to efficiently bring the project forward. Capital could be supplied in the form of debt or equity. Debt would be sourced on a fixed term basis and secured against the asset. Equity would be supplied as a project cost on the basis that it is recoverable via an agreed coupon and or profit share should pre-determined criteria be met.

1.15 This Business Case indicates that an investment of just over £6.53 million will be required to complete the next phase of the development of the University (Phase 2), in the form of a grant from the Combined Authority, as summarised in the table below, but found in more detail in Appendix 1:

Phase 2 proposed draw down of funding					
Workstream details		Date of report for draw down	Capital Amount (£)	Revenue Amount (£)	Totals
1.	Curriculum development	June 2017	1,100,000	1,910,000	3,010,000
2.	Project Management including the development of the business case and investment strategy	June 2017	n/a	269,583	269,583
3.	Marketing, engagement and widening participation	June 2017	n/a	560,000	560,000
4.	Improving student facilities/ amenities	October 2017	400,000	600,000	1,000,000
5.	Securing and refurbishing interim accommodation	October 2017	1,400,000	300,000	1,700,000
Indicative totals			2,900,000	3,639,583	6,539,583

1.16 At present, there are indicative costs only for workstreams 4 and 5 (improvements to student amenities and securing/ refurbishing the interim accommodation). These indicative costs can be found in Appendix 1, table 1b and will be finalised and brought back in October 2017 to then allow initiation of further draw down of funds.

1.17 For Phase 2 of the project, the demonstrable outcomes will be:

- An expanded curriculum offer in line with student demands and employer needs
- Evidenced assessment of student numbers
- An infrastructure framework for the fledgling university: including autonomous degree development and approval processes, financial independence and additional infrastructure to support expansion to a full university institution
- Enhanced community educational aspirations ensuring that student numbers grow at the required rate
- An investment ready growth model for Phase 3 which will deliver a fully operational university to meet the needs of the increased student community.

Project Phases

1.18 The University of Peterborough project comprises three distinct phases:

- **Phase 1 TDAP & Project Funding**

Assessment of potential student demand and initial planning.

On 26 January 2016, the Greater Cambridge Greater Peterborough Enterprise Partnership (GCGPEP) Board agreed to support the first phase of the project. The first phase has demonstrated the potential to establish a viable self-sustaining university in Peterborough as further evidenced in

this business case.

- **Phase 2 Business Case validation & creation of a platform for growth**

Comprising the following work streams:

- Curriculum development - develop student base, confirm demand for courses and mode of delivery, recruit staff, raise aspirations and understanding
- Marketing, engagement and widening participation strategy
- Development of a robust business case for phase 3 – the design and build phase of the university campus
- Developing student facilities/amenities to enhance the overall student experience and ensure that the provision is at least equal to that which is normally available in the sector
- Securing / refurbishing interim University building / premise

1.19 This is the phase that requires funding now and is the subject of this business case. It seeks an initial draw down of just over £3.83m, from the £6.53m funding to enable delivery of workstreams one to three above, (curriculum development, marketing and engagement work and development of a business case for Phase 3).

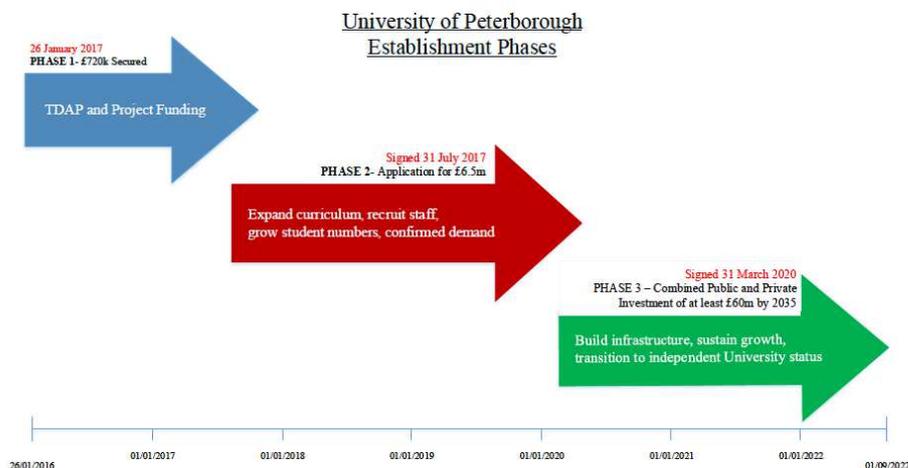
1.20 Improvements to student amenities are likely to include establishing a Students' Union, provision of an enhanced programme of social activities, development of a broader student experience to include volunteering and extra curricula study opportunities and stronger access support for students from low income backgrounds). Current students have expressed that the additional facilities (library and learning facilities, nightlife and other available activities) are the aspects that they were "most disappointed with" and in recent surveys, have been critical of the lack of facilities. Detailed costs for the work required and associated expenditure is to come forward in October 2017.

1.21 Further work will also be undertaken to assess the options for interim accommodation (including necessary refurbishment work). This will cover the fifth workstream in Phase 2 and is likely to come forward in October 2017.

- **Phase 3 Creation of the long-term physical estate - build infrastructure, sustain growth & transition to Independent University Status**

1.22 Creation of a minimum of four bespoke facility buildings, an administrative centre and general student amenities which may include student accommodation and sports facilities. These are judged to be the minimum required for a university of the target size. Inevitably there will be some opportunity for private finance to be involved, particularly around student accommodation.

1.23 The overall programme timetable is set out below:



2. Strategic Case

Background

- 2.1 The Combined Authority area has two cities, Cambridge and Peterborough, and a large expanse of rural area with towns and villages. Across the Combined Authority area, the population is growing and forecast to grow further at a significant rate. In Cambridgeshire, there is a forecast population growth of 22% of 15-19 year-olds and 9.5% of 20-64 year-olds by 2031. Peterborough was the second fastest growing city in the UK in 2015 and has seen an 18% rise in those of working age (25+) in the last 5 years, with a forecast growth by 2031 of 23.5% of 15-19 year olds and 6.9% of 20-64 year olds (*Office for National Statistics (ONS) Mid-year Estimates 2016*). Amongst its 16 to 64 year olds, just 17.8% have a degree which is lower than the regional and national percentage of graduates which stand at 25.7% and 28.5% respectively.
- 2.2 Across the Combined Authority area there is low unemployment, but there are also significant pockets of deprivation. More generally many residents are working in low-skilled and low paid jobs. According to ONS estimates (2015) in Cambridgeshire, unemployment varies from 3.7% in Fenland to 2.4% in South Cambridgeshire and in Peterborough it is 4.3%. In 2015, Cambridgeshire had 16 Lower Super Output Areas (LSOA) in the 20% most deprived nationally (compared to 9 in 2010) (*Cambridgeshire County Council, 2015*). In Peterborough, 34% of people live in the most deprived 20% of areas in England, significantly higher than the national average (18 Wards in Peterborough are in the top 10% most deprived in England (*Dept for Communities and Local Government 2015*)).
- 2.3 There is a longstanding desire to create a university in Peterborough to help combat some of these issues. The northern area of Cambridgeshire and Peterborough sits within a Higher Education (HE) cold spot. The city is one of the largest conurbations in the UK without a university and contains six of the lowest higher education progression wards in the East of England. Specifically, this restrains economic growth by perpetuating high end skills shortages, deters future investment by technology-based industries in the area and drives an outward migration of intellectual and skilled talent. Recent analysis of jobs advertisements in the Peterborough area for Opportunity Peterborough highlighted that around a third required a degree qualification.
- 2.4 An independent 'public' university is an organisation limited by guarantee with charitable status and that has been given the right to call itself a 'university' by the Privy Council. It cannot be owned by

another university. This has already been acknowledged by stakeholders and the key partners when they submitted the Phase 1 funding application and accepted the offer of financial support from GCGPEP.

- 2.5 When the University Centre Peterborough was created as a joint venture in 2007 by Anglia Ruskin University and Peterborough Regional College, it was agreed by both organisations that they would work together to establish an independent university in Peterborough. This is enshrined in the legal agreements between the two organisations and is the underpinning philosophy which governs their support and operation of the University Centre Peterborough.
- 2.6 The environment is now right to move forward this commitment based on the requirement to grow the University Centre Peterborough to help meet the demands for higher skills in the locality to maintain economic growth. The establishment of the proposed University has been made possible by devolution and the alignment of wider stakeholders as the higher education sector continues to be deregulated and the diversity of provision increases.
- 2.7 The creation of an independent University in Peterborough with its own degree awarding powers has been a long held desire of the leaders, employers and people of Peterborough and the surrounding area. The University Centre Peterborough provides the necessary basis to help establish an independent organisation that is focused on Peterborough and surrounding area.
- 2.8 The economy itself is split quite evenly across different sectors in the area; there are no immediately obvious industry-specific, large skills gaps. However, an increased demand by employers has been forecast for higher level skills in the future; a 60.4% increase in demand for skills at doctorate or masters level on current levels (this level accounts for 9.1 % percentage share of the skill base today but is set to increase to 14.6% by 2022) across the Combined Authority area. In addition, requirements for lower level skills are set to decrease. A report by EMSI for Greater Cambridgeshire and Peterborough Enterprise Partnership in November 2016, identified that in order to lead further growth within the city's sectors, there will be greater demand for management level roles and a higher-skilled workforce. There are therefore opportunities to develop courses that span the needs of a number of industries and there will be continuing high demand from healthcare and education fields.
- 2.9 Meeting the demand for Higher Education from both potential students and employers is strategically and economically a key issue for Cambridgeshire and Peterborough. Specifically, the economy of the area will continue to be constrained if there is no investment.
- 2.10 It is expected that at least 85% of students for the University of Peterborough will come from within a 30-mile radius, based on both the current student population of University Centre Peterborough and the cohort that will be targeted (marketing and engagement work). This is likely to remain the case for at least the first five years while the profile and reputation of the university grows. It is not unreasonable to assume by 2035 there will be at least 500 international students and 750 European students among the overall student population of 12,500, based on data from elsewhere.
- 2.11 In addition to establishing the University of Peterborough to meet student demand, tackle the skills agenda and contribute to the economy in the long-term, the initial investment of up to £6.53m during Phase 2, could further generate economic benefits during the five-year period which leads up to the establishment and opening of the new University campus. These benefits would accrue through the ongoing growth in activity stimulated through an expanding student base, the generation of jobs, attraction of inward investment and the additional expenditure of both students, employees and those that remain in the area following graduation by finding employment.
- 2.12 Table 3 in Appendix 1, gives an indicative outline of the financial and student population growth of the University. The estimated overall turnover during Phase 2 is £23.1m; students are likely to spend £9,000 each in the area whilst attending university, which will have an impact on the local economy of £27m. The minimum number of jobs created would be 176 based on one new academic and an additional 1.2 support staff for every 30 students above 750. Using the standard multiplier of 1.17 this would mean at least 205 jobs would be created in the wider economy.

Business need – The Devolution Deal

2.13 A core principle of the Devolution agenda is that the local authorities can better target funding and policy interventions to strategic local priorities than central government, and thus generate a greater impact on economic growth. For Cambridgeshire & Peterborough, this includes development of the University of Peterborough.

2.14 The Cambridgeshire and Peterborough devolution proposal stated:

Government recognises that Cambridgeshire and Peterborough has a world-class higher education offering, with the University of Cambridge consistently ranked amongst the foremost universities in the world and a wealth of strengths in others such as Anglia Ruskin University. This higher education offer has a vital role in enhancing the innovation and productivity of the area's economy.

Peterborough is one of the fastest growing cities in the country, with strengths in environmental goods and services, financial services, digital and food and drink. Local partners want to work with Government to build on this, including investing in the institutions to develop their academic and research offer, such as progressing plans for University Centre Peterborough to attain Taught Degree Awarding Powers by 2019 and, in the longer-term, to establish an independent university institution in the city. The Single Pot funds made available through this devolution deal could act as an important source of investment for this project and Government commits to discussing with local partners how best they might progress their aspirations in this area.

Business need – Student Demand

Targeted cohort

2.15 The basis of a financially viable and sustainable university is its student population. Through the analysis of existing universities during Phase 1 and then applying local conditions and population information, the potential student base has been identified. This will be validated and confirmed during Phase 2, through targeted marketing, outreach and engagement activities with students and local communities. This will then feed into the creation of a robust development strategy for the University which will confirm the growth, shape and direction of the Institution over the short, medium and long term, in order to successfully benefit the wider community and employers across Peterborough, Cambridge, Fenland, Huntingdonshire, East Cambridgeshire and South Cambridgeshire.

2.16 According to the Universities UK 2014 report, the universities of the East of England attracted the following student numbers in 2011-12:

Type of Student	Student numbers
International	32,370
Domestic	52,405
Local	52,465
Total	137,600

2.17 Peterborough was the second fastest growing city in the UK in 2015 and has seen an 18% rise in those of working age (25+) in the last 5 years, with a forecast growth by 2031 of 23.5% of 15-19 year olds and 6.9% of 20-64 years. Opportunity Peterborough have identified that over the period 2005 to 2015, Peterborough's residents of working age gaining at least a degree has grown by 39%.

2.18 The potential student community of the University of Peterborough can be broken down into five groups:

Individuals who:

- Do not typically apply to university,

- Fail to take up their place,
- Have dropped out of their existing course at another university/ institution,
- Have applied to another university
- Wish to study here from another country.

2.19 The Student Room highlighted some key findings relating to young people's choices and motivations about university education:

- Avoiding student debt is the key reason for not going to university
- More than a third of students said finding a part-time job was essential to funding their studies
- One in five had decided to live at home and commute to manage costs
- 50% of respondents from low-income backgrounds would be influenced on whether to go to university or not by the availability of access support.

2.20 The initial focus will be to expand market demand rather than taking market share from other universities, by actively targeting those who do not apply to go to university in the first place. This cohort would be those aged 18-21 years who currently do not progress in to higher education, that live within a thirty-mile radius of Peterborough and selected because of their low participation rate in higher education.

2.21 In 2013/14 1030 young people undertook 'A' levels or equivalent in Peterborough Schools. Of these, 59% progressed to higher education. It is predicted that the 18-21 year old population in Peterborough will grow from 8,311 in 2015 to 9,523 in 2035, but it is estimated that six times this number will live within 30 miles of the City. This picture will be enhanced by the need for 773 more secondary school and 658 more post 16 places by 2023, facilitated in part by the building of three new secondary schools at Hampton Gardens, Great Haddon and Paston Ridings.

2.22 The Network for East Anglian Collaborative Outreach (NEACO) Programme will provide a strong channel to support raising educational aspirations and widening participation which will be augmented by bespoke engagement programmes with specific schools, academies and colleges and more generic marketing, aspiration raising and widening participation activities. These will be outlined in the specified strategy to be developed, however, the activities could include things like summer schools, fun days, mentoring and support programmes and study help.

2.23 This same approach (targeting those who do not apply for places) has been successfully adopted by the University of Suffolk which has seen their work to raise aspirations across Suffolk have a significant impact, with improving rates of attainment at all levels. According to Suffolk County Council data, the participation of 18 year olds from Suffolk in higher education has increased from 16% in 2010 to 22.7% in 2014, since the University came into being.

2.24 However, Higher Education participation in Suffolk still remains significantly below the national and East of England average of around 30%, which demonstrates that there is still potential to continue to grow the market in the county. This will help maintain the expansion of their student numbers without taking market share from other universities.

Anticipated demand

2.25 Currently only 17.8% of Peterborough's population has a degree and a similar proportion of the local population progress into Higher Education. Upskilling the local population is a priority to ensure the local economy continues to flourish in the future. The obvious way to achieve this outcome is for aspirations to be raised amongst those who do not see Higher Education as a route for them to take their lives and careers forward and through working with local employers to understand the demand for higher level skills.

2.26 Nationally, in 2017 there has been a decrease in demand for university places across the UK (5% reduction in domestic applications and 6% reduction in EU applications which includes all age groups). However, when looking at the 18-year old applicants as one specific cohort, there is still a growth in applicant numbers and whilst alternative progression routes may continue to develop and strengthen, there is predicted to be a continued demand by employers for graduate level employees.

2.27 There is currently a student population at the University Centre Peterborough of 750 students. In 2016/17, at the point of enrollment, 72.2% of first-year students were living within 15 miles of the establishment (see table below).

2.28 With the right approach to marketing and outreach, specifically targeting the group identified above at 2.25, this is predicted to increase to 3,000 by 2022.

Percentages of current students living within particular distances of the University Centre Peterborough

Year	< 1 Mile	< 5 Miles	< 15 Miles	< 20 Miles	< 30 Miles	< 50 Miles	< 100 Miles	< 150 Miles	> 150 Miles
2011/2012	8.5	46.8	10.6	6.3	10.6	8.5	8.5	0	0
2012/2013	16.9	47	3.2	5.4	7.6	9.2	9.8	0	0.5
2013/2014	17	44.5	3.4	9.5	10.2	4.7	7.8	2	0.6
2014/2015	22.6	40.6	7.6	9.6	7.6	2.3	7	1.6	0.6
2015/2016	24.1	44.1	9.4	5.2	6.7	2.2	6	0.7	0.07
2016/2017	20.4	35.5	16.3	9.3	7.7	3.2	2	4.4	0.8

2.29 Prior to the instigation of Phase 1, an analysis was undertaken of the 108 existing English universities and university colleges, mapped against local conditions and population, was used to determine the optimum undergraduate population for Peterborough. This was then moderated by analysing realistic growth rates and applying infrastructure assumptions. A target of 12,500 undergraduate and research students by 2035 is believed to be objective, realistic and attainable, with 3,000 being achieved by 2022. Further work will be undertaken during Phase 2 to evidence these figures and provide a basis to go forward.

2.30 At present, the University Centre Peterborough has an arrangement with a private provider from whom 54 rooms are available at Taverners Hall near the city centre. If there was an additional requirement for student accommodation due to the expanding university attracting those from outside a commutable distance, it might be possible to create additional student accommodation but the likelihood is that the vast majority of the students will be living at home.

2.31 In terms of the student demand for particular subjects, Universities UK highlighted in their 2016 Patterns and Trends report that between 2005 and 2015, there has been a significant increase across the UK in the demand for subjects related to biological science (up by 39.6%), mathematical sciences (34.2%), engineering (23.3%) and physical science (18.4%). In addition, moderate increases in demand were seen for agricultural and related subjects (13.9%) and Business and Administration (10.9%).

2.32 Professional, scientific and technical businesses account for 16% of Peterborough's businesses, closely followed by wholesale and retail (10%), with Administration and Support Services at 8%. This pattern is somewhat reflected in specific business growth sectors in the Peterborough area. According to the latest Opportunity Peterborough Economic Intelligence report, the greatest growth in employees terms was in areas such as the Business Administration and Support Services sector (5000 additional), which also has the greatest proportion of job numbers overall (17.7% of the workforce). Whilst Manufacturing has a below average proportion of jobs in the area, it has actually seen an increase of 400 jobs between 2014 and 2015.

2.33 The requirement to increase both skill levels and management-level roles to drive continued growth across these sectors, is reflected in the proposed curriculum offer in Appendix 1, table 2, which will be further developed in the first tranche of work in Phase 2 of the project.

2.34

Business Need – Employment Landscape & Employer Demand

2.35 An increased demand by employers has been forecast for ‘higher level’ skills in the future; a 60.4% increase in demand for skills at doctorate or masters level on current levels (9.1% percentage share of the skill base today, increasing to 14.6% by 2022) across the Combined Authority area. In addition, requirements for lower level skills are set to decrease.

2.36 Low-skill, low-wage employment is likely to be the most susceptible to changes brought about by technological advancements, which is why the need to enhance the level of skills across the workforce is emphasised in the Industrial Strategy Green Paper. There are six areas in the strategy where the University will have a significant impact on developing and protecting local skills through supporting employers and producing high quality graduates:

Industrial Strategy	Contribution
‘The Government will consult on the technologies which the Industrial Strategy Challenge Fund could support including: smart and clean energy, robotics, artificial intelligence, leading edge health care and medicines’.	The University will offer relevant courses in these areas to meet local needs.
‘There are significant disparities in economic performance. The productivity gap between different parts of the country has been widening for decades, these impact on how much people earn. The productivity gap within each region is greater than between regions’.	The University will work with employers to improve their economic performance and help close the significant disparities across Peterborough and Cambridgeshire.
‘Raising skill levels is important in driving higher incomes and industry, as well as government, need to help shape qualifications and the curriculum to ensure that they are useful to future employers’.	The University will help drive forward skills levels by delivering the required qualifications in the right way.
‘The accelerating pace of technological change means there is a growing challenge with lifelong learning: supporting people to re-skill across their working lives’.	The University will be an institution for life-long learning.
‘The world of work is changing with one study stating that 35% of existing UK jobs are estimated to be at high risk of being replaced by technology in the next 20 years. Older workers and low to medium-skill workers are less likely to undertake learning opportunities’.	The University will support older workers and low to medium-skill workers to undertake learning opportunities to improve their skills to help futureproof their employment prospects in the face of the enhancement in technology.
It is estimated that around half of all 17 year olds will participate in HE by the time they are 30’.	The University will provide local individuals with the opportunity to study in Peterborough to build their skills to enhance their employment prospects and life choices.

2.37 There is a clear need for better access to Higher Education in the north of the area. The University Centre Peterborough (UCP) has been very successful in designing and delivering courses that are

demand-led by local businesses, particularly in the Leadership and Management field.

2.38 The data produced by Peterborough's Skills Service, furthermore, has proved an essential element in demonstrating skills gaps and showing overall demand for the right type of training. The work of Opportunity Peterborough (an urban regeneration company wholly owned by Peterborough City Council), in attracting new businesses to the area has underlined what is needed in this respect. This information, when combined with the recently commissioned work by Greater Cambridge Greater Peterborough Enterprise Partnership on local skills and educational attainment, provides a clear picture of what is required to maintain the vibrant economy and improve the skills base of the local population in Peterborough and the surrounding area. Opportunity Peterborough has stated its support for a local university to drive up productivity and develop higher skills.

2.39 Opportunity Peterborough highlight in their Economic Intelligence Report 2016, that Peterborough's productivity is currently £50,576 per worker which is below the Eastern region (£52,212) and national average (£54,639). Skills is one of the five major drivers of productivity and therefore higher level skills, whilst not solely responsible can have a major impact on this measure.

3. The Programme

Programme Overview

3.1 The creation of the University can be classified broadly under three distinct phases:

- **Phase 1 – Assessing the initial need and business case**

3.2 At the GCGPEP Board Meeting on 26 January 2016 it was agreed to support the work to develop a University of Peterborough by investing in Taught Degree Awarding Powers (TDAP) and initial project work, subject to an acceptable business case which was provided to the satisfaction of GCGPEP (Please see Appendix B for details). GCGPEP funding was provided for Phase 1:

- Delivery of TDAP by granting a £600,000 contribution, contracted through the University Centre Peterborough Board, over a period of three years. (The contract runs from 1st August 2016 to 30th April 2019)
- Establishment of a Project Team Leader by granting a £120,000 contribution through the HE Stakeholder Group over a period of 13 months. (The contract runs from 1st August 2016 to 31st August 2017), with the responsibility to progress the phase 1 objectives.

3.3 The first nine of the eleven key indicators/milestones of the project have been successfully completed on time and to budget, to the satisfaction of GCGPEP.

GCGPEP Funding Agreement Key Milestones and Performance Indicators

	Key Indicators	Target Date	Detail (evidence submitted with quarterly return will demonstrate)
1	University Project Team Leader (UPTL) appointed to full time role (one year fixed post)	12 Sept 16	Recruitment report and contract
2	UPTL fully trained for role	10 Oct 16	Induction and training record with CPD forward plan
3	UPTL to prepare key data gap analysis to allow prioritised	31 Oct 16	Key data gap analysis

	consultancy work for HE Stakeholder Group Approval		
4	UPTL develops HE Risk Register and Level 1 Project Plan	31 Oct 16	HE Risk Register and Level 1 Project Plan
5	UPTL commissions consultancy work	7 Nov 16	Contract
6	UPTL presents Capital and Estates Strategy to HE Stakeholder Group	30 Nov 16	Capital and Estates Strategy
7	UPTL produces Level 2 Project Plan	16 Dec 16	Level 2 Project Plan
8	UPTL produces Level 3 Project Plan	27 Jan 17	Level 3 Project Plan
9	UPTL produces Investment Options Model for HE Stakeholder Group	28 Feb 17	Investment Model Options paper
10	UPTL will present the HE Stakeholder Group with a fully costed project plan, risk register and investment model	28 April 17	Project Plan Risk Register Investment Model
11	UPTL will have co-ordinated potential stakeholders to form a coalition of the willing prepared to invest in the University of Peterborough	11 Aug 17	Signed Memoranda of Understanding (MoU) setting out the conditions and assumptions necessary for co-investment in the University of Peterborough

3.4 The work undertaken during Phase 1 as outlined throughout this business case and through the outputs listed in the table above, has confirmed the potential to establish a viable sustainable university in Peterborough and led to the development of this Phase 2 Funding application to take the establishment of the University forward.

- **Phase 2 – Validation of the full business case and creation of a suitable platform for growth**

3.5 The Phase 2 grant funding sought is anticipated to be just over £6.53 million, with the summary shown in the table below, (a detailed breakdown can be found in Appendix 1, Table 1a):

Phase 2 proposed draw down of funding					
Workstream details		Date of report for draw down	Capital Amount (£)	Revenue Amount (£)	Totals
1.	Curriculum development	June 2017	1,100,000	1,910,000	3,010,000
2.	Project Management including the development of the business case and investment strategy	June 2017	n/a	269,583	269,583

3.	Marketing, engagement and widening participation	June 2017	n/a	560,000	560,000
4.	Improving student facilities/ amenities	October 2017	400,000	600,000	1,000,000
5.	Securing and refurbishing interim accommodation	October 2017	1,400,000	300,000	1,700,000
	Indicative totals		2,900,000	3,639,583	6,539,583

3.6 It is believed that this will ensure that the anticipated student base is confirmed, which will enable the creation of a fully robust delivery plan for the University to be created to take the initiative forward.

3.7 Further details on the £3m curriculum development is shown in Appendix 1, Table 2.

3.8 It is necessary to confirm the initial viability and long term sustainability of the proposed University through giving credence to the projected growth in undergraduate student numbers in order to create by 2035 a thriving, independent, campus-based higher education institution with an undergraduate population of 12,500 students. The University will be a powerhouse for economic and intellectual growth, outward-looking but rooted in the ingenuity and diversity of its students, staff and surrounding population.

3.9 This will be successfully achieved in part, through engaging the target students and influencing communities by establishing and effectively implementing a marketing, engagement and widening participation strategy. The strategy, which will be enacted as quickly as possible, will be a 'living' document that will be monitored by the HE Steering Group on a quarterly basis, allowing for refinement and evolution in the light of experience and ongoing outputs, to ensure its effectiveness.

3.10 This business case seeks agreement in principle for funding of £6.53m with an initial draw down of just over £3.8m for the development of the curriculum, development of the marketing strategy and associated activity, development of the business case for Phase 3 and ongoing improvement of the student amenities and wider experience. Draw down for the improvements to student amenities and interim accommodation will be subject to further evidence, cost analysis and an appropriate report highlighting the options. Indicative costs can be found in Appendix 1, Table 1b.

- **Phase 3 – Creation of the long-term physical estate**

3.11 It will cost at least £60 million to create a minimum of four bespoke facility buildings, an administrative centre and general student amenities which may include student accommodation and sports facilities. These are judged to be the minimum required for a university of the target size. Inevitably there will be some opportunity for private finance to be involved, particularly around student accommodation.

3.12 The capital cost of creating the University will naturally depend on the selected site and the buildings to be erected. Buildings commissioned for universities need to support the work undertaken within them and provide opportunities for individual and group work, contemplation and socialising at their heart to facilitate a positive student experience. Increasingly space has to be flexible enough to support different modes of learning and/or facilities. Underlying all of this the buildings created should be a physical representation of the academic and social ideals of the University of Peterborough.

3.13 At this point in the process there are many factors which will have a bearing on the overall cost of the University. These will influence the level of funding which will be required and in some cases the accessibility of certain sources of investment. The initial two academic buildings suggested under this phase of development are likely to cost between £15 and £20 million, although the funding options will need to take into account any additional costs that may be incurred which would affect the overall financial operating costs of the University. (Indicative costs of the type of academic building envisaged and the ability to create the sought campus on the largest City Centre site available are given in Tables 6 and 7 in Appendix 2). An investment strategy will be developed to accompany the

detailed business case for phase 3.

- 3.14 The funding approach could draw upon a blend of public and private sources of capital to efficiently bring the project forward. Capital could be supplied in the form of debt or equity. Debt would be sourced on a fixed term basis and secured against the asset. Equity would be supplied as a project cost on the basis that it is recoverable via an agreed coupon and or profit share should predetermined criteria be met.

Phase 2 Scope & Objectives

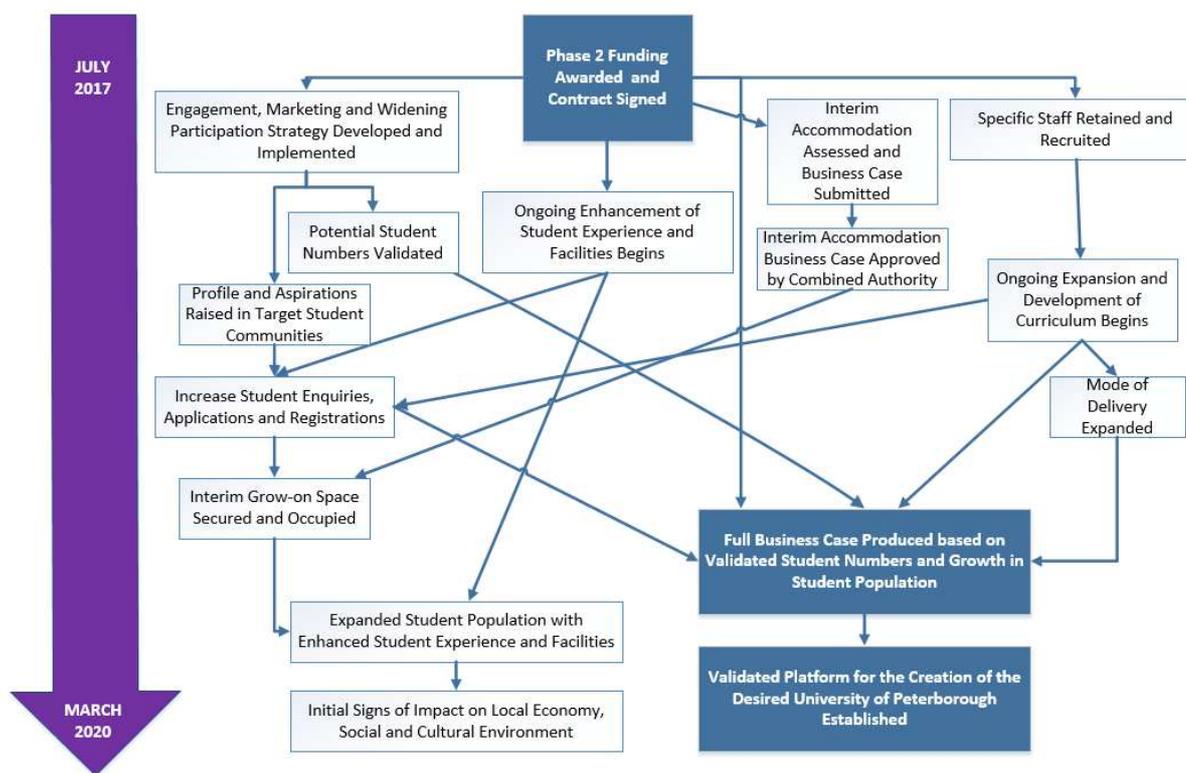
- 3.15 The recommended solution is for the Combined Authority to approve the initial level of funding requested at its meeting in June to facilitate the necessary agreement being drawn-up and signed. This will allow the first three workstreams within the second phase of the University of Peterborough Project to move forward:

1. **Development of the curriculum** (please see Table 2 for details), academic offer, staff expertise and numbers, learning resources and equipment, and IT infrastructure and Virtual Learning Environment - £3 million.

At the moment the University Centre Peterborough (UCP) offers 21 courses compared to well over fifty at the University of Suffolk (UoS). The majority of courses that UoS offers that are not within the UCP 2017/18 prospectus mainly relate to subjects allied to medicine or courses combining more than one subject. This demonstrates the curriculum expansion required at UCP and the change in the environment needed to successfully growth the Institution's undergraduate population in order to create the University of Peterborough. To grow and successfully deliver the expanded curriculum new development staff and improvements in the learning environment are required, the cost of which is outlined in Table 1.

2. **Marketing, engagement and widening participation** strategy to identify, implement and continually develop an appropriate array of activities and engagements that help to grow student numbers.
3. **Project Management including development of a robust business case & investment strategy for Phase 3** – the design and build phase of the university campus.
4. **Student facilities and amenities to enhance the student experience** - £1 million. The overall student experience which can be provided in the premises currently occupied by the University Centre Peterborough is below that offered by most universities due to the lack of student amenities and facilities. It is import these continue to be improved to enhance the attractiveness of the overall experience. This is just as true for existing students as potential ones as they are a powerful voice which could undermine any marketing effort if their experience is below expectations. A number of key things are currently missing like a Students Union, individual and group private study areas, sporting and leisure facilities and a variety of extra curricula activities. Indicative costings are provided in Appendix 1, Table 1b.
5. **Securing and refurbishment of interim building space** - £1.7 million. To accommodate the growth in student numbers additional accommodation will be required. An interim building has been identified but this has to be secured on suitable terms. Other options will continue to be explored until this is successfully achieved. A fully costed business case will be presented to the Combined Authority to enable draw down of the remaining funding for this workstream. At this point, indicative costings only are provided in Appendix 1, Table 1c.

3.16 The proposed approach is summarised below:



3.17 The growth in undergraduate student numbers will drive the rate of the establishment of the University estate and fundamentally influence the financial model for the creation of the University and its operation. This Phase of the Project will ensure that the anticipated student base and demand is confirmed which will enable the creation of a fully robust business plan for the University to be created to take the initiative forward.

Phase 2 Project Outputs & Outcomes

3.18 At the end of Phase 2 the demonstrable key outcomes will be:

- An expanded curriculum offer in line with student demands and employer needs
- Evidenced assessment of student numbers
- An infrastructure framework for the fledgling university: including autonomous degree development and approval processes, financial independence and additional infrastructure to support expansion to a full university institution
- Enhanced community educational aspirations ensuring that student numbers grow at the required rate
- An investment ready growth model for Phase 3 which will deliver a fully operational university to meet the needs of the increased student community (outputs will be a business case, investment strategy and identified campus site).

3.19 In order to achieve these outcomes, the project will produce the following nine outputs and sub-outcomes:

	Outputs/ Outcomes	Measure	Target	When Measure To	Owner
1	Value added engagement and marketing	Strategy produced and implemented	October 2017	Assess effect on profile and engagement	Tony West (University Project Team Leader)

	Outputs/ Outcomes	Measure	Target	When To Measure	Owner
	strategy developed and implemented			every six months from October 2017 to March 2020	and Members of the HE Steering Group
2	Growth rate in student numbers confirmed	Assess increase in student recruitment	October 2018	Annually in October from 2018 onwards	Tony West (University Project Team Leader) and Members of the HE Steering Group
3	Creation of the required value added curriculum	Expanded curriculum created	October 2019	Assess the attractiveness of new courses to prospective students annually from October 2020 onwards	Tony West (University Project Team Leader) and Members of the HE Steering Group
4	Securing of the necessary interim grow-on accommodation	Suitable interim accommodation identified and secured	October 2018	October 2018	Tony West (University Project Team Leader) and Members of the HE Steering Group
5	Enhancement of the student experience	Level of student satisfaction	October 2018	Annually in October from 2018	Tony West (University Project Team Leader) and Members of the HE Steering Group
6	Model for longer term public and private investment	Model developed	October 2018	October 2018	Tony West (University Project Team Leader) and Members of the HE Steering Group
7	Foundation for fledgling University in place	All the necessary basic infrastructure identified and in place to create the University	March 2020	March 2020	Tony West (University Project Team Leader) and Members of the HE Steering Group
8	Aspirations raised and understanding enhanced. Improving rates of attainment at all levels of education.	Higher educational achievement and progression	October 2020	Annually in October from 2020	Tony West (University Project Team Leader) and Members of the HE Steering Group
9	Regenerative impact on local economy complemented by an enhancement in the cultural and social environment	Quantifiable benefits achieved which can be measured through economic and other activities.	October 2022	Annually in October from 2022	Tony West (University Project Team Leader) and Members of the HE Steering Group

Phase 2 Project Timescales

3.20 This Phase of the Project will run over 34 months with the following high-level timeline:

Item	Description of activity and milestone	Deadline
1	Grant condition agreement signed	31 July 2017
2	Contract extensions of existing staff finalised	1 st August 2017
3	Commencement of the recruitment of new staff	1 st August 2017
4	Commencement of the enhancement of the student amenities and experience	1 st November 2017
5	Production of the engagement, marketing and widening participation strategy	1 st August 2017
6	Additional engagement and marketing activities start. HE Steering Group monitors and reviews effectiveness of the Strategy on a quarterly basis.	1 st September 2017
7	Proposed start date for new staff	1 st January 2018
8	Development of the curriculum to meet educational, skills and employer needs. Establishment and demand for expanded curriculum reviewed and monitored by HE Steering Group every six months.	1 st January 2018
9	Purchase of any new IT and Virtual Learning Environment starts. Improvements in the learning environment and overall student experience reviewed and monitored by HE Steering Group every six months.	1 st January 2018
10	Earliest refurbishment of selected building starts	1 st September 2018
11	Initial signs of enhanced growth in student applications and registrations	October 2018
12	Fully validated business case to take forward Phase 3 of the development of the University of Peterborough Project produced	31st December 2018
13	Phase 3 Funding quantified	31st December 2018
14	Anticipated move to interim building summer 2019	Summer 2019
15	Foundation for fledgling university created (Please see tables 3 and 4 which provide an indicative overview of the financial operating stability of the University as the student numbers grow from 750 in 2016/17 to 12,500 in 2035/36).	March 2020

3.21 The milestones listed are a mixture of specific deliverables and ongoing developments which continue through this Phase of the establishment of the University. The engagement, marketing and widening participation activities, curriculum expansion work and enhancing the student experience fall into this second category. These will be self-developing in the light of experience and the growth in student numbers.

3.22 An overview of the complete University of Peterborough Project timelines is provided to give an overall picture of when the different aspects of the initiative will be commenced and completed in order to achieve the vision set out in the Executive Summary at the beginning of this business case.

Strategic Benefits

3.23 In summary, the strategic benefits identified are the boost to the educational offer in Peterborough that this £6.53m in grant funding could generate, increased job opportunities (both within the university and indirectly, in the supplier base); potential inward investment by companies locating in the area which can be attributed to the growing university offer; increased revenue into the area through institutional, employee and student expenditure; development of higher skills; increased productivity; talent attraction and retention.

Stakeholders

3.24 The four key partners involved in taking forward the University of Peterborough Project to date are Peterborough City Council, Anglia Ruskin University, Peterborough Regional College and Greater Cambridge Greater Peterborough Enterprise Partnership. To facilitate the evolution of the University Centre Peterborough into the University of Peterborough, Anglia Ruskin University has agreed to continue to support the University Centre Peterborough through the provision of marketing, financial and academic support services and the maintenance of its accreditation and validation of the degrees offered until the Centre attains its own taught degree awarding powers.

3.25 The following are the key stakeholders:

- The CPCA and associated local authorities
- GCGPEP
- Anglia Ruskin University
- Peterborough Regional College
- Central Government
- Higher Education Funding Council for England
- Residents of Peterborough and neighbouring areas

Options for Delivery

3.26 The approach described within the business case demonstrates that the project is capable of being delivered successfully in accordance with best practice. There is an expectation that the project will be implemented in accordance with a recognised programme and project management methodology, in addition to robust arrangements for change management, contract management, benefit realisation and the mitigation of risks or issues. Contingency plans are also expected to be in place.

3.27 There is full commitment to the programme across partners within the Combined Authority; there are some finer details in terms of practical delivery that need to be agreed. Should the business case be approved for Phase 2, the Combined Authority Delivery Group would explore the delivery options to identify the most appropriate solution.

3.28 Options for delivery will need to consider:

- The best arrangements to be put in place to ensure the delivery of the required outcomes
- How the relationship will work between the Combined Authority and existing Joint Venture operation
- How VAT matters will be dealt with
- Any other matters arising that impact upon delivery

Risks

3.29 The project team will actively manage risks, referred as needed to the existing HE Steering Group and Combined Authority Delivery Group. The narrative below on two key risks to the programme along with the risk register table in Appendix 1 reflect the high level, strategic risks. A detailed risk register will be developed to accompany the project documentation.

- **Key risk 1 - Stimulating awareness and growing aspirations**

3.30 This is the key risk in ensuring the outlined growth in student numbers is achieved. The initial focus for this growth is 18 - 21 years who currently do not progress in to higher education that live within a thirty mile radius of Peterborough. This group has been selected because of their low participation rate in higher education. In 2013/14 1030 young people did 'A' levels or equivalent in Peterborough Schools. Of these 59% progressed to higher education. It is predicted that the 18-21 year old population in Peterborough will grow from 8,311 in 2015 to 9,523 in 2035, but it is estimated that six times this number will live within 30 miles of the City. Looking at where current University Centre Peterborough students come from it is clear the vast majority live within a 30 miles radius of the Institution as expressed in the table on page 10 as percentages:

Numbers of current students living within particular distances of the University Centre Peterborough

Year	<1 Mile	<5 Miles	<15 Miles	<20 Miles	<30 Miles	<50 Miles	<100 Miles	<150 Miles	>150 Miles
2011/2012	4	22	5	3	5	4	4	0	0
2012/2013	31	86	6	10	14	17	18	0	1
2013/2014	50	131	10	28	30	14	23	6	2
2014/2015	68	122	23	29	23	7	21	5	2
2015/2016	64	117	25	14	17	6	16	2	3
2016/2017	50	87	40	23	19	8	5	11	2

3.31 This picture will be enhanced by the need for 773 more secondary school and 658 more post 16 places by 2023. Facilitated in part by the building of three new secondary schools at Hampton Gardens, Great Haddon and Paston Ridings. It is therefore vital this population is targeted effectively through suitable marketing, engagement and widening participation activities to raise their aspiration to go to university.

- **Key Risk 2 - Failure to Secure Phase 2 Funding**

3.32 The major key issue for this Phase of the Project is the effect of delaying or worse still, rejecting the current funding application as this will fundamentally alter the plans to establish the proposed University in the way envisaged. The worst case being the development of the University will not progress and the initiative will be closed. The loss of momentum and reputation caused as a consequence might be recoverable but either of these outcomes may well lead to lost opportunities and an overall greater cost in the longer term.

3.33 Any significant delay in awarding this money beyond the end of June will dramatically increase the impact on the establishment rate and growth of the University. The impact on timescales and costs will very much depend on the length of the delay but it is clear that the:

- Outreach and marketing activities to stimulate the planned growth in undergraduate student numbers in 2018 and 2019 from the local area will be adversely affected
- Outreach and marketing activities to stimulate the planned long-term growth in undergraduate student numbers from the local area, nationally and internationally will be severely restricted lengthening the time needed to achieve the projected increases
- Development, expansion and most importantly the implementation of the curriculum offering to meet student and employer requirements will be held back by at least twelve months adversely effecting undergraduate student recruitment
- Attractiveness of the new curriculum development and support roles may be diminished if employment contracts are shortened. This could result in poorer quality applicants giving rise to a delay in developing the curriculum and what can be produced which will affect the attractiveness of the offer to potential students

- Development of the student experience and amenities will be hampered affecting the recruitment of future undergraduates
- Early engagement of employers and the wider community to help shape the University and maximise the benefits which could result in the longer term will be restricted. This might affect the momentum achieved and ongoing level of support
- Financial impact on the Peterborough, Cambridgeshire and Regional economies and up-skilling of the workforce will be pushed back
- Opportunity for other universities like Bedfordshire, Lincoln and Northampton to continue to promote their offering unchallenged to local students is enhanced thereby impinging longer term on the local economy and skills base
- Wider higher education community will be in a better position to continue to respond more quickly to changes in the sector to support for example the implementation of degree apprenticeships and two year degree courses as well as develop new degrees in smart and clean energy, robotics, artificial intelligence and health care to meet skills gaps in response to the Government Green Paper Building Our Industrial Strategy
- Availability of certain sites may be affected. This could increase the cost of any building refurbishment, equipment acquisition and overall construction of the University if the early effect on student recruitment is not overcome through pushing things back by up to twenty four months or may be even further
- The overall funding requested should be sufficient to successfully complete this Phase of the Project but there may be a need to move funding between headings to ensure a positive outcome.
- Should the sought staff not be able to be recruited then much of the work will be contracted out to ensure it is successfully completed in a timely fashion.

Project Interdependencies & dependencies

3.34 This programme will have links to the development of the wider skills strategy for the Combined Authority area. It will be for the University Project Lead in conjunction with the chief officer leads for the Employment and Skills portfolio to identify project interdependencies and manage the opportunities or threats that these may present. As appropriate, risks or issues that are identified as a result, will be recorded in the risk log and mitigating actions undertaken.

3.35 Phase 2 of the project is dependent upon securing funding for the elements described above. Without this, it is unlikely that the project would receive interest in this particular phase for investment by a third party since it would be deemed to be speculative in nature.

3.36 There are interdependencies with the wider work of the Combined Authority Employment and Skills portfolio. This work may have particular impacts on the development of the curriculum as the needs of employers in the local area are considered.

3.37 In addition, the estates strategy of Peterborough City Council may have an impact if the accommodation options for the University (interim and longer term) do not align or do not demonstrate a strong enough case and it is council-owned land or buildings being considered.

Programme Governance, Organisation Structure and Roles

3.38 The Cambridgeshire and Peterborough Combined Authority has established appropriate devolution programme governance arrangements including lead accountability for delivery and reporting arrangements back to the Combined Authority. This will involve the University Centre Peterborough providing regular, agreed updates on progress against the agreed parameters/ milestones to the Combined Authority's Delivery Group, and where necessary to the Combined Authority decision-making board.

3.39 This Business Case has been developed with input from Peterborough's HE Steering Group which draws together government, academic institutions, the community, businesses and industry including GCGPEP, Anglia Ruskin University (ARU), Peterborough City Council, Peterborough Regional

College and University Centre Peterborough, City and regional leaders are also closely aligned around the university project.

- 3.40 The established HE Steering Group/Board will be responsible for day to day project delivery and accounting for all investment. It is expected that a grant condition agreement will be signed by the Combined Authority and University Centre Peterborough which will set out the expectations of the funding and the parameters which the project team will operate within. The Combined Authority's Delivery Group will oversee the overall project's delivery and will report back to the Combined Authority Board at agreed intervals.

Key Issues for Implementation

- 3.41 No issues identified at this point.

Risk Management Strategy

- 3.42 A risk management strategy will be developed as part of the work to deliver Phase 2 of the project. High level risks have been already captured in section 3.27 above and in the strategic risk register (Appendix 1), but a more detailed risk log will be developed for this phase of the project. This approach will align with the requirements of the Combined Authority which has both an Assurance Framework (for the allocation of public resources that meet legislation and value for money criteria) and a Monitoring and Evaluation framework (providing accountability for investment decisions) in place.
- 3.43 The risk management approach adopted by University Centre Peterborough, will follow a recognised Risk Management methodology, with a clear matrix detailing the levels of risk, their definitions in the context of the University project, a clear procedure for identifying risks and then mitigating them, in addition to an appropriate escalation procedure once a certain risk level has been reached.
- 3.44 The agreed governance arrangements will be followed according to the level and severity of the risk.

Programme Review and Evaluation

- 3.45 The University Centre Peterborough will provide the Combined Authority with the agreed progress and performance reports at regular intervals as defined in the grant condition agreement and will ensure that project management standards are in place and adhered to, including the completion of relevant, high quality project documentation to support actions taken, expenditure and the management of risks and issues.
- 3.46 It is acknowledged that the Combined Authority will be required to undertake monitoring and evaluation of each investment decision, in line with their published framework and the University Centre Peterborough will provide the necessary metrics, outcome measurement, benefits analysis and lessons learned to support this.
- 3.47 The following table demonstrates the types of evaluation methods and data sets that the Combined Authority will be expected to provide as part of the Monitoring and Evaluation Framework to Central Government. The University of Peterborough project will utilise a combination of the following methods in order to provide robust evidence of success.
- 3.48 Successful completion of Phase 2 and the provision of a strong evidence base will help to support the Phase 3 business case.

We anticipate that the a combination of the following evaluation methods / activities will be used for each scheme	Data Requirements
<ul style="list-style-type: none"> • Development of baseline data used to monitor and evaluate each scheme • Standard reporting on the delivery of each scheme: budget, timescales, milestones • Monitoring of scheme outputs: numbers trained, supported into work etc. • Monitoring of retention within employment three months, six months and so on. • Commission of independent evaluation (where appropriate) • Co-assessment (with evaluators) of the logic mapping / narrative of how each programme impacts on their local economy • Building of logic maps / hypotheses to test • Econometric analysis of the impact on skills programme investment on economic growth • At an individual business level measurement relationships with transport infrastructure and improved business performance • Use of monitoring and evaluation results to feedback into the process and • To develop lessons learnt analyses for sharing beyond Cambridgeshire and Peterborough 	<ul style="list-style-type: none"> • DfE data, for example, data from the Individualised Learner Record (ILR). • Local Employment / labour market statistics • Employer / employee surveys • Tracking data for programme participants • Business data • Income data • Measurement of local GVA

4. Economic Case

Economic Impact

- 4.1 This section should be considered alongside the details set out in the strategic case earlier in this document. It sets out the principles by which the proposed development has been appraised and provides the starting point by which the detailed future investment programme will be determined/validated.
- 4.2 The economic impact of higher education institutions is well documented. Higher Education drives economic value through the provision of employment and direct expenditure but institutions have a further impact on the wider economy through various means:
- 4.3 For every £1million of university output in 2011 a further £1.35 million of output was generated in other sectors of the economy. Higher education contributed 2.8% of UK GDP and generated 2.7% of all UK employment in 2011. It also generated more GDP per unit of expenditure than health, public administration and construction
- 4.4 Universities as a whole in the UK have a revenue of £27.9 billion, employ over 262,700 staff and provide education for over two million students (2011 figures). The expenditure of the universities themselves in their local areas through the purchasing of supplies and services in addition to the off-campus spend of both international students and domestic students from outside the area.
- 4.5 UK universities employed 378,250 people in 2011 which equates to just over 1% of all UK employment that year. For every 100 full-time jobs at universities, another 117 full-time jobs are generated in other sectors of the economy

- 4.6 Students give the economy an £80bn boost, spending annually a minimum of £9,000 per head excluding rent and tuition fees. A further boost is given to the economy by partners, family and friends visiting the students
- 4.7 The East of England saw a university revenue of £2.46bn in 2011-12 with £467m of that coming from international sources and when added to the off-campus spending of international students, this totalled £836m revenue that would otherwise have not found its way into the region.
- 4.8 Four in 10 young adults have a degree – and they can earn annually £9,000 more than without one, which potentially means more disposable income.
- 4.9 The initial Business Case demonstrated how investment to establish a University of Peterborough would help to enhance local progression rates into higher education and improve the skills base supporting the economy in the Northern LEP area allowing it to move from ‘Replicator’ to ‘Innovator’ by tackling a significant barrier to high end inward investment (the skills gap).
- 4.10 This would unlock the economic potential of Peterborough and beyond, attract high GVA new business, deliver World Class education to a global market and support existing businesses that need higher skills levels to grow. It would reverse the Peterborough and surrounding area ‘brain drain’ and drive growth into every aspect of the economy by creating a ‘knowledge market’ (as opposed to a ‘labour market’) that requires support industries.

Examples of Economic Impact

- 4.11 The establishment and growth of any university is based on a unique set of circumstances which relate to the institutions history, surrounding environment and prevailing government policy.
- 4.12 A useful comparison nevertheless can be drawn with the establishment and growth of the University of Suffolk over the last ten years. During this time the growth in students accepting an offer to study on an undergraduate course at Suffolk has risen from 870 in 2007 to 1510 in 2016. This increase in acceptances has led to the undergraduate population growing to 4,626 in 2015/16 which represents 92% of the overall student population of 5,029. The University employed 421 staff in that year and engaged a further 92 casual staff. Its overall turnover was £37.3 million which is almost ten times that reported by the University Centre Peterborough of £4 million.
- 4.13 The type of impact can then be further extrapolated to understand what could be achieved in the longer term:
- The University of Lincoln is worth up to £250 million annually to the Greater Lincoln area economy, supporting over 3,000 jobs. In the last 10 years, its Sparkhouse business incubation centre has enabled more than 230 start-ups to establish operations, creating almost 400 jobs.
 - Since January 2011, Teesside University has worked with over 1,000 organisations, supporting over 650 companies attached to European Regional Development Fund (ERDF) programmes and creating over 550 jobs. Over the past decade 430 new businesses have been created through the University’s pioneering graduate enterprise and Digital City Innovation (DCI) initiatives. A recent report showed DCI was contributing £20 million a year to Gross Value Added in the North East.
 - The two universities in Coventry account for 10% of jobs in the city.
 - Undergraduates spend £267million per year in Stoke, £350 million in Plymouth and £410 million in Cambridge.
- 4.14 A clear example of the wider financial impact is demonstrated by the University of Northampton.

Output impact (£m)

- 4.15 The University of Northampton and its students generated nearly £244 million of output in

Northampton town with an additional £45 million in the rest of Northamptonshire and a further £132 million in the rest of the East Midlands. The total impact on the East Midlands came to £421 million.

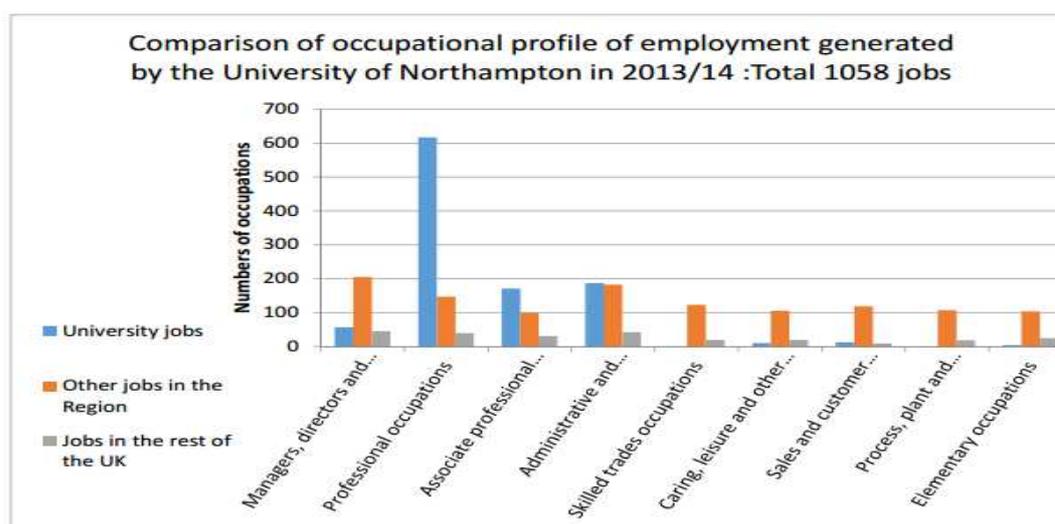
4.16 The impacts of the University of Northampton can be seen in the two tables below:

Output Impact (£m) of the University of Northampton

Output £m	University (£m)	Direct	University 'Knock-on' impact £m	Impact of Student personal expenditure	Total impact (£m)
Northampton		110	50	84	244
Rest of Northamptonshire		0	18	28	45
Rest of East Midlands		0	50	81	132
Total East Midlands		110	118	193	421

Employment Generated (FTE) by the University of Northampton

Jobs (FTE)	University (FTE)	Direct	University 'Knock-on' impact (FTE)	Impact of Student personal expenditure (FTE)	Total impact (£m)
Northampton		1058	506	696	2260
Rest of Northamptonshire		0	177	232	408
Rest of East Midlands		0	508	677	1185
Rest of UK		0	245	43	288
Total East Midlands		1058	1436	1648	4142



Source: Viewforth Modelling System analysis

The Economic Impact of The University of Northampton 2013/2014 – Viewforth Consulting Ltd October 2015

5. Commercial Case

Purpose

- 5.1 The commercial case helps to demonstrate that the preferred option will result in a viable procurement and well-structured deal, including the planning and management of procurement exercises. As such, it is a component that will be developed more fully as part of the business case for the interim accommodation and then for phase 3 – design and build of a university campus.
- 5.2 The majority of the expenditure within this phase will be revenue based staff costs and activities undertaken by University Centre staff.
- 5.3 Workstreams one to four in Phase 2 of the programme will involve limited procurement activities. It is unlikely that the current EU Procurement Threshold of £164,176 for supplies and services in Higher Education establishments will be reached at this point in the project.
- 5.4 Existing framework agreements will be used where possible but where such agreements do not exist for particular goods or services, competitive procurement processes appropriate to the level of expenditure, may need to be undertaken.

6. Financial Case

Purpose

- 6.1 Phase 2 of the development of a proposal for the University of Peterborough will be delivered through the Combined Authority direct grant funding.
- 6.2 As the project develops it is expected that private investment will be attracted for phase 3. At this stage neither the exact costs of the project nor the private investment contribution is known. The expected total cost of a minimum of £60m is projected for phase 3, based on other similar projects. A detailed investment plan will be developed alongside the phase 3 full business case.
- 6.3 The table below sets out the anticipated draw down of grant required to maintain the development programme. At present, there are indicative costs only for workstreams 4 and 5 (improvements to student amenities and securing/ refurbishing the interim accommodation). These costs will be finalised during July to then allow initiation of further draw down of funds.

Phase 2 proposed draw down of funding					
Workstream details		Date of draw down	Capital Amount (£)	Revenue Amount (£)	Totals
1.	Curriculum development	July 2017	1,100,000	1,910,000	3,010,000
2.	Project Management including the development of the business case and investment strategy	July 2017	n/a	249,583	249,583
3.	Marketing, engagement and widening participation	July 2017	n/a	560,000	560,000
4.	Improving student facilities/ amenities	October 2017	400,000	600,000	1,000,000
5.	Securing and refurbishing interim accommodation	October 2017	1,400,000	300,000	1,700,000
Indicative totals			2,900,000	3,619,583	6,519,583

Funding Options

- 6.4 The University Centre Peterborough is seeking funding for Phase 2 of the project from the Combined Authority.
- 6.5 State aid can occur whenever state resources are used to provide assistance that gives organisations engaged in economic activity, an advantage over others. When making grant payments the Combined Authority is required to comply with state aid regulations which avoid negative effects on competition.
- 6.6 The provision of education is a non-economic activity and therefore would fall outside of the state aid regulations. Furthermore, the grant funding is not considered to distort competition on the basis that the provision being funded is for a public institution. The creation of the university will increase competition in the market and it is expected that the grant funding will enable the university to compete in the market on equal financial terms to other universities in the region and nationally.
- 6.7 However, this situation will also continue to be monitored to ensure that no state aid issues arise as commercial terms are finalised.
- 6.8 Other funding options have been considered:
- 6.9 **Self-financed organic growth** – The desired University cannot be achieved through self-financing organic growth of the University Centre Peterborough. This is because it has insufficient financial and other resources at its disposal to develop at the required rate to be able to successfully engage with the different target student communities and create the necessary deeper and broader curriculum offer which has to be delivered in the sought manner to meet the ever increasing skills needs of local employers and the wider population. The total number of students taking a degree at the Centre over the last few years has remained fairly static at around 750. This is for a variety of reasons but it does underline the lack of funding, wider resources and necessary infrastructure available to grow the current operation.
- 6.10 **Alternative sources of funding** - These can be divided broadly in to:
- Private funding
 - Philanthropic giving
 - Private investment
 - Bank loans
 - Bonds
 - Public funding
 - Grants
 - Loans
 - Combination of both to provide a mixed funding package approach to creating the University.
- 6.11 The Project does not yet have a sufficient track record to be able to secure a loan on favourable terms and conditions. This Phase of the project will also not acquire or develop any assets which could be sold to cover the cost of the loan if the University is not developed as envisaged.
- 6.12 There is a history in the Higher Education Sector of institutions receiving gifts from a variety of third parties to create new facilities and buildings. Consideration has been given to organisations and individuals which might be approached and work has started on this front but this is not seen as a viable funding route to undertake the work outlined.
- 6.13 A clear business proposition ideally based on a track record of achievement, as outlined, will be needed to attract suitable public and private sector investment. The pivotal area which needs to grow to demonstrate the viability and sustainability of the proposed university to attract this investment is

the number of undergraduate students. Phase 1 of the Project is not long enough or funded to a level which will enable the necessary marketing, engagement and other activities to take place to start to grow the required student population to help demonstrate the financial viability and sustainability of the University. The key delivery for this Phase is to demonstrate the anticipated student base and start to grow the student numbers. This will help to shape and develop the business case to provide the investor proposition which will be a key element in moving forward the creation of the physical estate and infrastructure of the University which is Phase 3 of the Project.

6.14 The planned creation of student accommodation; entertainment, sports and conference facilities; and business development space under Phase 3 of the Project are all potentially very attractive to private and public investors. There is an opportunity for a third party primarily, maybe even exclusively, providing the necessary capital to construct the desired building and if necessary, purchase the required site. The disadvantage to this approach is most, if not all, of the ongoing income that is generated from the building goes to the private partner who might also exert control over how it is used and managed. Given the immaturity of the proposed venture, the private partner may require a minimum level of income to be guaranteed by the University. This would add an additional financial burden to the overall operating cost of the University if the minimum income level was not achieved. A balanced private public investment approach will need to be developed to successfully deliver Phase 3 of the Project.

6.15 **Other public funding** - The development of higher education in Peterborough forms part of Programme Theme Four: Skills Infrastructure of the GCGPEP Growth Deal Three Final Submission which was made in July 2016. It is worth noting that the amount of money the Government provided as a result of the Autumn Statement by the Chancellor of the Exchequer was considerably lower than that requested. The level of funding set against this Theme is £10 million which means this Phase of the Project would be seeking the majority of the money if it is all allocated from this source. This is not a feasible option unless the GCGPEP Board is prepared not to fund any other initiatives which is highly unlikely even though the University forms a key part of its Strategic Plan.

6.16 **Funding might be provided by HEFCE through for instance its Catalyst Fund**, which is a highly competitive collaborative source of revenue money that commits up to £30 million annually to drive innovation in the Higher Education (HE) sector, enhance excellence and efficiency in HE, and support innovative solutions. Funded projects normally are collaborative, bringing together support from other partners including businesses, universities and colleges, and other public agencies. All higher education institutions can apply directly to the fund, so can further education colleges provided their projects focus specifically on activities related to the provision of prescribed courses of HE. This may well be an appropriate source of funding if we have a suitable collaborative project which meets the application criteria under Phase 3 of the Project but it is not going to support the development of the University more generally particularly at this stage of its development.

6.17 If sports facilities were created, particularly if they were open to the wider public, Sports England may be a possible funding source to build them. This potential funding source would be more relevant to help create the physical estate of the University under Phase 3 of the Project.

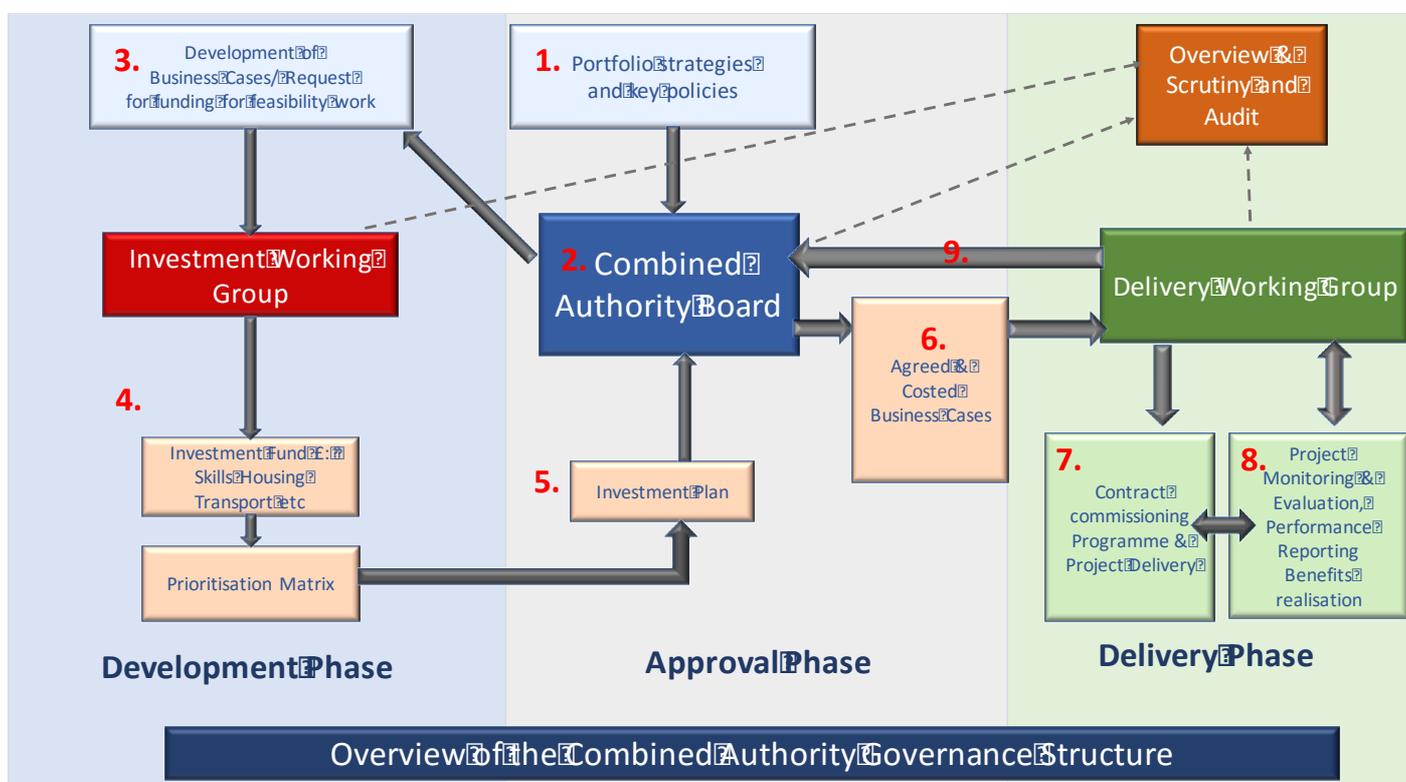
6.18 On the basis of the above alternative options, it is the belief that a grant funding arrangement with the Combined Authority for phase 2 is the most appropriate option.

Budget Arrangements

6.19 The Investment Group of the Combined Authority oversees the development of investment proposals from conception stage through to full, detailed business cases for approval by the Combined Authority Board.

6.20 It will take its lead from the Fiscal Strategy and work with the Single Investment Pot in addition to developing opportunities to lever private investment into the area.

- 6.21 It will provide assurance to The Combined Authority Board and to Central Government through the implementation the Assurance Framework arrangements.
- 6.22 Payments will be made by Cambridgeshire and Peterborough Combined Authority to University Centre Peterborough, subject to agreement of the grant conditions attached to the funding and ensuring compliance with the appropriate financial regulations.
- 6.23 The Higher Education Steering Group/Board will be responsible for day-to-day project delivery and accounting for all investment.
- 6.24 It is expected that a grant condition agreement will be signed by the Combined Authority and University Centre Peterborough which will set out the expectations of the funding and the parameters which the project team will operate within. The Combined Authority's Delivery Group will oversee the overall project's delivery and will report back to the Combined Authority Board at agreed intervals.
- 6.25 A diagram detailing the operation of the Combined Authority Board and governance structure, which the approval and delivery of this business case would be subject to, is detailed below:



Funding Request

- 6.26 The total Phase 2 Project Costs are shown in Appendix 1. The capital cost of this project is £2,900,000, and the revenue cost is £3,639,583. This aggregates to a total indicative cost of £6,539,583. The initial draw down requested at this point is £3.83m for workstreams 1 to 3.
- 6.27 This phase of the project will determine the shape and future direction for the establishment of the proposed university. Naturally there will be a time delay in the recruitment of undergraduates as a suitable widening participation, engagement and marketing strategy is developed and implemented. The development of the curriculum, acquisition of space, enhancement of the student experience and recruitment of staff also needs to be undertaken in anticipation of recruiting the sought number of students.
- 6.28 The Combined Authority Cambridge is currently applying for Section 33 VAT status. Once obtained, this status will mean that the Combined Authority will typically be able to recover VAT on costs in full

(subject to a partial exemption de minimis threshold of 5%).

- 6.29 Advice received so far from external accountants, suggests that the University Centre Peterborough is likely to be almost wholly exempt and so largely not able to recover VAT on its expenditure. Therefore, the VAT treatment of the grant once paid to the University Centre Peterborough will depend upon whether it is a payment for services or a pure grant. Specific VAT advice will be needed on this.
- 6.30 It is anticipated that any VAT incurred on the marketing costs (although likely to be minimal) within phase 2 will largely be irrecoverable when the transaction is between University Centre Peterborough and a third party supplier, due to the nature of its exempt activities. It may be possible to mitigate this VAT but this would require further consideration from a commercial, contractual position and VAT position. For the purposes of any modelling, no VAT recovery should be assumed on these marketing costs.
- 6.31 On that basis the proposal is that although VAT costs in workstreams 1, 2 & 3 are likely to be minimal, they will need to be funded from within the initial draw down, if and when they occur and where VAT is not recoverable.
- 6.32 VAT is to be calculated for workstreams 4 & 5 and built into the overall detailed costings where not recoverable.
- 6.33 An indicative operating cost model is provided in Table 3 to help to demonstrate the growth in activity and expenditure which needs to occur over the next five years to ensure the successful establishment and development of the University under Phase 3 to accommodate the planned expansion in student numbers and fully realise the economic and social benefits for the locality.
- 6.34 The successful establishment of the proposed university will have both a direct and indirect financial impact, the level of which will depend on the selected university site, the size of the student population, number of staff employed and its overall turnover. It will just as importantly have a non-financial payback through increasing educational aspirations at all levels and enhancing the cultural and social environment of the area.

Contract Arrangements

- 6.35 All contractual arrangements will comply with UK and European legal requirements as they will be made in line with the relevant policies and protocols of Anglia Ruskin University which is the senior partner in the joint venture that owns the University Centre Peterborough. The agreement will be with the University Centre Peterborough whose finances are consolidated into the Anglia Ruskin University Accounts.
- 6.36 The delivery of the outlined programme will be responsibility of the University of Peterborough Project Team Leader. The Members of the University of Peterborough Project HE Steering Group will oversee the day to day monitoring and delivery of the project. They will also provide advice and guidance in conjunction with the members of the two subcommittees responsible for land, infrastructure and buildings and investment models options to help ensure all the key milestones and indicators are met and the overall project is delivered on time and to budget.

7. Recommendations

Other options considered

The other options that have been considered are:

- 7.1 **Maintain the current position.** By remaining with the current offer, the University Centre Peterborough can continue to provide the higher education needs of its current student base. However, this will not help the city and surrounding districts to increase the higher level skills that

there is growing demand for amongst employers. It would also go against the initial agreement which is enshrined in the legal agreements between the two organisations and is the underpinning philosophy which governs their support and operation of the University Centre Peterborough. The environment is now right to move forward this commitment based on the requirement to grow the University Centre Peterborough to help meet the demands for higher skills in the locality to maintain economic growth.

7.2 The area has a strong case for developing a Higher Education offer within Peterborough and help meet the demands for higher level skills. Without this, employers will continue to struggle to attract and retain employees of suitable skill levels to enable them to innovate, increase productivity and grow effectively. Local employers are keen to establish a local university and there is an opportunity to work with them to establish a curriculum base that delivers what the local area needs. The overall economic impacts on the area should not be underestimated; Peterborough will continue to have a greater proportion of low-skilled labour if there is not a significant investment in Higher Education provision.

7.3 In addition, a recently commissioned evaluation study found that there is increasing competition in the area from other Higher Education Providers, both locally and beyond, which means that if partners do not progress this opportunity swiftly, other parties may potentially to the detriment of the economy in the Northern part of the Combined Authority area.

7.4 Simply maintaining the current position is not considered to be a viable option, particularly in the long-term.

7.5 **Wind up the current operations.** This is not considered to be a viable option as there would be a considerable impact upon the Higher Education provision in the city, which is already limited and not able to meet employer demand for higher-level skills.

Recommendations

7.1 It is recommended that that the Combined Authority Board approve the Business case as set out, agreeing the total amount of funding of £6,539,583 in principle and approving an initial draw down of £3,839,583, with further draw down of funding as detailed costs are worked through.

APPENDIX 1: INDICATIVE COSTINGS FOR PHASE 2

Table 1a – Indicative Costings for Phase 2 of the University of Peterborough Project

Activity	Workstream	2017 July December	–	2018 January December	-	2019 January December	-	2020 January -April	Total
Staffing									
<ul style="list-style-type: none"> • Contract Extensions ○ Project Team Leader from 1st October 2017 to 30th April 2020 	3 – Project Mg	£17,500		£70,000		£70,000		£23,333	£180,833
<ul style="list-style-type: none"> • Recruitment of New Staff ○ Appointment and employment of Chair of HE Steering Group 	3 – Project Mg	£7,500		£11,250		£11,250		£3,750	£33,750
<ul style="list-style-type: none"> ○ Appointment and employment of Student Outreach Coordinator 	2 – Marketing	£23,333		£35,000		£35,000		£11,667	£105,000
<ul style="list-style-type: none"> ○ Appointment and employment of four Academic Curriculum Leads 	1 – Curriculum	£126,667		£205,000		£215,000		£63,333	£610,000
<ul style="list-style-type: none"> ○ Appointment and employment of Learning Technologist 	1 – Curriculum	£26,667		£40,000		£40,000		£13,333	£120,000
<ul style="list-style-type: none"> ○ Appointment and employment of Academic Administrative Support Officer 	1 - Curriculum	£16,667		£25,000		£25,000		£8,333	£75,000
<ul style="list-style-type: none"> • Other ○ Development and Implementation of Employment Infrastructure 	3 – Project Mg	£35,000		£0		£0		£0	£35,000
<ul style="list-style-type: none"> ○ Specialist advice for business case production (including VAT advice) 	3 – Project Mg	£20,000		£0		£0		£0	£20,000
Yearly Total		£273,334		£386,250		£396,250		£123,749	£1,179,583
Academic Infrastructure and Resources									
<ul style="list-style-type: none"> • Curriculum Development 	1 – Curriculum	£40,000		£120,000		£120,000		£20,000	£300,000
<ul style="list-style-type: none"> • Learning Resources 	1 - Curriculum	£40,000		£120,000		£120,000		£20,000	£300,000
<ul style="list-style-type: none"> • IT System, Equipment, Licenses & Support 	1 - Curriculum	£66,667		£555,000		£500,000		£33,333	£1,155,000
<ul style="list-style-type: none"> • Virtual Learning Environment (VLE) 	1 - Curriculum	£33,333		£200,000		£200,000		£16,667	£450,000
<ul style="list-style-type: none"> • Enhancing the student amenities and experience 	4 - Amenities	£133,333		£400,000		£400,000		£66,667	£1,000,000
Yearly Total		£313,333		£1,395,000		£1,340,000		£156,667	£3,205,000
Administrative Infrastructure and Resources									
<ul style="list-style-type: none"> • Engagement, Marketing and Widening Participation ○ Prospective Students and Schools ○ Employers ○ Wider Community • Building Refurbishment • Building Creation • Campus Acquisition 	2 - Marketing	£80,000		£200,000		£65,000		£40,000	£385,000
	2- Marketing	£6,667		£25,000		£15,000		£3,333	£50,000
	2 - Marketing	£3,333		£10,000		£5,000		£1,667	£20,000
	5 – Interim Accommodation	£0		£1,500,000		£200,000		£0	£1,700,000
		£0		£0		£0		£0	£0
		£0		£0		£0		£0	£0
Yearly Total		£90,000		£1,735,000		£285,000		£45,000	£2,155,000
Overall Yearly Expenditure Total		£676,667		£3,516,250		£2,021,250		£325,416	£6,539,583

The forecast is based on a number of assumptions:

1. Payment of any rent, other than a peppercorn one, as well as legal costs incurred in occupying an interim building will be taken out of the allocated costs for its refurbishment
2. The infrastructure and resource will need to be available before students arrive hence timelines given. Capital funding will be required for Phase 3 to create the required buildings and potentially purchase the site prior to the end of the Phase 2

funding. Further revenue funding may well be required for Phase 3 to support the operational activity while the student numbers continue to grow. At this point research facilities will need to be considered to help attract academics, enhance post graduate offer and employer investment

3. Staff costs cover salaries and on-costs which are based on existing pay scales.
4. VAT costs in workstreams 1, 2 & 3 are likely to be minimal, but will need to be funded from within the initial draw down if and when they occur and where VAT is not recoverable.
5. VAT is to be calculated for workstreams 4 & 5 and built into the overall detailed costings where not recoverable.

In terms of the improvements to student amenities, the following planned works would be undertaken with the outlined indicative costs applying:

Table 1b – Indicative costings for Improvements to Student Amenities (£1m funding)

Details	Capital Amount	Revenue Amount	Total
Setting up of study areas to include both individual and group study pods	£85,000		£85,000
Initiating and funding of Student Union to include facilities for student activities, recreation and working area for administration staff and Student Union Board Grant funding over 3 years	£250,000	£280,000	£530,000
Extracurricular Programme to include administration staff, incentives for student entrepreneurs, careers and employability and record of achievement, leisure and office equipment	£55,000	£130,000	£185,000
Volunteering Programme to include administration staff, subsistence, travel and consumables. Office equipment	£10,000	£100,000	£110,000
Accessibility support for students from low income families including administration		£90,000	£90,000
Total	£400,000	£600,000	£1,000,000

Table 1c – Indicative figures for the refurbishment of the University’s interim accommodation

The different costs of occupying any interim building will naturally depend on the building selected, the length of the lease, whether it forms part of a wider package, the level of refurbishment required and the provision of furniture and other equipment.

The indicative figure of £1.7 million for the refurbishment and occupation of any interim accommodation is based on the following assumptions:

- The interim building will be Bayard Place
- The level of rent will be based on the level of occupancy which will be exclusive
- The Council will contribute towards the refurbishment required which is already in their budget. (The level of which has not been disclosed)

- At least some of the current furniture in the building will be provided
- Part of the revenue surplus made due to the growth in student numbers will be used to cover any shortfall in the rent charged
- The relocation costs for moving existing equipment and staff will be minimal
- Legal and other professional fees and costs are in line with the very generic figures provided by relevant organisations.

Description	Cost
Refurbishment ^e	£1,300,000
Office Furniture and Equipment	£100,000
Professional Fees – Solicitors and Architects ^{a,c,d}	£50,000
Insurance	£20,000
Rent and Rates ^b	£230,000
Total	£1,700,000

Notes

- a. There might be Stamp Duty Land Tax and Land Registration fees to pay, totally dependent on length of lease and rent
- b. VAT is payable on the rent, only alleviated if the tenant is a charity or has an exemption
- c. Surveying advice on the building, i.e. on the lease terms including rent, and its state need to ensure the repair liability is clearly identified, on any necessary planning permission (I think this will be needed, as it is currently an office and will be a University building), on business rates and insurance liabilities
- d. Relates to fire safety and health and safety advice.
- e. Professional advice on the necessary alterations required

Table 2 – Planned Expansion of the Curriculum during Phase 2

The outlined new courses reflect the anticipated demand which will be confirmed as part of this work. The actual courses developed will be defined by evidenced demand from students and employers.

Higher Apprenticeships across vocational sectors (SfA Funding)	Faculty of Business, Law and Professional Qualification	Faculty of Education, Health and Life Sciences	Faculty of Arts, Humanities and Social Sciences	Faculty of Technology, Design and Environment	Research Institute (Postgraduate focus)
	#BSc Business Management	#BSc Bioscience	#BA Psychosocial	#BSc Computing and Information Systems	
	#BSc Accounting and Finance	#BA Education	#BA Sociology	#BEng Integrated Engineering	
	CIPD	FdA Early Years and Playwork	BA Public Services	BSc Construction Management	
	Law	#Sports Coaching and PE	#BA Archaeology	BSc Crime and Investigative	
	#E-Commerce	PGCE (Secondary and Primary)	#BA Criminology	#Environmental Science and Management	
	Social Media and Digital Marketing	Social Work Academy	#BA English Literature	#Design and Manufacturing	
	Economics	#Food Technologies	BA Multimedia Journalism	Architectural Technologies	
	#Leadership and Management	Agricultural Science and Rural Industries	BA Performing Arts	Mathematics and Statistics	
	Logistics and Distribution	#Chemistry and Advanced Lab Technologies	BA Media and Film Studies	Surveying / Civil Engineering	
		Hospitality	#Art and Design Technologies		
		Health / Nursing	#History		
		Youth Work and Young Offenders	Music Technology		
			Psychology		

*Please note we would offer Single and Joint Honour pathways.
 *Courses denoted by # would be considered for Master Level
 *New provision is highlighted in RED
 *Existing courses for information, course titles may change
 *Some courses would include further options, e.g. Mechanical Engineering, Electrical Engineering, Software Engineering and Aeronautical Engineering
 *Please note this is assuming we will obtain some of the existing provision ARU have at Guild House

Table 3 – Indicative Operating Model 2016 to 2022

		2016	2017	2018	2019	2020	2021	2022
Student Number Growth	Heads	0	50	150	250	500	600	700
Student Numbers	Heads	750	800	950	1200	1700	2300	3000
Full Time Equivalent (FTE)	FTE	522	560	715	960	1450	2070	3000
Fees Per FTE	£	7,500	7,500	7,500	7,500	7,500	7,500	7,500
Average Fees Per Student	£	5,068	5,250	5,645	6,000	6,397	6,750	7,500
		£,000	£,000	£,000	£,000	£,000	£,000	£,000
Student Fees		3,081	4,200	5,363	7,200	10,875	15,525	22,500
Stage One Grant		0	0	0	0	0	0	0
Stage Two Grant		0	732	3,516	2,021	244	0	0
TDAP Grant LEP		232	184	184	0	0	0	0
HEFCE Core Teaching		157	167	199	251	355	481	627
Other Income		-31	0	0	0	0	0	0
Revenues		4,159	5,283	9,261	9,472	11,474	16,006	23,127
Academic Pay	PRC	2,453	2,696	3,088	3,770	5,282	7,193	10,040
Support Pay	Dir	273	273	307	388	550	743	969
Snr Leadership Pay		0	192	281	354	502	679	886
Phase Two Development Pay		0	471	391	291	0	0	0
Sub Total All Pay Costs		2,726	3,632	4,066	4,083	6,333	8,615	11,896
Support Services								
Facility Costs UCP Centre	Dir & PRC	187	187	187	187	187	187	187
Depreciation UCP Centre	Dir	28	28	28	28	28	28	28
Administration Costs UCP Centre	Dir	276	276	276	276	276	276	276
Support Services UCP Centre	ARU	674	728	788	910	1,180	1,522	2,032
Bursary Costs UCP Centre	ARU	268	289	313	361	469	605	807
Building Cost Satellite		0	0	1,500	200	500	500	500
Depreciation Satellite		0	0	189	501	738	738	730
Academic I&R Spend – Curr Dev.		0	105	120	120	120	120	120
Academic I&R Spend – E,M & WP		0	220	160	160	160	160	160
Facility Costs Satellite		0	0	280	280	280	280	280
Administration Cost Satellite		0	0	276	276	276	386	515
Sub Total All Non Pay Costs		1,433	1,832	4,117	3,299	4,215	4,803	5,643
Surplus/Deficit		0	-181	1,078	1,370	927	2,589	5,588
Rate of Return			-3.43%	11.64%	14.46%	8.07%	16.17%	24.16%

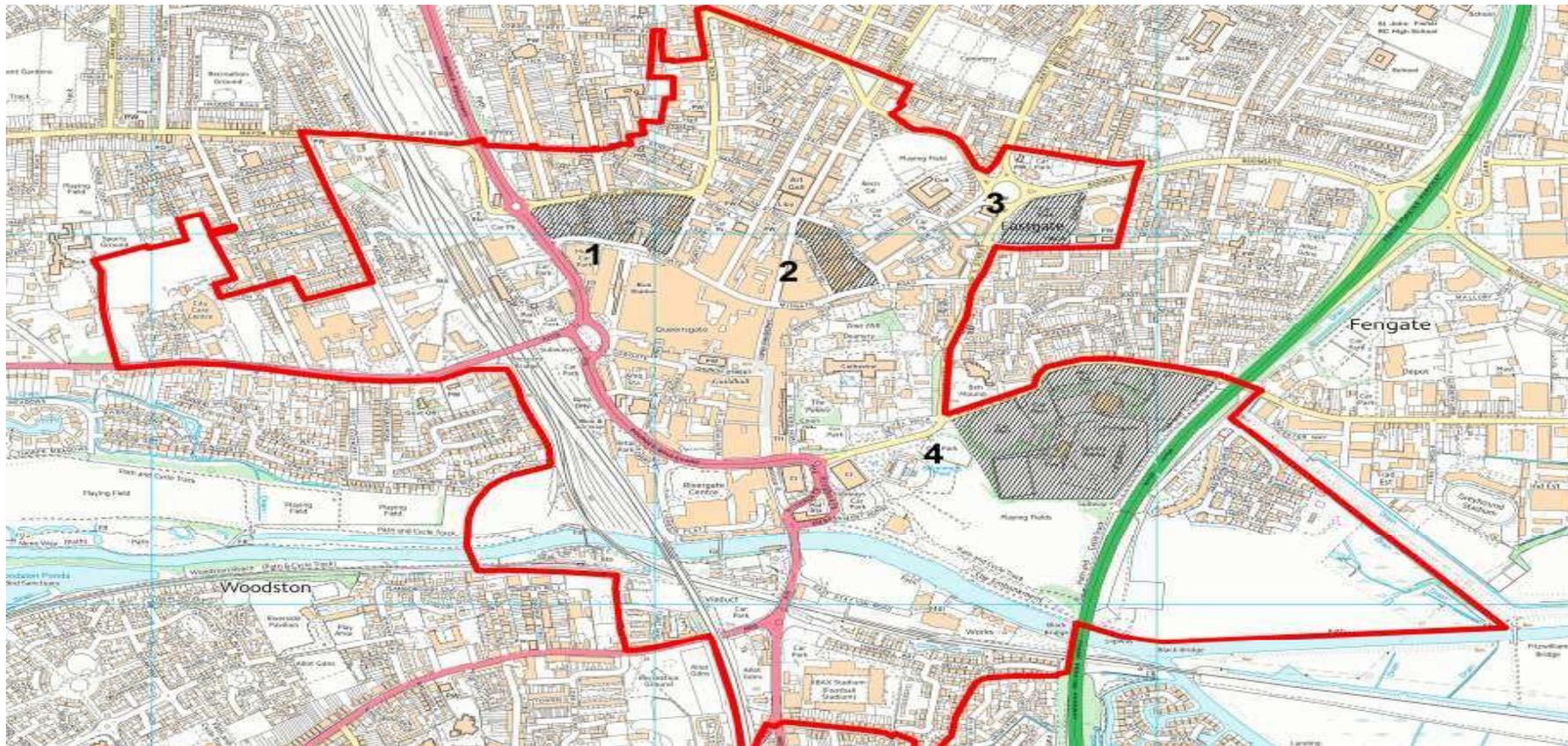
Staff Detail								
Academic Numbers	FTE		30.30	43.85	55.38	78.46	106.15	138.46
Academic Average Pay	£		88,987	88,987	88,987	88,987	88,987	88,987
Support Numbers	FTE		12.99	14.61	18.46	26.16	35.38	46.14
Support Average Pay	£		20,009	20,009	20,009	20,009	20,009	20,009
Snr Leadership Team Numbers	FTE		4.00	5.85	7.38	10.46	14.15	18.46
Snr Leadership Team Average Pay	£		48,000	48,000	48,000	48,000	48,000	48,000
Employer Benefits %								

Table 4 - Operating Financial Forecast Using Sample Averages

Peterborough University Indicative Operating Model				
Twenty Year Plan Based upon Sample Averages				
SUMMARY	Based upon Small University Statistics		Based upon Medium University Statistics	
	2022	2025	2030	2035
Student Numbers	3,000	4,800	7,800	12,500
	£,000	£,000	£,000	£,000
Revenue Per Student	7.500	7.500	7.500	7.500
Student Revenues	22,500	36,000	58,500	93,750
Academic Pay	7,278	11,645	21,765	34,880
Support Pay	5,777	9,242	19,365	31,033
Employer Benefits	3,264	5,222	10,282	16,478
Sub Total All Pay Costs	16,318	26,109	51,412	82,391
Maintenance Costs	2,760	4,416	7,176	11,500
Running Costs	1,500	2,400	3,900	6,250
Administration Costs	3,830	6,128	18,907	30,299
Sub Total All Non Pay Costs	8,090	12,944	29,983	48,049
Surplus/Deficit Fees Only	-1,908	-3,053	-22,895	-36,691
Typical other Income	3,976	6,361	32,838	52,626
Typical Residence net contribution	2,751	2,751	4,533	4,533
Typical Depreciation Charge	-3,339	-5,342	-8,681	-13,912
All up Surplus/Deficit	1,480	717	5,795	6,556

Assumptions In Above	Small	Medium
Revenues Per Student	£7,500	£7,500
Students Per Academic	19.24	16.73
Academic Average Pay	£46,680	£46,680
Non Academic to Academic	1.20	1.34
Non Academic Pay	£31,000	£31,000
Sq Mtr Per Student	10	10
Maintenance per Sq Mtr	£92	£92
Running per Sq Mtr	£50	£50
Other Expenses per student	£1,146	£2,127
Typical other Income as % Fees	18%	56%
Typical Residence net contribution	£2,751	£4,533

Table 5 – Potential University Campus Sites (interim and longer-term)



The map shows four sites within the City Centre

Key:

- 1 - North Westgate Opportunity Area
- 2 - Part of Northmister Opportunity Area - including Bayard Place and the Northmister Multi-Storey Car Park
- 3 - Wellington Street Car Park
- 4 - Part of Riverside North Opportunity Area - land to the north of the embankment including the regional pool and athletics track.

Five potential sites have already been identified as potential locations for the University, four of which are in the City . The overall capital cost of the establishment of the physical estate may or may not be affected by the location selected but the operating costs will be increased if the University is situated outside of the City. This is because catering and other related student amenities will need to be open twenty-four seven increasing the delivery cost and reducing the profitability which would have a knock-on effect on the overall operating cost.

One aspect of the development of the campus which will definitely have an effect on the operating and establishment cost of the physical estate is the installation of a combined heat and power plant. This will obviously increase the capital cost which will be more than off-set over time by the lower heating and lighting operating costs. Placing the University outside of the City would also reduce its economic impact on businesses and other organisations through curtailing student spend due to the lack of easy access to these outlets. This also extends to their families and friends who come to see them, other visitors to the university and staff. In turn this will impact on the cultural and social life of the City.

Key Strategic Risks – Phase 2

No.	Nature of Risk	Cause	Impact	Key Controls or Actions	Performance/ Warning Indicators	Early Impact	Likelihood	Risk Rating	Predicted Change
1	Failure to attract sufficient students	Lack of marketing and available course and study information in suitable formats to engage and attract potential students. Unsuitable academic provision. Poor student environment and experience.	Failure to grow student numbers which will adversely affect the academic and economic viability of the University. Reduced economic and community benefits across the City.	Revisit and if necessary reassess engagement, marketing and widening participation strategy and activities. Regularly monitor student numbers, applications and forecasts. Map the demographic spread of student applications and numbers. Expand engagement with private sector and employers with the help of the City Council and other supporters.	Numerical shortfall in anticipated student numbers and applications. Possibly a rise in student complaints and a reduction in the student experience and satisfaction.	5	4	24	14
2	Inability to secure a suitable 'grow-on' building and develop the required infrastructure support for the enhanced student population.	No suitable building available. Commercial negotiations fail to deliver an interim building. Lack of planning permission. Failure to engage relevant stakeholders. Lack of plan and/or resources to create the necessary infrastructure support.	Limited or fragmented space which will potentially adversely affect the academic offering; student numbers, experience and satisfaction; attractiveness to potential staff and ability to engage with employers and the wider community. Hinder identity and possibly reputation which will impede growth.	Interim building already identified and negotiations underway. Development of the UCP/HE roadmap for the locality and its university which will include how to provide the necessary expanded infrastructure support. Evolution of the function and remit of the HE Steering Group.	Student satisfaction levels decrease. Staff retention rates decline	4	3	18	9
3	Failure to attract and retain sufficient high quality staff prevents growth.	Lack of academic history and attractiveness of City and surrounding area.	Difficulty in recruiting and retaining high quality staff which will impede growth, hinder the development of a scholarly culture and environment and undermine the academic reputation. Could damage the student experience. Failure to develop	Detailed staff growth plan with careful attention to competitive terms and conditions of service, proactive marketing of employment opportunities, appropriate professional development and targeted recruitment. Promote the attractiveness of Peterborough and the surrounding area.	Numbers of applications, level of acceptances, quality of candidates and retention of staff. Module Evaluation surveys, National Student Survey and student classifications.	4	3	18	4

No.	Nature of Risk	Cause	Impact	Key Controls or Actions	Performance/ Warning Indicators	Early	Impact	Likelihood	Risk Rating	Predicted Change
			curriculum. (Undergraduate and Postgraduate offer).							
4	Competitive Activity – Entry of new private providers and increased marketing in the locality by existing universities and other higher education providers	Pressure on higher education finances. Removal of the cap on the number of students that can be recruited. Reduction in the recruitment of students from the European Union. Removal of European funding opportunities. Protective response to the establishment of the University of Peterborough.	The establishment rate of the University and the planned growth in the recruitment of students adversely affected due to enhanced competitive staff and student recruitment environment.	Create and deliver a proactive marketing, promotional and widening participation strategy. Ensure the outreach activity is appropriately resourced and funded. Monitor the activity of competitors in the local area. Continue to scan the horizon for opportunities and threats. Strengthen networks and contacts. Maintain and expand the delivery of a valued added cost effective student experience in a supportive leading edge environment.	Slower establishment of the physical University and potentially poorer staff and student satisfaction, recruitment and retention rates.		4	3	18	4

APPENDIX 2: INDICATIVE PROPOSALS FOR PHASE 3

Project Table 6 – Phase 3 - Indicative Occupancy for 10 Acre Site

10	ACRES EQUAL	40460	SQ MTR							
20m	20m	20m	20m	10m	20m	10m	20m	20m	20m	20m
4800m2 = 1200 students							4800m2 = 1200 students Plus one level on both adds 800 students			
0	0	20	20				20	20	0	0
80	80	20						20	80	80
80	80	20	4800m2 Administration & Amenities & Library				20	80	80	
80	80	20					20	80	80	
2400m2 = 600 students		20	800m2 Facilities				20	2400m2 = SU & Recreation		
		20					20			

Buildings	20800	52.00%
Single Parking	6400	16.00%
Multi Parking	6400	16.00%
Access	2400	6.00%
Green	4000	10.00%
Total	40000	m2

**Parking
Capacity**

All Ground Level	320
Two *4 Multi-storey	1280

20m wide blocks allow two times 5m bays plus 10m road
Four blocks shown as nil to allow ramps between levels

This demonstrates it is possible to fit all the buildings and other facilities required to house an undergraduate student population of 12,500 on the preferred Embankment.

Table 7 – Phase 3 Indicative Capital Construction Costs (Building.co.uk)

Building.co.uk Cost Model						
Internal Floor Area	4500m2					
Height	2 floors					
Basis	2009					
Includes	Preliminaries, fixed furniture, design, ground source heat pump.					
Excludes	externals, infrastructure, site conditions, professional fees, IT & VAT. Add 35% to 40%					
	2009	Index	2017	Index	2021	Comments
Substructure	£744,500	1	£744,500	1	£744,500	
Frame & Upper Floors	£434,300	1	£434,300	1	£434,300	
Roof	£888,900	1	£888,900	1	£888,900	
Stairs	£175,000	1	£175,000	1	£175,000	
External Walls						
Windows Doors	£1,572,800	1	£1,572,800	1	£1,572,800	
Internal Walls	£478,000	1	£478,000	1	£478,000	
Internal Doors	£154,000	1	£154,000	1	£154,000	
Wall Finishes	£237,900	1	£237,900	1	£237,900	
Floor Finishes	£324,900	1	£324,900	1	£324,900	
Ceilings	£120,800	1	£120,800	1	£120,800	
Fixed Furniture & Fittings	£242,300	1	£242,300	1	£242,300	
Sanitary Fittings	£46,200	1	£46,200	1	£46,200	
Disposal Installations	£41,000	1	£41,000	1	£41,000	
Water Installations	£125,100	1	£125,100	1	£125,100	
Space Heating & Ventilation	£979,300	1	£979,300	1	£979,300	
Lifts	£50,000	1	£50,000	1	£50,000	
Protective Installations	£18,200	1	£18,200	1	£18,200	
Communications Installations	£351,800	1	£351,800	1	£351,800	
Electrical Installations	£813,100	1	£813,100	1	£813,100	
Specialist Installations	£366,000	1	£366,000	1	£366,000	Labs
Builders Works	£80,000	1	£80,000	1	£80,000	
Preliminaries	£1,091,900	1	£1,091,900	1	£1,091,900	
Reserve contingency	£464,000	1	£464,000	1	£464,000	
	£9,800,000		£9,800,000		£9,800,000	
Per square metre of floor	£2,177.78		£2,177.78		£2,177.78	

Table 8 – Phase 3 Indicative Capital Construction Costs (Kier)

UTC Schedule of Works - Kier						
Internal Floor Area	4533 m2					
Height	3 floors					
Basis	2014					
Includes	Preliminaries, fixed furniture, design, ground source heat pump.					
Excludes	externals,infrastructure,site conditions,professional fees,IT &VAT.Add 35% to 40%					
	2014	Index	2017	Index	2021	Comments
Substructure	£196,956	1	£196,956	1	£196,956	
Frame & Upper Floors &Roof	£517,585	1	£517,585	1	£517,585	
Roof	£0	1	£0	1	£0	
Stairs	£426,713	1	£426,713	1	£426,713	
External Walls Windows Doors	£667,004	1	£667,004	1	£667,004	
Internal Walls	£191,281	1	£191,281	1	£191,281	
Internal Doors	£651,136	1	£651,136	1	£651,136	
Wall Finishes	£285,357	1	£285,357	1	£285,357	
Floor Finishes	£119,885	1	£119,885	1	£119,885	
Ceilings	£76,845	1	£76,845	1	£76,845	
Fixed Furniture & Fittings	£12,000	1	£12,000	1	£12,000	
Sanitary Fittings	£37,331	1	£37,331	1	£37,331	
Disposal Installations	£35,572	1	£35,572	1	£35,572	
Water Installations	£98,449	1	£98,449	1	£98,449	
Space Heating & Ventilation	£881,695	1	£881,695	1	£881,695	
Lifts	£28,449	1	£28,449	1	£28,449	
Protective Installations	£32,000	1	£32,000	1	£32,000	
Communications Installations	£206,224	1	£206,224	1	£206,224	
Electrical Installations	£391,425	1	£391,425	1	£391,425	
Specialist Installations	£184,719	1	£184,719	1	£184,719	Labs
Builders Works	£56,876	1	£56,876	1	£56,876	
Preliminaries	£796,611	1	£796,611	1	£796,611	
Reserve contingency	£0	1	£0	1	£0	
Loose F&F	£531,105	1	£531,105	1	£531,105	
Design	£555,206	1	£555,206	1	£555,206	
Contractor Margin	£213,193	1	£213,193	1	£213,193	
Contractor Contingency	£98,397	1	£98,397	1	£98,397	
	£7,292,014		£7,292,014		£7,292,014	
Per square metre of floor	£1,608.65		£1,608.65		£1,608.65	
Externals	£665,668	1	£665,668	1	£665,668	
LHC Levy	£77,424	1	£77,424	1	£77,424	
Fees	£59,944	1	£59,944	1	£59,944	
	£8,095,050		£8,095,050		£8,095,050	

Supporting notes on tables 3 and 4

1. Tables 3 and 4 have been developed to provide an indicative overview of the potential operating cost of the University as the number of students increase. It is assumed that the funding being sought for Phase 2 is provided as a grant not a loan which has to be repaid. Both tables are naturally subject to changes in government and government policy over the lifetime of the establishment and growth of the university and will be refined in the light of experience and any alternations to the wider higher education environment.
2. To keep things as simple as possible all the figures stated are based on 2016/17 prices and costs and the increase in students are net figures which allow for any withdrawals and January starts. It needs to be remembered that the tables are constructed on a different basis, therefore, the financial outcomes are not the same for 2022. The tables between them provide an overview of the potential operating landscape which is based on the extrapolation and development of the existing University Centre Peterborough financial model and the amalgamation of the finances of comparable size universities throughout the establishment and growth of the University.
3. The current division of income from student fees is based on the Academic and Operations Agreement between Anglia Ruskin University Higher Education Corporation, Peterborough Regional College and University Centre Peterborough dated 21st February 2007. To maintain the support provided by Anglia Ruskin University and Peterborough Regional College and the stability of University Centre Peterborough it is assumed that this arrangement will continue for the existing student population of 750 up to the year 2022 when the University is formed. This results roughly in 62% of the income going to Peterborough Regional College, 19% to Anglia Ruskin University and 19% to University Centre Peterborough.
4. Income derived from any students above this number will be divided on an agreed basis, but as a starting point it is proposed this should be 50% for University Centre Peterborough, 40% for Peterborough Regional College and 10% for Anglia Ruskin University as outlined in the figures provided in Table 3. This will allow the costs of all additional support provided by Anglia Ruskin University and Peterborough Regional College to be covered with a reasonable margin and any remaining money to be used to help develop the University. It is further proposed that this change takes effect in 2018/19 to allow the parties to come to an amicable agreement in a timely fashion. Any arrangement will naturally need to be approved by their Boards and sanctioned by the Combined Authority or its designated representative before it can take effect.
5. Compared to the sector the University Centre Peterborough has a higher percentage of part-time and mature students. It is assumed that the growth in student numbers will primarily come from raising the aspirations of those within the local community who are 18 - 21 years old to undertake a fulltime degree. This will change the profile of the student community over the years which is reflected in the growth in full time students over the next five years.
6. The overall growth in student numbers is on a “hockey stick” shape curve because of the time needed to stimulate awareness and develop aspirations before demand increases among the target student population. The student population will obviously not be 100% fulltime by 2022/2023 but the aim is to have a full time equivalent number of students of 3,000. The level of part-time students in this number will clearly effect the overall total which need to be recruited. This will be taken into consideration year on year to ensure the target student number is reached. It is already clear that the staff salary costs outlined in Table 3 will need further consideration particularly at the senior end of the spectrum as they are somewhat below sector norms. Other costs may also need to be added to cover things like relocation.
7. Three year degrees have been extremely robust through a period of increasing fees and loans. The picking of courses and modes of learning may well need to start to reflect newer lifestyles which could mean the requirement for much more online content delivered where and when it is wanted. This could be a description of some of the new degree apprenticeships mixing work, life and study at a different pace. The educational landscape could be changed radically by

shorter two year degrees, three years masters, enhanced blended delivery, more block delivery of courses and the rising awareness of the new degree apprenticeships. The mode and manner of the delivery of degrees are key elements in ensuring student and employer needs are met. They will impact on the staff and facilities required and the financial model for the University but these changes provide an opportunity for the University of Peterborough to be a leader not a follower in the way a curriculum is developed and delivered to the benefit of students and employers. The way the curriculum is delivered will impact on the range of delivery costs which will affect the overall financial operating model in a positive rather than a negative manner. The level of benefit will naturally depend on the overall delivery programme. At the moment there is insufficient information available to factor in any direct financial benefit which might result in these tables but all developments on this front will be keenly monitored to ensure any necessary amendments are made in a timely fashion.

8. The Options 2016 Report produced by The Student Room highlights:
 - Avoiding student debt is the key reason for not going to university
 - More than a third of students said finding a part-time job was essential to funding their studies
 - One in five had decided to live at home and commute to manage costs
 - 50% of respondents from low-income backgrounds would be influenced on whether to go to university or not by the availability of access support.
9. The establishment of enhanced access support straightaway will not provide us with a unique selling point but it will give a much needed additional attractor. The annual student fee stated is right at the bottom end of the spectrum. It would be possible to increase the fee to mirror the average charge but the effect on student recruitment and retention would need to be fully assessed to ensure there is no overall net loss of income.
10. To help to stimulate engagement and widening participation to assist the growth in student numbers in the next few years the annual fee may need to be kept low or some kind of bursary offered to local students if it is raised. The latter approach if it does not deter potential students from applying might be a better option because it helps to move away from the unfounded image of a low cost low value degree and student experience. To assist the growth in student numbers the overall ratio of student bursaries is maintained at the current level as the size of the student community increases. It is also assumed that the HEFCE Core Teaching Grant will not only be maintained but will increase in-line with the growth in student numbers.
11. Table 4 is based on the operating costs of a basket of established universities of a comparable size to the student numbers cited for the University of Peterborough. The creation of the table provides a flavour rather than a precise picture because established universities will be generating more income from research, other academically related activities and student residences than the University of Peterborough will be able to do in its early years.
12. This will be balanced in part by the lack of staff, maintenance and operating costs associated with these activities. Repayment of any loans will need to be added in the latter years if elements of the campus are established with this type of funding. The timing and size of any repayment will depend on the terms and conditions of the loan(s). If assets are acquired in exchange for equity in the University or any subsidiary formed to operate an activity at 'arms' length then this may need to be reflected in any revision to the Table.

Approvals and Change History

Approved by			
Name <<Role>>	Date	Name <<Role>>	date
Name <<Role>>	Date	Name <<Role>>	date

DOCUMENT INFORMATION

<i>Master Location</i>	:	
<i>File Name</i>	:	CPCA University of Peterborough Business Case - DCLG format final draft.docx
<i>Distribution</i>	:	

CHANGE HISTORY

Version No.	Date	Details of Changes included in Update	Author(s)
V0.1	23 May 2017		Tony West
V0.2	9 June 2017		Jo Russell
Final draft	20 June 2017		Jo Russell



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

TITLE: INTERIM LOCAL TRANSPORT PLAN

1.0 PURPOSE

- 1.1 The purpose of this paper is to ask the Board to agree an interim Local Transport Plan for the Combined Authority area and note the proposal to bring forward plans to develop a new Local Transport Plan for the Combined Authority.

<u>DECISION REQUIRED</u>	
Date: 28 June 2017	
Lead Member: Cllr Roberts Portfolio Holder for Transport & Infrastructure	
Lead Officer and Author: Interim Chief Executive	
Forward Plan Ref: 2017/005 Key Decision: Yes	
The Combined Authority Board is recommended to: (a) Agree the Interim Local Transport Plan for the Combined Authority; (b) Note the intention to bring forward plans to commission a new Local Transport Plan for the Combined Authority.	<i>Voting arrangements</i> All members are required to be present for this item Two thirds of the constituent council members must vote in favour to include Cambridgeshire County Council and Peterborough City Council

2.0 BACKGROUND

- 2.1 Following devolution the directly-elected Mayor and the Cambridgeshire and Peterborough Combined Authority (CPCA) assumed certain transport functions under the Cambridgeshire and Peterborough Combined Authority Order 2017. The Combined Authority is now the Local Transport Authority

with strategic transport powers for the areas previously covered by Cambridgeshire County Council and Peterborough City Council.

- 2.2 The Mayor and the Combined Authority are together responsible for:
- (a) Setting the overall transport strategy for Cambridgeshire and Peterborough, called the Local Transport Plan;
 - (b) A multi-year local transport budget for Cambridgeshire and Peterborough;
 - (c) Management and maintenance of a Key Route Network of local authority roads when established; and
 - (d) Passenger transport, including the ability to franchise bus services in the Cambridgeshire and Peterborough area.
- 2.3 The Combined Authority must produce a Local Transport Plan. This paper recommends that the previous Local Transport Plans of Cambridgeshire County Council and Peterborough City Council are adopted into a single Local Transport Plan. This is an interim measure until a comprehensive statutory process can be undertaken to review the Combined Authority's strategic transport planning role to produce a long term Local Transport Plan for the Cambridgeshire and Peterborough area.

3.0 MAIN ISSUES

- 3.1 The Mayor and the Combined Authority are committed to addressing the historic deficit in transport investment and improving transport and the physical connections between communities including cities, towns and rural areas. This will provide a means to deliver sustainable growth across the area, and support housing and economic development.
- 3.2 The Mayor and the Combined Authority plan to significantly improve connectivity for the Cambridgeshire and Peterborough area through digital infrastructure and in tackling traffic congestion and pollution.
- 3.3 The interim Local Transport Plan for Cambridgeshire and Peterborough is set out in Appendix 1. It provides the first steps to achieving these strategic objectives and is based on adoption of the following documents:
- Third Local Transport Plan for Cambridgeshire and Long Term Transport Strategy; and
 - Fourth Local Transport Plan for Peterborough and Long Term Transport Strategy.
- 3.4 This approach enables the immediate creation of a single plan covering the entirety of the Combined Authority area, providing content that has been developed in full consultation between the Councils, communities and stakeholders across the region.

3.5 The interim Local Transport Plan provides an overview of the area's aims and objectives, its strategies to address challenges and summarises the major transport schemes contained within the existing Local Transport Plans for Cambridgeshire and Peterborough.

3.6 Notable achievements of the current Local Transport Plans include:

- A14: Work has commenced on the A14 to bypass Huntingdon, this major scheme is being carried out by Highways England and will see the rerouting of the congested A14 route to enable additional capacity;
- A142: Work on the A142 around Ely has begun, the project will see the route of the A142 bypass Ely city, therefore avoiding a number of hazards, rail station junction, low bridge and a mini-roundabout which have low capacities and struggle under peak time traffic;
- Cambridge North: The new train station in Cambridge, close to the science park is now operational. The £50m state-of-the-art station is seeing continuous patronage growth and is expected to go some way towards encouraging a modal shift for many Cambridge commuters; and
- A47: Work on the A47 junction 20 has been completed. This project will result in journey time reliability, will directly assist in reducing congestion and will provide additional capacity to facilitate the delivery of the Paston Reserve and Norwood residential developments.

3.7 It is proposed to bring forward a scheme to the Combined Authority Board meeting in July which will set out how it will undertake work to develop a new Local Transport Plan for the Cambridgeshire and Peterborough area. This will include consultation with residents and businesses, to ensure that the Local Transport Plan properly represents the needs of communities and stakeholders across the entire region.

4.0 FINANCIAL IMPLICATIONS

4.1 There are no financial implications arising from this report as it makes no significant changes to the existing Local Transport Plans of Cambridgeshire and Peterborough. The financial implications relating to development of a new Local Transport Plan will come forward to the July Board meeting.

5.0 LEGAL IMPLICATIONS

5.1 The Transport Act 2000 requires the preparation of local transport plans. Each local transport authority must:

- (a) develop policies for the promotion and encouragement of safe, integrated, efficient and economic transport to, from and within its area;
- (b) Take into account guidance from the Secretary of State on climate change and the protection of the environment;

(c) implement those policies.

- 5.2 The Combined Authority is the local transport authority for Cambridgeshire and Peterborough and must therefore produce a local transport plan.
- 5.3 The Combined Authority must keep the local transport plan under review, alter it if it considers it appropriate to do so and replace it not later than five years after the date on which it was made. Given the recent adoption of the local transport plans within Cambridgeshire County and Peterborough City Councils it is considered appropriate to adopt the current two plans into a single local transport plan for the Combined Authority area. The Secretary of State has been notified of this proposal.
- 5.4 The Combined Authority has committed to bringing forward plans for a new local transport plan. This will therefore meet its obligation to keep the plan under review. Any proposals to replace the interim plan will be required to meet statutory consultation requirements which will be detailed in the future report.

6.0 EQUALITIES IMPLICATIONS

- 6.1 The existing Local Transport Plans have been developed to ensure open and transparent consultation and decision making and the ability of residents and communities to provide feedback.
- 6.2 The DfT provides guidance about the need for Local Transport Plans to address key policy guidelines and statutory requirements such as the transport needs of older people with mobility difficulties and people with disabilities, climate change and others. **Appendix 1** of the report provides a list of these items.

7.0 APPENDICES

- 7.1 Appendix 1: Cambridgeshire and Peterborough Combined Authority interim Local Transport Plan.

<u>Source Documents</u>	<u>Location</u>
Local Transport Plan 3 for Cambridgeshire Local Transport Plan 3 refresh & Long Term Transport Plan for Cambridgeshire	https://www.cambridgeshire.gov.uk/residents/travel-roads-and-parking/transport-plans-and-policies/
Local Transport Plan 4 for Peterborough Long Term Transport Strategy for Peterborough	https://www.peterborough.gov.uk/council/strategies-polices-and-plans/transport-strategies/local-transport-plan/



**CAMBRIDGESHIRE
& PETERBOROUGH**
COMBINED AUTHORITY

CAMBRIDGESHIRE AND PETERBOROUGH INTERIM LOCAL TRANSPORT PLAN

JUNE 2017

CAMBRIDGESHIRE AND PETERBOROUGH LOCAL TRANSPORT PLANS: SUMMARY NOTE

The purpose of this document is to provide an overview of the Combined Authority Interim Local Transport Plan.

Table of Contents

Executive Summary	3
1. Requirements of the Local Transport Plan	7
2. Overview of existing Local Transport Plans	8
3. Executive Summaries, Objectives and Aims.	10
4. Challenges and Strategy	18
5. Major Schemes and LTTS	26
Long Term Transport Strategy	28
6. Transport Issues to be covered in the New local Transport Plan	30
7. Appendices	32
Appendix 1 – DfT’s Guidance on Local Transport Plans:	32
Appendix 2 – Performance Indicators	35
Appendix 3 – Cambridgeshire Major Transport Schemes:	37
Appendix 4 – Peterborough Major Transport Schemes:	38
Glossary of terms	42

Executive Summary

Introduction & Background

The directly-elected Mayor and the Cambridgeshire and Peterborough Combined Authority hold strategic transport powers and are the Local Transport Authority for the Cambridgeshire and Peterborough area. They are responsible for allocating local transport funding to the most important local roads to help improve traffic flow and reduce congestion. The Mayor sets the overall transport strategy for Cambridgeshire and Peterborough, called the Local Transport Plan.

This document brings together the Local Transport Plans previously agreed by Cambridgeshire County Council and Peterborough City Council. They are now adopted into a single plan for the whole area.

Vision

The Combined Authority will improve transport and the physical connections between communities including cities, towns and rural areas, as a means of unlocking sustainable growth and recognising the significance of transport in growing the economy.

It will also seek to improve connectivity through improved digital infrastructure, grow international recognition for the region's knowledge based economy and improve quality of life by tackling areas suffering from deprivation.

The responsibilities of the Mayor include:

1. Ensuring the delivery of integrated public transport networks for the region;
2. A multi-year local transport budget for Cambridgeshire and Peterborough;
3. Management and maintenance of a new Key Route Network of local authority roads;
4. Passenger transport, including the ability to franchise bus services in the Cambridgeshire and Peterborough area.

The Combined Authority is also committed to securing additional rolling stock for the region's railway services, identifying infrastructure needed for forthcoming housing and employment developments, and improvements at key pressure points on the strategic road network.

Highlights

There have been a number of successful developments within Cambridgeshire and Peterborough:

A14: Work has commenced on the A14 to bypass Huntingdon, this major scheme is being carried out by Highways England and will see the rerouting of the congested A14 route to enable additional capacity;

A142: Work on the A142 around Ely has begun, the project will see the route of the A142 changed to bypass the need to enter Ely city, and avoids a number of hazards, rail station junction, low bridge and a mini-roundabout which have low capacities and struggle under peak time traffic;

Cambridge North: The new train station in Cambridge, close to the science park is now operational. The £50m state-of-the-art station is seeing continuous patronage growth and is expected to go some way towards encouraging a modal shift for many Cambridge commuters;

A47: Work on the A47 junction 20 has been completed. This project will result in journey time reliability, will directly assist in reducing congestion and will provide additional capacity to facilitate the delivery of the Paston Reserve and Norwood residential developments.

Local Transport Plan

To deliver on these transport ambitions for the region and in line with statutory requirements, the Mayor and Combined Authority will develop a brand new Local Transport Plan, outlining the new authority's transport policies.

Local Enterprise Partnership					
Strategic Economic Plan					
Combined Authority					
Local Transport Plan					
Peterborough	Cambridgeshire				
Local Transport Plan incorporating Long Term Transport Strategy	Local Transport Plan incorporating Long Term Transport Strategy				
Local Plan	Cambridge	East Cambs	Fenland	Hunts	South Cambs
	Local Plan	Local Plan	Local Plan	Local Plan	Local Plan

Figure 1 Transport Strategies and Spatial Land Use Local Plans in the Cambridgeshire and Peterborough area

It is proposed to bring forward plans and undertake work to develop a new Local Transport Plan for the Combined Authority to a future meeting of the Board. This will include consultation with residents, to ensure that the Local Transport Plan properly represents the needs of communities and stakeholders across the entire region.

During this period, the Combined Authority will use the following documents as its *de facto* interim Local Transport Plan:

- **The Third Local Transport Plans for Cambridgeshire, and Long Term Transport Strategy**
- **The Fourth Local Transport Plan for Peterborough, and Long Term Transport Strategy**

These two documents cover the entirety of the Cambridgeshire and Peterborough region, containing a vision for the transport network, and a cross-selection of scheme policies that will realise this vision.

Both Plans were prepared in close consultation between the two councils, local communities and stakeholders. While some of the schemes identified have already been progressed, and some already been delivered, most schemes have yet to be implemented, and so it is appropriate for them to serve as the basis for the interim Local Transport Plan in the short term, recognising that some new schemes may need to be added. These plans also cover a time period well beyond the time in which a new Local Transport Plan will be developed.

Document	Time period covered	Consultation Period	Adoption date
Local Transport Plan 3 for Cambridgeshire	2011-2031	Spring 2010	March 2011
Local Transport Plan 3 refresh and Long Term Transport Strategy for Cambridgeshire		Summer 2014	July 2015
Local Transport Plan 4 for Peterborough	2016-2021	Autumn 2015	April 2016
Long Term Transport Strategy for Peterborough	2011-2026	Summer 2010	April 2011

Table 1 Time period and LTP Consultation dates

Key features of existing LTPs

The Cambridgeshire LTP demonstrates how policies and plans for transport will contribute towards the County Council’s vision of creating communities where people want to live and work. The LTP also pays particular attention to the role of the City Deal in delivering up to £500 million in transport infrastructure over the next 15-20 years. Many candidates for schemes that could be delivered in the City Deal have been identified, and these are listed in further detail in the Council’s Long Term Transport Strategy. Elsewhere, the LTP seeks to be realistic about the availability of

funding to deliver wider transport aspirations, and consequently places an emphasis on schemes which will either deliver the growth agenda, resolve existing transport challenges, or be delivered through the means of external funding.

The Peterborough LTP outlines transport policies that will seek to improve transport for everyone who chooses to live and work in the city. The document places a particular emphasis on the sustainable growth agenda, and securing the delivery of a substantial number of jobs and houses in the city. In light of the growth agenda, the strategy is developed as a spatial strategy. The authority area is divided into five regions (Core, City Centre, Peripheral, Outer and Rural) for this purpose, each of which have specific transport needs (see figure 5).

The strategies of both documents are sufficiently robust to form the Combined Authority's interim Local Transport Plan until it has developed its own transport vision and strategy. It should also be said that so much has changed in the region with regards to transport programmes and schemes, that both Cambridgeshire County Council and Peterborough City Council welcome the opportunity to work with the Combined Authority in refreshing existing LTP commitments, and bringing forward a transport programme that meets the needs of all residents across the region. This will include any changes that come about from national or local policies.

1. Requirements of the Local Transport Plan

- 1.1 All local authorities in the country are required to produce a Local Transport Plan (LTP). This requirement was initially brought in by the Transport Act 2000, which stipulated that each local transport authority must develop policies 'for the promotion and encouragement of safe, integrated, efficient and economic transport facilities and services to, from and within their area' and prepare a document called the 'Local Transport Plan' which contains these policies.
- 1.2 The Local Transport Act 2008 added a further requirement that the LTP must contain 'proposals for the implementation of those policies'. Many authorities in the country, including Cambridgeshire County Council (CCC) and Peterborough City Council (PCC), have opted to fulfil this latter requirement by developing a Long Term Transport Strategy (LTTS), which functions as a sister document to the LTP, in addition to other smaller strategy documents.
- 1.3 A DfT note, 'Guidance on Local Transport Plans', issued in 2009, impressed upon the need for LTPs to address key policy guidelines. The guidance was helpful to understand the content needed such as, the statutory requirements and the content that could be included. This covers areas such as climate change, network management, noise reduction and so on. A comprehensive list of these items can be viewed in Appendix 1. While this list is by no means exhaustive, it covers much of the policy ground a LTP is expected to cover. There are a variety of plans and strategies not mentioned in the table above. Of critical importance to existing and emerging LTPs for both Peterborough City Council and Cambridgeshire County Council are the emerging Local Plans prepared by Peterborough City Council and district councils in the region.

2. Overview of existing Local Transport Plans

Cambridgeshire

2.1 The Third Local Transport Plan for Cambridgeshire is a wide-ranging document, which in addition to fulfilling statutory requirements, contains the County Council's wider transport strategic and policy aims. It also signposts to the County Council's Long Term Transport Strategy, and the Transport Delivery Plan. The Local Transport Plan is also to be read alongside an accompanying Strategic Environmental Assessment, Habitats Regulations Assessment and Rights of Way Improvement Plan. It was formally adopted by the Council in March 2011. The relationship between the Third Local Transport Plan and other key policy documents can be seen in the diagram below.

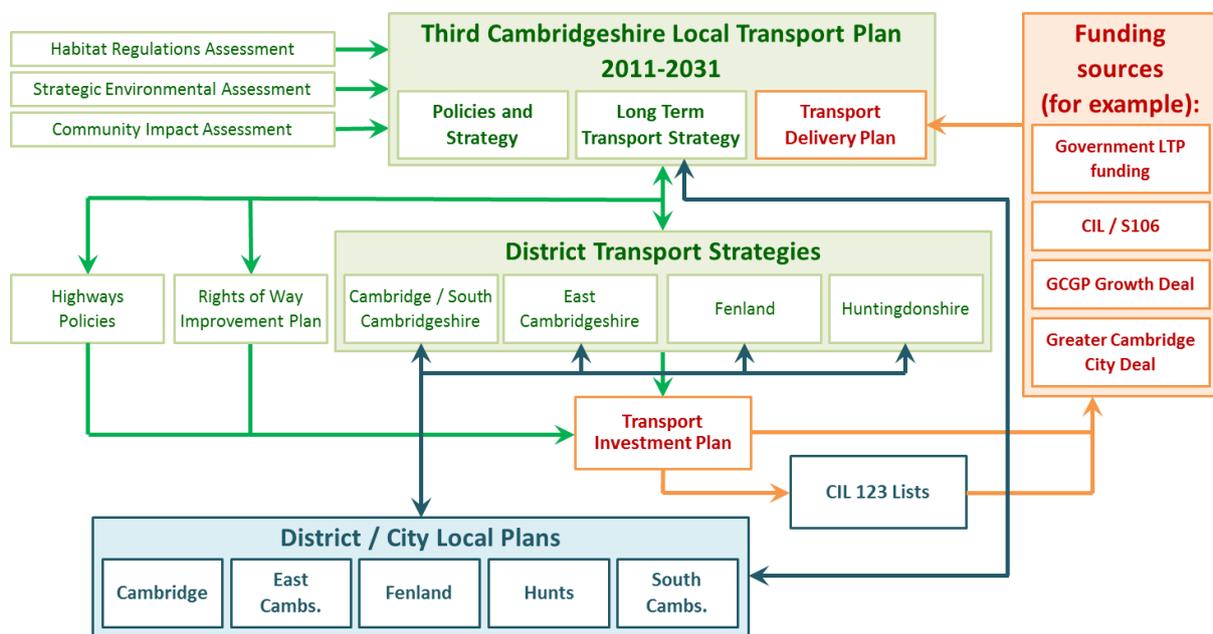


Figure 2 The suite of transport policy documents for Cambridgeshire

2.2 The Long Term Transport Strategy fulfils the statutory requirement of proposals for implementation of the Council's transport policies. Accordingly, while the document contains revised and more detailed strategy aims, its core function is to identify the necessary infrastructure for realising the Council's transport aims. The latter half of the document is a long list of schemes, containing estimated timescales and costs for delivery.

Peterborough

2.3 The combined Fourth Local Transport Plan for Peterborough and Long Term Transport Strategy is a wide-ranging document which is a refresh of both previous LTPs and LTTS. The document was adopted in January 2016 and covers the period 2016 to 2021 with the refreshed LTTS covering 2011 to 2026. The document is a supporting document of the City Council's Local Plan which

sets out the delivery of 25,500 new homes and 20,000 new jobs by 2026, and is consequently intrinsic to the Council's wider objectives, as shown below.

- 2.4 The Long Term Transport Strategy identifies the major infrastructure requirements that are needed to address the existing problems and capacity constraints on Peterborough's transport network, and the further infrastructure that is required to cater for the transport demand associated with planned growth, containing estimated timescales and costs for delivery.

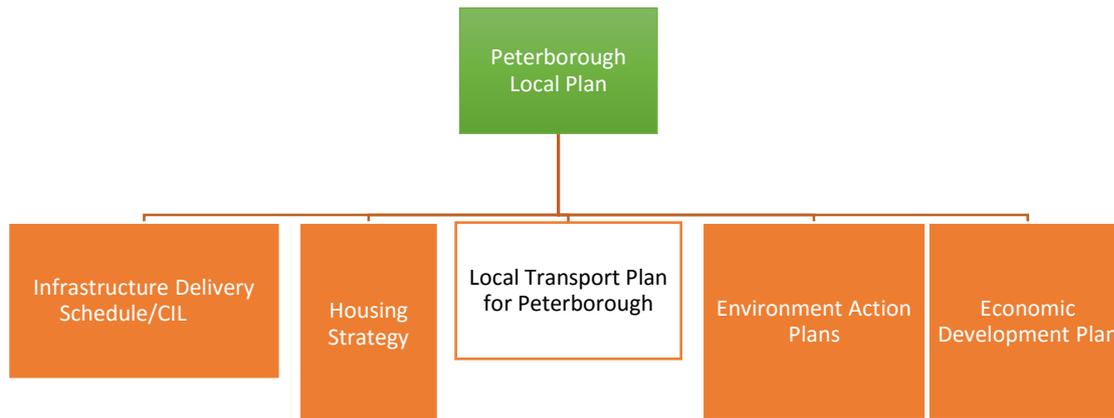


Figure 3 The key strategies and plans which inform the Peterborough Core Strategy

3. Executive Summaries, Objectives and Aims

Cambridgeshire

3.1 The strategic aims of the Cambridgeshire LTP3 are as follows and are aligned to the wider aims of the County Council:

- a) Enabling people to thrive, achieve their potential and improve quality of life
- b) Supporting and protecting vulnerable people
- c) Managing and delivering the growth and development of sustainable communities
- d) Promoting improved skills levels and economic prosperity across the county, helping people into jobs and encouraging enterprise
- e) Meeting the challenges of climate change and enhancing the natural environment

3.2 The policy process behind the strategy is centred around these strategic aims. These are then used to consider specific transport issues and challenges that the strategy is to resolve. An action plan of policies on how to resolve these challenges is then offered.

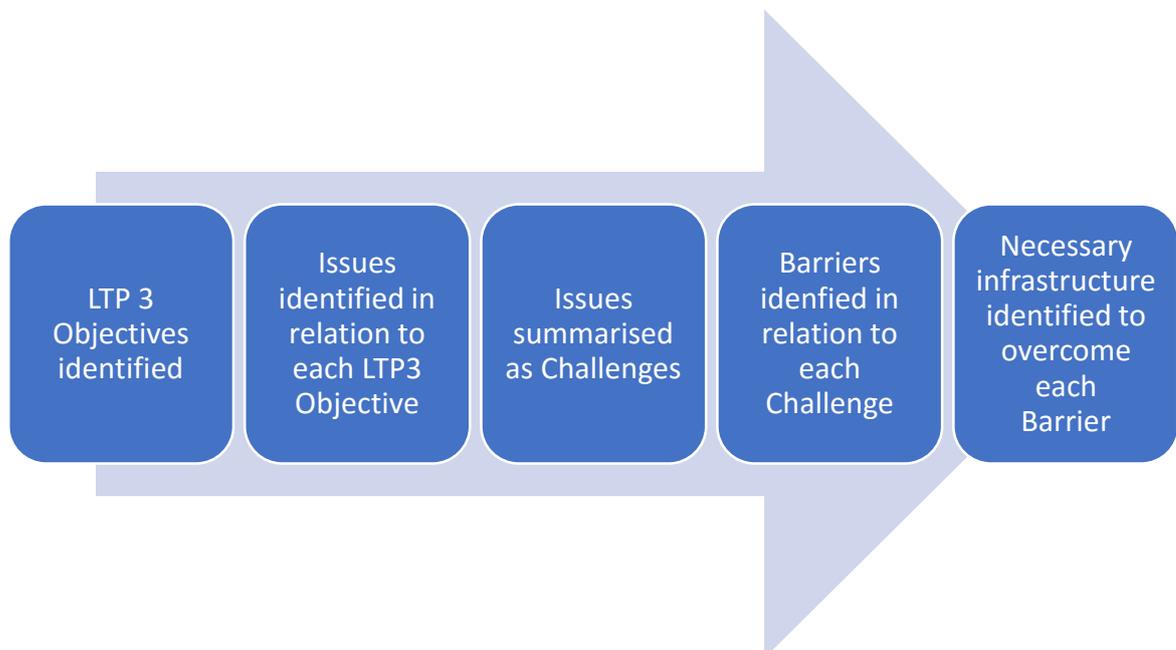


Figure 4 The LTP3 policy development process

3.3 The LTP3 analysis of relevant issues and challenges is summarised in the table overleaf.

LTP 3 Objective	Issue	Challenge
<p>1.Enabling people to thrive, achieve their potential and improve quality of life</p>	<ul style="list-style-type: none"> - Dispersed rural population - Safety on the road network - Contributing to better health and active travel 	<ul style="list-style-type: none"> - Ensuring people - especially those at particular risk of social exclusion - can access the services they need within reasonable time, cost and effort wherever they live in the county. - Addressing the main causes of road accidents in Cambridgeshire. - Making environmentally sustainable modes of transport a viable and attractive alternative to the private car.
<p>4. Promoting improved skills levels and economic prosperity across the county, helping people into jobs and encouraging enterprise</p>		
<p>3.Managing and delivering the growth and development of sustainable communities</p>	<ul style="list-style-type: none"> - Growth of the local economy - The wider economy 	<ul style="list-style-type: none"> - Reducing the length of commute and the need to travel by private car. - Making sustainable modes of transport a viable and attractive alternative to the private car. - Influencing national and local decisions on land-use and transport planning that impact on routes through Cambridgeshire. - Improving the reliability of journey times by managing demand for road space, where appropriate and maximising the capacity and efficiency of the existing network.
<p>5.Meeting the challenges of climate change and enhancing the natural environment</p>	<ul style="list-style-type: none"> - Reducing carbon dioxide emissions in a growing local economy - Dealing with the effects of climate change - Air quality - Noise - Landscape, biodiversity, geodiversity, heritage and historic environment 	<ul style="list-style-type: none"> - Protecting and enhancing the natural environment by minimising the environmental impact of transport. - Future-proofing our maintenance strategy
<p>2.Supporting and protecting vulnerable people</p>	<ul style="list-style-type: none"> - Groups at risk of deprivation in Cambridgeshire - Ageing and growing population - Road accidents involving vulnerable people 	<p>Ensuring people - especially those at particular risk of social exclusion - can access the services they need within reasonable time, cost and effort wherever they live in the county.</p> <ul style="list-style-type: none"> - Addressing the main causes of road accidents in Cambridgeshire

Table 2 LTP3 Objective Issue Challenge

Peterborough

3.4 The overall vision for Peterborough is set out in the Sustainable Community Strategy 2008 to 2021 and is summarised below:

'A bigger and better Peterborough that grows the right way, and through truly sustainable development and growth.'

Improves the quality of life for all its people and communities and ensures that all communities benefit from growth and opportunities it brings.

Creates a truly sustainable Peterborough, the urban centre of a thriving sub-regional community of villages and market towns, a healthy safe and exciting place to live, work and visit, famous as the Environment Capital of the UK.'

3.5 Transport plays an important part in meeting this vision, therefore this statement is adopted as the overarching vision for the LTP4 and LTTS. The City Council has seven strategic priorities to deliver this vision which have also been adopted as the overarching priorities of LTP4 and the LTTS. These priorities are:

- Drive growth, regeneration and economic development
- Improve educational attainment and skills
- Safeguard vulnerable children and adults
- Implement the Environment Capital agenda
- Support Peterborough's culture and leisure trust Vivacity
- Keep all our communities safe, cohesive and healthy
- Achieve the best health and well-being for the city

Transport Vision

3.7 The core components of Peterborough's LTP4/LTTS transport vision are as follows:

- Promote sustainability
- Accommodate Peterborough's growth aspirations
- Confront the challenges facing Peterborough
- Meet the national, regional and local transport goals.

3.8 The policy aims of the LTP4 are centred around explaining how this vision will be realised spatially. The strategy is consequently broken down into five city zones: Core, Centre, Peripheral, Outer and Rural.

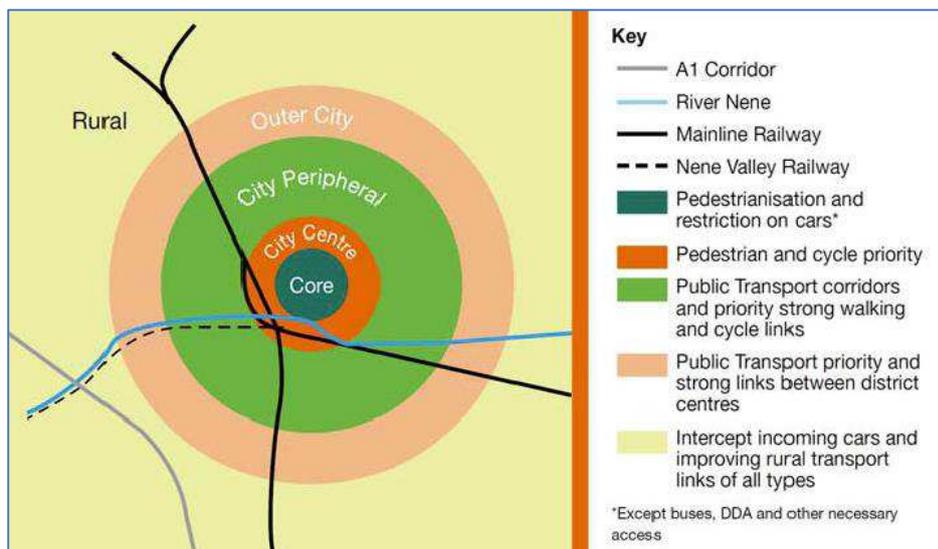


Figure 5 The five zones of the Peterborough LTP4 spatial strategy

3.9 Policies are developed by transport mode/issue: the strategy outlines a series of specific transport goals to deliver the vision in the areas of Smarter Choices, Walking, Cycling, Accessibility, Public Transport (Rail, Bus and Private Hire vehicles), Electric Vehicles, Travel Plans, School Travel, Rural Transport, Intelligent Transport Systems and Road Safety, Traffic management, Motorcycles, Strategic Road Network, Freight, Parking, Pollution).

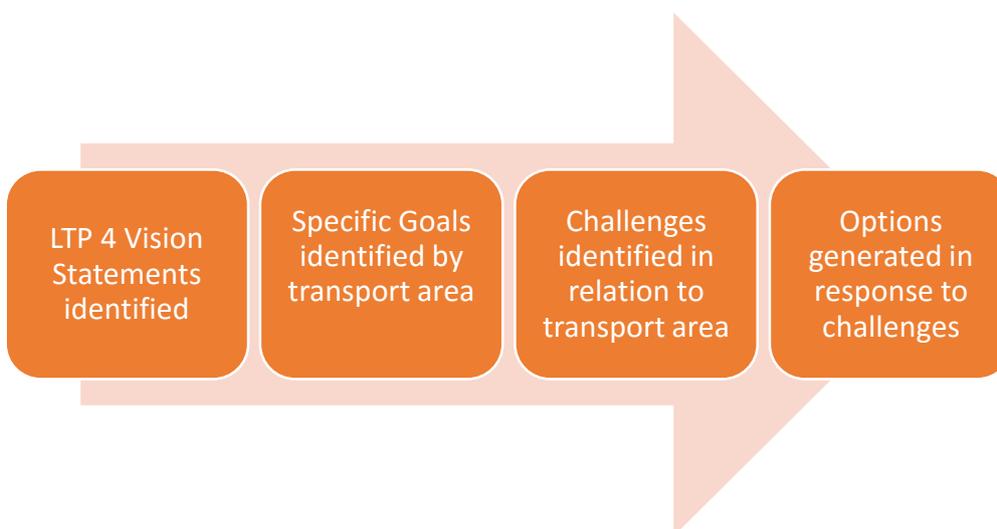


Figure 6 The LTP4 policy development process

3.10 Peterborough's LTP4 analysis of relevant transport issues, challenges and high level options is summarised in the table overleaf.

Mode	Transport Issue	Transport Challenge	Option
Smarter Choices	Reduce the adverse impacts of transport on climate change	Reduce the need to travel by fossil fuel vehicles hence reducing forecast emissions in greenhouse gases	Smarter Choices Reduce the need to travel by fossil fuelled car
	Increase in population will increase traffic and thus increase in pollution		
Walk / Cycle	Walking and cycling trips are made more complex by features such as River Nene, railway lines, dual carriageways and roundabouts	Improve cycling / walking opportunities	Pedestrian / cycle route improvement
	Most roads create both psychological and physical barriers to pedestrian movement with limited at-grade crossings	Reduce both physical and psychological barriers to sustainable transport modes	Pedestrian / cycle crossings
Public Transport	Public transport information	Improve public transport information	Travel Information and Interchange
	Interchange between the city's bus and railway station	Improve surface access and interchange arrangements at and between all modes of travel	
	Lack of integration between taxi, private hire vehicles (PHV) and the public transport network		Interchange Improvements
	Lack of public transport provision in some areas. Orbital bus routes around the city centre can result in correspondingly long journey times for orbital movements		Enhance public transport opportunity / coverage
	Bus punctuality		
	Bus frequency		

Mode	Transport Issue	Transport Challenge	Option	
	Rural bus services are not as frequent as those for urban areas		Other Bus Service Improvements	
	Bus reliability can be compromised in the peak periods, when buses enter mixed traffic routes closer to the city centre	Reduce impact of congestion during peak periods on public transport	Bus Priority Measures	
Strategic Road Network	The parkway system is nearing capacity, compromising its ability to cater for future growth in trips. In particular A1139 Frank Perkins Parkway Junction 4-5 and A1260 Nene Parkway Junction 32-33	Tackle congestion and improve journey time reliability, particularly along the parkway system	Demand Management and Information Systems	
	Increased traffic congestion reduces journey time reliability	Improve resilience of network to impact of accidents, roadwork's and weather		Freight Improvements
		Improve journey time reliability for movement of goods and business users	Parkway "congestion hotspot" Improvements	
		Reduce productivity impacts of congestion by improving journey time reliability and reducing delays		
		Reduce vulnerability of network to terrorist attack and natural disaster	Demand Management and Information System	
Highways and Parking	Car Park accesses can be the focal point of congestion on the network	Reduce congestion on approaches to city centre car parks	Reduce the need to travel by car Smarter Choices	
	Circulating traffic looking for car parking can increase congestion	Reduce circulating traffic	Car Park Guidance Systems	

Mode	Transport Issue	Transport Challenge	Option
	Growth agenda will further accelerate traffic growth across the city	Ensure transport capacity to accommodate growth agenda	Development Accesses
	Increased traffic congestion will jeopardise growth agenda		Other Highway Improvements
	Increase in population will increase traffic and thus increase pollution	Continue the downward trend in both nitrogen dioxide and particles beyond 2015, particularly in the context of the growth agenda	Reduce the need to travel by car Smarter Choices Smarter Vehicles
Highways and Parking	The negative effect of transport to the environment	Through traffic removed from city centre	City Centre Improvements
		Improve the urban landscape and environment	Traffic Management - Reduce traffic flow in sensitive areas
		Improve air and noise quality	
	Increased traffic congestion affects journey time reliability	Improve journey time reliability, particularly along the parkway system	Reduce the need to travel by car - Smarter Choices, Demand Management and Information Systems, Improve highway
	Road casualties amongst male drivers in the 17 to 25 year age range form a significant proportion of the total road traffic casualties	Secure improved road safety	Traffic Management - Education
	Road safety quick wins have been delivered. Challenge in tackling more difficult accident problems, and traffic flow will continue to grow		Traffic Management
	Air and Noise issues		Traffic Management
	General Safety concerns		Reduce fear of crime
		Reduce vulnerability of network to terrorist	Demand Management and Information Systems

Mode	Transport Issue	Transport Challenge	Option
		attack and natural disaster	
Health	Health related problems due to inactivity	Improve cycling / walking opportunities	Pedestrian / Cycle Route Improvements
	Health related problems due to transport emissions and noise	Improve air and noise quality	Smarter Choices

Table 3 Transport Issues, Challenges and Options

Performance indicators

3.11 Both LTPs outline a series of performance indicators to monitor progress against the LTP objectives stated above. There is a significant degree of commonality in the targets identified for the Peterborough and Cambridgeshire LTPs. Targets in both plans have been designed with a degree of flexibility and are subject to being amended in accordance with changes in national policy or guidance. A list of the indicators can be seen in Appendix 2.

4. Challenges and Strategy

- 4.1** Both LTP documents develop their strategy by identifying core challenges and options to address them. For Cambridgeshire, these challenges are devised in response to wider strategy objectives; for Peterborough, the strategy is spatial, and broken down by transport mode.
- 4.2** Both LTP documents highlight a user-hierarchy. The user hierarchy determines how consideration should be given to the needs of various user groups wherever practical in developing transport proposals. The user-hierarchy for both LTPs prioritises pedestrians, cyclists and public transport users. Similarly, policy solutions emerge in both documents which place a strong emphasis on meeting the needs of these groups.

Cambridgeshire	Peterborough
Pedestrians	Pedestrians
Cyclists	Cyclists
Public Transport	Public Transport (including coaches and taxis)
Specialist service vehicles	Motorcycles
Other motor vehicles.	Rail freight
	Commercial use vehicles
	Car borne shoppers
	Car borne commuters

Table 4 User Hierarchy

Cambridgeshire

- 4.3** The core strategy for the Cambridgeshire LTP3 is summarised in Figure 4.1 of the LTP. This is reproduced overleaf for reference.

Challenge	Our Strategy
<p>Challenge 1: Improving the reliability of journey times by managing demand for road space, where appropriate and maximising the capacity and efficiency of the existing network</p>	<ul style="list-style-type: none"> - Utilise Intelligent Transport Systems to better manage our transport network and thereby improve the reliability of journey times. - Investigate the potential to manage demand where this can help to improve conditions for sustainable modes of transport and maximise the capacity of the network. - Support measures which encourage more freight onto rail and work with freight operators to promote the use of the most appropriate routes for road freight. - Maintain the transport network to facilitate the efficient and safe movement of traffic.
<p>Challenge 2: Reducing the length of the commute and the need to travel by private car</p>	<ul style="list-style-type: none"> - Support the development strategy for Cambridgeshire by aiming to reduce the need to travel and by providing sustainable travel options for new developments. - Focus on securing school, workplace and residential travel plans and support and encourage employers to adopt smarter choices measures to help reduce the need to travel. - Support and encourage journey planning tools to improve information available for journeys by sustainable modes.
<p>Challenge 3: Making sustainable modes of transport a viable and attractive alternative to the private car</p>	<ul style="list-style-type: none"> - Make sustainable modes of transport more attractive by developing walking and cycling networks. - Make it easier for people to change between modes of transport. Work with bus operators to provide high quality bus services. - Improve the environment and safety of pedestrians, cyclists and public transport users. Focus on raising awareness of available transport choices, and the health and environmental benefits of cycling and walking. - Work with local planning authorities to ensure facilities for sustainable modes form an integral part of new development.

Challenge	Our Strategy
<p>Challenge 4: Future-proofing our maintenance strategy and new transport infrastructure to cope with the effects of climate change</p>	<ul style="list-style-type: none"> - Use a risk management approach to help determine priority areas for adapting to climate change and focus delivery of our adaptation action plan. - Take account of the projected impacts of climate change at the scheme design stage, making use of emerging technologies as they become available. - Build new infrastructure to the latest standards for withstanding the impacts of climate change.
<p>Challenge 5: Ensuring people – especially those at risk of social exclusion – can access the services they need within reasonable time, cost and effort wherever they live in the county</p>	<ul style="list-style-type: none"> - Focus on access to key services in the nearest main service centre, e.g. large village or market town. - Consider the whole journey, including the interaction between different modes of transport, aiming to provide suitable transport provision for necessary journeys. - Continue to support the development of community transport and investigate alternative forms of public transport where traditional bus services do not meet people’s needs. - Work with service providers to innovate in the way services are delivered locally.
<p>Challenge 6: Addressing the main causes of road accidents in Cambridgeshire</p>	<ul style="list-style-type: none"> - Focus on education, training and publicity to improve road user behaviour, particularly targeting young drivers and riders, users of rural roads and children. - Progress our programme of measures aimed at reducing casualties at accident cluster sites that will give the highest casualty reduction. - Work with the police and other agencies through the Cambridge and Peterborough Road Safety Partnership.

<p>Challenge 7: Protecting and enhancing the natural environment by minimising the environmental impact of transport</p>	<ul style="list-style-type: none"> - Focus on working with the district councils to reduce levels of air pollution in order to meet national objectives. - Manage and reduce levels of vehicle emissions and encouraging increased usage of sustainable modes of transport. - Investigate the use of new technologies as they become available. - Environmental issues such as biodiversity, noise, historic environment and impacts on the landscape will be considered at the earliest stages of transport projects. - Support the provision of green infrastructure. - Reduce carbon dioxide emissions through a programme of smarter choices measures, improvements to sustainable travel options and the management of car use.
<p>Challenge 8: Influencing national and local decisions on land-use and transport planning that impact on routes through Cambridgeshire</p>	<ul style="list-style-type: none"> - Reflect national policies in the Local Transport Plan and in our policies and strategies. - Continue to lobby for rail passenger infrastructure and service improvements. - Support the increased use of rail freight to take pressure off the road network and improve the environmental sustainability of longer distance freight movements, and the delivery of the infrastructure necessary to facilitate this. - Continue to lobby for necessary improvements to the A14 Trunk Road, and for other improvements to the Motorway and Trunk Road networks where they are necessary to meet local objectives and to support growth in Cambridgeshire.

Table 5 LTP3 Transport Challenges

4.4 The strategy then explores more detailed mitigation measures in response to each of the policies stated above.

Peterborough

4.5 The core strategy for the Peterborough LTP4 is summarised in Table 8 of the LTP. This is reproduced below for reference.

Area	Improvement
City Core:	<ul style="list-style-type: none"> - Reduce the number of vehicles (except buses) driving through the core of the city centre - Continue to enhance walking and cycling routes and increase the number of bike racks and other facilities to encourage people to cycle more - Improve signs in the city centre to make it easier for people to find the quickest route to where they need to go - Improve Real Time Passenger Information (RPTI) to make it easier to access bus and rail times - Provide interactive travel information to give people the choice of travel options - Look to create fixed loading times for lorries and freight vehicles outside of peak shopping times - Make the heart of the city more user-friendly for all ages but focus on older people and those with disabilities - Improve access to and around the city centre for those with mobility difficulties - Implement public realm improvements
City Centre	<ul style="list-style-type: none"> - Giving priority to buses on the roads to make public transport journeys the quickest and easiest way of getting around - Creating better cycle routes and walk ways around the city centre to give cyclists and pedestrians priority access. - Relocating car parks to free up land to create more city centre for public realm improvements and development opportunities - Improving city taxi ranks - Improving RTPI to make it easier for people to access bus and train times - Providing interactive travel kiosks to give people information about the choice of travel options - Look to create fixed loading times for lorries and freight vehicles outside of peak shopping times - Make the city centre more user-friendly for all ages but focusing on older people and those with disabilities - Improve access to and around the city centre for those with mobility difficulties - Support the uptake of electric and ultra-low emissions vehicles - Implement public realm improvements
City Periphery (inside of the	<ul style="list-style-type: none"> - Improve footpaths and cycle ways around the city centre

Area	Improvement
Parkway Network)	<ul style="list-style-type: none"> - Give priority to buses on the roads and make public transport journeys the quickest and easiest way of getting around - Encourage traffic on to the Parkway Network - Improve major roads for all transport users - Encourage more schools to get families to 'Park and Stride' to school as part of the school travel plans - Direct freight onto the strategic network to limit impact on residential neighbourhoods
Outer City (outside of the Parkway Network)	<ul style="list-style-type: none"> - Improving footpaths and cycle links around the city and by making them cleaner, greener and safer - Improve major roads for all transport users using SMART technology to maximise efficiencies on the Parkway Network - Improve major roads for all transport users - Encourage more schools to get families to 'Park and Stride' to school as part of the school travel plans - Direct freight onto the strategic network to limit impact on residential neighbourhoods
Rural	<ul style="list-style-type: none"> - Improving pedestrian and cycle routes as well as bridleways and byways through the Rights of Way Improvement Plan (ROWIP) and the Green Wheel - Working with Network Rail and local communities to close level crossing subject to acceptable mitigation measures - Improving sustainable transport links from rural areas to connect to transport hubs - Directing HGVs onto the major roads to limit impact on rural communities
Authority Wide	<ul style="list-style-type: none"> - Maximise the use of Intelligent Transport Systems (ITS) - Reduce unnecessary street clutter - Reduce road casualties (killed and seriously injured and slight injuries amongst all road users, particularly at black hot spot sites) - Promote all forms of sustainable transport in line with the transport hierarchy - Reduce the impact of freight vehicles on residential areas

Table 6 LTP4 Core Strategy

4.6 The strategy then outlines a series of policies by modes. The goals of each of these are also summarised for reference.

Transport Area	Vision/Summary of Strategy Approach
Smarter Choices	To provide a package of Smarter Choices measures that encourage and promote sustainable travel to all people travelling in and around Peterborough therefore influencing their travel choice
Walking	Increase the number of walking trips through the establishment of safe and interconnected pedestrian connections across the city, especially in the city centre and pedestrians will be given priority whenever possible.
Cycling	Increase the number of cycling trips through the establishment of safe and interconnected cycling links across the city, supported by other necessary infrastructure, such as cycle parking.
Accessibility	Improve access for those with mobility difficulties, and improve walking, cycling and bus access to key services.
Bus	Increase bus usage via provision of a high quality, reliable, user-friendly public transport system as well as encouraging the uptake of low emission vehicles.
Hackney Carriage and Private Hire	To have taxis readily available for passengers in Peterborough and offering a safe and comfortable journey as well as encouraging the uptake of low emission vehicles.
Rail	To ensure that Peterborough's railway station is fit for purpose and fully integrated with the city, and its wider transport connections.
Electric Cars	Develop infrastructure to promote and facilitate the use of electric and low emission vehicles.
Travel Plans	Residents, schools and employees in Peterborough should be able to make informed decisions and choose to travel by sustainable modes
School Travel	To engage with all schools supporting individual travel needs to increase sustainable travel on the school journey
Rural Transport	To provide a sustainable alternative to the private car in all parts of the authority area, with a particular emphasis on safety on the highway.
ITS/Traffic Management	Ensure the traffic network is managed as efficiently as possible, through the use of Intelligent Transport Systems and an expanded Urban Traffic Management Control.
Road Safety	Create a safer, and more efficient transport network.
Traffic management	Ensure the safe and efficient movement of all modes of transport
Motorcycles	Promote the safe use of motorcycles, with a particular emphasis on provision of secure motorcycle parking

Transport Area	Vision/Summary of Strategy Approach
Strategic Road Network	Maintain the road network in the most cost effective manner, through an Asset Management approach.
Freight	Encourage the reduction of freight transported via HGVs and encourage more freight to be transported via rail.
Car Parking	To provide a parking system that supports economic vitality within the city without compromising environmental aspirations
Pollution	Reduce the number of trips made by fossil fuelled vehicles and consideration of noise pollution is given with new infrastructure

Table 7 Policy by Mode

5. Major Schemes and LTTS

- 5.1 While the LTP documents for both Cambridgeshire and Peterborough are high level strategic documents, they identify specific schemes to be delivered to realise the strategy's aims.
- 5.2 Certain schemes are deemed to be 'Major Schemes', and concern significant investment to deliver a significant amount of infrastructure. These schemes function as headline interventions, and are integral for each authority in delivering their respective transport aims. These are demonstrated overleaf.
- 5.3 The map below demonstrates the Cambridgeshire schemes that are being delivered; a table listing each scheme is provided at Appendix 3.

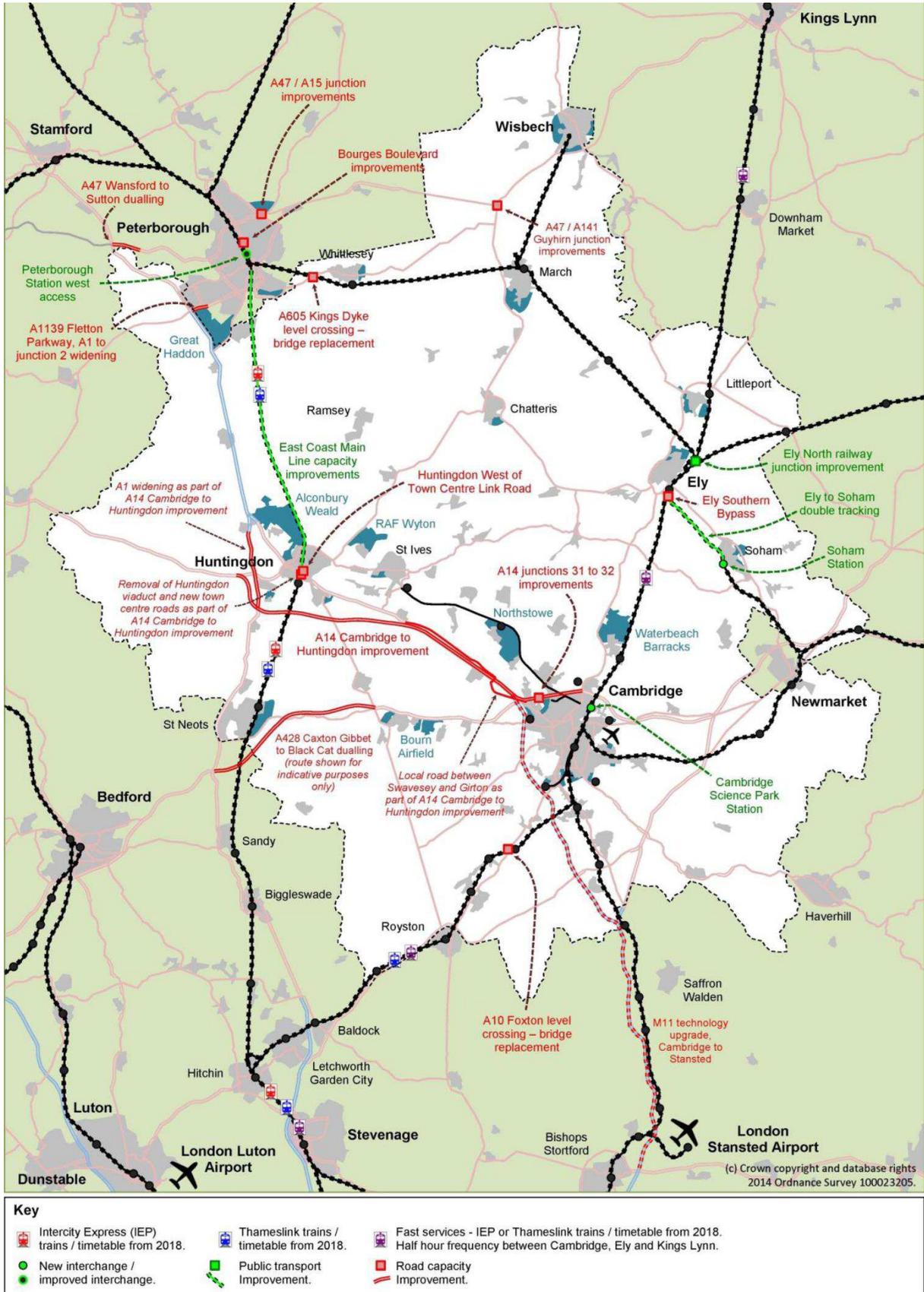


Figure 7 Cambridgeshire Transport Schemes

5.4 The map below summarises the major schemes being carried out in Peterborough, further detail is provided at Appendix 4.

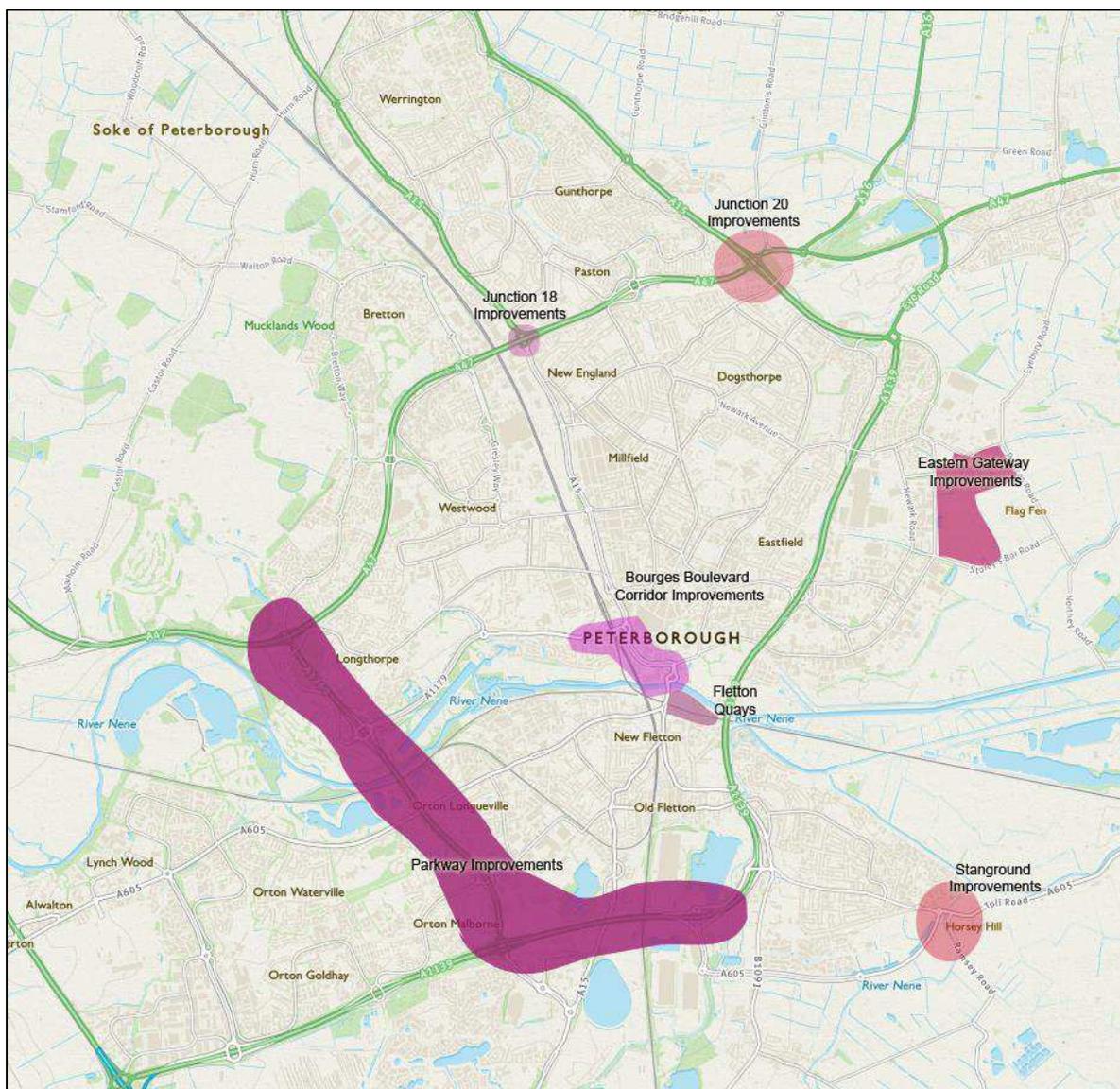


Figure 8 Peterborough Transport Schemes

Long Term Transport Strategy

5.5 The Long Term Transport Strategy (LTTTS) is a sister document to the LTP and fulfils the statutory function of both local authorities to document proposals for the implementation of LTP policies. The core of both documents is an action plan of schemes, with accompanying details on delivery, cost and timescales.

Peterborough

5.6 The LTTTS, as originally drafted, covered a 15 year period (2011-2026) but has now been updated to cover the period from 2016-2026, although the document includes schemes where implementation may be beyond this timescale. This

long term focus has enabled the City Council to articulate its strategic aims in a framework that is flexible, in a document that can be adapted in accordance with the development pattern and pace of change in Peterborough.

5.7 The LTTS is broken down into three distinct timescales:

- Short Term (2016-2021)
- Medium Term (2021-2026)
- Long Term (2026 and beyond)

5.8 The five year timescale blocks were deliberately chosen to reflect the traditional length of a LTP. This allows the focus of the high level LTTS to be separated into stages where a five year period can be lifted from the strategy and be worked up into more detail to create future LTPs.

Cambridgeshire

5.9 The Long Term Transport strategy for Cambridgeshire focuses on strategic transport policies and priorities which enable economic growth. It places a particular emphasis on the strategic transport infrastructure required to support emerging Local Plans of Cambridgeshire's districts to 2031 / 2036. While the strategy covers a separate local authority area, it should be stressed that the Cambridgeshire LTTS was developed in such a way as to align with the Peterborough LTTS. The rationale for this is that together, Cambridgeshire and Peterborough are at the core of the functional economic area of the Greater Cambridge and Greater Peterborough Enterprise Partnership (GCGPLEP) area. The LTTS consequently has informed priorities for investment through the GCGPLEP's Strategic Economic Plan which will in turn inform the GCGPLEP's negotiations for a growth deal with government through the Single Local Growth Fund.

5.10 Both documents contain information on delivery of the major schemes listed above, as well as many other schemes deemed necessary to realising the wider transport aims of the Peterborough and Cambridgeshire region.

6. Transport Issues to be covered in the New local Transport Plan

6.1 In writing the LTP and LTTS, both authorities have endeavoured to futureproof their documents, so that they can be revised or amended in line with major updates. However, there are a number of areas of interest which are not currently covered but will be considerations in the development of the new Local Transport Plan for the Combined Authority.

Devolution

6.2 The establishment of a Combined Authority for Cambridgeshire and Peterborough contains significant implications for the prioritisation of schemes, and the potential for their funding and delivery in particular.

Greater Cambridge City Deal

6.3 The Cambridgeshire LTTS contains many references to the Greater Cambridge City Deal, and candidate schemes which are able to be delivered on it. The new Local Transport Plan will provide an update on the City Deal programme's latest achievements and ambitions for the region, or the City Deal Future Investment Strategy.

Local Plans

6.4 Both Peterborough and Cambridgeshire's LTTS were written to support the emerging growth agenda. Peterborough's LTTS was written to support its own spatial strategy and Cambridgeshire County Council has worked closely with its five districts to develop a strategy that supports the five districts and their own emerging Local Plans. During that time, the allocations and timescales for Local Plans has changed. In particular, a new Local Plan for East Cambridgeshire; a new Draft Local Plan for Peterborough; ongoing decisions for the Draft Local Plan for Huntingdonshire, and significant delays surrounding the Cambridge City and South Cambridgeshire Local Plans have all resulted in significant changes to the anticipated timescale for housing and employment developments to come forward.

6.5 While the fundamental policies of the LTTS broadly remain unchanged, the proposals for delivery of these schemes will be refreshed aligned to the development of the new Local Transport Plan.

SEP refresh

6.6 The vision and priorities of the GCGPLEP are set out in the Strategic Economic Plan, which was submitted in April 2014. The SEP sets out the economic priorities for the local area and forms the basis for the Government's Growth Deals. The current Growth Deals are funding the Bourges Boulevard

improvements in Peterborough and the Ely Southern Bypass and Kings Dyke Level Crossing in Cambridgeshire.

- 6.7 The GCGPLEP is currently reviewing and refreshing the SEP; it has secured £37.6 million in the third round of the Local Growth Fund in 2017. Any changes will be considered in the development of the new Local Transport Plan.

7. Appendices

Appendix 1 – DfT's Guidance on Local Transport Plans:

Area	Statutory Requirement to be included in the LTP?	Comments
Climate Change	Yes	The Act makes particular reference to climate change mitigation and adaptation, but authorities should consider how their strategies and implementation plans relate to all relevant environmental issues, including air quality, noise, landscape and biodiversity
Transport needs of older people, people with mobility difficulties, and people with disabilities	Yes	The Local Transport Act 2008, as amended, now requires an LTP to have regard to the needs of older people, people with mobility difficulties, and people with disabilities.
Network Management	No	While an examination of network management is not a statutory requirement of the LTP, transport authorities are required to manage their road network effectively. As there is significant overlap between network management concerns and wider transport policy aims, it is recommended that the LTP is developed with Network Management goals in mind.
Transport Asset Management Plan	No	Local authorities are increasingly adopting an Asset Management approach in relation to the preservation of their highways network. Any document which outlines, such as Cambridgeshire's TIAMP or Peterborough's should be integrated with the LTP.
Air Quality Action Plan	No	Local authorities have a statutory duty to review local air quality. Air Quality Action Plans are written by the local authority when an Air Quality Management Area is declared within the authority area. Any forthcoming AQAPs should be acknowledged in the LTP.

Area	Statutory Requirement to be included in the LTP?	Comments
Area	Statutory Requirement to be included in the LTP?	Comments
Rights of Way Improvement Plan	No	The Countryside and Rights of Way Act 2000 introduced a duty for all local highway authorities to prepare a Rights of Way Improvement Plan (ROWIP), in consultation with Local Access Forums. The current round of ROWIPs runs from 2007 to 2017. Local transport authorities may wish to integrate the appropriate ROWIP(s) with their LTP.
Noise Action Plans	No	Local Authorities are advised to incorporate any directives included in DEFRA Noise Action Plans
Bus Information Duty	No	Under the Transport Act 2000 (s139–141), local transport authorities have a duty to work with bus operators to determine what local bus information should be made available to the public, and the way in which it should be made available. It should include information about bus routes, timetabling of services, fares (including concessionary fares), facilities for disabled passengers, connections with other public transport services, and any other information the authority deems appropriate in relation to its area.
Local Economic Assessment Duty	No	Any Local Economic Assessment Duty undertaken by a local authority should be considered in production of the LTP.
Children and Young People's Plan	No	All local authorities have a statutory requirement to produce a Children and Young People's Plan. The LTP needs to address any recommendations made in the plan to improve the lives and wellbeing of young people and families
Sustainable Modes of	No	To meet provisions in the Education and Inspections Act 2006, local authorities are required to develop a Sustainable

Area	Statutory Requirement to be included in the LTP?	Comments
Travel Strategy		modes of travel strategy. It is recommended that this strategy feeds into the development of the LTP
National Park Management Plan and AONB Management Plans	No	Local transport authorities responsible for transport in National Parks and AONBs will want to consider how their LTP relates to these Plans.

Appendix 2 – Performance Indicators

Cambridgeshire	Peterborough
People killed or seriously injured in road traffic accidents	Total killed and seriously injured
Children killed or seriously injured in road traffic accidents	Child killed and seriously injured
Pedestrians and cyclists killed or seriously injured in road traffic accidents	
Road accident casualties slightly injured	Total slight casualties
Percentage of buses running on time Local bus passenger journeys originating in Cambridgeshire	Public transport patronage
Excess waiting time for frequent bus service	Bus punctuality
Cycling trips index	Proportion of residents who cycle for utility purposes
N/A	Proportion of residents who walk for utility purposes
Traffic travelling across the Cambridge radial cordon	Change in area wide road traffic
Congestion – average journey time per mile during morning peak	Congestion
Emissions of Greenhouse gases from road transport	Air Quality
Trends in NO2 concentrations in the Cambridge Air Quality Management Area, expressed as a 5 year running annual mean	
Trends in NO2 concentrations in the Cambridge Air Quality Management	

Area, expressed as a 5 year running annual mean	
N/A	Mortality attributable to air quality
Principal roads where maintenance should be considered	Principal road condition
Non-principal classified roads where maintenance should be considered	Non-principal classified roads condition
N/A	Unclassified road condition
N/A	Footway condition
N/A	ROWIP – ease of use of Public Rights of Way
N/A	Modal shift to sustainable transport modes
N/A	Bikeability training
N/A	Businesses with a travel plan
N/A	Physically active adults

Appendix 3 – Cambridgeshire Major Transport Schemes:

<i>Cambridgeshire</i>		
Schemes	Description	Status
A14 Cambridge to Huntingdon improvement scheme	A comprehensive improvement of the A14 between the Milton Interchange to the north of Cambridge and Ellington to the east of Huntingdon.	Underway
A428 Black Cat to Caxton Gibbet improvement	Dualling of remaining single carriageway section of the A428 / A421 between Caxton Gibbet west of Cambridge and the M1, including a grade separated junction at the A1 Black Cat roundabout	Roads Investment Strategy 1 scheme
A47/A141 Guyhirn Junction improvements	Creation of a new larger junction linking the A47 with the A141.	Roads Investment Strategy 1 scheme
Cambridge North railway station	A new railway station at Chesterton Siding in north Cambridge including a station building, car and cycle parking, station footbridge and access works.	Opening 23 May 2017
Cambridge North railway station busway access	Busway, pedestrian and cycle access from Milton Road (at the existing Busway junction) to the new station on the line of the old St Ives to Cambridge railway line	Opening 23 May 2017
A142 Ely Southern Bypass	New 1.7 km single carriageway bypass including viaduct over the river and flood plains, and a two span bridge over the Cambridge and Newmarket railway lines.	Underway

<i>Cambridgeshire</i>		
Schemes	Description	Status
Whittlesey Access Phase 1: A605 Kings Dyke level crossing	A bridge or underpass across the railway, removing the potential conflict between trains and vehicular traffic, as well as cyclists and pedestrians. A link to the industrial area north of the railway will also be provided.	In procurement
A10 Foxton level crossing	A bridge or underpass across the railway, removing the conflict between trains and vehicular traffic, cyclists and pedestrians. Scheme may also provide a new station footbridge or underpass, and improved interchange facilities	Future scheme
Soham Station	A new railway station on the site of the old station at Soham, including car and cycle parking, footbridge and access works.	Future scheme
Chisholm Trail cycle route, Cambridge	A new north south cycle route, broadly along the line of the railway between Cambridge Station and the new Cambridge Science Park Station.	In procurement

Appendix 4 – Peterborough Major Transport Schemes:

<i>Peterborough</i>		
Schemes	Description	Status
Bourges Boulevard	A series of walking, cycling and carriageway improvements to facilitate the future development of the city	Underway

Peterborough

Schemes	Description	Status
Fletton Quays	An upgrade of the A15 London Road/East Station Road junction, and enhanced pedestrian and cycle links from the development	Underway
Midgate, Broadway and Northminster public realm improvements	Improvements to vehicular routes in these areas as well as an improvement of the pedestrian environment (similar to pedestrian improvements already delivered on Bridge Street, Cathedral Square, Cowgate and Long Causeway)	Future Scheme
A47 Junction 20	Improvements to A47/A15 (Jn 20) to include full signalisation of the function and an increase in the number of approaches and circulatory lanes.	Complete
A47 Junction 18	Improvements to Junction 18 of the A47 to incorporate additional capacity enhancements, as well as the replacement of the pedestrian and cycle bridge over the Junction 18, in favour of an at-grade crossing.	Underway
A1139 Fletton Parkway (Junction 3-3a)	Further study work to examine the improvement of junctions at Fletton Parkway. Potential solutions could include: <ul style="list-style-type: none">- Widening of the westbound off slip- Improvements to the Nene Parkway entry- Full signalisation of the junction	Future Scheme
A1260 Nene Parkway Junction 32-3 improvements	Further study work to examine the improvement of junctions at Nene Parkway	Future Scheme

Peterborough

Schemes	Description	Status
A1260 Nene Parkway Junction 15 improvements		Future Scheme
A15 Paston Parkway Junction 22 to Glinton roundabout	Dualling of the A15 between Paston Parkway (Jn 22) to Glinton roundabout. The scheme would go some way to assisting the delivery of bus priority measures.	Future Scheme
A15 Paston Parkway Junction 23 improvements	Improvements to the junction to enable public transport priority along A15 Lincoln Road	Future Scheme
Eastern Industries – Fengate capacity and Pamwell Way improvements	Improvements to Fengate Road, Fengate-Boongate Junction, Boongate-Newark Road, Boongate East, and Parkway Junction 5. An additional phase of improvements would explore a new link road between Eyebury Road and Eye Road, with the potential dualling of Parnwell Way.	Future Scheme
Stanground Access	Improvements to the junction of the A605 and the B1095 to the east of Stanground	Future Scheme
Stanground bypass	Dualling of the western end of the Stanground bypass.	Future Scheme
Junction 68 Stanground fire station improvements	Further study work to identify improvement works to Junction 68.	Future Scheme
Peterborough sustainable future	A mixture of sustainable travel measures and ITS improvements	Future Scheme

Since the publication of LTP4 and the LTTS, the following additional schemes have been identified for delivery by 2026.

Peterborough

Schemes	Description	Status
A605 Oundle Road widening	Widen the A605 from Alwalton to the business park to provide an additional inbound lane for morning peak hour traffic	Underway
Rail station western access	To enable passengers access via the western side of the station including highway works, installation of a lift and footbridge structural improvements	Future Scheme
A16 Norwood dualling	Additional lane both northbound and southbound in the vicinity of the new Norwood development	Future Scheme

Glossary of terms

The table below lists the abbreviations mentioned in the document:

Abbreviation	Meaning
ANOB	Area of Outstanding Natural Beauty
CCC	Cambridgeshire County Council
CIL	Community Infrastructure Levy
CPCA	Cambridgeshire Peterborough Combined Authority
DEFRA	Department for Environment, Food and Rural Affairs
DfT	Department for Transport
GCGPLEP	Greater Cambridge Greater Peterborough Local Enterprise Partnership
HE	Highways England
LTP /3	Local Transport Plan
LTTS	Long Term Transport Strategy
NR	Network Rail
PCC	Peterborough City Council
ROWIP	Rights of Way Improvement Plans
S106	Section 106



CAMBRIDGESHIRE AND PETERBOROUGH COMBINED AUTHORITY BOARD	AGENDA ITEM No: 2.3
	PUBLIC REPORT

STRATEGIC TRANSPORT AND INFRASTRUCTURE SCHEMES

1.0 PURPOSE

- 1.1 The purpose of this report is to ask the Board to proceed with an initial set of interrelated business cases and feasibility studies for key strategic schemes across Cambridgeshire and Peterborough.

<u>DECISION REQUIRED</u>	
Date:	28 June 2017
Lead Member:	Councillor Roberts Portfolio Holder for Transport & Infrastructure
Lead Officer:	Interim Chief Executive
Forward Plan Ref:	2017/011 Key Decision: Yes
<p>The Combined Authority Board is recommended to:</p> <ol style="list-style-type: none"> 1. Commission each of the following: <ol style="list-style-type: none"> (a) Dualling of A47 Business Case (Appendix 1) (b) A47 extension to M11 Feasibility Study – aligned to upgrading of A10 Business Case (Appendices 2 & 3) (c) Wisbech Garden Town Feasibility Study (Appendix 4) 2. Note the intention to bring forward proposals for a feasibility study into the rapid, mass transport options for Cambridge City and the surrounding travel to work area to the Board in July 2017. 3. Agree a total budget allocation of £8.75 million for the delivery of the feasibility studies and business case. 	<p><i>Voting arrangements</i></p> <p>Simple majority including the LEP Member</p>

4. Delegate authority to the Interim Chief Executive, in consultation with the Portfolio Holder for Transport & Infrastructure, to award a contract for each of the feasibility studies and business case provided that the collective value of the contracts does not exceed the approved budget allocation.	
---	--

2.0 INFRASTRUCTURE PRIORITIES AND PLANS

- 2.1 The Mayor and the Combined Authority are committed to addressing the historic deficit in transport investment and improving transport and the physical connections between communities including cities, towns and rural areas. This will provide a means to deliver sustainable growth across the area, and support housing and economic development.
- 2.2 Devolution affords the Combined Authority the opportunity to consider bold and innovative solutions to overcome long-standing infrastructure needs across Cambridgeshire and Peterborough via a series of new initiatives together with work that is already underway and planned across the Combined Authority area. For example, where strategic challenges of the area are well known and evidenced through existing work, the Combined Authority will seek to expedite investment decisions and identify where new levels of intervention are required by commissioning more detailed work.
- 2.3 This report makes recommendations for the first set of feasibility studies and business cases for key strategic sites across Cambridgeshire and Peterborough; these are aligned to commitments within the devolution deal and the Mayor's 100 day plan.
- 2.4 By bringing these interrelated projects forward under the remit of the Combined Authority, the individual outcome for each project is enhanced and a strategic single view of cross boundary development is created. Better value for money from procurement and stronger clienting and management can also be achieved through concurrent procurement arrangements.

3.0 DUALLING THE A47

- 3.1 The Cambridgeshire and Peterborough Combined Authority wishes to develop a Business Case for the dualling of the A47 between the A16 to the east of Peterborough and Walton Highway to the east of Wisbech.
- 3.2 A dualled A47 between Peterborough and Walton Highway will:
- Improve connectivity between Norfolk, Fenland and Peterborough / the A1 and onward to national destinations, reducing journey times and improving journey reliability
 - Help to boost economic prosperity, particularly in Peterborough and Wisbech, by reducing transport costs and improving accessibility to

national markets for a large part of the east of England

- Support economic and housing growth in Peterborough, Fenland, Kings Lynn and West Norfolk and further east along the A47 corridor.

3.3 The key aims of the business case development and any recommendations from it are:

- To provide conditions that encourage inward investment in higher value employment sectors in the north of Cambridgeshire and in Norfolk; and improve access from the north of Cambridgeshire and from Norfolk to Peterborough, the strategic road and rail networks and to national markets
- To ensure that the planned employment and housing growth along the A47 corridor can be accommodated and provide for future travel demand between Kings Lynn, Wisbech and Peterborough
- To address current congestion and delay, reduce journey times and improve reliability on the A47, and on local routes impacted by the traffic and congestion on A47.

3.4 The terms of reference for the consultant's brief is included as Appendix 1 of this report.

3.5 Project governance will provide delivery assurance and ensure that the gateways in moving from feasibility/options appraisal to strategic outline business case are satisfied.

4.0 EXTENDING THE A47 TO THE M11 & ALIGNMENT WITH A10 IMPROVEMENTS

Extending the A47 to the M11

4.1 The Combined Authority wishes to understand the feasibility, viability, benefits and impacts of connecting the M11 in the Cambridge area to the A47 in the Guyhirn / Wisbech area.

4.2 In improving accessibility from the north of Cambridgeshire to the Strategic Road Network, Cambridge, Stansted Airport and London, a new or upgraded route would aim to:

- Provide conditions that encourage inward investment in higher value employment sectors in the north of Cambridgeshire
- Improve access from the north of Cambridgeshire to employment opportunities in the Greater Cambridge area
- Reduce spatial inequalities across Cambridgeshire and share and expand the benefits of the success of the Greater Cambridge area
- Support economic and housing growth in Fenland and East

Cambridgeshire and in the Cambridge area.

- 4.3 The work to understand options for extending the A47 to the M11 is intrinsically linked to the existing work to upgrade the A10 as:
- Offline options for highway improvements that are likely to be tested as part of the A10 Study and Business Case development work, could form part of such a route
 - Part or all of the A10 could be considered as one of the corridors for such a route
 - A scheme of this scale would have impacts over a wide area; for example: a motorway or dual carriageway route that linked the A47 in the Wisbech area to Cambridge and the M11 would be likely to lead to traffic between Kings Lynn and Cambridge diverting to the new road, and while the distance would be further, it would be quicker than the alternative A10 route.
- 4.4 It is therefore proposed that this initial work is undertaken and aligned with the stage that the A10 work has already reached at which point the Combined Authority can decide whether to proceed with a single route study north to south or two separate studies.

Upgrading the A10

- 4.5 The A10 is a significant growth corridor linking Greater Cambridge to the wider Cambridgeshire area.
- 4.6 There are currently a number of pieces of work underway and planned that could impact on the corridor between Kings Lynn, Ely, Cambridge and Royston:
- A10 Ely to Kings Lynn Study
 - A10 Ely to Cambridge Study
 - Ely to Cambridge – Waterbeach Barracks Study
 - Ely to Cambridge – Northern Fringe Study
 - City Deal – Trumpington – Hauxton Park and Ride
 - Cambridge South Station
 - Foxton Level Crossing
- 4.7 It is therefore recommended that the feasibility study for extending the A47 into the M11 is commissioned as an extension to the current Greater Cambridge City Deal / Cambridgeshire County Council commissioned Cambridge to Ely / Kings Lynn Studies / Business Case development. The feasibility study outputs will then be considered alongside the A10 improvements to determine the strategy and programme of work.
- 4.8 It is also recommended that there should be close working and visibility between this work and the following projects:
- Dualling of A47 (Item 3 above)

- Wisbech Garden Town (Item 6 below)
- Proposals to reopen the rail line between Wisbech and March

4.9 Project governance will provide delivery assurance and ensure that the gateways in moving from feasibility/options appraisal to strategic outline business case are satisfied.

4.10 The terms of reference for extending the A47 to the M11 Feasibility Study brief is included as Appendix 2 of this report.

4.11 A briefing note setting out the current work relating to the A10 is included as Appendix 3 of this report.

5.0 CAMBRIDGE RAPID TRANSIT STUDY

5.1 The Combined Authority has highlighted its intention to commission a feasibility study with the City Deal Board to assist in the development of its ambitions to provide rapid, mass transport in Cambridge City and the surrounding travel to work area in order to:

- Support economic growth – recognising the critical significance of the Greater Cambridge economy for the area as well as for the UK
- Improve accessibility and connectivity across the City to boost economic growth and prosperity
- Address current congestion and delay and building intelligent mobility within Cambridge City and the rest of the transport/infrastructure network
- Achieve the highest possible modal shift from private car journeys.

5.2 It is proposed to bring forward details and terms of reference to commission the feasibility study to the Board in July.

6.0 WISBECH GARDEN TOWN

6.1 The Combined Authority wishes to undertake feasibility work to continue to develop Wisbech Garden Town.

6.2 The Wisbech Garden Town development aims to:

- Enable regeneration of the town, tackling social, economic and deprivation challenges
- Support economic and housing growth in Wisbech and Cambridgeshire, in particular ensuring a pipeline of good quality homes in the Wisbech area
- Provide conditions that improve East-West connectivity and North-South links, improving connectivity and promoting Wisbech as a destination of choice for residents and businesses

- Develop Wisbech as a location for economic growth and inward investment geared towards agri-tech, food research and development and food processing
- 6.3 The proposed feasibility work will test the viability of the proposed Garden Town. It will include a series of technical development and placemaking studies aimed at addressing challenges associated with flooding risk and water management, highway and transportation and housing completions.
- 6.4 It is proposed that the Garden Town proposal is submitted to DCLG in summer/autumn 2017 identifying the requirement for Government support for the project and inclusion in the Garden City prospectus.
- 6.5 The terms of reference for the consultant's brief is included as Appendix 4 of this report. This item has been redacted to remove reference to the estimate for the feasibility study to protect the commercial confidentiality of the procurement process. The final cost of the feasibility study will be included in the decision notice approved by the Interim Chief Executive on awarding the contract.

7.0 STRATEGIC CLIENT FUNCTION

- 7.1 It is proposed to establish a Strategic Client Function comprising representatives from the Combined Authority, the Highways Authorities and City Deal to provide coherence and strong management for the programme of feasibility studies and business cases. The costs for the function are included within feasibility studies and business case costs.

8.0 FINANCIAL IMPLICATIONS

- 8.1 It is recommended that a total sum £8.75 million be allocated by the Combined Authority to commission the initial set of feasibility studies and business case and that the Combined Authority Interim Chief Executive has the authority, in conjunction with the Portfolio Holder for Transport & Infrastructure to allocate funding as required within this financial envelope:
- Dualling of A47 Business Case
 - Extending A47 to M11 Feasibility Study – aligned to Upgrading of A10 Business Case
 - Wisbech Garden Town Feasibility Study
- 8.2 Outline indicative costs are detailed in the table below. The costs have been developed based on previous experience for similar projects. The strategic highways partner for Cambridgeshire and Peterborough has confirmed that the level of funding proposed for these substantive programmes of work is appropriate. The request for funds to be made available for the Strategic Transport Schemes would impact the 2017/18 and future years budgets as profiled in the table. Funds would come from the Combined Authority's

Revenue Gainshare allocation:

Name	Budget 2017/18 £	Budget 2018/19 £	Budget 2018/20 £	TOTAL £
Dualling of A47	0.50m			0.50m
Extending A47 into the M11	1.25m			1.25m
Upgrading A10	0.50m			0.50m
Wisbech Garden Town	1.95m	3.25m	1.30m	6.50m
TOTAL	4.20m	3.25m	1.30m	8.75m

- 8.3 Full financial details are not disclosed at this point as maintaining commercial confidentiality will preserve the Combined Authority's ability to engage with providers as the feasibility studies and business case are procured and negotiated to secure the best value for money for each.

9.0 LEGAL IMPLICATIONS

- 9.1 The Cambridgeshire and Peterborough Combined Authority Order 2017 transferred to the Combined Authority the transport functions for the Cambridgeshire and Peterborough area, permitted the Mayor to allocate the transport and highways funding to the local highways authorities and also granted the Combined Authority highways powers to be exercised concurrently with the two existing local highways authorities.
- 9.2 As set out in Section 2 of this report, the first set of feasibility studies and business cases for key strategic sites across Cambridgeshire and Peterborough are aligned to commitments within the devolution deal and the Mayor's 100 day plan.
- 9.3 It is proposed that the Combined Authority Interim Chief Executive in conjunction with the Portfolio Holder for Transport and Infrastructure is charged with determining the most appropriate means of procuring the initial set of feasibility studies and business case in accordance with procurement regulations.
- 9.4 It is proposed to delegate authority to the Interim Chief Executive, in consultation with the Portfolio Holder for Transport & Infrastructure, to award a contract for each of the feasibility studies and business case provided that the collective value of the contracts does not exceed the approved budget allocation.

10.0 EQUALITIES IMPLICATIONS

- 10.1 Equalities implications will be addressed separately in each of the feasibility studies and business case. There are no specific equalities implications arising from this report other than to note that appropriate procurement processes will be followed to ensure compliance with equalities requirements.

11.0 APPENDICES

11.1 Appendix 1: Dualling the A47

11.2 Appendix 2: Extending the A47 to the M11

11.3 Appendix 3: Briefing Note A10 Improvements

11.4 Appendix 4: Wisbech Garden Town

<u>Source Documents</u>	<u>Location</u>
A10 study outputs City Deal Board papers on rapid transit	Room 318, Shire Hall, Cambridge

Appendix 1

Brief for Tender: Strategic Outline Business Case for the Dualling of the A47 between Peterborough and Walton Highway

Purpose

The Cambridgeshire and Peterborough Combined Authority (the Combined Authority) wishes to develop a Business Case for the dualling of the A47 between the A16 to the east of Peterborough and Walton Highway to the east of Wisbech.

In the east of England, the A47 links the A1 at Peterborough with Wisbech, Kings Lynn, Norwich and the Norfolk coast at Great Yarmouth. Between Peterborough and Kings Lynn it is of mixed standard, with dual carriageway sections in Peterborough, around Thorney and between Walton Highway and Tilney All Saints. The sections between Wansford and Sutton, between the Peterborough and the Thorney bypass, and between the Thorney Bypass and Walton Highway are single carriageway. Maps 1 and 2 below show the A47 in the east of England and the route standard in Cambridgeshire and Peterborough.

Highways England (HE) are planning to dual the stretch of the A47 between Wansford and Sutton, and increase capacity at the Guyhirn junction with the A141 as part of their A47 corridor improvement programme, which in turn is part of the national Roads Investment Strategy (RIS). Construction is planned to start on these schemes in 2020. A dualled A47 between Peterborough and Walton Highway will:

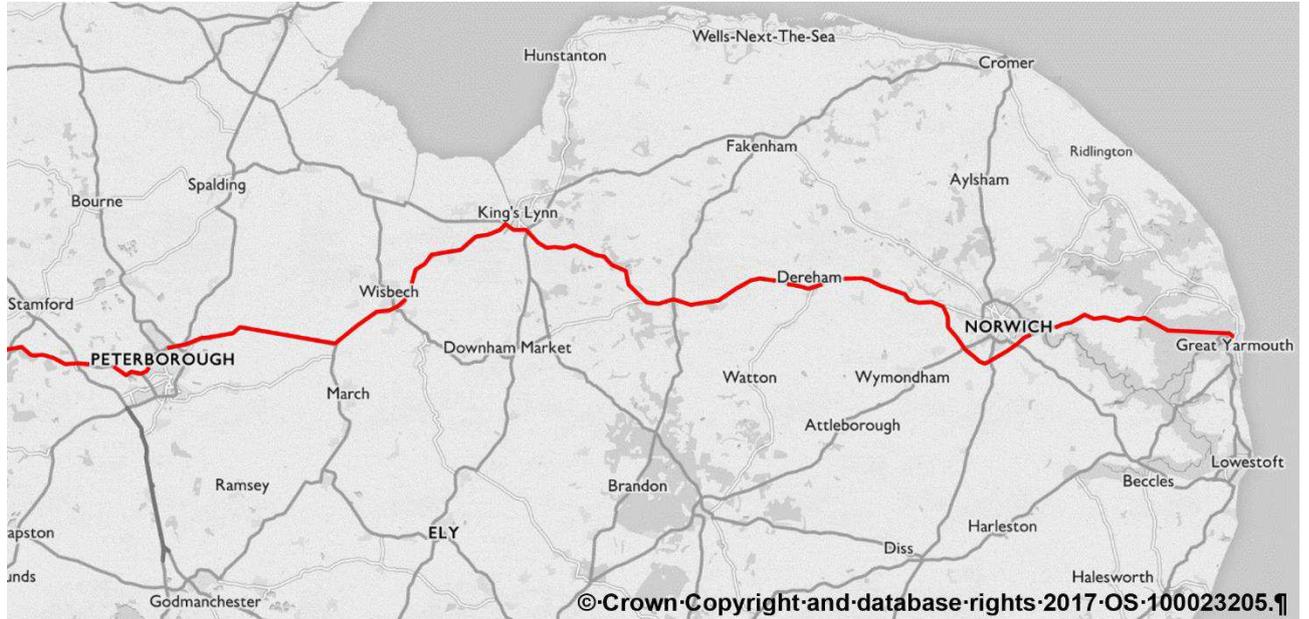
- Improve connectivity between Norfolk, Fenland and Peterborough / the A1 and onward to national destinations, reducing journey times and improving journey reliability;
- Help to boost the economic prosperity by reducing transport costs and improving accessibility to national markets for a large part of the east of England;
- Support economic and housing growth in Peterborough, Fenland, Kings Lynn and West Norfolk and further east along the A47 corridor.

This commission will:

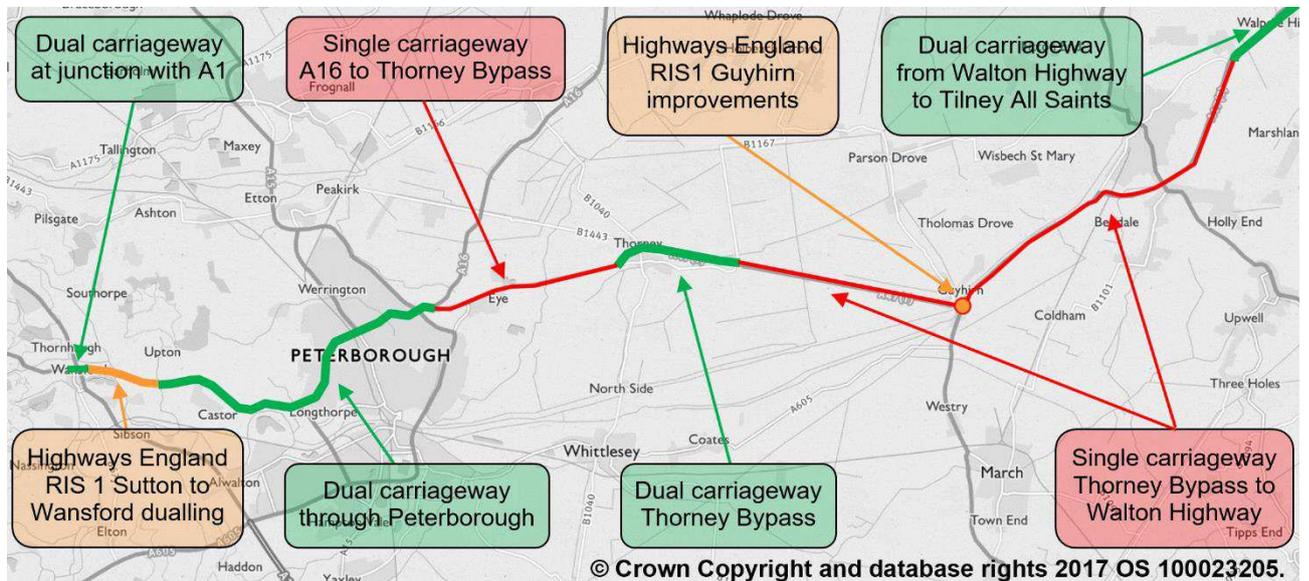
- Review previous study work including:
 - HE's "A47 and A12 corridor feasibility study: technical report", March 2015;
 - HE's "East of England Route Strategy", March 2015;
 - Cambridgeshire County Council's "A47 Thorney to Wisbech Walton Highway – Initial Options Assessment", April 2015;
- Undertake a review of background data to identify any gaps in data or any data that needs refreshing, and collect any missing data needed for business case development;
- Account for HE's A47 corridor improvement programme, to be commenced on site in Road Investment Strategy period 1 (RIS1) to 2020/21, which includes:
 - Improvements to the A47's junction with the A141 at Guyhirn
 - Dualling of the single carriageway between Sutton and Wansford;

- Account for planned growth in Fenland, Peterborough, Kings Lynn and West Norfolk and other areas likely to add to demand for travel on the A47 in the Combined Authority area;
- Account for the Wisbech Garden Town Proposals;
- Produce an Options Appraisal Report and a Strategic Outline Business Case for the dualling of the A47 between Peterborough and Walton Highway.

Map 1: The A47 in Peterborough, Cambridgeshire and Norfolk



Map 2: A47 route standard between the A1 and Walton Highway



The following outputs will be required from this commission as a minimum:

- Options Appraisal Report;
- Strategic Outline Business Case;
- Non-Technical Summary of the Options Appraisal Report and Strategic Outline Business Case.

All of the above should be considered in the context of:

- The Combined Authority's "Extending the A47 to the M11 Feasibility Study";
- Proposals to reopen the railway line between Wisbech and March;
- The outputs of the Wisbech Access Strategy.

A range of disciplines will be required to undertake this commission, including transport planning, transport modelling, engineering, planning and economic assessment.

All work must be suitable for use in any Inquiry required as part of future scheme development and implementation. Representation from the consultant team as Expert Witnesses may be required.

Aims and Objectives

The key aims of this business case development work and any recommendations from it are:

- To provide conditions that encourage inward investment in higher value employment sectors in the north of Cambridgeshire and in Norfolk; and improve access from the north of Cambridgeshire and from Norfolk to Peterborough, the strategic road and rail networks and to national markets;
- To ensure that the planned employment and housing growth along the A47 corridor can be accommodated and provide for future travel demand between Kings Lynn, Wisbech and Peterborough.
- To address current congestion and delay, reduce journey times and improve reliability on the A47, and on local routes impacted by the traffic and congestion on A47;

Wider Economic Benefits

While the assessment of the transport business case consistent with Treasury and Department for Transport guidance is a requirement of the Combined Authority's Assurance Framework, a critical element of this commission is the clear statement of the quantitative and qualitative evidence of wider economic and social benefits that improvements to the A47 will bring.

In this context and as noted below under deliverables, the commission will be expected to deliver business case metrics consistent with government guidance, including:

- The fullest applicable assessment of wider impacts, regeneration impacts and dependent development impacts as set out in TAG unit A2.

- The fullest applicable assessment of social and distributional impacts as set out in TAG unit A4.

In addition the Strategic Outline Business Case should identify any further economic and social benefits that would not typically be included in a WebTAG Business Case.

This includes considerations of benefits from development over and above that included in adopted Local Plans, including the Wisbech Garden Town proposals, and any further opportunities for economic development that might be facilitated by the upgrade of the route.

Project Management and Stakeholder Engagement

In order to manage the project and key stakeholders a project board will be required. The successful bidder would be expected to support the client's Project Manager in administering the project board, ensuring that all key stakeholders are involved.

Key stakeholders include:

- Highways England, as the highway authority for the A47 itself;
- The Cambridgeshire and Peterborough Combined Authority, Peterborough City Council, Cambridgeshire County Council and Norfolk County Council as highway authorities for the local roads that interact with the A47;
- Peterborough City Council, Fenland District Council and Kings Lynn and West Norfolk Borough Council as the Local Planning Authorities on this stretch of the A47; and
- The A47 Alliance.

Deliverables and Timescales

It is expected that all written reports will be prepared to the highest standard. Where scheme costs are stated it should be clear exactly what is included and what is not as well as providing a year and quarter pricing. When benefit cost ratios are included it should be clear what is or is not included in them and which costs are being used. Assumptions made should be clearly detailed.

It is anticipated that the commission will take between six to nine months from the initial inception meeting to final reporting.

Options Appraisal Report

Previous study work and option development work for A47 improvements should be reviewed and updated as necessary with additional growth context and any other changed circumstances. Options should be reviewed / developed for the dualling of the A47, accounting for current and future demand.

Significant previous work has been carried out and is detailed in the 'Relevant Information and Previous studies' note appended to this brief. Where the conclusions of the previous work are up to date and robust, that work should be incorporated in the Options Appraisal Report.

The "A47 Thorney to Wisbech Walton Highway – Initial Options Assessment", April 2015 (see Appendix A) recommended an offline alignment largely to the south of the

current A47 alignment for a dual carriageway A47. This conclusion is considered robust.

Options need to be summarised and shortlisted to rule out options or routes that are clearly unacceptable in terms of cost, deliverability or environmental impact. Key issues and risks associated with each option should be identified and the alignments and schemes suggested compiled into a shortlist that can be discussed with the client before they are developed to the Strategic Outline Business Case stage.

Strategic Outline Business Case

A Strategic Outline Business Case which assesses option against the following growth scenarios should be produced, (including the indicative Benefit to Cost Ratios (BCRs) and other financial metrics):

- A standard Department for Transport compliant WebTAG Outline Business Case incorporating planned growth in Local Plans and Extant planning consents;
- A development scenario that in addition includes the Wisbech Garden Town proposals.

As the provision of new transport capacity is aiming to provide favourable conditions for economic growth and for addressing spatial inequalities, it is critically important that the assessment details and quantifies the wider economic benefits that may be realised as a result of the dualling.

The Strategic Outline Business Case should include the following; please note that that this not an exhaustive list and the Strategic Outline Business Case needs to be compliant with WebTAG and with government guidance on major transport scheme development:

- The context and need for the dualling, clearly setting out clearly the reasons why the investment is required.
- Demographics in the corridor should be analysed and presented as part of the evidence base.
- Development sites should be identified and described using available information and the relationship of any proposed schemes should be identified.
- Key employment sites should be identified and compared to unemployment rates in the corridors to identify potential demand for key origins and destinations of journeys.
- Funding requirements should be identified.
- Quantified benefits should be demonstrated comparing for example, predicted journey times against the do nothing and do minimum scenarios, for current and future years.
- Cost estimates should be developed for the preferred option.
- Indicative BCRs for each option should be determined, including for scenarios incorporating primary indirect benefits, and both primary and secondary indirect benefits.

Non-Technical Summary of Options Appraisal Report and Outline Business Case

A non-technical summary of the identified options must be provided in plain English

and suitable for a non-technical audience including potentially any future public consultation on the scheme. The options and any others that have been discounted, should be presented.

Response

- The Consultant should set out their understanding of the brief and describe their proposal to meet the requirements, including consideration of how much of the previous work can be utilised and expanded upon in developing the Options Appraisal Report and Strategic Outline Business Case.
- A method statement should be provided detailing how the work will be undertaken, including the methodology and approach.
- The approach to undertaking the transport assessment and modelling required should be clearly set out, identifying specific models, resources, and data that will be used.
- The approach to undertaking the business case development should be clearly set out giving details of how the wider economic benefit of the scheme will be taken into account.
- Details of the proposed project team should be provided, including CVs, rates, and evidence of previous similar work successfully undertaken, including a nominated project manager and technical lead.
- A detailed list of proposed deliverables must be provided in response to the brief, including any additional to those identified above that the Consultant considers necessary.
- Any additional Client inputs must be identified.
- A target cost and programme for completing the work, broken down by key deliverables and milestones and showing deliverables and key dates must be provided, including any proposed phasing of the output or break points in the programme, and clearly showing both the critical path and when each deliverable will be produced, including draft reports and technical notes.
- All reports, technical notes, and other output should be submitted to the Client in draft for review. Changes may be required as part of this review which should then be incorporated into a final report for publication.
- A statement detailing any conflict of interest or potential conflict of interest in carrying out this work must be provided.
- Any areas of work that are planned to be sub-contracted must be detailed including how this will be undertaken.
- A risk register showing the key time and cost risks to the successful completion of this work must be provided.

Project Details

Budget

An indicative budget has been set for this commission.

Full details are not disclosed at this point as maintaining commercial confidentiality will preserve the Combined Authority's ability to engage with providers as the business case is procured and negotiated to secure the best value for money.

Contract management

The Combined Authority will establish a strategic client group in order to oversee the delivery of this work.

The contract will be managed by <organisation>. The lead contact will be <person>.

The Combined Authority democratic decision-making process are critical to the success of this work. The work will need to inform Combined Authority reports and the consultants may need to present their work to the Combined Authority.

Bids

Bids will be received by <organisation> by the <date> at 17.00. The <organisation> requires three hard copies and an electronic copy either via email or on disc.

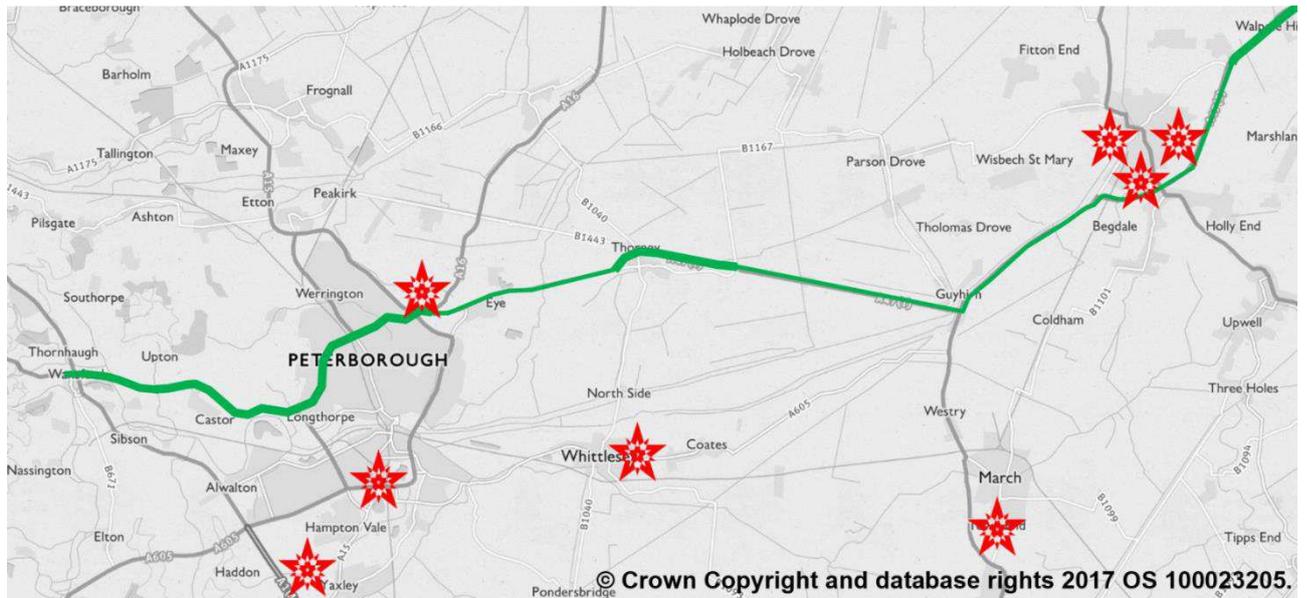
Bids should be addressed to <organisation>

Appendix A Relevant available information and previous studies

Growth, development and redevelopment

The Local Plans for Fenland District and King Lynn and West Norfolk Borough Council and emerging Peterborough City Council Local Plan provide detail planned growth in the A47 route corridor between Peterborough and Kings Lynn. Map 3 below shows some of the key locations for growth, but a detailed review of growth trajectories with the Local Planning Authorities is required as part of this commission.

Map 3: Key Growth locations



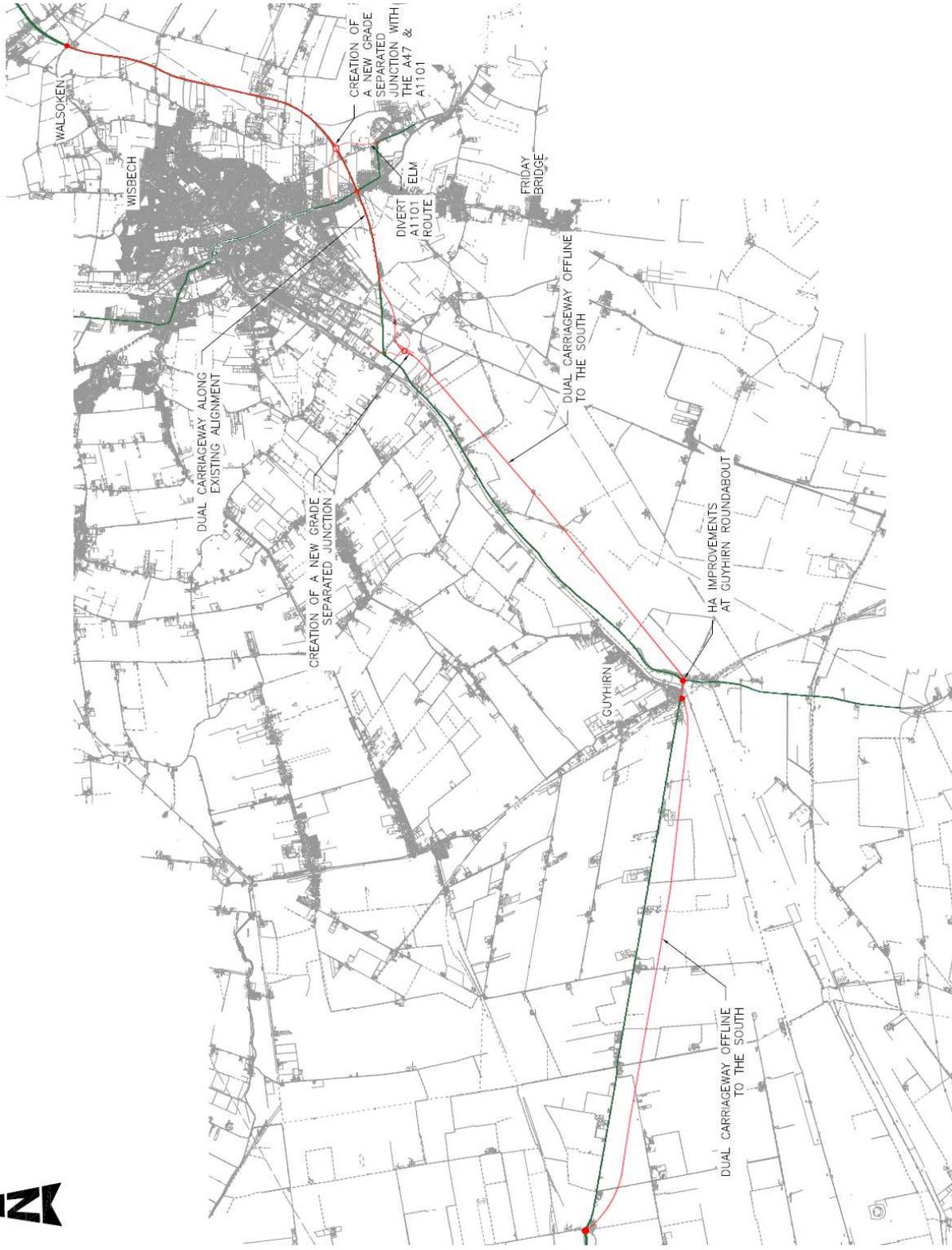
A47 Thorney to Wisbech Walton Highway-Initial Options Assessment April 2015

This high level study was undertaken by Skanska for Cambridgeshire County Council, and considered a range of options for dualling the A47 between Thorney, Guyhirn, Wisbech and Walton Highway. It also considered the potential impacts of a replacement, grade separated roundabout at the A47s junction with Elm High Road. Flood risk constraints were also considered.

A route largely to the south of the current alignment between Thorney and Wisbech, and largely on the current alignment between Wisbech and Walton Highway was recommended by this study, as shown in Map 4. The recommended route option also included grade separated junctions with the B198 Cromwell Road and the A1101 Elm High Road, which would be realigned in the vicinity of the A47.

<https://www.cambridgeshire.gov.uk/transport-funding-bids-and-studies/transport-studies/>

Map 4: Recommended route option between Thorney Bypass and Walton Highway



A47 Highway England RIS1 corridor improvement programme

<http://roads.highways.gov.uk/projects/a47-corridor-improvement-programme/>

A47 and A12 corridor feasibility study

<https://www.gov.uk/government/publications/a47-and-a12-corridor-feasibility-study-technical-report>

East of England Route Strategies April 2015-2020

<https://www.gov.uk/government/publications/route-strategies-april-2015-march-2020>

<https://www.gov.uk/government/publications/route-based-strategies-evidence-reports>

Wisbech Access Strategy

A study is currently being carried out into how transport and access in Wisbech could be improved to support Fenland's Local Plan. This study is mainly focused on the town centre but is investigating improvements at the following location on the A47 around Wisbech. This study will have reached the Outline Business Case stage by December 2017 and its outputs will need to be considered and integrated into this commission where appropriate. The locations on the A47 around Wisbech being considered by the Wisbech Access Strategy are:

- A47 Redmoor Lane / Cromwell Road roundabout
- New A47 junction for the Wisbech South development site
- A47 Elm High Road roundabout
- A47 Broadend Road junction

Wisbech Garden Town Proposals

The Garden Town Proposals are evolving and to make sure the latest information is included in this study work engagement with Fenland District Council will be required. Some background information regarding the Garden Town is available online. <http://www.wisbech2020vision.co.uk/gardentown>

Wisbech Strategic Connectivity and Garden Town study

Extending the A47 into the M11

The Combined Authority is commissioning a feasibility study into extending the M11 to the A47 in the Guyhirn / Wisbech area. The A47 Business Case development work needs to be aware of this study and work with the project team for that study to ensure compatibility between schemes if necessary.

Proposals to reopen the railway line between Wisbech and March

Cambridgeshire County Council has worked with the Greater Cambridge Greater Peterborough Enterprise Partnership, Network Rail and local partners to develop proposals to reintroduce rail services between Wisbech, March, Ely and Cambridge. These proposals have been developed to completion of Network Rail's GRIP Stage 2.

<https://www.cambridgeshire.gov.uk/transport-funding-bids-and-studies/railway-between-march-and-wisbech/>

Survey data and modelling work

Some County Council, Department for Transport and Highways England traffic count

data is available, but additional survey information may be required to inform the study. In developing the business case transport modelling is required as part of the response to this brief we would expect a modelling proposal to be put forward.

Appendix 2

Extension of Cambridge to Ely / Ely to Kings Lynn Business Case commission with Mott MacDonald: Feasibility of extending the A47 to the M11

Purpose

The Cambridgeshire and Peterborough Combined Authority wishes to understand the feasibility, viability, benefits and impacts of a high standard road link connecting the M11 in the Cambridge area to the A47 in the Guyhirn / Wisbech area. In improving accessibility from the north of Cambridgeshire to the Strategic Road Network, Cambridge, Stansted Airport and London, a new or upgraded route would aim to:

- Provide conditions that encourage inward investment in higher value employment sectors in the north of Cambridgeshire; and improve access from the north of Cambridgeshire to employment opportunities in the Greater Cambridge area;
- Reduce spatial inequalities across Cambridgeshire and share and expand the benefits of the success of the Greater Cambridge area; and
- Support economic and housing growth in Fenland and East Cambridgeshire and in the Cambridge area.

A new high standard road could have impacts over a wide area. Map 1 below shows the broad area that needs to be considered in detail by the audit work and in the assessment of route options.

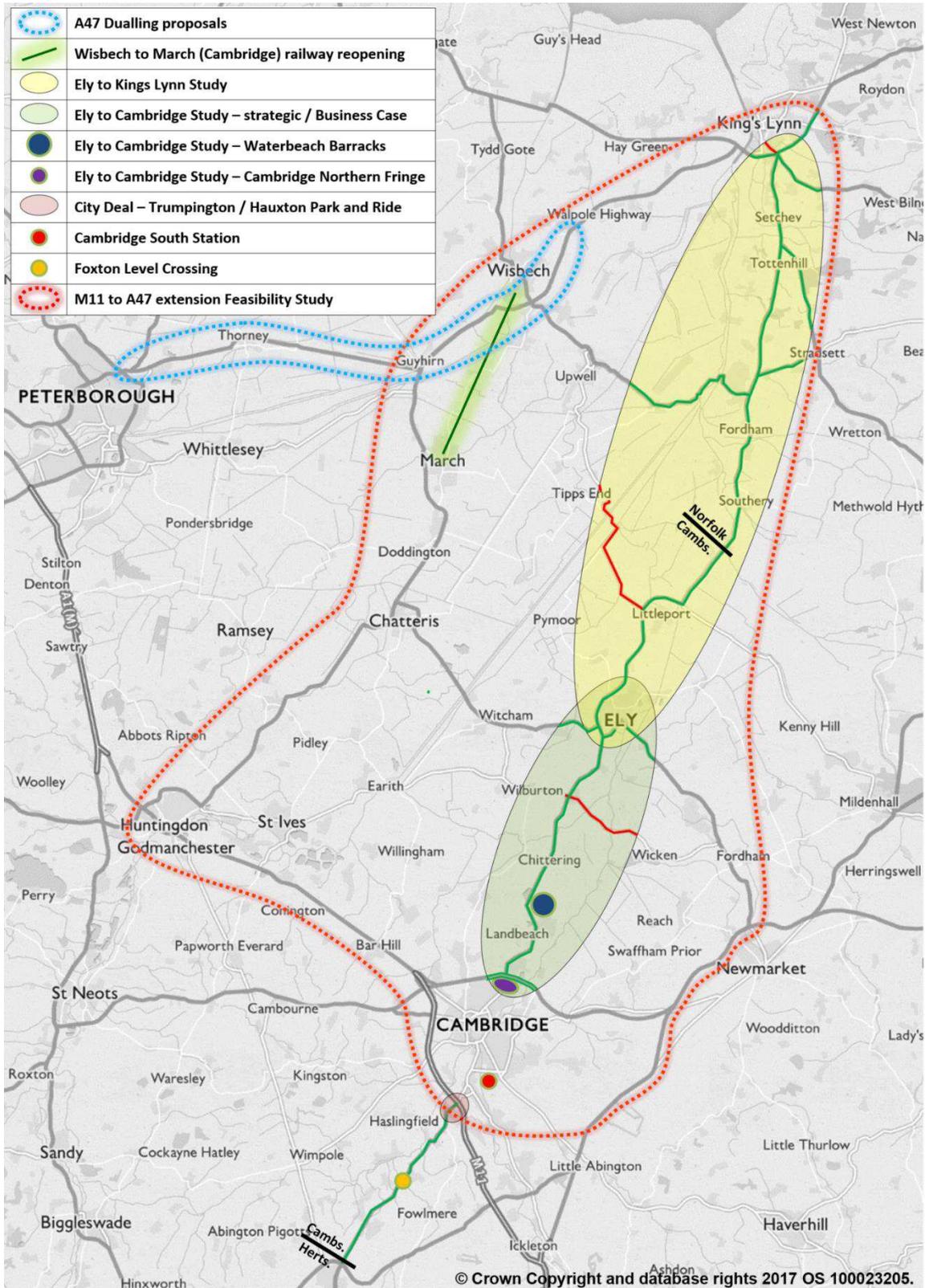
The Greater Cambridge City Deal and Cambridgeshire County Council have already commissioned consultants Mott MacDonald to develop business cases for transport improvements (including improvements to the A10) between Cambridge, Ely and Kings Lynn. There is significant overlap and many links between this work and the broader consideration of a new strategic link that could provide for the some of the same transport demand. It is therefore proposed to extend the scope of the current Mott Macdonald commission to consider the feasibility of extending the A47 into the M11. This will ensure that the linkages are understood and that the potential Business Cases do not leach from each other.

The aligned work would continue at least until the point at which a clear understanding has emerged as to the optimal solutions for both the A10 and for the extension of the A47 into the M11, and how they interact with each other, or indeed whether there is a single scheme that can address both requirements.

The following additional outputs (over and above the requirements of the Cambridge to Ely and Ely to Kings Lynn work) are required from the extended commission:

- Transport and Economic Audit Report.
- Feasibility Study.
- Summary document.

Map 1 Area to be considered in audit and option assessment work



The extension to the commission should:

- Undertake an audit of transport network and economic conditions within the broad study area shown in Map 1, including but not limited to:
 - traffic flows, journey times, capacity and congestion on the main north south roads in the study area;

- o Use of rail and bus for north south trips in the study area;
- o Economic performance and spatial inequalities in the study area;
- Produce a feasibility study that:
 - o Considers the demand for new or upgraded road links;
 - o Makes an initial assessment of the wider economic benefits that could result from the provision of a new road, including from agglomeration, labour supply impacts, reduction in spatial inequalities, levels of employment, more productive jobs, acceleration of local development and house price impacts;
 - o Makes an initial assessment of the social and distributional impacts that could result from the provision of a new road;
 - o Identifies potential route alignments;
 - o Provides advice on the design standard required to provide for the demand identified, and that would potentially provide greatest economic / social benefits;
 - o Assesses the likely cost of provision, including consideration of the individual alignments identified, and of different design standards as appropriate;
 - o Provides indicative Benefit to Cost Ratios and other financial metrics for route options considered, including:
 - The transport case;
 - The transport case with primary indirect benefits; and
 - The transport case with primary and secondary indirect benefits.
 - o Considers the role of major improvements to the A10, either as:
 - one of the options for an M11 extension route;
 - In addition to an M11 extension route;
 - Instead of the M11 extension.

The importance of the aligned and consistent assessment of the transport, economic and social rationale for improvements to the A10 and the proposals to extend the A47 into the M11 cannot be over-emphasised.

All of the above should be considered in the context of:

- Planned housing and economic growth in Fenland, East Cambridgeshire, West Norfolk, Huntingdonshire and in the Cambridge area;
- Proposals to upgrade public transport, pedestrian and cycle links on the corridor, to provide for growth in Ely, at Waterbeach Barracks and in north Cambridge
- Proposals to improve the A47 Trunk Road between Thorney, Guyhirn, Wisbech and Walton Highway;
- Current and future rail capacity on the Peterborough – March – Ely – Cambridge route and on the Kings Lynn – Downham Market – Ely – Cambridge – London route;
- Proposals to reopen the railway line between Wisbech and March, and to run rail services between Wisbech and Cambridge.
- Broad consideration of potential constraints, including environmental, heritage and socio-economic.

The feasibility study will provide a robust understanding of current and future travel demand in the area. It will provide an understanding of the viability and economic benefits of options that might be brought forward. A mixture of disciplines will be required to undertake the study, including transport planning, transport modelling, engineering, planning and economic assessment.

High level issues and risks associated with each route option considered should be identified. At each stage of assessment, options should be compared with 'do nothing' and 'do minimum' options. The scope of a do-minimum option will need to be agreed, but is likely to include limited improvements to existing highway and public transport infrastructure in the study area. It should also be consistent with the original A10 commission's assessment of do-minimum conditions between Cambridge and Kings Lynn, and around Cambridge.

All work must be suitable for use in any Inquiry required as part of future scheme development and implementation. Representation from the consultant team as Expert Witnesses may be required.

Aims and Objectives

The key aims of this feasibility study work and any recommendations from it are:

- To provide conditions that encourage inward investment in higher value employment sectors in the north of Cambridgeshire, and improve access from the north of Cambridgeshire to Cambridge, to the strategic road and rail networks and to London;
- To reduce spatial inequalities across Cambridgeshire and share and expand the benefits of the success of the Greater Cambridge area;
- To ensure that the planned employment and housing growth along the in the north of Cambridgeshire served by the route can be accommodated, and provide for future travel demand between the north of Cambridgeshire, Cambridge, the M11 and London;
- To address current congestion and delay, reduce journey times and improve reliability on the strategic road network between the north of Cambridgeshire and the Cambridge area, and on local routes impacted by the traffic and congestion on A47;

Wider Economic Benefits

A critical element of this commission is the clear identification of the potential wider economic and social benefits that improvements the extension of the A47 into the M11 would bring. While the Assurance Framework of the Combined Authority requires WebTAG compliance, it is the economic and social benefits of the proposals that are the driving factor behind them.

In this context, the commission will be expected to deliver indicative business case metrics, including:

- An initial assessment of wider impacts, regeneration impacts and dependent development impacts as set out in TAG unit A2.
- An initial assessment of social and distributional impacts as set out in TAG unit A4.

In addition the study should identify any further wider any economic and social benefits that would not typically be included in a WebTAG Business Case.

This includes consideration of benefits from development over and above that included in adopted Local Plans, including the Wisbech Garden Town proposals, and any further opportunities for economic development that might be facilitated by the upgrade of the route.

Project Management and Stakeholder Engagement

A Project Board and Project Team are already in place and running the City Deal / County Council Cambridge to Ely and Ely to Kings Lynn work. The Combined Authority or its appointed representative will become a lead partner in the project management of this current study work.

While precise arrangements will need to be confirmed, it is envisaged that parallel but strongly interlinked project management arrangements led by the Combined Authority or its appointed representative will be established. Project Board / Project Team meetings for the two work-streams will be arranged concurrently where possible, with part (or all) of meetings to overlap as appropriate to ensure clear visibility across the study work.

Key stakeholders include:

- The Greater Cambridge City Deal and Cambridgeshire County Council as the commissioning bodies of the Cambridge to Ely and Ely to Kings Lynn study work incorporating the Business Case development work for the A10 and other works identified in those studies;
- The Cambridgeshire and Peterborough Combined Authority, Cambridgeshire County Council and Norfolk County Council as highway authorities for the local roads in the areas that are likely to be affected by the M11 to A47 extension;
- Highways England, as the highway authority for the A47, M11, A11 and A14;
- Fenland District Council, Kings Lynn and West Norfolk Borough Council, East Cambridgeshire District Council, Huntingdonshire District Council, South Cambridgeshire District Council and Cambridge City Council as the Local Planning Authorities where scheme benefits may be felt; and
- The A47 Alliance.

Deliverables and Timescales

It is expected that all written reports will be prepared to the highest standard. Where scheme costs are stated it should be clear exactly what is included and what is not as well as providing a year and quarter pricing. When benefit cost ratios are included it should be clear what is or is not included in them and which costs are being used. Assumptions made should be clearly detailed.

It is anticipated that the commission will take between six to nine months from the initial inception meeting to final reporting.

Transport and Economic Audit Report and Feasibility Study

The requirements of the audit report and feasibility study are detailed above.

Summary document

A non-technical summary of the Audit Report and Feasibility Study must be provided in plain English, be suitable for a non-technical audience, and be appropriate for use at any future public consultation on the proposals.

Project Details

Budget

An indicative budget has been set for this commission.

Full details are not disclosed at this point as maintaining commercial confidentiality will preserve the Combined Authority's ability to engage with Mott MacDonald in commissioning the extension to the existing work to secure the best value for money.

Contract management

The Combined Authority will establish a strategic client group in order to oversee the delivery of this work.

The contract will be managed by <organisation>. The lead contact will be <person>.

The Combined Authority democratic decision-making process are critical to the success of this work. The work will need to inform Combined Authority reports and the consultants may need to present their work to the Combined Authority.

Bids

Bids will be received by <organisation> by the <date> at 17.00. The <organisation> requires three hard copies and an electronic copy either via email or on disc.

Bids should be addressed to <organisation>

Appendix A Relevant available information and previous studies

Cambridge to Ely (A10 North) study (Greater Cambridge City Deal)

Cambridgeshire County Council has commissioned work for the Greater Cambridge City Deal to identify the transport capacity needed to address additional congestion problems and provide for the transport demand of new development in north Cambridge, at a new town at Waterbeach Barracks, and in Ely. This work is considering both the strategic role of the A10 and the requirements for public transport (bus and rail), pedestrian and cycle infrastructure to provide for trips into Cambridge where the road network is severely constrained and already operating at capacity in peak periods.

The A10 North study will test options that could potentially form the southern part of a route between the M11 and A47 as well as relieving the A10 between Ely and Cambridge. The Combined Authority has committed to work with the City Deal to consider the Business Case for upgrading the A10.

A47 dualling Business Case development

The Combined Authority is commissioning Business Case development work for dualling of the single carriageway stretches of the A47 Trunk Road in Cambridgeshire and Peterborough, which are between the A16 and the Thorney bypass in Peterborough, and between the Thorney bypass and Walton Highway (including the stretch between Guyhirn and Wisbech) in Cambridgeshire and Norfolk. This study and the A47 Business Case work will need to be cognisant of each other.

Proposals to reopen the railway line between Wisbech and March

Cambridgeshire County Council has worked with the Greater Cambridge Greater Peterborough Enterprise Partnership, Network Rail and local partners to develop proposals to reintroduce rail services between Wisbech, March, Ely and Cambridge. These proposals have been developed to completion of Stage 2 of Network Rail's GRIP (Governance for Railway Investment Projects) process.

Combined Authority / Enterprise Partnership feasibility study into the infrastructure requirements of the proposed Wisbech Garden Town

Survey data and modelling work

Some County Council, Department for Transport and Highways England traffic count data is available, but additional survey information will be required to inform the study. Growth, development and redevelopment.

Appendix 3

Briefing note: The A10 in Cambridgeshire and the feasibility study into extending the A47 to the M11

Purpose

The Combined Authority wishes to work with the Greater Cambridge City Deal partners to develop the case for improvements to the A10.

The City Deal and Cambridgeshire County Council have already commissioned consultants Mott MacDonald to develop Outline Business Cases for transport improvements (including improvements to the A10) between Cambridge and Ely, and have extended this work to further consider the A10 between Ely and Kings Lynn.

This note summarises this work looking at the A10 in Cambridgeshire and Norfolk, and other work that is planned that could impact on the A10 between Kings Lynn, Ely, Cambridge and Royston. Map 1 shows areas where study work is underway or planned that could impact on the A10 in Cambridgeshire.

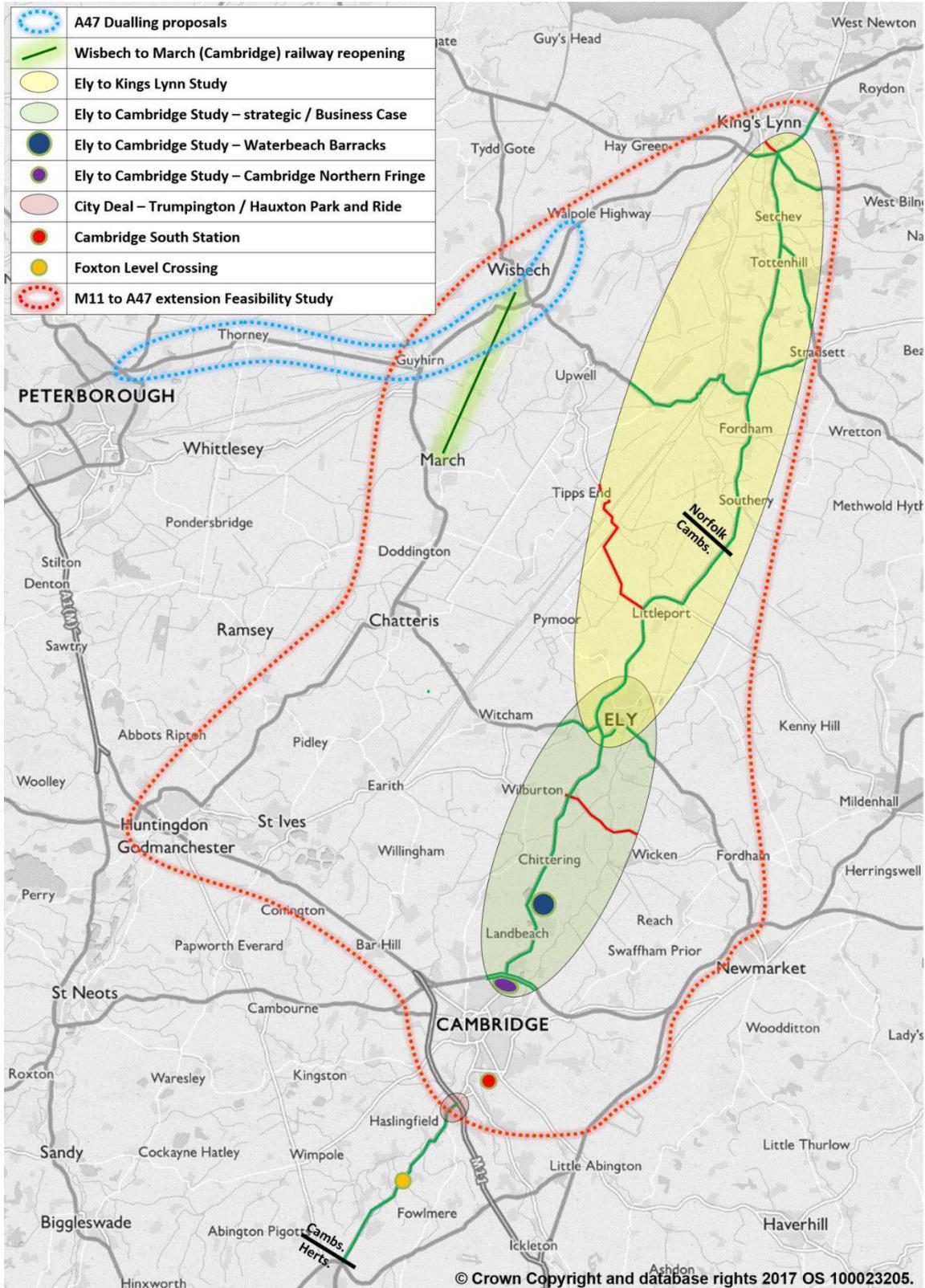
It is recommended that initially, the M11 extension to the A47 feasibility study work should be taken forward alongside and integrated with the current work considering the A10 corridor to the north of Cambridge. This aligned work would continue at least until a point is reached when conclusions are drawn on the best overall strategy for delivering improved north to south highway / transport links. Potential outcomes in relation to highway improvements from the initial work include:

- Demonstration that an upgraded A10 on or close to the current road corridor could form part or all of an M11 to A47 route.
- Demonstration that a new route between the M11 and the A47 is needed and that it would reduce pressure on and hence remove the need for major improvements to the A10 itself.
- Demonstration that major improvements to the A10 and a new route between the M11 and the A47 are needed.

This note also details:

- The transport policy position in relation to development at Waterbeach Barracks, including requirement for a relocated Waterbeach station, Busway links between the new town and Cambridge, pedestrian and cycle networks and improvements to the A10.
- Committed improvements to rail services between Norwich, Kings Lynn, Ely and Cambridge.
- Proposals to reopen the railway between Wisbech and March, and to run Wisbech to Cambridge services.
- Proposals to dual the single carriageway sections of the A47 between Peterborough and Wisbech / Walton Highway.
- Issues with / proposals for improvements to the A10 between Cambridge and Royston

Map 1 A10 Cambridgeshire: current study work / Business Case development



Current work considering the A10 between Cambridge, Ely and Kings Lynn

Greater Cambridge City Deal / Cambridgeshire County Council commissioned Cambridge to Ely / Kings Lynn studies / Business Case development

In November 2015, the County Council commissioned study and Business Case development work on behalf of the Greater Cambridge City Deal considering the transport requirements of a new town at Waterbeach Barracks and of development on the Cambridge Northern fringe. This work is being carried out by Mott McDonald and is looking at all modes of transport, and started with the policy position stated in the Transport Strategy for Cambridge and South Cambridgeshire that development at Waterbeach Barracks will require:

- A relocated station to the north of Waterbeach, to serve the village and the new town;
- A Busway between the new town and the north of Cambridge;
- An extensive high quality pedestrian and cycle network with multiple routes between the barracks, the north of Cambridge and neighbouring villages;
- Improvements to the A10 and at the A10 / A14 Milton Interchange; and
- Measures to mitigate the impacts of the development on neighbouring villages.

The implications of this growth go beyond the City Deal boundaries, and there is already significant congestion on the A10 and parallel routes between Ely and Cambridge. The County Council therefore put some of its own resources into the study to allow the work to consider the wider strategic requirements of the Ely to Cambridge corridor over and above the City Deal remit. The study as originally commissioned therefore had three strands:

- Waterbeach Barracks development transport requirements.
- Cambridge Northern Fringe development options / transport requirements.
- Cambridge to Ely transport requirements and Strategic Outline Business Case development.

Following a motion to the County Council, a further requirement was added to the commission, to consider the economic rationale and case for whole route improvements between Cambridge and Kings Lynn. This led to further work being commissioned to specifically consider the route between Ely and Kings Lynn.

There is flexibility in the existing contract with Mott Macdonald to allow the Business Case development work already underway to:

- Meet the Combined Authority's 100 day commitment to develop a Business Case for improvements to the A10; and
- Meet any additional specific requirements in relation to the A10 required / requested by the Combined Authority.

Extending the A47 to the M11 Feasibility Study

The Combined Authority has committed to undertake a feasibility study into extending the A47 into the M11. This work is intrinsically linked to the A10 Study noted above, as:

- Offline options for highway improvements that are likely to be tested as part of the A10 study and Business Case development work, which could form part of such a route;
- Part or all of the A10 could be considered as one of the corridors for such a route;
- The impacts of a scheme of this scale would have impacts over a wide area; for example:
 - A motorway or dual carriageway route that linked the A47 in the Wisbech area to Cambridge and the M11 would be likely to lead to traffic between Kings Lynn and Cambridge diverting to the new road, as while the distance would be further, the trip would be quicker than alternative on the A10.

Business Cases for the M11 extension and for the A10 could detract from each other if not considered holistically, so should be developed with visibility between the project teams. **For this reason, it is proposed to undertake the initial stages of this work as an extension of the already commissioned work considering the A10.**

Great Northern and Greater Anglia service improvements

From 2018, Great Northern trains between Kings Lynn and London Kings Cross via Cambridge will double in frequency from hourly to half-hourly, and be formed of eight carriages per train rather than the current four. This will alleviate current crowding on services, and provide a viable alternative for more trips between Kings Lynn, Ely and Cambridge for more people compared to the private car. All of these trains will stop at both Waterbeach and Cambridge North.

Greater Anglia have a franchise commitment to extend the current Norwich to Cambridge service to Stansted Airport from 2020, using new four carriage trains, as opposed to the current two or three carriage units.

Together, these changes will mean an extra 8-12 carriages capacity between Kings Lynn and Ely, and an extra 9-14 carriages capacity between Ely and Cambridge. This new passenger capacity between Ely and Cambridge is broadly equivalent to the level of commuter traffic that could be carried by an additional road traffic.

A10 Cambridge to Royston

Trumpington / Hauxton Park and Ride

The County Council, City Council and the Greater Cambridge City Deal are considering options for further Park and Ride capacity on the A10 approach into Cambridge. They are working with the Cambridge Biomedical Campus to understand in detail the future demand for parking on the campus and how much of that requirement might be offset by more effective Park and Ride provision off-campus including at Trumpington or Hauxton.

Cambridge South Station

A station to the south of Cambridge adjacent to the Cambridge Biomedical Campus could provide a viable alternative to current car trips to the campus from the north that currently use the A10, A14 and M11 (or rat run to avoid them).

Cambridgeshire County Council is working with John Laing (scheme promoter), Astra Zeneca, Network Rail, the Department for Transport, the Cambridge

Biomedical Campus partners and the Greater Cambridge City Deal to understand the case for investment in a Cambridge South station. The County Council and John Laing are looking at whether it is possible to put together a Local Authority / private funding package for the station that will enable its early delivery, as was initially proposed at Cambridge North prior to the government providing funding Network Rail to deliver the station directly.

[Foxton Level Crossing](#)

To the south of Cambridge, the A10 crosses the Shepreth Branch railway at Foxton at a level crossing. There are two adjacent footway / cycle bridleway crossings immediately adjacent to the road crossing. In 2012, in partnership with Cambridgeshire County Council, Network Rail commissioned work to develop a scheme to replace the three level crossings with a bridge or underpass for the A10, alongside similar work commissioned the County Council to replace level crossings with bridges at the A605 at Whittlesey and the A142 at Ely.

The County Council is now delivering the Whittlesey and Ely schemes. Network Rail ceased work at Foxton in April 2015, and in 2016, proposed the closure of one of the two pedestrian / cycle / bridleway crossings. This proposal was unpopular locally, and was withdrawn.

Network Rail has (as of early 2017) accepted that a comprehensive solution to the safety management / congestion issues at the crossing needs to be found. The scheme is identified in the Greater City Deal programme, but does not have funding attached to it at this time.

[Thameslink service improvements](#)

Additional services will be introduced into the Thameslink timetable between Cambridge and London Kings Cross from 2018. There will be six trains an hour, two of which will stop at all Cambridgeshire stations on the route, and four of which will stop at Royston. All trains will have either eight or twelve carriages, which will represent an increase of at least sixteen carriages an hour on the route. At present, there are a mix of four, eight and twelve car trains. This will give greater opportunity for inbound trips to the north of Cambridge from the south to use rail (via Cambridge North) rather than the A10, M11 and A14. It will however also increase pressure on the Foxton level crossing.

[A505 Royston to Granta Park Strategic Transport Corridor Study](#)

The Combined Authority is considering its initial programme of scheme delivery and for scheme study and preparatory work at its meeting of 28th June 2017. One candidate for funding is a strategic study / Business Case development brief to look at the A505 between Royston and the A11 at Granta Park. This study would consider the junction of the A10 with the A505 at Royston.

Appendix 4

Brief for Wisbech Garden town proposition

1.0 PURPOSE

- 1.1 The Cambridgeshire and Peterborough Combined Authority (CPCA) is requested to support and fund the feasibility work to progress the Wisbech Garden Town proposals as outlined in this report and the associated documents.
- 1.2 The CPCA and key partners intend on submitting the outcome of the CPCA decision along with the attached reports prepared by Steve Collins, former Homes and Community Agency (HCA) and Urbed to Government (DCLG) and HCA, identifying the ambition to continue to develop this strategic plan and accelerate the delivery of housing for the wider Cambridgeshire Combined Authority area.

2.0 RECOMMENDATION

- 2.1 The Combined Authority is asked to consider and endorse the following:-
 - Note the attached Wisbech Garden Town offer to Government (Appendix 1) and the Urbed report (Appendix 2) along with the confidential drawing (Appendix 3).
 - Approve the continued development of the of the Wisbech “Garden Town” proposal in accordance with the Mayoral 100-day strategy development plan.
 - Support the financial allocation of £6.5m . This covers the initial technical works required to get to the next stage of project development.
 - The development of a new branding and economic strategy for Wisbech.
 - The negotiated appointment of Royal Haskoning DHV to undertake the Wisbech 2020 flood risk studies.
 - Engagement with the current Garden Town delivery partners to determine the most appropriate delivery mechanisms and approach for the management and appointment of technical consultant teams to undertake the works required, overseen by the CPCA.

Once approved the identified partners will work towards procuring the relevant team members and commissioning the works identified in table 1 below.

3.0 KEY ISSUES

- 3.1 Following the establishment of the Wisbech 2020 Vision programme, a step change regeneration project was developed to deliver growth of 10,000 - 12,000 homes in Wisbech over a 40year period.
- This project has developed under the banner of Wisbech Garden Town and initial work has proven it has the potential to leverage investment for a variety of transport and regeneration infrastructure.
 - In addition, it has the capacity to positively impact on the social wellbeing of the town by realising aspirations and improving education attainment, health and wellbeing along with developing a new branding and profile for the town.
 - There is strong support from all tiers of local government across the area including the local MP along with initial support from the community.
- 3.2 The Cambridgeshire and Peterborough East Anglia Devolution Proposal dated 17 June 2016 includes reference to the Wisbech Garden Town.
- 3.3 High level engagement with representatives from DCLG and the Homes and Communities Agency (HCA) has occurred along with supportive lobbying at ministerial level by the local MP.
- 3.4 The HCA seconded a senior manager to assist Fenland District Council (FDC) and partners to build on work to date in order to prepare a submission to Government under its Garden Town prospectus programme. It is intended to submit the proposal in Summer/Autumn 2017 to Government to include the scheme in the Garden City Prospectus, subject to approval, with a request to carry out detailed work over a 24-month period supported and funded by CPCA to prove the case is viable and deliverable.
- 3.5 CPCA is requested to make a budget allocation of £6.5m to fund the feasibility work required to establish a viable project,.

4.0 PROJECT SUMMARY

- 4.1 In 2013, Fenland District Council (FDC), Cambridgeshire County Council (CCC), Wisbech Town Council (WTC) the local MP and other key stakeholders came together and pledged to work collectively in partnership to address the unique challenges faced by the local community. These challenges related to housing, social and economic deprivation in the area and the impact this has on the quality of life.
- 4.2 From this collaboration, the Wisbech 2020 Vision programme was established; an initiative to improve the prospects of Wisbech and its residents, with community engagement at its very heart. The Wisbech 2020 Vision programme has grown from strength to strength and has maintained ongoing support from multi-sector partners, delivering a significant number of projects across the town. However, there was a recognition that 'step change' was required to reverse the fortunes of the town, and that this could only be achieved via growth

of housing and the economy which could in turn contribute to the delivery of much needed housing for the wider Cambridgeshire area.

- 4.4 The concept of a Wisbech Garden Town was born, which has been the focus of attention of FDC and its Wisbech 2020 Vision partners for some 12 months. These partners include CCC, Wisbech Town Council, Environment Agency (EA), Anglian Water (AW), Greater Cambridgeshire Greater Peterborough Enterprise Partnership (GCGP EP), HCA, Kings Lynn and West Norfolk Borough Council (KLWNBC) (as part of the town is in Norfolk), and local Internal Drainage Boards (IDBs).
- 4.5 A spatial planning report was produced by Wolfson Prize winner company Urbed but it was recognised further work on costings and economic appraisal was required to ensure the scheme did not show an operating deficit in order to gain Government support.
- 4.6 Engagement with the HCA and DCLG continued at a high level; a meeting held 20th January 2017 between HCA, FDC, CCC and Stephen Barclay MP, resulted in the HCA commissioning the secondment of Steve Collins, Head of Area (HCA), to conduct a review of the Wisbech Garden Town proposal to submit to Government. This report sets out that the Wisbech concept is deliverable subject to the removal / testing of the statutory constraints. These have been identified as:-
 - Flooding mitigation and management
 - Highway and transportation
- 4.7 In addition to these statutory constraints the HCA report identifies three further pieces of work to facilitate the development of a robust plan for delivering the principals established within the “Garden Town” vision set out in the Urbed Masterplan report (appendix 2).
 - Branding and placemaking strategy
 - Economic / Inward investment strategy
 - Review of delivery and governance arrangements.
- 4.8 The HCA report concludes that in order to test the full extent of viability, the project will need to evolve into a development and placemaking feasibility study assessing the value of transformational growth through embedded “Garden Town” principles. This approach would identify how the Garden Town can help to meet existing challenges, highlight new opportunities and help to address housing issues across the region.
- 4.9 To date, there has been significant investment into the assessment of this proposition, undertaking significant technical work to build evidence, visiting Holland to learn from international best practice on flood management, and utilizing industry leaders from a range of sectors to align thinking on the future of the town.
- 4.10 With the help of the HCA the emerging plans have been independently

reviewed and assessed. This has highlighted some areas where there is further work to do, but it has also confirmed that the approach set out can work to create significant acceleration of housing delivery, and genuinely provide additional housing supply over the long term.

- 4.11 Embedded in the Garden Town proposal is the requirement for improved connectivity, comprising the reinstatement of the Wisbech-March-Cambridge rail link and the upgrading of the A47 east west economic corridor between Thorney and Wisbech along with a rebranding of the town and further technical and economic appraisals.
- 4.12 It is proposed that the Garden Town proposal (including the HCA report) is submitted to DCLG in summer/autumn 2017 identifying the requirement for Government support for this project and inclusion in the Garden City prospectus.
- 4.13 This report identifies the next stages of technical work required in order to progress the scheme to a deliverable plan.
- 4.14 A budget provision is required to undertake technical studies as set out in Table 1 below. The technical studies will inform future work including the proposed GRIP3 Wisbech rail study
- 4.15 The work will be overseen by a relevant constituted delivery group under the stewardship of the CPCA.
- 4.16 The project will be managed and monitored through monthly appraisals and gateway reviews to ensure work is on track and to review and validate emerging outputs and evidence before proceeding to the next stage of activity and spend. This approach will mitigate against abortive public sector spend if the scheme at any time in the process appears unviable.
- 4.17 All key partners, both public and private, are proud to be able to support this emerging proposal on behalf of the community of Wisbech and have come together with an unprecedented unity of purpose behind the Wisbech Garden Town Proposal.
- 4.18 There is a once in a lifetime window of opportunity now available to transform the future of Wisbech and its community. We are recommending that partners should recognise this opportunity and give their support to ensure its success.

5.0 PREVIOUS INVESTMENT

- 5.1 The project has received approved investment from the following partner organisations:
 - FDC – resources to facilitate the delivery of the early stages of project concept, establishing with the other partners the Wisbech 2020 Vision board along with a Garden Town Steering Group.

- CCC - resources to undertake highway and rail study work.
- FDC, CCC and AW - joint funding Urbed Master planning document (£20k).
- Dutch Government – support for development of the Royal Haskoning DHV Wisbech flood risk studies (£50k).
- DCLG and HCA - capacity funding o (£180k) to facilitate the delivery of the Wisbech Garden Town Proposal.

6.0 INVESTMENT REQUIREMENTS

- 6.1 A budget provision of £6.5m is required to deliver the feasibility work over the next 2 years.
- 6.2 The investment will be used to establish a clear, economically viable proposition that meets the aspiration of the “Garden Town” vision.
- 6.3 The feasibility work will prove the engineering solutions and capacity limitations for the scheme.
- 6.4 It is proposed that the commissioning of all works will be done in a staged way enabling each piece of work to be completed and reviewed showing the schemes deliverability prior to the next stage being commissioned. Whilst this impacts delivery timescales it enables improved control and management.
- 6.5 The table below (Table 1) provides a breakdown of how the new investment

will be used:

Investment Purpose
Building Delivery Capacity Proposed project team resources
Flood Modelling works
Connectivity study (road, rail and digital)
Highway modelling – A47 and local network modelling around Wisbech (This work will link to the wider A47 upgrade study which forms part of a separate CPCA study)
Transportation - GRIP 3 Rail study
Comprehensive market assessment –viability, demand, market
Acquisition Strategy
Brand, inward investment and placemaking strategic assessment
Social Impact Assessment
Development and phasing viability assessment
Green book appraisal
Delivery options analysis
Detailed technical studies including EIA, SI, etc.
Planning work and application Phase 1 Wider masterplan and planning work
Accelerated delivery - modern methods of construction
Legal and governance options and arrangements
Offsite infrastructure assessment
Miscellaneous work

6.6 The table below (Table 2) provides a high level description of each of the investment items:

Investment Item	Description
<p>Building Delivery Capacity Proposed project team resources</p>	<p>Project team to maintain momentum of delivery throughout the next 2 years.</p> <p>Principal team members: project director, senior engineer, senior land surveyor and communications specialist professional.</p> <p>The purpose of these specific roles is to drive forward the priority deliverables identified within the key milestone programme.</p>
<p>Flood Modelling works</p>	<p>Flood analysis to demonstrate a flood resilient scheme in accordance with the National Planning Performance Framework (NPPF)</p> <p>Flood management strategy for early Phase 1 development area.</p>
<p>Connectivity study (road, rail and digital) (£20,000 covered by current capacity funding)</p>	<p>High level assessment of the most beneficial infrastructure (hard and digital) to connect Wisbech to the wider Cambridgeshire and Peterborough region and national networks.</p>
<p>Highway modelling – A47 and local network modelling around Wisbech (This work will link to the wider A47 upgrade study which forms part of a separate CPCA study)</p>	<p>Highway transportation assessment to establish the existing capacity within the major road network and incorporate existing improvement plans within Highway England’s identified capital programme.</p> <p>Confirm the total road infrastructure options and costs via modelling the expanded town to enable the whole development to proceed, along with a phased programme for delivery and an early Phase 1 development area.</p>

<p>Transportation - GRIP 3 Rail study</p>	<p>Wisbech rail is a fundamental part of bringing about significant change to the area by improving sub-regional and regional connectivity and helping to improve the economic function of the place. Tying into the wider Cambridgeshire and East of England economy will serve as a significant benefit to attracting new economies to the area.</p> <p>The work required is the GRIP3 study.</p> <p>However, The team will test these assumptions and seek an alternative provider to Network Rail in fulfilling the requirements of GRIP3.</p> <p>Options to either public run or private run operations will be reported back thus ensuring options have appropriate consideration before undertaking significant capital investment if required.</p>
<p>Comprehensive market assessment – viability, demand, market</p>	<p>To establish the demand, deliverability and market conditions to support a large scale accelerated delivery programme.</p> <p>This work will culminate in a plan to show how residential development can be delivered and it will also detail the pace of development along with residential values assumptions that could be achieved over the lifetime of the project.</p>
<p>Acquisition Strategy</p>	<p>A comprehensive plan to secure the necessary land to enable delivery of the wider new town and associated infrastructure requirements.</p> <p>It will incorporate a schedule of land owners, intended land use and estimated acquisition cost and time table.</p> <p>It will explore the acquisition options including method of purchase e.g., option, freehold, compulsory purchase order (CPO) etc.</p>
<p>Brand, inward investment and placemaking strategic assessment</p>	<p>Wisbech historically suffers from a very low perception of place; the branding strategy aims to develop a plan to enable full participation and engagement with the existing town.</p> <p>It will aim to raise the profile of the project and the value / benefits that it will bring to the area including inward investment / regeneration etc.</p>

<p>Social Impact Assessment</p>	<p>To understand further the true demographic makeup of the place.</p> <p>This includes understanding the key performance indicators of Wisbech to help inform the wider delivery strategy, how people can improve health and wellbeing, employment opportunities and how the community can make positive social impacts on their town.</p> <p>This will also feed into the wider branding strategy. In addition, it will also assess the impact of the project on savings to the public purse via reduction of benefits and increased tax income.</p>
<p>Development and phasing viability assessment</p>	<p>Viability assessment on the preferred options to confirm viability, assuming delivery of infrastructure and placemaking have been agreed.</p>
<p>Green book appraisal</p>	<p>Full Green Book economic appraisal will enable full Government endorsement for future funding support for the likes of land acquisitions, and forward funding infrastructure investment.</p>
<p>Delivery options analysis</p>	<p>Development of phasing delivery strategy for whole development will include an early phase one subject to infrastructure capacity, along with an understanding of the trigger points for infrastructure, schools, highways, open space, health care etc.</p>
<p>Detailed technical studies including EIA, SI, etc.</p>	<p>Detailed technical assessment on the phase one development area will help to inform a planning application and delivery of engineering and environmental solutions.</p>
<p>Planning work and application Phase 1 Wider masterplan and planning work</p>	<p>Preparation of the Phase 1 planning application work (subject to confirming location) will be followed by wider masterplan and planning work.</p>
<p>Accelerated delivery - modern methods of construction</p>	<p>Modern methods of construction, will be considered in line with current Government thinking. The opportunity to incorporate accelerated build via factory built units and the potential for a Fenland based factory serving the region already has the support of the HCA.</p>
<p>Legal and governance options and arrangements</p>	<p>Consider and develop the most appropriate delivery vehicle to take the project forward.</p>

Offsite infrastructure assessment	Offsite infrastructure capacity checks will include electricity, water, sewerage, gas and broadband options as well as the costed upgrades that would be required to enable a comprehensive high-quality development to proceed.
Miscellaneous work	Unforeseen works or services; contingency

7.0 PROJECT MILESTONES

- 7.1 It is proposed that a detailed programme plan will be developed by the delivery group at the initial stage of the project with work sequencing, inter-dependencies and priorities all being taken into consideration.
- 7.2 The detailed programme plan will include defined milestones and gateway reviews with the intention that this piece of work will form part of the initial assessment along with a relevant resourcing plan. It will also consider economies of scale where similar works can be rolled into wider procurement strategies.
- 7.3 Relevant governance and programme management will inform such programming and resourcing over the proposed 24 month period.

8.0 PROJECT BENEFITS

- 8.1 Undertaking this project ensures a pipeline of good quality homes being developed and delivered within the Wisbech area. It will also address the social, economic and deprivation challenges.
- 8.2 The report produced by the HCA suggests there is a good economic base on which to build a new brand predicated on the principles set out in the Urbed report. However, it is also recognised that there are the engineering and value challenges to overcome principally flooding risk and water management, highway and transportation and lower number of housing completions compared with other parts of the Cambridgeshire region.
- 8.3 The purpose of this investment is to prove these challenges can be addressed and delivered as part of the wider economic case for continued development of this opportunity. Further benefits can be delivered in terms of wider regeneration of the town. Investment in infrastructure will benefit of the wider region making East - West connectivity much more attractive to inward investors promoting businesses.
- 8.4 Establishing the potential for the reopening of the rail line between Wisbech and March and possibly beyond to Cambridge and Peterborough, along with an

upgraded A47 to Peterborough and its North/South links, will help in promoting Wisbech as a destination of choice for business and residents alike. The studies will develop the business case to deliver a viable scheme.

- 8.5 Wisbech also offers the only commercial and leisure port with access to the sea in Cambridgeshire, which can be better exploited for the region.
- 8.6 Wisbech is a good location for linking into and developing further complementary economy geared to agritech, food research and development along with extended food processing. There is also the potential for new sectors such as construction, focusing on modern methods of construction (factory built homes) etc.

9.0 PROJECT MANAGEMENT AND STAKEHOLDER ENGAGEMENT

- 9.1 In order to manage the project and key stakeholders a project delivery board will be required. It is suggested that these arrangements are developed by the CPCA in conjunction with relevant partners.
- 9.2 All consultant works and reports will be commissioned through this board. The financial accountable body for administering the allocated funds will be determined by CPCA and follow its procurement and accounting policies.

10.0 BUDGET

A budget allocation of £6.5m is required as stated above.

11.0 PROCUREMENT

- 11.1 The procurement process will be in accordance with CPCA procurement policy. Consideration will be given to use of the OJEU compliant HCA procurement panels which provide a pre-tendered list of qualified and selected partners that have met both a qualitative and financial assessment based on strict criteria.
- 11.2 It is proposed that the appointment of Royal Haskoning DHV (RHDHV) for the Flood Modelling work will be via a direct untendered appointment. The rationale for this is that RHDHV are offering a innovative method of testing water management that enables live scenario testing and an engineered solution that no other provider has access to. In addition to this, RHDHV has been successful in achieving a £50,000 grant funded contribution to the project. The total offer to undertake the water management modelling services is less than the required threshold for services under the OJEU requirements. This element of the project has been evaluated and considered value for money as no other contracting service provider offer this innovative solution or £50,000 grant contribution to the works.

12.0 STATE AID

- 12.1 It is considered that there are no state aid implications with this phase of the project. A continuous review will be undertaken to evaluate project decisions and reported to the relevant CPCA Delivery Board on a regular basis.



CAMBRIDGESHIRE AND PETERBOROUGH COMBINED AUTHORITY BOARD	AGENDA ITEM No: 2.4
	PUBLIC REPORT

ESTABLISHING AN INDEPENDENT ECONOMIC COMMISSION

1.0 PURPOSE

- 1.1 A fundamental point of reference for this area should be one where the Combined Authority, local businesses and central government share a collective understanding of the size, importance, additionality, and rate of growth of the economy in Cambridgeshire and Peterborough. Creating a single view of the economy will allow political and business leaders to agree on economic priorities and to come together more effectively in pursuing them.
- 1.2 The Combined Authority is committed, through its Assurance Framework, agreed in February 2017 with Government and by the shadow Combined Authority Board, to creating an independent Economic Commission. The establishment of an independent Economic Commission will require partners to work collectively and to think differently about economic growth, investment and prosperity. This paper recommends the steps that will be taken over the coming weeks and months in the formation of the independent Economic Commission, including its membership, its agenda and its administration. The paper also sets out proposals for an initial Independent Economic Review, building on work already undertaken, including through the Strategic Economic Plan refresh, to establish strategic economic advice and evidence.

<u>DECISION REQUIRED</u>	
Date:	28 June 2017
Lead Member:	Cllr Robin Howe
Lead Officer and Author: Martin Whiteley	
Forward Plan Ref: 2017/014	Key Decision: Yes
<p>The Board are asked to agree:</p> <ol style="list-style-type: none"> 1. the steps outlined in the establishment of an independent Economic Commission; 2. that the independent Economic Commission undertake an economic review to be completed by 1 December 2017; and 3. a budget of £145,000 to support the operation of the commission, undertake the economic review, and to promote its findings with Government and private sector investors. 	<p><i>Voting arrangements</i></p> <p>Simple majority including the LEP</p>

2.0 CONTEXT

2.1 The Cambridgeshire and Peterborough economy is nationally and internationally significant, containing places with some of the fastest growth within the UK and representing internationally competitive industry, innovation, and research.

2.2 The independent Economic Commission exists to:

1. develop a robust evidence base on Cambridgeshire and Peterborough's economic performance and potential that:
 - is objective and independent of any specific partner;
 - commands attention and buy-in at the highest levels of Government; and
 - demonstrates the potential for growth in multi-centred economies across the area.
2. provide objective and independent advice to the Combined Authority, GCGP EP Board:
 - on the economic impact of key decisions and investment programmes; and
 - long-term drivers of growth across the Cambridgeshire and Peterborough economy.

This advice would be available to and benefit others investing for economic growth in the area, for example the City Deal Board

3. help to influence decisions taken at national level, drawing on commissioners' connections and networks to improve partners' access to opinion formers and decision-makers.

2.3 Without a well-informed understanding of the complexities and factors affecting Cambridgeshire and Peterborough, there is a serious risk that the significance of this economy is not fully understood, recognised and collectively acted upon.

3.0 ESTABLISHING THE INDEPENDENT ECONOMIC COMMISSION

3.1 Reflecting the need for a world-class source of independent economic advice and evidence, the Combined Authority's Assurance Framework, agreed with Government, sets out the commitment to form an independent Economic Commission.

3.2 This will inform the strategies, investments and interventions of the Combined Authority as well as creating an authoritative source of advice and evidence for Government, City Deal Board, Greater Cambridge Greater Peterborough Enterprise Partnership other local agencies, and all those that have an interest in the prosperity of Cambridgeshire and Peterborough. For the Combined Authority, this advice and evidence will come at a time when significant investment decisions are to be made that will bring new opportunities to make a difference at a local level.

3.3 It is recommended that this is brought about in two distinct phases:

- Phase 1: An interim Independent Economic Commission - operating from July 2017 to March 2018 and taking immediate responsibility for an independent Economic Review bringing together the input of a broad range of experts and stakeholders into a single strategic document;
- Phase 2: An Independent Economic Commission – operating from March 2018 onwards, and drawing from those involved in the Economic Review to form a small ongoing Commission that will provide on-going strategic advice.

3.4 The independent Economic Commission will report on the evidence they have gathered, the economic advice they have prepared, and any recommendations they have to the Mayor and the Combined Authority Board. They will do this periodically as their programme of work develops and on conclusion of the Economic Review. The Combined Authority Deputy Mayor and Portfolio Holder for Economic Growth, Councillor Robin Howe, will act as the interface between the Commission and the Board.

3.5 The suggested Terms of Reference of the independent Economic Commission and the Economic Review, are included as Appendix A of this report. These Terms of Reference outline how those leading the Commission and Review will gain the input of Cambridgeshire and Peterborough stakeholders and technical experts (through a Technical Advisory Board) in order to generate robust advice that reflects the complexity of local, national, and international factors.

- 3.6 It is proposed that a small number of commissioners are appointed initially (c. 8-12) and that they are compiled based on the following criteria:
- recognised as a leader in their field with expertise or experience directly relevant to the review
 - typically high-profile economists, local business representatives and academics
 - experts in economics, housing/planning, education and skills, transport/infrastructure, SME development and technology and innovation.
 - has a network of people and resources of relevance to the review
 - independence and diversity (a track record of independent thought).
- 3.7 In this light, **Dame Kate Barker** has been recommended and agreed in principle to Chair the interim Independent Economic Commission. Dame Barker is a nationally respected and renowned economist, with a wealth of experience advising on national monetary policy for the Bank of England as well as public policy.
- 3.8 Informal discussions with other prominent economists have been initiated and the following would be keen to provide advice and support to the Combined Authority:
- **Dame Carol Black** – is Principal of Newnham College, Cambridge. From 2006 to 2016, she advised the British Government on the relationship between work and health.
 - **David Cleevely** - is an entrepreneur and international telecoms expert who has built and advised many companies, principally in Cambridge.
 - **Lord Willetts** – is a visiting Professor at King’s College London. He is a former Government Minister and has held a number of senior posts in Government.
 - **Lord John Browne** - is best known for his role as the Chief Executive of the energy company BP between 1995 and 2007.
 - **Warren East** – is Chief Executive of Rolls-Royce, and a Non-Executive Director of Dyson Limited.
 - **Alan Hughes** – is Professor of Enterprise Studies at the Cambridge Judge Business School. Until 2014 he was the Director of the Centre for Business Research at the University of Cambridge and of the UK Innovation Research Centre.
 - **Andy Nealy** – is Pro-Vice-Chancellor for Enterprise and Business Relations at the University of Cambridge, Head of the Institute for Manufacturing (IfM) and Head of the Manufacturing and Management Division of Cambridge University Engineering Department.
 - **Professor Diane Coyle** - is an economist and a former advisor to the UK Treasury. She was Vice-Chairman of the BBC Trust, and was a member of the UK Competition Commission.
 - **Matthew Taylor** – has recently completed his work for the Government on the Gig economy and is Chief Executive of the RSA

It is proposed that the Chair of the Commission should reflect on membership once the core group has been established and in consultation with the Deputy Mayor make changes for this first phase as they consider appropriate and

necessary.

3.9 It is further recommended that the Commission in conjunction with the Deputy Mayor consider establishing a Technical Advisory Board to oversee the Economic Review. Members of the Technical Advisory Board (TAB) will be selected for their technical expertise in economics, cluster policy, demographics, infrastructure and other specific field of relevance to the review. The TAB will oversee the technical aspects of the project and ensure that these are conducted to a high standard.

3.10 Following discussions with the Vice Chancellor, there is potential for Cambridge University to host the commission and provide secretariat support.

3.11 The anticipated costs of the Commission and undertaking the Economic Review are expected to be a maximum of £145,000.00. This will provide for:

- Delivering the first Economic Review and the provision of strategic economic advice to the Combined Authority Board
- Administration of the Economic Commission – ensuring it can operate efficiently and effectively
- Any Honorarium, other small ex gratia payments or expenses to Commission members
- Publication and publicising of the work of the Commission and the first Economic Review in order to support further investment in the area

3.12 The proposed timetable moving forward is as follows:

2017	July	First meeting of the interim independent Economic Commission – consideration of initial issues
	August	No meetings
	September	Second meeting of the interim Economic Commission – stakeholders, outline timetable and funding agreed
	October	Third Meeting and start of the Economic Review
	November	Economic Review main work
	December	
2018	January	Economic Review First draft
	February	Economic Review final draft and final Commission meeting prior to Review publication

4.0 FINANCIAL IMPLICATIONS

4.1 The Board is asked to approve a budget of £145,000 in 2017/18 to fund the anticipated costs of the Commission and undertaking the Economic Review as outlined in section 3.11 above. The funds would be met from the revenue gainshare allocation (£8m for 2017/18) received from the Department for Communities and Local Government. The Board would be asked to approve any additional budget requirements to cover phase 2 costs of the Independent Economic Commission at a future Board meeting.

5.0 LEGAL IMPLICATIONS

5.1 By virtue of the Cambridgeshire and Peterborough Combined Authority Order 2017, the Combined Authority and the Mayor have a general power of competence under section 1 Localism Act 2011. This is a power which enables the Combined Authority to agree the steps to establish an economic commission and to provide funding in support of it.

6.0 EQUALITIES IMPLICATION

6.1 There are no specific equalities implications for this report.

7.0 APPENDICES

7.1 Appendix 1 – Terms of Reference for the interim independent Economic Commission
Appendix 2 – Terms of Reference for the Economic Review

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

Independent Economic Commission: Terms of Reference

The Cambridgeshire and Peterborough Independent Economic Commission (IEC) will:

- develop an authoritative evidence base on the economic performance and potential of Cambridgeshire and Peterborough and its component parts that commands attention at the highest levels of Government;
- reframe thinking about devolution within the UK policy debate – exploring the potential for devolution to unlock growth and improve social outcomes in multi-centred economies as well as in England’s core and key cities;
- provide impartial advice and guidance, on an ongoing basis, on the performance and growth of the Cambridgeshire and Peterborough economy;
- inform choices on policy priorities and strategic investment that are made locally, at the Cambridgeshire and Peterborough level, at national level and at European level; and
- foster a common understanding of the future development of Cambridgeshire and Peterborough’s economy and the long term drivers for change across local partners, and Whitehall and Ministers.

The IEC will provide a robust and independent assessment of the Cambridgeshire and Peterborough economy and its potential for growth. This will provide the evidence base on which Cambridgeshire and Peterborough partners, and partners at national level, can continue to build a collaborative approach to growth and devolution. As part of its early work, the panel will carry out and publish a detailed review that will include:

- a full economic baseline study;
- economic forecasting to determine the potential impact of various scenarios over the next ten years and how the Cambridgeshire and Peterborough economy could respond to these;
- an assessment of whether the Cambridgeshire and Peterborough economy is fit for purpose and its future economic potential;
- analysis of how partners’ investment in key drivers of growth (e.g. key towns, key sectors, key infrastructure) across Cambridgeshire and Peterborough could maximise long-term returns for all areas; and
- an analysis of the impact that the devolution of key economic powers and levers could have on economic output and productivity.

The Commissioners will:

- undertake (and commission as required) high quality research into the performance and opportunities of the Cambridgeshire and Peterborough economy, acquiring and developing data as necessary to build on existing national and local sources;
- engage with local public and private sector stakeholders to build a thorough understanding of the local economic environment and to learn from previous work carried out by partners;
- be an independent body, which will provide ongoing advice to the Combined Authority and issue specific reports at times to be agreed; and
- receive the support of an independent secretariat.

Independent Economic Review: Terms of Reference

Baseline Questions

The Independent Economic Review (IER) will answer a set of Baseline Questions (BQs) using secondary material to hand and other such primary research (such as the Strategic Economic Plan evidence base and expert interviews) as are appropriate. One of the first tasks of the Technical Advisory Board will be to review the following list of questions and to modify, extend or otherwise edit them:

1. How does Cambridgeshire and Peterborough achieve continued prosperity and high growth rates?
2. How equitable is growth across the whole of Cambridgeshire and Peterborough and what strategies should be adopted in future to address this issue?
3. How should Cambridgeshire and Peterborough describe its uniqueness or brand to attract further investment from Government and the private sector?
4. What will be the key industry sectors for Cambridgeshire and Peterborough in the next 5 and 10 years, what is need to support these sectors?
5. What are Cambridgeshire and Peterborough's regional, national and international links?
6. How important is Cambridgeshire and Peterborough for the regional and national economy?
7. How far can economic activity that occurs in Cambridgeshire and Peterborough be shown to be net additional to the UK economy, rather than just displacement?
8. Is Cambridgeshire and Peterborough achieving its full growth potential, and if not what factors are preventing this?
9. Do other growing cities like Cambridge and Peterborough share common characteristics, problems and infrastructure requirements and what can we learn from them?
10. What types of infrastructure investment would best enable Cambridgeshire to achieve its full growth potential and contribute to regional and national economic growth?
11. Are there key areas of investment and projects which should be undertaken?
12. Are there any policy and planning recommendations which arise from the answers to these questions?

Outputs

The outputs of the IER will be:

1. A report to the Combined Authority Board
2. Presentations summarising the work and its implications
3. Workshops and seminars to explain the work and its implications
4. Conference and media appearances and press interviews
5. Publication on the Combined Authority and other web sites

The report, and publicising and explaining its context, will form equally important features of the work.



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

TITLE: NATIONAL PRODUCTIVITY INVESTMENT FUND

1.1 PURPOSE

1.2 The purpose of this report is to ask the Board to agree that four schemes are submitted to the National Productivity Investment Fund (NPIF), run by the Department for Transport. The four schemes have been approved and prioritised by the Highway Authorities – Cambridgeshire County Council and Peterborough City Council.

1.3 If approved by the Board and the bids are successful in securing funding, they will collectively support the delivery of:

- approximately 7,000 new homes – identified in local plans;
- approximately 3,000 new jobs – also identified in local plans; and
- address traffic congestion at recognised bottlenecks.

<u>DECISION REQUIRED</u>	
FROM:	
Lead Member: Councillor Charles Roberts	
Lead Officer: Martin Whiteley	
Forward Plan Ref: Not applicable Key Decision: No	
<p>The Combined Authority Board is recommended to:</p> <ol style="list-style-type: none"> 1. approve the prioritised schemes for the NPIF bids: <ol style="list-style-type: none"> a. A47 Junction 18 Improvements b. March Junctions c. Wisbech Development Access Improvements d. A605 Whittlesey Access Phase 2 – Stanground Access 2. note the significant wider economic benefits they 	<p><i>Voting arrangements</i></p> <p>All members of the Combined Authority must be present for this item</p> <p>At least a two-thirds majority of all members appointed by the constituent councils which must include the</p>

<p>will deliver; and</p> <p>3. note that if successful 30% of the costs of the March Junctions and the Wisbech Development Access Improvement schemes, £3.29m in total, will be met locally through Combined Authority funding, or other funding streams.</p> <p>4. note that if successful 30% of the costs of the A47 Junction 18 improvements and the A605 Whittlesey Access scheme will be met locally, through the local Highway Authority block grant funding.</p> <p>Details will be incorporated within a budget update report to the Board in July.</p>	<p>members appointed by the councils for Cambridgeshire County and Peterborough City</p>
--	--

2.0 BACKGROUND

- 2.1 Within the Cambridgeshire and Peterborough area there are two local highways authorities, Cambridgeshire County Council and Peterborough City Council.
- 2.2 The Cambridgeshire and Peterborough Combined Authority Order 2017 transferred to the Combined Authority the transport functions for the Cambridgeshire and Peterborough area, permitted the Mayor to allocate the transport and highways funding to the local highways authorities and also granted the Combined Authority highways powers to be exercised concurrently with the two existing local highways authorities.
- 2.3 In accordance with that Order, in April 2017 the Combined Authority received funding from the Government to allocate to the local highways authorities to meet the cost of their highways functions and distribute the funding according to an agreed formula. That distribution of the total available funding was agreed by the Combined Authority on 26 April 2017.

National Productivity Investment Fund

- 2.4 As part of the Autumn Statement 2016 the Government announced the creation of the National Productivity Investment Fund (NPIF), worth a total of £23bn for investment in areas that are key to boosting productivity, transport, digital communication, R&D and housing.
- 2.5 In January 2017, the Department for Transport (DfT) allocated £185m from the NPIF to local highways authorities to upgrade local roads in 2017/18 of which Cambridgeshire was allocated £2.89m and Peterborough £0.77m.
- 2.6 The DfT subsequently announced that £490m from the NPIF would be available through a competitive bidding process for spend in Financial Year 2018/19 and 2019/20. Core requirements of the competition are:

- There is a maximum of two bids per Local Highways Authority
- Projects are expected to be in the range of requiring £2m to £5m of DfT funding with a 30% local contribution encouraged
- Projects are expected to deliver early, with on-site works commencing in 2018/19.

2.7 In this NPIF competition, the DfT suggested that Combined Authorities should co-ordinate the bids from the constituent Local Authorities and rank the bids in order of their preference. Whilst this is not compulsory, bids will be seen to be strengthened if they are coordinated and ranked by the Combined Authority. In addition, although not compulsory, endorsement by the relevant Local Enterprise Partnership (LEP) or LEPs would also be taken into account in the bid assessment.

2.8 The closing date for submission of applications is 30/06/2017.

3.0 MAIN ISSUES

3.1 Cambridgeshire County Council went through a shortlist and early stage assessment process to identify schemes that would be suitable for the NPIF and that would be deliverable within the required timescales. Potential schemes were drawn from the Cambridgeshire Transport Investment Plan, proposals previously considered for Growth Deal Round 3 and known proposals from current studies. The ranked list was considered by the County Council's Highways and Community Infrastructure Committee on 30 May 2017 and by its Economy and Environment Committee on the 1 June 2017. Both Committees resolved to support the top two proposals, taking the two equally ranked Wisbech schemes as one proposal.

3.2 Peterborough City Council identified a number of investment schemes that need to be taken forward to help deliver the planned growth of the City as considered by the Leaders and Chief Officers on 22 February 2017. Two schemes were identified as being eligible for consideration within the NPIF competition.

3.3 The Councils have subsequently undertaken a prioritisation exercise to recommend the four prioritised schemes for submission by the Combined Authority as part of an application for NPIF as detailed in the table below.

3.4 The prioritisation process has considered, for each of the shortlisted schemes, and in alignment with the NPIF requirements:

- Economic case – scale of impact
- Economic case – value for money
- Management case – early delivery
- Management case – stakeholder support
- Financial case – local contribution

3.5 The shortlisting criteria and scoring for the schemes is provided at **Appendix 1**.

3.6 In accordance with the DfT guidelines suggesting at least 30% local contribution for each scheme, Table 1 indicates the local contribution. It is proposed that details of the local funding for the schemes, whether from Combined Authority Funding, Local Highway Authority Block Grant or other funding streams will be incorporated within a budget update report to the Board in July.

Table 1: Cambridgeshire and Peterborough Combined Authority NPIF Bid Summary

Scheme Name	Description	Added Value / Outcomes	Total scheme cost	2018/19 NPIF funding sought	2018/19 Local contribution
A47 Junction 18 Improvements Peterborough	The junction represents a key traffic interchange used by local traffic using nearby retail facilities as well as through traffic travelling through Peterborough on both the A47 and A15 to access East Anglia and the ports on the east coast and Lincolnshire to the north.	The scheme will address major congestion issues and provide capacity for housing and employment growth within Peterborough. 500 new jobs 150 new homes	£5.5m	£3.85m	£1.65m PCC
March Junctions Cambridge-shire	A package of junction improvements in March to address congestion problems and provide capacity for housing and employment growth, including at: <ul style="list-style-type: none"> • A141 / Hostmoor Avenue junction • A141 / B1099 Wisbech Road / Whittlesey Road (Peashill Roundabout) • B1101 Station Road / Broad Street with B1099 Dartford Road • B1101 High Street with B1099 St Peters Road 	4,200 new homes 30 hectares employment land around 2,000 jobs (Fenland Local Plan) Provide improved connectivity between existing and new developments in the south and north of the town	£5.3m	£3.71m	£1.59m tbd

<p>Wisbech Development Access Improvements</p> <p>Cambridge-shire</p>	<p>Southern Access Road: provide a link from Boleness Road to New Bridge Lane and then Cromwell Road, with a number of new junctions providing access to the Wisbech South development area, where major employment growth is planned. The scheme also has the benefit of providing an additional east-west link within the town</p> <p>Broadend Road / A47 Junction: provide a new roundabout to replace the current priority junction of the A47 with Broadend Road. It will support the development of the East Wisbech area, which will see around 900 homes delivered within Fenland Wisbech Development Access Improvements:</p> <p>Broadend Road / A47 Junction and 550 within Kings Lynn and West Norfolk. The proposals have been developed jointly with Norfolk County Council</p>	<p>Provide direct access to the South Wisbech development site, mainly employment land with 100 homes</p> <p>Provide direct access to the predominantly residential East Wisbech development site</p> <p>900 homes (Fenland Local Plan)</p> <p>550 homes (King's Lynn West Norfolk Local Plan)</p>	<p>£5.7m</p>	<p>£4.0 m</p>	<p>£1.7m</p> <p>tbd</p>
<p>A605 Whittlesey Access Phase 2 – Stanground Access</p> <p>Peterborough</p>	<p>Cross boundary scheme to improve the junction of the A605 and the B1095 to the east of Stanground. The need for improvements at this junction is driven by the imminent construction of a bridge to replace the existing A605 Kings Dyke railway level crossing and increasing frequency of the closure of the parallel North Bank route due to flooding; both events would lead to significant increases in traffic congestion on at this pinch point on the key route between Peterborough and Whittlesey.</p>	<p>425 new jobs</p> <p>1000 new homes</p>	<p>£4.0m</p>	<p>£2.8m</p>	<p>£1.2m</p> <p>PCC</p>

3.7 It is proposed that the Combined Authority Interim Chief Executive in conjunction with the Portfolio Holder for Transport and Infrastructure is charged with submitting the detailed NPIF applications.

4.0 FINANCIAL IMPLICATIONS

4.1 As outlined in Section 3.6 above and in accordance with the DfT guidelines suggesting at least 30% local contribution for each scheme, Table 1 indicates the local contribution.

4.2 It is proposed that details of the local funding for the schemes, whether from the Combined Authority funding, Local Highway Authority Block Grant or other funding streams will be incorporated within a budget update report to the Board in July.

5.0 LEGAL IMPLICATIONS

5.1 In accordance with the DfT NPIF competition requirements, the Combined Authority is coordinating and ranking the bids for submission to DfT: “In areas where there are Combined Authorities (CAs) then the CA should coordinate bids by its constituent LHAs, including ranking those bids in order of the CA’s preference recognising the objectives of NPIF. Whilst not compulsory, bids will be strengthened if they are co-ordinated and ranked by the relevant CA”.

5.2 Bids are further strengthened by endorsement of the LEP and it is therefore beneficial to this application that the LEP are a voting member on the Combined Authority Board.

6.0 EQUALITIES IMPLICATIONS

6.1 There are no matters to bring to the Board’s attention.

Source Documents	Location
Cambridgeshire County Council Highways and Community Infrastructure Committee report – May 2017	https://cmis.cambridgeshire.gov.uk/ccclive/Meetings/tabid/70/ctl/ViewMeetingPublic/mid/397/Meeting/200/Committee/7/Default.aspx
NPIF prioritisation framework	

Appendix 1

Prioritisation criteria and scoring

	Strategic Case: reduce congestion	Strategic Case: jobs and housing	Economic Case: Scale of impact	Economic Case: Value for Money	Management Case: Early delivery	Management Case: Stakeholder support	Financial Case: Local contribution
Score	Strategic Case: reduce congestion - improve the efficiency of the existing space allocated to transport - avoid simply unlocking latent demand - use smart technology to ease congestion	Strategic Case: jobs and housing - unlock economic and job creation opportunities - enable new housing developments	Economic Case: Scale of impact - what is the scale of impact on traffic condition, journey time, reliability	Economic Case: Value for money - what level of benefits will the project deliver assessed against cost: either in BCR or qualitative assessment	Management Case: Deliverability - certainty of commencing during 2018/19 - certainty of statutory powers in place	Management Case: Evidence of stakeholder support - is there evidence of support for the project from e.g. Members, the public, District Council, Parish Council, Local MP	Financial Case: Local contribution - percentage of local contribution - level of private sector funding
3	Major improvement to congestion and meet new dev't needs	Jobs/homes delivered by 2021, or large numbers enabled	Major congestion reduction with wider positive impact		High certainty commence in 18/19, stat power in place	Formal consultation carried out evidencing support	>50% some private or 30-50% mostly private
2	Some improvement to congestion and meet new dev't needs	Jobs/homes delivered by 2021	Mid-large scale positive impact		Can commence in 18/19, low risk of stat power issue	Supported multiple (eg public & members)	30-50% some private
1	Minor improvement to congestion and meet new dev't needs	Some jobs/homes enabled but not before 2021	Small scale/localised positive impact		Can commence late 18/19, high risk of stat power issue	Support indicated (eg public or members)	<30% some private
0	No change	No change	No impact or +/- balance	No impact or +/- balance	Feasible but highway land issues	No evidence	None
-1	Minor negative impact on the reliability of journey times		Small scale/localised negative impact		Feasible but highway land not sufficient/ multiple issues	Minor opposition indicated	
-2	Some negative impact on the reliability of journey times		Mid-large scale negative impact		Feasible but more significant issues with land, services etc	Multiple opposition indicated	
-3	Major negative impact on the reliability of journey times		Major/cross-district negative impact		Not possible without major additional works	Formal consultation shows large opposition	

Cambridgeshire County Council Prioritisation Scoring

	Strategic Case: reduce congestion	Strategic Case: jobs and housing	Economic Case: Scale of impact	Economic Case: Value for Money	Management Case: Early delivery	Management Case: Stakeholder support	Financial Case: Local contribution	Total Scores	
A141 Huntingdon junction improvements	3	2	2	2	-3	2	2	10	
		enables housing and employment growth within Huntingdonshire	enables housing and employment growth within Huntingdonshire	Scheme is expected to deliver value for money	Scheme is in very early stages of development and would not be possible to be delivered in the short term	scheme is included in the Cambridgeshire LTTS	£106 contribution available		
Eastbound bus lane on A1123 between the B1090 Sawtry Way and Hill Rise	3	2	2	2	-3	2	2	10	
	reduce congestion for buses	supporting housing and employment growth within Huntingdonshire	supporting housing and employment growth within Huntingdonshire	Scheme is expected to deliver value for money	scheme required the delivery of the A14 HE scheme first. Scheme is in very early stages of development and would not be possible to be delivered in the short term	scheme likely to be well supported by bus users	possible £106 contribution available		
March junctions improvement package	3	3	3	3	2	2	3	19	
A141 with Hostmoor Ave A141 with B1099- Peashill Roundabout B1101 Station Rd and Broad Street with B1099 B1101 High St with B1099 St Peters Rd	These sites were identified in both the March Area Transport Study, and the Market Town Transport Strategy. This work shows that congestion is a problem at these junctions and improvements are required to cater for both current congestion and future growth. Existing barriers to economic growth will remain, reducing the potential to build new homes and deliver new employment and causing connectivity problems between existing and new homes			4,200 houses are planned for within FDC Local Plan. This package of junction improvements would improve and enable access to them.	30ha employment land would be supported by this scheme	These schemes will support significant growth.	The schemes are junction improvements which CCC and contractors have experience of delivering	Early consultation on these schemes has been carried out by the previously mentioned study.	There are developer contributions available to support these improvements.
A142 Witchford-Ely Package of capacity improvements	3	3	3	1	-2	2	2	12	
	scheme would reduce congestion help cater for growth at Ely North and Lancaster Way Business Park	scheme would reduce congestion help cater for growth at Ely North and Lancaster Way Business Park	This scheme would support growth at key development sites.	Scheme is in earlier stages of development so this is currently unknown	It would require major works and possible land purchase to deliver this scheme within the time line. This project also needs to tie into some ongoing study work which is not expected to conclude in the short term.	It is thought that this scheme would be well support	There is potential section 106 funding available		
Freedom Bridge Wisbech- and Bus Station improvement	3	1	2	3	3	2	3	17	
FB5 option for Freedom Bridge and BS1a or BS2a option for improved bus station	Freedom Bridge major congestion hotspot in Wisbech	This scheme would help support growth across Wisbech but does not improve access to a particular development site. FDC LP has plans for 3,000 + 550KLWN new homes and 30ha of employment land	Scheme would have a large impact on the town	Outline Business Case will be available in December 2017 but it is expected that this scheme will deliver high value for money	Outline designs for this scheme will be available in Dec 2017. Most of this scheme is within the highway boundary it is felt that it could be delivered quickly.	These schemes have been consulted on as part of the LTP and LTTS. There is a councillor steering group set up which is reviewing scheme and options that are being developed, public consultation on options is being carried out in Autumn 2017	There is £10.5m of Growth Deal funding that could be used as a local contribution. Local developer contributions might also be available		
Wisbech southern access road	2	3	3	3	3	2	3	19	
SAR1 option and CR2 improvements to New Bridge Lane junction with Cromwell Rd	This scheme would provide another east west route through Wisbech and would help to reduce congestion	Provides direct access to the South Wisbech site opening up land allocated within Fenland's Local Plan. 100 houses allocated but the majority is for employment land	Scheme would have a large impact on open up the Wisbech south development site	Outline Business Case will be available in December 2017 but it is expected that this scheme will deliver high value for money	Outline designs for this scheme will be available in Dec 2017. Most of this scheme is within the highway boundary it is felt that it could be delivered quickly.	These schemes have been consulted on as part of the LTP and LTTS. There is a councillor steering group set up which is reviewing scheme and options that are being developed, public consultation on options is being carried out in Autumn 2017. There are also Broad Concept Plan groups that are set up for the three growth areas in Wisbech we provide engagement with landowners and developers.	There is £10.5m of Growth Deal funding that could be used as a local contribution. Local developer contributions will also be available		
Wisbech Broadend Road / A47 junction	2	3	3	3	3	2	3	19	

Peterborough City Council Prioritisation Scoring

	Strategic Case: reduce congestion		Economic Case: Scale of impact		Management Case: Early delivery		Financial Case: Local contribution	Total Scores
A47 Junction 18 Improvements	3 Significant pinch point on Peterborough's strategic route network. Reduce congestion by some	3 enables housing and employment growth within Peterborough	3 Major decongestion and will support economic growth of Peterborough	2 Scheme is expected to deliver excellent value for money	3 Detailed design complete and ready to start on site	2 These schemes have been consulted on as part of the LTP and LTTS.	3 Corporate funding available through prudential borrowing	19
A605 Whittlesey Access Phase 2 – Stanground Access	3 Significant congestion, which will be exacerbated by completion of Kings Dyke Level Crossing improvements.	2 supporting housing and employment growth within Whittlesey and Fenland	3 Major decongestion and will support economic growth of Whittlesey and Fenland	2 Scheme is expected to deliver excellent value for money	3 Simple scheme to design, no permissions required (third party land etc).	2 These schemes have been consulted on as part of the LTTS.	2 possible S106 contribution available	17



CAMBRIDGESHIRE AND PETERBOROUGH COMBINED AUTHORITY BOARD	AGENDA ITEM No:3.2
	PUBLIC REPORT

**HOUSING PROGRAMME: MODULAR HOMES - OFF SITE HOUSING
MANUFACTURING**

1.0 PURPOSE

- 1.1 The purpose of this report is to ask the Board to proceed with a feasibility study to consider the commercial opportunities that might exist for the Combined Authority in off-site housing manufacturing. The study will also consider the wider benefits that could be delivered through off-site construction methods, including new skills and employment, and in accelerating housing delivery.

<u>DECISION REQUIRED</u>	
Date:	28 June 2017
Lead Member:	Councillor Peter Topping
Lead Officer:	Martin Whiteley
Forward Plan Ref:	Not applicable
Key Decision: No	
<p>The Combined Authority Board is recommended to:</p> <ul style="list-style-type: none"> • Proceed with plans to commission a feasibility study to consider the commercial opportunities that might exist for the Combined Authority in off-site construction, and to assess the wider benefits that might be available to the area including accelerating housing delivery. • Note the intention for the Combined Authority Interim Chief Executive in conjunction with the Portfolio Holder for Housing to determine the most appropriate means of procuring the feasibility study in accordance with procurement regulations • Agree a budget allocation of £25,000 in 2017/18 to commission the proposed feasibility study 	<p><i>Voting arrangements</i></p> <p>Simple majority of the Members including the LEP member</p>

<p>and delegate authority to the Interim Chief Executive, in consultation with the Portfolio Holder, to award a contract for the feasibility study provided that the value of the contract does not exceed the approved budget allocation.</p>	
--	--

2.0 BACKGROUND

- 2.1 The Mayor and the Combined Authority are committed to accelerating housing delivery (start on site) to meet local and UK need and support economic growth.
- 2.2 The Combined Authority has received funding and powers from Central Government in a number of areas including £170 million to deliver new homes over a five-year period in Peterborough and Cambridgeshire which includes affordable, rented and shared ownership housing.
- 2.3 The importance of housing is reflected in the Mayor's 100 day commitment to commission a feasibility study to consider how off-site construction methods can be used to further its ambitions and speed up housing delivery.

3.0 MAIN ISSUES – MODERN METHODS OF CONSTRUCTION / OFF-SITE CONSTRUCTION

- 3.1 The Combined Authority is seeking to appoint a Consultant to provide expert independent advice in undertaking a Feasibility Study to consider how off-site construction methods can be used to speed up housing delivery and to determine the options and business case for establishing a production facility/commercial enterprise with the aim of:
- Accelerating housing delivery – the Combined Authority's ambition is to accelerate and sustain delivery of 100,000 new homes across the Combined Authority area;
 - Supporting economic growth - increasing the delivery of homes at prices people can afford will help attract new workers into the area and encourage employers to locate here; and
 - Advancing its ambitions to create a production facility, supporting economic growth and providing employment and training opportunities.
- 3.2 The feasibility study will:
- Prepare a technical paper setting out the necessary considerations in setting up an off-site housing manufacturing production plant. Details of the requirements for the technical paper are set out in **Appendix 1**.
 - Provide advice about the likely local market in Cambridgeshire and Peterborough for an off-site manufactured housing product, and undertake relevant local market research.

- Provide advice about the activities of potential local (regional and national) competitors that are currently operating in this market space or currently considering investing.
 - Provide advice, based on examples from around the UK about the more effective business operating model, including partnership, joint venture and investment options setting out the relevant governance and control mechanisms. Set out the specific revenue and capital funding that would be required from the Combined Authority to progress these options.
 - Provide advice about potential funding sources to support this work and assist in preparation of bids for appropriate available funding.
 - Provide advice about the key risk issues that the Combined Authority would need to consider in developing this proposal.
 - Prepare a strategic outline business case (in accordance with Government / Treasury guidelines) for the proposal.
- 3.3 It is proposed that the Combined Authority Interim Chief Executive in conjunction with the Portfolio Holder for Housing is charged with awarding the contract for the feasibility study in line with the Authority's Contract Procedure Rules.
- 3.4 It is recommended that up to £25,000 be allocated by the Combined Authority to commission this study.
- 3.5 The terms of reference for the feasibility study are included as **Appendix 1** of this report

4.0 FINANCIAL IMPLICATIONS

- 4.1 The Board is asked to approve a budget of £25,000 in 2017/18 to fund the commission of the feasibility study as described in Section 3 of this report. The funds would be met in the first instance from the Revenue Gainshare allocation (£8m for 2017/18) received from the Department for Communities and Local Government in April 2017. There may be an opportunity to capitalise these costs at a later stage once the outcome of the feasibility study is known.

5.0 LEGAL IMPLICATIONS

- 5.1 The Authority's Contract Procedure Rules require at least three quotes from different providers before awarding a contract. The successful contractor is selected based on quality and price. Exemptions to these requirements apply where the market has limited expertise in this area.

6.0 EQUALITIES IMPLICATIONS

6.1 There are no matters to bring to the Board's attention.

7.0 APPENDICES

7.1 Appendix 1: Feasibility Study Brief

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

APPENDIX 1

CPCA HOUSING PROGRAMME

Off-Site Construction Methods Feasibility Study Brief

1. Purpose

- 1.1 The Cambridgeshire and Peterborough Combined Authority wishes to commission a feasibility study to consider how off-site construction methods can be used to assist in furthering development of its ambitions and speed up housing delivery.

2. Introduction / Context

- 2.1 The Combined Authority is seeking to appoint a Consultant to provide expert independent advice in undertaking a Feasibility Study to consider how off-site construction methods can be used to speed up housing delivery (start on site) and to determine the options and business case for establishing a production facility/commercial enterprise with the aim of:
- Accelerating housing delivery – the Combined Authority’s ambition is to accelerate and sustain delivery of 100,000 new homes across the Combined Authority area
 - Supporting economic growth - increasing the delivery of homes at prices people can afford will help attract new workers into the area and encourage employers to locate here; providing employment and training opportunities and potential development of a commercial venture.
- 2.2 South Cambridgeshire District Council (SCDC) has previously commissioned Instinctively Green Ltd (April 2017) to set out the issues that should be considered by the Combined Authority in establishing the increased use of modern methods of construction to increase the supply of housing. The Instinctively Green report focused on the practical issues from three perspectives: the manufacturer, the purchaser and the customer. It highlighted that modern methods of construction do offer the housing sector the opportunity to provide a product of high quality, allowing shorter construction periods at affordable costs. It also identified that a medium to long term supply chain needs to be established and the main purchasers need to work together to find the most efficient and economical system to invest in. Sourcing and control of a long-term supply of land is also considered a critical issue. The report is attached at Appendix 2.

3. Feasibility Study

- 3.1 The Combined Authority is seeking to appoint a Consultant to provide expert independent advice. Specifically the feasibility study will:

- At the outset it is anticipated that a working session(s) will be required with key stakeholders from the Combined Authority and the member local authorities to confirm the 5-10 year development plan across the region and to determine and effect the data collection required for the study.
- Prepare a technical paper setting out the necessary considerations in setting up an off-site housing manufacturing production plant. Details of the requirements for the technical paper are set out below.
- Provide advice about the likely local market in Cambridgeshire and Peterborough for an off-site manufactured housing product, and undertake relevant local market research. This will include reference to relevant recent studies and lessons learned within the sector and existing work that is currently underway in the area for example, but not limited to Build East who are conducting a study across the East of England.
- Provide advice about the activities of potential local (regional and national) competitors that are currently operating in this market space or currently considering investing.
- Provide advice, based on examples from around the UK about the more effective business operating model, including partnership, joint venture and investment options setting out the relevant governance and control mechanisms. Set out the specific revenue and capital funding that would be required from the Combined Authority to progress these options.
- Provide advice about potential funding sources to support this work and assist in preparation of bids for appropriate available funding.
- Provide advice about the key risk issues that the Combined Authority would need to consider in developing this proposal.
- Prepare a strategic outline business case (in accordance with Government / Treasury guidelines) for the proposal.

3.2 Deliverables - The following outputs will be required from this commission:

- A detailed technical paper, as set out below.
- Written advice on options, funding, risks and potential rewards as set out below.
- A report setting out the market research undertaken and the findings as set out below.
- Completed strategic outline business case for the recommended option, as set out below.
- Completed bid for appropriate funding from for example DCLG, GCGPLEP or other funding body.
- Non-Technical Summary of outputs.

- 3.3 It is expected that all written reports will be prepared to the highest standard.
- 3.4 Visibility is required on all costs.
- 3.5 Assumptions made should be clearly detailed.

4. Technical Paper

- 4.1 The technical paper will set out details of the considerations that the Combined Authority will need to take into account when developing this project. In particular it will include details of the following issues:
 - The initial set up costs of an off-site manufacturing facility including both capital and revenue costs providing a breakdown for buildings, equipment, logistics and infrastructure.
 - The required infrastructure arrangements and land requirements for the facility.
 - The potential capacity of a manufacturing facility, and optimum outputs.
 - Detailed projected operational costs and income, together with projections of turn-over, yield and profit before tax.
 - Details of the technical requirements of production, design standards and the potential impacts of changes in the production line set up as designs change over time.
 - Details of potential supply chains for materials and components and details of any potential tax and duty advantages from operating within the Combined Authority area.
 - Details of minimum, maximum and optimum capacity, and break even points.
 - Key risks and other factors that the Combined Authority will need to consider.
 - Details of any statutory consents and compliance requirements that will need to be adhered to.
 - Timescales required for developing the facility.

5. Strategic Outline Business Case

- 5.1 To assist with decision making about this project the Combined Authority wishes to see a detailed business plan setting out the details and associated

benefits and risks. For the purposes of this commission the consultant will be required to prepare a strategic outline business case to inform a decision about proceeding with the development of a full business case.

5.2 The strategic outline business case will need to consider:

- The strategic fit of the proposals to the Combined Authority's wider ambitions.
- An options appraisal, including and assessment of economic costs and benefits and identification of a preferred option. Options need to be summarised and shortlisted according to agreed criteria. Key issues and risks associated with each option should be identified. The options shortlist should be discussed with the client before they are developed to the Strategic Outline Business Case stage.
- Consideration of the commercial issues including reference to the technical requirements, risks, tendering, partnerships and legal framework.
- Financial benefits, costs and risks. It is important that the assessment details and quantifies the wider economic benefits that may be realised as a result of establishing a production facility
- Consideration of the timescales, project governance and project management issues.

5.3 The outline business case should be prepared to support both:

- Support the Combined Authority through the decisions that it will need to take in considering whether to proceed with this project
- Inform potential partner organisations and funders about the proposals, benefits and risks.

6. Non-Technical Summary of Options Appraisal Report and Outline Business Case

6.1 A non-technical summary of the identified options must be provided in plain English and suitable for a non-technical audience. The options and any others that have been discounted, should be presented.

7. Project Management and Stakeholder Engagement

7.1 A Project Board will be established to manage the project and key stakeholders.

7.2 Key stakeholders include:

- The Cambridgeshire and Peterborough Combined Authority

- SCDC - the CA has commissioned SCDC lead on the delivery of the CA's Housing Programme
- GCGPLEP

8. Response

- 8.1 The Consultant should set out their understanding of the brief and describe their proposal to meet the requirements.
- 8.2 A method statement should be provided detailing how the work will be undertaken, including the methodology and approach.
- 8.3 The approach to undertaking the assessment and modelling required should be clearly set out.
- 8.4 The approach to undertaking the business case development should be clearly set out giving details of how the wider economic benefits will be taken into account.
- 8.5 Details of the proposed project team should be provided, including CVs, rates, and evidence of previous similar work successfully undertaken.
- 8.6 A detailed list of deliverables must be provided in response to the brief, including any additional to those identified above that the Consultant considers necessary.
- 8.7 Any client inputs should be identified. For example data collection requirements across the local authorities within the Combined Authority area; and/or meetings with local authorities.
- 8.8 A target cost and programme for completing the work, broken down by key deliverables and milestones and showing deliverables and key dates must be provided.
- 8.9 All reports, technical notes, and other output should be submitted to the Client in draft for review. Changes may be required as part of this review which should then be incorporated into a final report.
- 8.10 A statement detailing any conflict of interest or potential conflict of interest in carrying out this work must be provided.
- 8.11 Any areas of work that are planned to be sub-contracted must be detailed including how this will be undertaken.
- 8.12 A risk register showing the key time and cost risks to the successful completion of this work must be provided.

9. Project details

Contract management

- 9.1 The contract will be managed by the Combined Authority. The lead contact will be <person>.
- 9.2 The Combined Authority democratic decision-making process are critical to the success of this work. The work will need to inform committee reports and the consultants may need to present their work at committee.
- 9.3 Regular contact with the Combined Authority's lead contact will be required throughout the contract, which may take the form of telephone, face to face or email.

Contract terms

- 9.4 The budget range for this contract is from £0 to £25,000 (estimated figure only).
- 9.5 Prices should be for a contract covering the fixed fee for the agreed work for these services and inclusive of all other costs (e.g. subsistence, office stationery etc).

10. Bids

- 10.1 Bids will be received by the Combined Authority by the <date> at 17.00. The Combined Authority requires three hard copies and an electronic copy either via email or on disc. Bids should be addressed to:

Name

Address



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

TITLE: BUDGET REPORT 2016/17 TO 2020/21

1.0 PURPOSE

- 1.1 Constituent members when agreeing to the establishment of the CPCA considered the resource allocations from central government and the initial expenditure plans which have since been further developed. This report provides an update on the draft outturn position and draft Statement of Accounts of the Combined Authority for 2016/17 and of the 2017/18 budget together with the Medium Term Financial Forecast to 2020/21.

<u>DECISION REQUIRED</u>	
FROM:	28 June 2017
Lead Member:	Cllr Steve Count
Lead Officer and Author:	John Harrison
Forward Plan Ref: Not applicable	Key Decision: No
<p>The Combined Authority is asked to approve the following recommendations:</p> <ol style="list-style-type: none"> 1. Note the re-profiling of the Housing Grant funds for the years 2016/17 to 2020/21. 2. Note the Outturn position for 2016/17. 3. Note the Statement of Accounts for the period ended 31 March 2017 4. Approve the external auditors fees for 2016/17 and 2017/18 5. Note the current VAT position of the Combined Authority and the steps being taken to address the issues caused by not having a Section 33 VAT Order in place 	<p><i>Voting arrangements</i></p> <p>1. The approval of changes to the budget must be decided by a simple majority of the members or substitutes of the CA present and voting</p> <p>2. The Transport Budget decisions are presented to the Combined Authority for agreement and require two thirds of constituent councils to</p>

<p>6. Note the budget updates as requested for approval a) in other Board reports on this meeting's agenda. b) as set out for approval in paragraph 3.13 c) to note the budget adjustments made via delegated Authority.</p> <p>7. Note the updated budget and indicative resources for 2016/17, 2017/18 and Medium Term Financial Forecast for 2018/19 to 2020/21 as set out in Appendix A</p>	<p>support them. This two thirds must include Peterborough City Council and Cambridgeshire CC (giving the Councils a veto if not in favour).</p>
---	---

2.0 BACKGROUND

2.1 This report is an update to the April 'Budget report 2016/17 to 2020/21' as presented to the Board on 26 April 2017.

3.0 MAIN ISSUES

3.1 REPROFILING OF HOUSING GRANT FUNDS

3.1.1 The Cities and Local Growth Unit have confirmed that the profiles for the housing funds that the Combined Authority will receive over the next few years are as follows:

	16/17	17/18	18/19	19/20	20/21	Total
Devolution Deal £100m Housing Investment Fund	£10m	£30m	£15m	£15m	£30m	£100m
Cambridge City Housing Gainshare	£10.5m	£10.5m	£17m	£17m	£15m	£70m

3.1.2 The profile given in previous Board reports showed expected funds £10m greater in 2017/18, £5m greater in 2018/19 and in 2019/20, but £20m less in 2020/21. Overall the totals were the same.

3.1.3 This funding stream is now reflected in the updated budget report as shown at Appendix A.

3.2 OUTTURN POSITION 2016/17

3.2.1 The draft outturn shows total net expenditure against the revenue budget for the period to 31st March 2017 of £0.416m, and a variance against the expenditure budget for the period of £0.050m. Please see Table 1. This variance is due to a combination of factors:

3.2.2 Slippage of £0.027m due to differences in phasing of 'set up' budgets across 2016/17 and 2017/18. These slippages relate to activities which will need to be completed in 2017/18 so it is proposed to carry these balances forward into 2017/18 as earmarked reserves.

3.2.3 A number of individual underspends totalling £0.023m.

3.2.4 The Combined Authority has applied to the Department for Communities and Local Government to arrange a S33 VAT Order that would enable the Combined Authority to recover VAT on its purchases. As at 31 March 2017, the necessary Order had not yet been arranged, so the statement of accounts has been drafted on the assumption that the VAT on purchases for the period to 31 March 2017 is not recoverable.

3.2.5 This potential VAT cost totals £81k for the period, and has been shown as a first charge against the £500k Revenue Reserve.

CPCA 2016/17 - Outturn Position

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
	<u>£k</u>	<u>£k</u>	<u>£k</u>
<u>Funding</u>			
Gain Share	20,000	20,000	0
Housing (General)	10,000	10,000	0
Housing (Cambridge)	10,500	10,500	0
Transport Levy	0	0	0
LTP Capital Grant	0	0	0
	<u>40,500</u>	<u>40,500</u>	<u>0</u>
<u>Budget Allocations</u>			
Revenue	466	416	-50
VAT charge	0	81	81
Investment in Transport	0	0	0
<u>Capital</u>			
- Gain Share	0	0	0
- Housing	0	0	0
- Local Transport Plan	0	0	0
	<u>466</u>	<u>497</u>	<u>31</u>
<u>Movement to Reserves</u>			
Earmarked Reserve	0	27	27
Revenue Reserve	500	419	-81
Gain Share Revenue	7,034	7,057	23
Gain Share Capital	12,000	12,000	0
Gain Share Housing	20,500	20,500	0
	<u>40,034</u>	<u>40,003</u>	<u>-31</u>

3.3 STATEMENT OF ACCOUNTS 2016/17

3.3.1 The Combined Authority is required to prepare a Statement of Accounts each financial year, and it must be prepared in accordance with statutory timelines and accounting practices. Since 2010/11 those accounting practices have been based on International Financial Reporting Standards (IFRS) which facilitate the production of accounts in a standardised and consistent format across all industries, public and private sectors, providing greater transparency to all stakeholders.

- 3.3.2 The Chartered Institute of Public Finance and Accountancy (CIPFA) set out the accounting practices in the 2016/17 Code of Practice (the Code) and are followed in the preparation of the 2016/17 Statement of Accounts.
- 3.3.3 Legislation requires the Authority to consider and approve its Accounts. The Council's Constitution delegates this matter to the Audit and Governance Committee.
- 3.3.4 This is in accordance with the Committee's Terms of Reference to review the statement of accounts, specifically, to consider whether appropriate accounting policies have been followed and whether there are concerns arising from the financial statements or from the audit that need to be brought to the attention of the Combined Authority Board.
- 3.3.5 The Accounts must be signed and certified by 30 June 2017 by the Authority's Interim Chief Finance Officer (CFO), in accordance with the Accounts and Audit Regulations 2015. The Authority's CFO has responsibility for certifying that the Accounts present fairly, the financial position of the Authority at 31 March 2017.
- 3.3.6 The Audit and Governance Committee is required to approve the Accounts no later than 30 September 2017 following, and in the knowledge of, the audit findings.
- 3.3.7 2017/18 accounts must be produced under a faster timetable with the draft accounts ready for audit by 31 May and published with opinion by 31 July.
- 3.3.8 A final version of the statement of accounts will be presented to the Audit and Governance Committee meeting to be held on 21st September 2017 at which the Committee will be asked to consider the annual external audit of the Combined Authority's accounts, including the Annual Audit Letter and to assess the implications and monitoring managers' response to concerns
- 3.3.9 The Statement of Accounts for 2016/17 is shown at **Appendix 1**

3.4 EXTERNAL AUDITOR APPOINTMENTS

- 3.4.1 At the April Board meeting, the Board authorised the Chief Finance Officer to negotiate and agree a fee for the 2016/17 audit with the EY LLP on its behalf.
- 3.4.2 The agreed audit fee for the 'Opinion Audit' of the 2016/17 CPCA Statement of Accounts is £15,000.
- 3.4.3 The scale audit fee proposed by Public Sector Audit Appointments Ltd for 2017/18 is £35,000.

3.5 VAT

- 3.5.1 We have requested the Department for Communities and Local Government (DCLG) for an Order to be laid before parliament to specify the Combined

Authority for the purpose of section 33 of the Value Added Tax Act 1994, which will enable CPCA to recover input tax against non-business revenue.

- 3.5.2 We have engaged Grant Thornton to advise the Combined Authority in relation to the treatment of VAT incurred on costs incurred from the time of its formation until such time as it is classified as a local authority for VAT purposes under the terms of Section 33 of the VAT Act 1994 (Section 33). Once this occurs, the Combined Authority will be able to recover VAT incurred on its statutory activities under the special legal regime applicable to local authorities.
- 3.5.3 Until then, there is currently no statutory mechanism for allowing the recovery of VAT on Combined Authority purchases. HM Revenue & Customs (HMRC) are aware of this issue and have verbally confirmed their willingness to consider any suitable suggestions for mitigating the problems.
- 3.5.4 We are meeting the HMRC Customer Relationship Manager for Combined Authorities on 29th June to discuss a way forward.

BUDGET APPROVAL REQUESTS FROM OTHER BOARD REPORTS ON THE AGENDA

3.6 Independent Remuneration panel

- 3.6.1 The current approved budget for the mayoral scheme of allowance is £64,000 in 2017/18 and £70,000 in 2018/19. It is proposed to update the budget for 2017/18 to £76,000 and in 2018/19 to £84,500 to cover the recommended Mayoral allowance and associated on-costs as set out in the Independent Remuneration Panel Recommendation report as discussed under agenda item 1.5 of this Board meeting.
- 3.6.2 The report also recommends that the allowance receivable by the Independent Person of the Audit and Governance Committee be adjusted to reflect the greater level of commitment required for taking on the role of Chair of the Audit and Governance Committee. It is proposed to increase the budget allocation to £1,534 from £1,000.

3.7 Arrangements for Appointment of Statutory Officers

- 3.7.1 The Arrangements for the Appointment of Statutory Officers Board paper (agenda item 1.7) addresses the Combined Authority's legal requirement to appoint a Monitoring Officer and a Chief Finance Officer.
- 3.7.2 The 2017/18 budget for these roles is currently £41,000 for the Chief Finance Officer (including budget for interim cover arrangements) and £25,800 for the Monitoring Officer. Estimated costs for filling both roles in 2017/18 and 2018/19 are as follows:
- 3.7.3 Total costs for the Chief Finance Officer role is expected to be £160,000 in 2017/18. An increase of £119,000 over the existing budget. The total costs

for the permanent role in 2018/19 is expected to be £150,000 including oncosts (existing budget is £32,000)

3.7.4 Total costs for the Interim Monitoring Officer is expected to be £130,000 including oncosts. This is an additional £104,200 required in 2017/18, and £119,000 for 2018/19 on top of the existing budget of £11,000.

3.7.5 In addition, budget allocation is requested for £30,000 for recruitment costs to cover both permanent roles.

3.8 University Business Case

3.8.1 The Business Case for Phase 2 of the University of Peterborough set out under item 2.1 of the agenda asks for approval from the Board to support the project and to approve an initial drawdown of £3.84m to fund curriculum development, marketing and engagement work and the development of the Phase 3 business case and overall investment strategy. The drawdown is requested for July 2017, and is to be funded from £1.1m Capital Gainshare and £2.74m Revenue Gainshare.

3.9 Transport and Infrastructure Schemes

3.9.1 The Strategic and Infrastructure Schemes Board paper (agenda item 2.3) recommends that a total of £8.750m be allocated to commission the initial set of feasibility studies and business cases for:

- Dualling of the A47 Business Case
- A47 extension into M11 Feasibility Study
- Business Case for the upgrading of the A10
- Wisbech Garden Town Feasibility Study

3.9.2 Funds would be provided from Revenue Gainshare and would impact the Combined Authority's 2017/18 and future years budgets as follows:

2017/18 - £4.20m

2018/19 - £3.25m

2019/20 - £1.30m

Total - £8.75m

3.10 Independent Economic Commission

3.10.1 Agenda item 2.4 recommends that the Board approves a budget of £145,000 in 2017/18 to fund the initial phase1 costs of establishing an Independent Economic Commission and of undertaking an initial Independent Economic Review as outlined in the report. The funds would be met from the Revenue Gainshare allocation.

3.11 National Productivity Investment Fund

3.11.1 Agenda item 3.1 requests the Board to agree four schemes to be submitted to the National Productivity Investment Fund. If successful 30% of the total costs of these schemes would need to be funded from local contributions. The

A47 Junction 18 improvements and the A605 Whittlesey Access schemes would be funded through the Local Authority Highway block grant funding. The other two schemes, March Junctions and Wisbech Development Access Improvements would need to have a total of £3.29m further local contribution. The report asks the Combined Authority to make budget allocation from Revenue Gainshare funds for this amount.

3.12 Modular Homes – Off site Housing Manufacturing

3.12.1 The Modular Homes item 3.2 on the agenda recommends that the Board approves a budget of £25,000 in 2017/18 to commission a proposed feasibility study to consider how off-site construction methods may be applied to accelerate housing delivery. The funds would be met in the first instance from the Revenue Gainshare allocation. There may be an opportunity to capitalise these costs at a later stage once the outcome of the feasibility study is known.

3.13 Proposals for budgetary adjustments requiring Board approval

3.13.1 The following recommendations are requested for approval by the Board:

3.13.2 An extension to the existing interim Finance resource to provide support to the Interim Chief Finance Officer until August 2017 - £22,000

3.13.3 To provide a Finance resource to support the development of the Mayor's 100 day plan – to include undertaking financial evaluations of the first wave of Providers submissions for Affordable Housing Schemes - £46,200.

3.13.4 To provide accommodation for the Mayor's Office, the Chief Executive's Office, the Scrutiny Officer and a Legal Officer at East Cambridgeshire District Council, to include utilities and cost of parking spaces - £24,150 per annum

3.13.5 To provide for additional specialist VAT support to assist in the resolution of the VAT issues as set out in paragraph 3.5 of this report - £10,000.

3.13.6 To provide additional ongoing support to the Interim Chief Executive for Project and Programme Management - £84,400

3.14 Budgetary adjustments made via delegated Authority to be noted by the Board

3.14.1 Specialist legal advice to ensure the CPCA's functions are carried out in accordance with the Finance Regulations, wider constitution and relevant legislation - £12,000.

4.0 FINANCIAL IMPLICATIONS

4.1 There are no matters to bring to the Board's attention other than those highlighted in other sections of the report.

5.0 LEGAL IMPLICATIONS

5.1 The Combined Authority is required to prepare a Statement of Accounts each financial year, and it must be prepared in accordance with statutory timelines and accounting practices and in accordance with the Accounts and Audit Regulations 2015.

6.0 EQUALITIES IMPLICATIONS

6.1 There are no matters to bring to the Board's attention.

7.0 APPENDICES

7.1 The Statement of Accounts for 2016/17 is shown at Appendix 1.

7.2 The updated 2017/18 budget and future years spending plans are shown at Appendices A - B

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



**CAMBRIDGESHIRE
& PETERBOROUGH**
COMBINED AUTHORITY

Statement of Accounts

For the period 3 March 2017 – 31 March 2017

For further copies of this document or questions about it please contact:

Interim Chief Finance Officer

Cambridgeshire & Peterborough Combined Authority

Town Hall

Bridge Street

Peterborough

PE1 1HG

email: john.harrison@cambridgeshirepeterborough-ca.gov.uk

Tel: 01733 452520

www.cambspboroca.org

Cambridgeshire and Peterborough Combined Authority

Statement of Accounts for the period 3 March 2017 – 31 March 2017

Contents	Page
Narrative Report	2
Independent Auditors' Report to the Members of the Cambridgeshire and Peterborough Combined Authority	9
Statement of Responsibilities for the Statement of Accounts	10
Expenditure and Funding Analysis	11
Comprehensive Income and Expenditure Statement	12
Movement in Reserves Statement	13
Balance Sheet.....	14
Cash Flow Statement	15
Notes to the Accounts	16
Accounting Policies.....	24
Glossary.....	29
Index of Notes to the Core Financial Statements	31

Narrative Report

1. Introduction

Following the signing of the Order by Communities Secretary, Sajid Javid, the Cambridgeshire and Peterborough Combined Authority (CPCA) came into existence on 3rd March 2017.

Although the Combined Authority was only created on 3 March 2017 and received its first tranche of funding on 20 March 2017, it is still required to produce a statement of accounts for the four week period to 31 March 2017.

This is the Combined Authority's first statement of accounts.

Cambridgeshire and Peterborough has a high performing economy. It is a significant contributor to UK PLC, generating some £7bn per annum in taxes more than the cost of public services in the whole area.

The strategic ambition of the Combined Authority will see this position improve even further. Specifically, the investments that the Combined Authority will make over time in housing, transport, infrastructure and skills/employment will see the economy grow in the next 25 years from £22bn to over £42bn. Over the next ten years, the difference between income (taxes) and expenditure (public service costs) will widen even further, with an additional £2bn per annum being added to the UK economy.

Furthermore, the Combined Authority is committed to delivering public sector reform. Working with all relevant central and local partners - statutory and non-statutory, it will explore innovative and integrated approaches to redesigning public services across Cambridgeshire and Peterborough. It will bring forward a programme of public service reform that will focus on delivering the best outcomes for residents, creating new models of delivery that cuts out bureaucracy, and achieves the most efficient and effective public services.

The Statement of Accounts reflects the activity of the CPCA for the period to 31 March 2017, and it has been prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom.

The purpose of this report is to provide a user-friendly narrative guide to the Authority's accounts as well as setting out the Authority's financial position.

2. Background to the Cambridgeshire and Peterborough Combined Authority

The Combined Authority is made up of eight founding members across Cambridgeshire and Peterborough. Each of the following Constituent Authorities and the Local Enterprise Partnership is represented by their nominated representative or substitute at Combined Authority meetings.

Cambridge City Council
Cambridgeshire County Council
East Cambridgeshire District Council
Fenland District Council
Huntingdonshire District Council
Peterborough City Council
South Cambridgeshire District Council
Greater Cambridge Greater Peterborough Enterprise
Partnership (GCGP LEP)

The following bodies were given Observer status for 2016/17 and were given co-opted member status for the 2017/18 municipal year:

The Police and Crime Commissioner for Cambridgeshire
Cambridgeshire and Peterborough Fire Authority
representative
Clinical Commissioning Group representative

Councillor James Palmer was elected as the first Mayor for the Authority on Thursday 4 May 2017, took office on 8 May 2017 and signed the statutory declaration of acceptance on 31 May 2017.

Vision

The Cambridgeshire and Peterborough region is a world leader in science and technology, with unparalleled levels of cutting-edge research, growth businesses and highly skilled jobs. The area is already a significant net contributor to the UK economy.

Cambridgeshire and Peterborough local authorities, businesses and universities have developed a bold vision for the future, including:

- delivering significant economic growth, including a doubling of the size of our economy;
- creating an area internationally renowned for its low-carbon, knowledge-based economy, including life sciences, information and communication technology, creative and digital industries, clean tech, high-value engineering and agri-business;
- accelerating the delivery of the mix of new homes and sustainable communities that local people demand;
- transforming public service delivery utilising the strong local partnerships of councils, business and public services that have a successful track record of working together;
- achieving a skills base that matches business needs; and
- providing world-class connectivity and transport systems fit for the 21st century.

Ambitions

Key ambitions for the Combined Authority include:

- doubling the size of the local economy;
- accelerating house building rates to meet local and UK need;

- delivering outstanding and much needed connectivity in terms of transport and digital links;
- providing the UK's most technically skilled workforce;
- transforming public service delivery to be much more seamless and responsive to local need;
- growing international recognition for our knowledge based economy;
- improving the quality of life by tackling areas suffering from deprivation.

Mayor

The CPCA receives funding and powers from Central Government in a number of areas including:

- £170 million to deliver new homes over a five-year period in Peterborough and Cambridgeshire which includes affordable, rented and shared ownership housing
- £20million a year funding over 30 years to boost growth in the region
- responsibility for chairing a review of 16+ skills provision in the area

Of these, £40.5m was received during this accounting period. See note 5, page 21 for further details.

In addition the new Mayor of Cambridgeshire and Peterborough will exercise powers and functions devolved from Central Government including:

- responsibility for a multi-year devolved transport budget;
- responsibility for an identified key route network of local authority roads;
- powers over strategic planning, the responsibility to create a non-statutory spatial framework for Cambridgeshire and Peterborough and to develop with Government a Land Commission

3. The Accounts

This Statement of Accounts has been prepared in accordance with statutory requirements, detailed in the Local Government Act 2003, the Accounts and Audit Regulations 2015 and The Code of Practice on Local Authority Accounting in the United Kingdom 2015/16 (the Code).

The Statement of Accounts brings together the major financial statements for the Authority for the financial year 2016/17. The financial statements, along with the notes that accompany them, aim to give a full and clear picture of the financial position of Cambridgeshire and Peterborough Combined Authority. The key contents of the various sections are as follows:

- Statement of Responsibilities – sets out the responsibilities of the Authority and the Chief Finance Officer in respect of the Statement of Accounts.
- Expenditure and Funding Analysis Statement - This demonstrates how the funding available to the Authority for the year has been used in providing services, in

comparison with those resources consumed or earned by authorities in accordance with generally accepted accounting practices. It also shows how this expenditure is allocated for decision making purposes between the Authority's workstreams.

- Comprehensive Income and Expenditure Statement – shows the accounting cost in the year of providing services in accordance with generally accepted accounting practices.
- Movement in Reserves Statement – this statement shows the movement in the year on the reserves held by the Authority.
- Balance Sheet – shows the value of the assets and liabilities recognised by the Authority as at 31 March 2017.
- Cash Flow Statement – summarises the inflows and outflows of cash, and cash equivalents, arising from transactions with third parties.
- Notes to the Financial Accounts - the various statements are supported by technical notes and by the Statement of Accounting Policies.
- Statement of Accounting Policies – outlines the accounting policies adopted by the Authority.

4. Current and Planned Activities

The Devolution Deal was signed in March 2017 and provides for the following powers and budgets to be passed down from Central Government to become the responsibility of the Mayor and the Combined Authority:

OVERALL POWERS

General power of competence

The Mayor and Cambridgeshire and Peterborough Combined Authority have a 'general power of competence'. This means that the Mayor and the Combined Authority can legally do anything that individuals generally may do, unless the law specifically prohibits it.

IMPACT OF THE CURRENT ECONOMIC CLIMATE

The Combined Authority will establish an Independent Economic Commission to provide a robust and independent assessment of the Cambridgeshire and Peterborough economy and its potential for growth. This will provide the evidence base on which Cambridgeshire and Peterborough partners, and partners at national level, can continue to build a collaborative approach to growth and devolution.

As part of its early work, the panel will carry out and publish a detailed review that will include:

- a full economic baseline study;
- economic forecasting to determine the potential impact of various scenarios over the next ten years and how the Cambridgeshire and Peterborough economy could respond to these;

- an assessment of whether the Cambridgeshire and Peterborough economy is fit for purpose and its future economic potential;
- analysis of how partners' investment in key drivers of growth (e.g. key towns, key sectors, key infrastructure) across Cambridgeshire and Peterborough could maximise long-term returns for all areas;
- an analysis of the impact that the devolution of key economic powers and levers could have on economic output and productivity.

5. Revenue Position

The Comprehensive Income and Expenditure Statement (CIES), page 12, shows the gross revenue expenditure and income together with net expenditure

The Combined Authority has applied to the Department for Communities and Local Government to arrange a S33 VAT Order that would enable the Combined Authority to recover VAT on its purchases. As at 31 March 2017, the necessary Order had not yet been arranged, so the statement of accounts has been drafted on the assumption that the VAT on purchases for the period to 31 March 2017 is not recoverable. This potential VAT cost totals £81k for the period, and has been shown as a first charge against the £500k Revenue Reserve.

The final outturn position shows a surplus of £40.0m. This position is primarily a result of a full year's funding being

received for 2016/17 on 20 March 2017 and not having been spent or committed by the end of the accounting period

This surplus has been added to the Authority's Reserves and is incorporated within the transfer to and from reserves in the Movement in Reserves Statement on page 13.

The Authority did not enter into any borrowing arrangements during the period ended 31 March 2017.

Balances

As at 31 March 2017, the balance on the Authority's Reserves was £40.003m.

The actual income and expenditure against budget for the period is summarised in the following table:

CPCA 2016/17 - Outturn Position

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
	<u>£k</u>	<u>£k</u>	<u>£k</u>
<u>Funding</u>			
Gain Share	20,000	20,000	0
Housing (General)	10,000	10,000	0
Housing (Cambridge)	10,500	10,500	0
Transport Levy	0	0	0
LTP Capital Grant	0	0	0
	<u>40,500</u>	<u>40,500</u>	<u>0</u>
<u>Budget Allocations</u>			
Revenue	466	416	-50
VAT charge	0	81	81
Investment in Transport	0	0	0
<u>Capital</u>			
- Gain Share	0	0	0
- Housing	0	0	0
- Local Transport Plan	0	0	0
	<u>466</u>	<u>497</u>	<u>31</u>
<u>Movement to Reserves</u>			
Earmarked Reserve	0	27	27
Revenue Reserve	500	419	-81
Gain Share Revenue	7,034	7,057	23
Gain Share Capital	12,000	12,000	0
Gain Share Housing	20,500	20,500	0
	<u>40,034</u>	<u>40,003</u>	<u>-31</u>

6. Capital and Treasury Position

CPCA received its first tranche of funding from Department for Communities and Local Government (DCLG) on 20 March 2017. The £40.5m received was made up of £8m 2016/17 Revenue Gainshare, £12m Capital Gainshare, £10.5m Cambridge Housing Grant and £10m General Housing Grant.

The funds were put on short term deposit in accordance with the approved Treasury Management and Investment Strategy.

External Auditors

Public Sector Audit Appointments Ltd has confirmed the appointment of Ernst & Young LLP as the external auditor for the Cambridgeshire and Peterborough Combined Authority to 31 March 2018.

See Note 1, page 16, for further information on external audit fees.

7. Related Parties

The Authority is required to disclose material transactions with related parties; bodies or individuals that have the potential to control or influence the Authority or be controlled or influenced by the Authority. These disclosures can be found in Note 6 on page 17.

8. Summary

I hope readers will find the following pages helpful and interesting in providing an insight into the finances and performance of the Authority.

John Harrison
Interim Chief Finance Officer

Independent Auditors' Report to the Members of the Cambridgeshire and Peterborough Combined Authority

This page will be updated with the External Audit report following the completion of the audit – Sept 2017

Signed:

Date:

Suresh Patel

For and on behalf of Ernst & Young LLP, Appointed Auditor
London

Statement of Responsibilities for the Statement of Accounts

The Combined Authority's Responsibilities

The Combined Authority is required to:

- make arrangements for the proper administration of its financial affairs and to secure that one of its officers has the responsibility for the administration of those affairs. In this Combined Authority, that officer is the Interim Chief Finance Officer
- manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets; and
- approve the Statement of Accounts.

The Interim Chief Finance Officer's Responsibilities

The Interim Chief Finance Officer is responsible for the preparation of the Combined Authority's Statement of Accounts in accordance with proper practices as set out in the CIPFA / LASAAC Code of Practice on Local Authority Accounting in the United Kingdom (the Code).

In preparing this Statement of Accounts, the Interim Chief Finance Officer has:

- selected suitable accounting policies and then applied them consistently;
- made judgements and estimates that were reasonable and prudent;
- complied with the local authority Code.

The Interim Chief Finance Officer has also:

- kept proper accounting records which were up to date
- taken reasonable steps for the prevention and detection of fraud and other irregularities.

Interim Chief Finance Officer's Certificate

I certify that the accounts set out on pages 11 to 28 present a true and fair view of the financial position of the Combined Authority at 31 March 2017 and its income and expenditure for the period ended 31 March 2017.

Interim Chief Finance
Officer:

Xxxxxx

Date:

John Harrison
XX September 2017

Approval of the Statement of Accounts

I confirm that these accounts were approved by the Audit and Governance Committee at the meeting held on 21 September 2017.

Chair of the Audit
Committee:

*Not to be signed until September
2017*

Date:

Name
21 September 2017

Expenditure and Funding Analysis

The Expenditure and Funding Analysis shows how annual expenditure is used and funded from resources (government grants, council tax and business rates) by local authorities in comparison with those resources consumed or earned by authorities in accordance with generally accepted accounting practices. It also

shows how this expenditure is allocated for decision making purposes between the Combined Authority's directorates. Income and expenditure accounted for under generally accepted accounting practices is presented more fully in the Comprehensive Income and Expenditure Statement.

Expenditure and Funding Analysis (EFA)	Notes (From Page 16)	2017	
		Net Expenditure Chargeable to the General Fund	Adjustments between the Funding and Accounting Basis*
		£000	£000
Governance	2	293	-
Fiscal	1	118	-
New Homes		56	-
Skills		14	-
Communities & Communication		18	-
Cost of Services		499	-
Other Income & Expenditure	4,5	(8,002)	(32,500)
(Surplus) / Deficit on Provision of Services		(7,503)	(32,500)
Opening General Fund Balance at 3 March 2017		-	
Less/Plus (Surplus) or Deficit on General Fund Balance in Period		(7,503)	
Closing General Fund Balance at 31 March 2017		(7,503)	

*When accounting on a statutory basis, unspent capital grants without conditions are unapplied from the next Expenditure Chargeable to the General Fund, under generally accepted accounting practices these are credited to the CIES.

Comprehensive Income and Expenditure Statement

The Comprehensive Income and Expenditure Statement shows the accounting cost in the period of providing services in accordance with generally accepted accounting practices, rather than the amount to be funded from taxation. Combined Authorities can raise taxation to

cover expenditure in accordance with statutory requirements; this may be different from the accounting cost. The taxation position is shown in both the Expenditure and Funding Analysis and the Movement in Reserves Statement.

Comprehensive Income & Expenditure Statement (CIES)	Notes (From Page 16)	Gross Expenditure £000	2017	
			Gross Income £000	Net Expenditure £000
Governance	2	293	-	293
Fiscal	1	118	-	118
New Homes		56	-	56
Skills		14	-	14
Communities & Communication		18	-	18
Cost of Services		499	-	499
Financing & Investment Income & Expenditure	4	-	(2)	(2)
Taxation & Non-Specific Grant Income & Expenditure	5	-	(40,500)	(40,500)
(Surplus) / Deficit on Provision of Services	7	499	(40,502)	(40,003)
Other Comprehensive Income & Expenditure		-	-	-
Total Comprehensive Income & Expenditure				(40,003)

Movement in Reserves Statement

The Movement in Reserves Statement shows the movement from the start of the period to the end on the different reserves held by the authority, analysed into 'usable reserves' (i.e. those that can be applied to fund expenditure or reduce local taxation) and other 'unusable reserves'. The Statement shows how the movements in period of the Combined Authority's reserves are broken down

between gains and losses incurred in accordance with generally accepted accounting practices and the statutory adjustments required to return to the amounts chargeable to council tax for the period. The Net Increase/Decrease line shows the statutory General Fund Balance movements in the period following those adjustments.

Movement in Reserves	Note	General Fund Balance £000	Earmarked General Fund Reserves £000	Capital Grants Unapplied Account £000	Total Usable Reserves £000	Unusable Reserves £000	Total Authority Reserves £000
Balance at 3 March 2017		-	-	-	-	-	-
Total Comprehensive Income & Expenditure		(40,003)	-	-	(40,003)	-	(40,003)
Adjustments between accounting basis & funding basis under regulations							
- Capital grants & contributions unapplied from the CIES		32,500	-	(32,500)	-	-	-
Net Increase before Transfers to Earmarked Reserves		(7,503)	-	(32,500)	(40,003)	-	(40,003)
Transfers to / (from) Reserves		446	(446)	-	-	-	-
Increase / (Decrease) in 2017		(7,057)	(446)	(32,500)	(40,003)	-	(40,003)
Balance at 31 March 2017 Carried Forward		(7,057)	(446)	(32,500)	(40,003)	-	(40,003)

Balance Sheet

The Balance Sheet shows the value as at the Balance Sheet date of the assets and liabilities recognised by the authority. The net assets of the authority (assets less liabilities) are matched by the reserves held by the Combined Authority. Reserves are reported in two categories. The first category of reserves are usable reserves, i.e. those reserves that the authority may use to provide services, subject to the need to maintain a prudent level of reserves and any statutory limitations on their use (for example the Capital Receipts Reserve that may only be used to fund capital expenditure or repay debt). The second category of reserves is those that the Combined Authority is not able to use to provide services. This category of reserves includes reserves that hold unrealised gains and losses (for example the Revaluation Reserve), where amounts would only become available to provide services if the assets are sold; and reserves that hold timing differences shown in the Movement in Reserves Statement line 'Adjustments between accounting basis and funding basis under regulations'.

3 March 2017	Balance Sheet	Notes	31 March 2017
£000			£000
-	Long Term Assets		-
-	Short Term Investments	0	27,000
-	Short Term Debtors	13	2
-	Cash & Cash Equivalents	11, 16	13,500
-	Current Assets		40,502
-	Short Term Creditors	14	(499)
-	Current Liabilities		(499)
-	Long Term Liabilities		-
-	Net (Liabilities) / Assets		40,003
-	Usable Reserves		(40,003)
-	Unusable Reserves		-
-	Total Reserves		(40,003)

Cash Flow Statement

The Cash Flow Statement shows the changes in cash and cash equivalents of the Combined Authority during the reporting period. The statement shows how the Combined Authority generates and uses cash and cash equivalents by classifying cash flows as operating, investing and financing activities. The amount of net cash flows arising from operating activities is a key indicator of the extent to which the operations of the authority are funded by way of taxation and grant income or from the recipients of services provided by the

authority. Investing activities represent the extent to which cash outflows have been made for resources which are intended to contribute to the authority's future service delivery. Cash flows arising from financing activities are useful in predicting claims on future cash flows by providers of capital (i.e. borrowing) to the Combined Authority.

	Notes	2017 £000
Cash Flow Statement		
Net (Surplus) / Deficit on the Provision of Services		(40,003)
Adjustments to net surplus or deficit on the provision of services for Non Cash Movements		(497)
Adjustments for Items Included in the Net (Surplus) / Deficit on the Provision of Services that are Investing & Financing Activities		-
Net Cash Flows from Operating Activities		(40,500)
Investing Activities	15	27,000
Financing Activities		-
Net (Increase) / Decrease in Cash & Cash Equivalents		(13,500)
Cash & Cash Equivalents at the Beginning of the Reporting Period		-
Increase / (Decrease) in Cash and Cash Equivalents		13,500
Cash & Cash Equivalents at the end of the Reporting Period	16	13,500

Notes to the Accounts

1 External Audit Costs

The Authority has incurred the following cost in relation to the audit of the Statement of Accounts, certification of grant claims and for non-audit services provided by the Authority's external auditors, Ernst & Young LLP (EY).

External Audit Costs	2017
	£000
Fees payable with regard to external audit services carried out by the appointed auditor	18
Other services provided by the appointed auditor	-
Total	18

2 Mayor's and Member's Allowances

No mayor's or member's allowances were paid during the period.

James Palmer was elected as the first Mayor for Cambridgeshire and Peterborough on Thursday 4 May 2017.

3 Officers' Remuneration

The Accounts and Audit Regulations 2015 require the disclosure of certain details relating to employees whose remuneration was £50,000 or more. Additional disclosures are required relating to the organisation's Senior Employees.

These requirements only apply to directly employed staff. During the period the Combined Authority did not have any directly employed staff.

The Combined Authority agreed to appoint three senior officers from constituent councils to fulfil Combined Authority statutory roles whilst continuing the duties of their substantive posts. This arrangement continued until May 2017, or until the earlier permanent appointment to those roles. In each case, the officer's employment contract remained with the constituent council. For all three posts a fixed contribution was due to the officer's employing Council. The associated costs are detailed below.

These reflect transactions between the relevant councils, including currently irrecoverable VAT. No remuneration was received by the officers from the Combined Authority.

Post	Employing Body	Cost £000
Interim Chief Executive (Head of Paid Service)	Fenland District Council	45
Interim Chief Finance Officer	Peterborough City Council	36
Interim Monitoring Officer	Peterborough City Council	57

4 Comprehensive Income and Expenditure Statement – Financing and Investment Income and Expenditure

Financing & Investment Income & Expenditure	2017
	£000
Interest Receivable & Similar Income (Note 0)*	(2)
Total	(2)

5 Comprehensive Income & Expenditure Statement – Taxation and Non Specific Grant Income

Taxation & Non-Specific Grant Income	2017
	£000
Non-Specific Government Grants	
Gain Share - Revenue	(8,000)
Total Non-Specific Grants	(8,000)
Capital Grants & Contributions	
Gain Share - Capital	(12,000)
Housing Grant - General	(10,000)
Housing Grant _ Cambridge	(10,500)
Total Capital Grants & Contributions	(32,500)
Total Income	(40,500)

6 Related Parties

The Combined Authority is required to disclose material transactions with related parties - bodies or individuals that have the potential to control or influence the Combined Authority or to be controlled or influenced by the Combined Authority.

a) Central Government

The UK Central Government has significant influence over the general operations of the Combined Authority, it is responsible for providing the statutory framework, within which the Combined Authority operates, provides the majority of its funding in the form of grants and prescribes the terms of many of the transactions that the Combined Authority has with other parties.

The Department for Communities and Local Government (CLG) provides the majority of the Combined Authority's capital expenditure financing.

The period's transactions, and period end balances were as follows;

Income	2017
	£000
CLG – revenue grants	(8,000)
CLG – capital grants	(32,500)

b) Cambridgeshire and Peterborough Constituent Councils

The Leaders of the district councils, county council and unitary authority; and the Chair of the local enterprise partnership also serve as members of the Combined Authority.

The period's transactions, and period end balances were as follows;

Expenditure	2017
	£000
General expenditure with councils	469
Creditors	
General creditors with councils	469

c) Members

The Members of the Combined Authority have direct control over the Combined Authority's financial and operating policies.

During the period no works or services were commissioned from companies in which any Members had an interest.

d) Officers

The senior officers of the Combined Authority may have direct control over the Combined Authority's financial and operating policies.

During the period no works or services were commissioned from companies in which the officers had an interest. However, as noted in Note 3 key management personnel and officers of Fenland District Council and Peterborough City Council are also the interim statutory officers of the Combined Authority.

The period's transactions, and period end balances with those councils are included in the transactions and balances set out in the table above.

7 Expenditure and Income Analysed by Nature

Expenditure and Income Analysed by Nature	2017
	£000
Expenditure	
Other Service Expenses	499
Total Expenditure	499
Income	
Interest & Investment Income	(2)
Government Grants & Contributions	(40,500)
Total Income	(40,502)
Deficit / (Surplus) on the Provision of Services	(40,003)

8 Movement in Reserves Statement – Transfers to / (from) Earmarked Reserves

This note sets out the amounts set aside from the General Fund Balance in earmarked reserves to provide financing for future expenditure plans and the amounts posted back from earmarked reserves to meet General Fund expenditure.

General Fund Earmarked Reserves	3 March 2017	Transfers Out	Transfers In	Movement between Reserves	31 March 2017	Purpose of the Earmarked Reserve
	£000	£000	£000	£000	£000	
Revenue Reserve	-	81	500		419	This reserve provides a working balance to cover risks to the revenue budget. The transfer from reserves was made to fund currently irrecoverable VAT on expenditure during the period.
Departmental Reserves	-	-	27	-	27	These represent funding for items approved in the 2017 budget where due to timing differences expenditure will be incurred during 2017/18.
Total Reserves	-	81	527	-	446	

10 Financial Instruments

The gains and losses recognised in the Comprehensive Income and Expenditure Statement in relation to financial instruments are made up as follows:

	2017
	£000
Financial Assets	
Interest income	(2)
Total for Financial Assets	(2)
Total for Financial Liabilities	-
Net expenditure for the period	(2)

The following categories of financial instrument are carried in the Balance Sheet:

3 Mar 2017	3 Mar 2017		31 Mar 2017	31 Mar 2017
Long Term	Current	Financial Instruments Balances	Long Term	Current
£000	£000		£000	£000
-	-	Investments - Loans and receivables	-	17,000
		Total investments		17,000
-	-	Debtors - Loans and receivables	-	23,002
		Total Debtors		23,000

11 Fair Value of Financial Assets and Financial Liabilities

Financial liabilities and financial assets represented by loans and receivables are carried in the balance sheet at amortised cost.

Their fair value has been assessed by calculating the present value of the cash flows that will take place over the remaining term of the instruments, using the following assumptions:

- PWLB interest rates for new loans at 31 March 2017 have been used for loans from the PWLB;
- the prevailing rate of a similar instrument with a published market rate has been used as the discount factor for other loans receivable and payable
- no early repayment is recognised;
- where an instrument has a maturity of less than 12 months or is a trade or other receivable the fair value is taken to be the carrying amount or the billed amount.

The Cambridgeshire and Peterborough Combined Authority is not carrying any Financial Liabilities as at 31st March 2017. All Financial Assets held by the Authority are due to mature in less than 12 months so Fair Value is assumed to be the carrying amount. The input level in the fair value hierarchy is Level 1 for all Financial Assets held.

The Loans and Receivables value includes trade debtors. The Fair Values calculated are as follows:

3 March 2017		Financial Assets	31 March 2017	
Carrying Amount	Fair Value		Carrying Amount	Fair Value
£000	£000		£000	£000
-	-	Short Term Investments	17,000	17,000
-	-	Total Cash and bank	500	500
-	-	Other Short Term Loans & Receivables	23,002	23,002
-	-	Total	40,502	40,502

Short-term debtors and creditors are carried at cost as this is a fair approximation of their value.

12 Nature and Extent of Risks Arising from Financial Instruments

The Combined Authority's activities expose it to a variety of financial risks:

- Credit risk – the possibility that other parties might fail to pay amounts due to the Combined Authority.
- Liquidity risk – the possibility that the Combined Authority might not have funds available to meet its commitments to make payments.
- Market risk – the possibility that financial loss might arise for the Combined Authority as a result of changes in such measures as interest rates and money market movements.

The Combined Authority's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the resources available to fund services. Risk management is carried out by the Capital and Treasury Team, under policies approved by the Authority in the Annual Treasury Management Strategy. The Authority provides written principles for overall risk management, as well as written policies covering specific areas, such as interest rate risk, credit risk and the investment of surplus cash.

Credit risk

Credit risk arises from deposits with banks and financial institutions, as well as credit exposures to the Combined Authority's customers.

The risk is minimised through the Annual Investment Policy, which requires that investments are not made with financial

institutions unless they meet minimum credit criteria in accordance with the Fitch Moody's and Standard & Poor's Credit Ratings Services. This Policy also imposes a maximum sum to be invested with a financial institution located within each category.

The 2016/17 Annual Investment Policy sets out the credit criteria below although the Authority actually minimised the risk further by only investing with the Debt Management Office, its banking provider (Barclays), Bank of Scotland (part of the Lloyds Banking Group) and the CCLA money market fund.

The credit criteria in respect of financial assets held by the Combined Authority are as follows:

- Deposits could be made with banks and other financial institutions that have been rated by recognised independent credit rating agencies with a minimum score of "A", with £100m of the total amount deposited in the highest rated category. The credit element of the methodology focuses solely on the Short and Long Term investment ratings, therefore no longer including the viability and financial strength of the institution.
- Deposits can be made with other institutions that have not found it necessary to maintain a credit rating e.g. local authorities, and these are subject to an assessment of risk that is carried out internally. Deposits to these bodies are limited to £50m in total.
- No more than £15m is held with any one banking institution, except for the Debt Management Office (DMO), regardless of standing or duration, and a range of counterparties that operate in different sectors in the UK is used to reduce risk exposure.

- All the counterparties used are licensed to accept deposits in the United Kingdom and are regulated by the Financial Conduct Authority.
- Creditworthiness advice and market intelligence is received from treasury advisors, Capita Asset Services.

Customers for goods and services are assessed, taking into account their financial position, past experience and other factors, with individual credit limits being set in accordance with internal ratings in accordance with parameters set by the Combined Authority.

The Combined Authority had a total of £15.0m deposited with the Debt Management Office (DMO), UK banks and CCLA at 31 March 2017. As the DMO is within the scope of HM Treasury this reduces the overall credit risk. There is a specific risk attached to amounts deposited with the individual institutions based on their ability to make interest payments and repay the principal outstanding, it is however more difficult to assess the risk in general terms. Recent experience has shown that it is rare for such entities to not meet their commitments. Whilst there is a risk of recoverability with regard to these deposits, there was no evidence that this was likely at 31 March 2017.

Liquidity Risk

The Combined Authority has a comprehensive cash flow management system that seeks to ensure that cash is available as needed. In the unlikely event that unexpected movements happen, the Authority has ready access to borrowings from the Public Works Loans Board (PWLB) and the money market generally. There is no significant risk that it will be unable to raise finance to meet its commitments under financial instruments.

Market risk

Interest rate risk

The Combined Authority is exposed to risk in terms of its exposure to interest rate movements on its and investments. Movements in interest rates have a complex impact on the Authority. For instance, a rise in interest rates would have the following effects:

- investments at fixed rates – the fair value of the assets will fall
- investments at variable rates – the interest income credited to the (Surplus) / Deficit on the Provision of Services will rise

The Capital and Treasury Team assesses interest rate exposure which feeds into the setting of the annual budget and is used to update the forecasts during the period. This allows any adverse changes to be accommodated.

Price Risk

The Combined Authority does not invest in equity shares and hence currently has no exposure to losses arising from movements in the prices of the shares.

Foreign Exchange Risk

The Combined Authority has no financial assets or liabilities denominated in foreign currencies and thus has no exposure to loss arising from movements in exchange rates.

13 Debtors

3 March 2017	Debtors	31 March 2017
£000		£000
-	Other entities and individuals	2
-	Total Debtors	2

14 Creditors

3 March 2017	Creditors	31 March 2017
£000		£000
-	Other local authorities	(469)
-	Other entities and individuals	(30)
-	Total Creditors	(499)

15 Cash Flow Statement – Investing Activities

The cash flows for investing activities include the following items:

2015/16	Cash Flow Statement – Investing Activities	2017
£000		£000
-	Purchase of Short Term Investments	27,000
-	Net cash flows from investing activities	27,000

16 Cash Flow Statement – Cash and Cash Equivalents

The balance of Cash and Cash Equivalents is shown in the following table.

2015/16	Cash Flow Statement – Cash and Cash Equivalents	2017
£000		£000
-	Short Term Cash Investments	40,000
-	Bank Current Accounts	500
-	Total Cash & Cash Equivalents	40,500

17 Critical Judgement in Applying Accounting Policies

In applying the accounting policies set out above, the Authority has had to make certain judgements about complex transactions or those involving uncertainty about future events. The critical judgements made in the Statement of Accounts are:

- There is a high degree of uncertainty about future levels of funding for local government. However, the Authority has determined that this uncertainty is not yet sufficient to provide an indication that the assets of the Authority might be impaired as a result of a need to close facilities and reduce levels of service provision.
- The Combined Authority's VAT registration is not yet complete. Furthermore in order to reclaim non-business related VAT, a Section 33 order is required, and this has not yet been enacted by HM Treasury, but is expected to be in place later this year. Discussions are ongoing with HMRC and it is hoped that all VAT will be eventually be reclaimed. As this is not confirmed, the Combined Authority has determined that a prudent approach should be taken to the expenditure in the accounts and no recovery of VAT has been assumed. Once the necessary arrangements are in

place, any VAT related to the period covered by these accounts will be recovered in the next accounting period.

- The Combined Authority has received a number of capital grants, see note 5. A judgement has been required for each one, and although some of the grants have been ring fenced for specific purposes, there are no conditions in place that satisfy the requirements of the Code to treat the unspent elements of the grants as Capital Grant Receipts in

Advance. All unspent capital grant funding has been accounted for in the CIES and transferred to the Capital Grants Unapplied Reserve.

18 Authorisation of the Accounts

The Interim Chief Finance Officer authorises these accounts to be issued on 30 June 2017.

Accounting Policies

General Principles

The Statement of Accounts summarises the Combined Authority's ('the Authority') transactions for the period 3 March 2017 to 31 March 2017 and its position at the period-end 31 March 2017. The Combined Authority is required to prepare an annual Statement of Accounts by the Accounts and Audit Regulations 2015.

The Statement of Accounts must be prepared in accordance with proper accounting practices. These practices primarily comprise the Code of Practice on Local Authority Accounting in the United Kingdom 2016/17, supported by International Financial Reporting Standards (IFRS).

The accounting convention adopted in the Statement of Accounts is principally historical cost, modified by the revaluation of certain categories of non-current assets and financial instruments.

Underlying Assumptions

Going Concern

The accounts have been prepared on the assumption that the Authority will continue in existence for the foreseeable future.

Primacy of Legislation Requirements

In accordance with the Code, where an accounting treatment is prescribed by law then it has been applied, even if it contradicts accounting standards. The following legislative accounting requirements have been applied when compiling these accounts:

- Capital receipts from the disposal of property, plant and equipment are treated in accordance with the provisions of the Local Government Act 2003;
- The Local Government Act 2003 requires the Authority to set aside a minimum revenue provision.

Accruals of Income and Expenditure

Activity is accounted for in the period that it takes place, not when cash is paid or received. In particular;

- Revenue from the sale of goods is recognised when the Authority transfers the significant risks and rewards of ownership to the purchaser and it is probable that economic benefits or service potential associated with the transaction will flow to the Authority;
- Revenue from the provision of services is recognised when the Authority can measure reliably the percentage of completion of the transaction and it is probable that economic benefits or service potential associated with the transaction will flow to the Authority;
- Supplies are recorded as expenditure when they are consumed – where there is a gap between the date supplies are received and their consumption, they are carried as inventories on the Balance Sheet;
- Expenses in relation to services received (including services provided by employees) are recorded as expenditure when the services are received rather than when payments are made;

- Interest receivable on investments and payable on borrowings is accounted for respectively as income and expenditure on the basis of the effective interest rate for the relevant financial instrument rather than the cash flows fixed or determined by the contract;
- Where revenue and expenditure have been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the Balance Sheet. Where debts may not be settled, the balance of debtors is written down and a charge made to revenue for the income that might not be collected.

Cash

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in 3 months or less from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Cash Flow Statement, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Authority's cash management.

Events after the Reporting Period

These are events that occur between the end of the accounting period and the date when the Statement of Accounts is authorised for issue. Two types of events can be identified:

- If events provide new evidence of conditions that existed at the balance sheet date the Statement of Accounts is adjusted.

- Other events are only indicative of conditions that arose after the balance sheet date. The Statement of Accounts is not adjusted. But where such a category of events would have a material effect, disclosure is made in the notes. The note sets out of the nature of the events and their estimated financial effect.

Events taking place after the date of authorisation for issue are not reflected in the Statement of Accounts.

Financial Liabilities

Financial liabilities are recognised on the Balance Sheet when the Authority is contractually committed to a financial instrument. They are initially measured at fair value. They are carried at their amortised cost.

The amount charged to revenue is based on the effective interest rate. The effective interest rate discounts estimated future cash payments over the life of the instrument to the amount at which it was originally recognised.

The carrying value for most loans is outstanding principal repayable plus accrued interest. Interest charged to the CIES is the amount payable under the agreement.

Annual charges for these loans are made to the Financing and Investment Income and Expenditure line in the CIES. The charge is the carrying amount of the liability multiplied by the effective rate of interest.

For these loans the difference between the annual charge and the cash paid is reversed out in the MIRS.

Gains and losses on the repurchase or early settlement of borrowing are charged to the Financing and Investment Income and Expenditure line in the CIES.

Repurchase may be part of restructuring the Authority's loans portfolio. Restructuring involves the modification or exchange of existing instruments.

Any premium or discount on redemption of loans is added to the amortised value of the replacement loan. Premiums and discounts are written down to the CIES. This is done by adjusting the effective interest rate. Regulations allow the impact on the General Fund Balance to be spread over future years. The Authority has a policy of spreading the charge over the remaining term of the loan replaced.

The amount charged to the CIES may differ from the charge against the General Fund Balance. An appropriate transfer is made from the Financial Instruments Adjustment Account in the MIRS.

Financial Assets

Financial assets are classified into two types:

- loans and receivables – assets that have fixed or determinable payments but are not quoted in an active market
- available-for-sale assets – assets that have a quoted market price and do not have fixed or determinable payments.

Loans and Receivables

Loans and receivables are recognised on the Balance Sheet when the Authority is contractually committed to a financial instrument. They are initially measured at fair value. They are carried at their amortised cost.

The amount credited to revenue is based on the effective interest rate. The effective interest rate discounts estimated future cash payments over the life of the instrument to the amount at which it was originally recognised.

Annual credits to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement for interest receivable are based on the carrying amount of the asset multiplied by the effective rate of interest for the instrument.

The carrying value for most loans made by the Authority is outstanding principal repayable plus accrued interest. Interest credited to the CIES is the amount payable under the agreement.

When soft loans are made, a loss is recorded in the CIES. The loss is charged to the appropriate service line. The loss is the present value of the interest that will be foregone over the life of the instrument. The amortised value is therefore lower than the outstanding principal.

Interest is credited to the Financing and Investment Income and Expenditure line in the CIES. The effective rate of interest is higher than the actual rate, increasing the amortised cost of the loan in the Balance Sheet.

Statutory provisions require that the impact of soft loans on the General Fund Balance is the interest receivable for the accounting period. The amount charged to the CIES may differ from the charge against the General Fund Balance. An appropriate transfer is made from the Financial Instruments Adjustment Account in the MIRS.

Assets are identified as impaired if there is a likelihood arising from a past event that payments due under the contract will not be made. The asset is written down and a charge made to the relevant service or the Financing and Investment Income and Expenditure line in the

CIES. The impairment loss is measured as the difference between the carrying amount and the present value of the revised future cash flows. The calculation is made by discounting at the asset's original effective interest rate.

Any losses that arise on the derecognition of an asset are charged to the Financing and Investment Income and Expenditure line in the CIES.

Available-for-Sale Assets

Available-for-sale assets are recognised on the Balance Sheet when the Authority is contractually committed to a financial instrument. The assets are initially measured and carried at fair value.

Where the asset has fixed or determinable payments, annual credits are made to the Financing and Investment Income and Expenditure line in the CIES. Interest receivable is based on the amortised cost of the asset multiplied by the effective rate of interest for the instrument.

Some assets do not have fixed or determinable payments. Income is credited to the CIES when it becomes receivable by the Authority.

Assets are maintained in the Balance Sheet at fair value. Values are based on the following techniques:

- instruments with quoted market prices – the market price
- other instruments with fixed and determinable payments – discounted cash flow analysis
- equity shares with no quoted market prices – multiple valuation techniques (which include market approach, income approach and cost approach)

The inputs to the measurement techniques are categorised in accordance with the following three levels:

- Level 1 inputs – quoted prices (unadjusted) in active markets for identical assets that the Authority can access at the measurement date.
- Level 2 inputs – inputs other than quoted prices included within Level 1 that are observable for the asset, either directly or indirectly.
- Level 3 inputs – unobservable inputs for the asset.

Changes in fair value are balanced by an entry in the Available-for-Sale Reserve and the gain / loss is recognised in the Surplus or Deficit on Revaluation of Available for Sale Financial Assets.

The exception is where impairment losses have been incurred. Impairment losses are debited to the Financing and Investment Income and Expenditure line in the CIES along with any net gain or loss for the asset accumulated in the Available-for-Sale Reserve.

Assets are impaired if

- There is a likelihood arising from a past event that payments due under the contract will not be made (fixed or determinable payments). The impairment loss is the difference between the carrying amount and the present value of the revised future cash flows. The calculation uses the asset's original effective interest rate.
- Fair value falls below cost. The impairment loss is the shortfall of fair value against the acquisition cost of the instrument. The acquisition cost is net of any principal repayment and amortisation.

Any gains and / or losses that arise on the derecognition of the asset are credited or debited to the Financing and Investment Income and Expenditure line in the CIES, along with any accumulated gains or losses previously recognised in the Available-for-Sale Reserve.

Where fair value cannot be measured reliably, the instrument is carried at cost (less any impairment losses).

Government Grants and Contributions

Whether paid on account, by instalments or in arrears, government grants and third party contributions and donations are recognised as due to the Authority when there is reasonable assurance that;

- the Authority will comply with the conditions attached to the payments, and
- the grants or contributions will be received

Amounts recognised as due to the Authority are not credited to the CIES until conditions attached to the grant or contribution have been satisfied. Conditions are stipulations that specify that the future economic benefits or service potential embodied in the asset in the form of the grant or contribution are required to be consumed by the recipient as specified, or future economic benefits or service potential must be returned to the transferor.

Monies advanced as grants and contributions for which conditions have not been satisfied are carried in the Balance Sheet as creditors. When conditions are satisfied, the grant or contribution is credited to the relevant service line (attributable revenue grants and contributions) or Taxation and Non-specific Grant Income and Expenditure (non-ringfenced revenue grants and all capital grants) in the CIES.

Where capital grants are credited to the CIES, they are reversed out of the General Fund Balance in the MIRS. Where the grant has yet to be used to finance capital expenditure, it is posted to the Capital Grants Unapplied reserve. Where it has been applied, it is posted to the Capital Adjustment Account. Amounts in the Capital Grants

Unapplied reserve are transferred to the Capital Adjustment Account once they have been applied to fund capital expenditure.

Overheads and Support Services

The costs of overheads and support services are charged to service segments in accordance with the Authority's arrangements for accountability and financial performance.

Reserves

The Authority sets aside specific amounts as reserves for future policy purposes or to cover contingencies. Reserves are created by transferring amounts out of the General Fund Balance.

When expenditure to be financed from a reserve is incurred, it is charged to the appropriate service in that period. It is included in the Surplus or Deficit on the Provision of Services in the CIES.

The reserve is then transferred back into the General Fund Balance so that there is no net charge against Council Tax for the expenditure.

Certain reserves are kept to manage the accounting processes for non-current assets, financial instruments, local taxation, retirement and employee benefits. These reserves are not usable resources for the Authority – these reserves are explained in the relevant policies.

Value Added Tax (VAT)

VAT payable is included as an expense only to the extent that it is not recoverable from Her Majesty's Revenue and Customs. VAT receivable is excluded from income.

Glossary

Accounting Period - 1st April to 31st March is the local authority accounting period. For 2017, the period is 3 March 2017 to 31 March 2017. It is also termed the financial year or financial period.

Accruals - Revenue and capital income and expenditure are recognised as they are earned or incurred, not as money is received or paid. Transactions are accrued with income and expenditure due but unpaid at 31 March brought into the accounts.

Annual Governance Statement – Identifies the systems that the Authority has in place to ensure that its business is conducted in accordance with the law and proper standards and that public money is safeguarded.

Balance Sheet – This statement is fundamental to the understanding of the Authority's financial position at the period-end. It shows the balances and reserves at the Authority's disposal and its long term indebtedness. It also shows the long term and net current assets employed in its operations.

Balances – The non-earmarked reserves of the Authority. These are made up of the accumulated surplus of income over expenditure. This is known as the General Fund Balance. Adequate revenue balances are needed to meet unexpected expenditure or a shortfall in income. The Authority may decide to use its revenue balances to reduce its budget and thus its call on the Collection Fund.

Budget - A statement of an Authority's plans for net revenue and capital expenditure.

Capital Expenditure - Expenditure on the acquisition or development of major assets which will be of use or benefit to a Authority in providing its services beyond the period of account.

Capital Grant - A grant received towards the capital expenditure incurred on a particular service or project. Capital grants can be made by an Authority.

Cash Equivalent – An investment that is liquid and matures within 3 months. There is no significant risk to the value on redemption.

Code of Practice on Local Authority Accounting – The statutory accounting code published by CIPFA.

Comprehensive Income and Expenditure Statement or CIES- Reports the income and expenditure for all the Authority's services. The CIES demonstrates how services have been financed from general government grants and income from taxpayers.

Creditor - An amount owed by the Authority for work done, goods received or services rendered to the Authority within the accounting period but for which payment has not been made.

Current Asset - An asset which can be expected to be consumed or realised during the next accounting period.

Current Liability - An amount which will become payable or could be called in within the next accounting period.

Debtor - An amount owed to the Authority within the accounting period, but not received at the Balance Sheet date.

Effective Rate of Interest – The rate of interest that is consistent with estimated cash flows over the life of a financial instrument and

its initial value in the balance sheet. It is calculated using discounted cash flow.

Fair Value – Fair value is an important in setting the value for various assets in the balance sheet. It is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Financial Asset – A right to future economic benefits controlled by the Authority. Examples include bank deposits, investments made and loans receivable by the Authority.

Financial Instrument – This is an important definition in understanding the accounts. It includes both financial assets and liabilities. A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another.

Financial Liability – An obligation to transfer economic benefits controlled by the Authority. Examples include borrowings, financial guarantees and amounts owed to trade creditors.

General Fund - The main fund of the Authority that meets the cost of most services provided by the Authority. The services are paid for from Council Tax, business rates, government grant and other income.

Government Grants and Subsidies - Grants towards either the revenue or capital cost of Authority services. These may be either in respect of particular services or purposes, (specific and supplementary grants), or in aid of local services generally such as Revenue Support Grant.

Movement in Reserves Statement or MIRS – This statement shows the movement in the period on the different reserves held by the Authority, analysed into 'usable reserves' (ie those that can be

applied to fund expenditure or reduce local taxation) and unusable reserves.

Non-current asset - An asset which has value beyond one financial year.

Non-Domestic Rates (NDR) or business rates - The rates payable by businesses on their properties are calculated by applying a nationally determined multiplier to the rateable value of the property. There is a lower multiplier for small businesses.

Precept - The amount a local authority that cannot levy a council tax directly on the public requires it to be collected on its behalf. The Authority collects precepts on behalf of Cambridgeshire Constabulary, Cambridgeshire Fire and Rescue Service and 25 Parish Councils.

Reserves - Amounts set aside for purposes falling outside the strict definition of provisions are considered as reserves. Reserves include earmarked reserves set aside for specific projects or service areas, or expected future commitments.

Revenue Expenditure - The day-to-day running costs the Authority incurs in providing services (as opposed to capital expenditure).

Usable Reserves – Those reserves that can be applied by the Authority to fund expenditure or reduce local taxation.

Unusable Reserves – Those reserves that absorb the timing differences arising from different accounting arrangements. Unusable reserves are not available to fund expenditure or reduce local taxation.

Index of Notes to the Core Financial Statements

<i>Note</i>	<i>Description</i>	<i>Page</i>	<i>Note</i>	<i>Description</i>	<i>Page</i>
1	External Audit Costs	16	15	Critical Judgement in Applying Accounting Policies	22
2	Mayor's and Member's Allowances	16	16	Authorisation of the Accounts	23
3	Officers' Remuneration	16			
4	Comprehensive Income and Expenditure Statement – Financing and Investment Income and Expenditure	16			
5	Comprehensive Income & Expenditure Statement – Taxation and Non Specific Grant Income	17			
6	Related Parties	17			
7	Expenditure and Income Analysed by Nature	18			
8	Financial Instruments	18			
9	Fair Value of Financial Assets and Financial Liabilities ..	19			
10	Nature and Extent of Risks Arising from Financial Instruments	20			
11	Debtors	21			
12	Creditors	22			
13	Cash Flow Statement – Investing Activities	22			
14	Cash Flow Statement – Cash and Cash Equivalents	22			

Annual Governance Statement

3 March 2017 to 31 March 2017

Scope of Responsibility

The Cambridgeshire and Peterborough Combined Authority (“the Authority”) is responsible for ensuring that its business is conducted in accordance with the law and proper standards and that public money is safeguarded and properly accounted for and used economically, efficiently and effectively. The Combined Authority also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

In discharging this overall responsibility, the Authority is responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions including arrangements for the management of risk.

As the Authority was formally established on 3 March 2017, the organisation is in its infancy and this is its first statement. Prior to its establishment, a shadow board was set up in December 2016 to oversee the development of the Authority’s corporate governance arrangements. The Authority has made good progress which is described in this statement and further progress will be made throughout the year. A copy of the Authority’s constitution is available on its website.

The governance arrangements being developed will comply with the principles of the Local Code of Governance, which is consistent with the principles of the CIPFA / SOLACE Framework *Delivering Good Governance in Local Government 2016*

This statement explains how the Combined Authority has complied with the Code and meets the requirements of the Accounts and Audit (England) Regulations 2015 Regulation 6.1 (b) in relation to the publication of an Annual Governance Statement.

The Authority acknowledges that good governance arrangements will enable it to establish effective policies and to deliver ambitious programmes to communities in the combined authority area. The arrangements put in place must be both robust and adaptable to deliver its objectives in a dynamic and strategic environment. For this reason, a review has been undertaken to establish progress in implementing its governance arrangements against the 2016 principles.

The Purpose of the Governance Framework

The governance framework comprises the systems, processes, culture and values, by which the Authority is directed and controlled and how it engages with and leads the community in those activities for which it is accountable. It enables the authority to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost effective services.

The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the

Authority's policies, aims and objectives, to evaluate the likelihood of and potential impact of those risks being realised and to manage them efficiently, effectively and economically.

As the organisation is in its infancy, the governance framework is in its development stage.

The Governance Framework

Context

Between March and June 2016, seven constituent councils across the Cambridgeshire and Peterborough area negotiated a devolution deal with Government. In June 2016, the constituent councils agreed a scheme for a combined authority for the Cambridgeshire and Peterborough area, with a directly elected Mayor, for wider consultation. Following extensive consultation with residents, businesses and stakeholders in Cambridgeshire and Peterborough over a six week period, the seven councils submitted the scheme to the Secretary of State for approval in November 2016. The Cambridgeshire and Peterborough Combined Authority Order 2017 was made on 2 March 2017 and came into force on 3 March 2017.

The Cities and Local Government Devolution Act 2016 came into force on 28 March 2016, making Cambridgeshire and Peterborough local authorities amongst the first to establish a combined authority for its area under these new provisions.

The powers which have been devolved from Central Government to the Combined Authority include:

- Control of a new additional £20 million a year funding allocation, over 30 years, to be invested to the Cambridgeshire and Peterborough Single Investment Fund, to boost growth.
- £170 million to deliver new homes over a five-year period in Cambridgeshire and Peterborough which includes affordable, rented and shared ownership housing
- Responsibility for chairing an area-based review of 16+ skills provision
- Responsibility to develop a more effective joint working with the Department for International Trade to boost trade and investment through agreement of a Joint Export Plan
- Powers devolved to the new Mayor as part of the devolution plan include:
 - Responsibility for a multi-year, consolidated and devolved transport budget
 - Responsibility for an identified Key Route Network of local authority roads
 - Powers over strategic planning and the responsibility to create a non-statutory spatial framework for Cambridgeshire and Peterborough and to develop with Government a Land Commission.

The Combined Authority is small in size and strategic in nature. The Authority will adopt a commissioning model with delivery being undertaken by those best qualified to do so across the public and private sector.

Prior to the making of the Order, the constituent councils agreed to set up a shadow board to begin the process of putting in place appropriate governance arrangements to establish the Authority. Following the making of the order, the first meeting of the Combined Authority Board was held on 20 March 2017, and the Authority's first directly elected Mayor was elected on 4 May 2017 for a four year term of office until May 2021.

Cambridgeshire and Peterborough Combined Authority Structure

The Authority is made up of a directly elected Mayor and the following seven local authorities (referred to as the Constituent Councils) and the Greater Cambridge Greater Peterborough Enterprise Partnership "the LEP":

- Cambridge City Council;
- Cambridgeshire County Council;
- East Cambridgeshire District Council;
- Fenland District Council;
- Huntingdonshire District Council;
- Peterborough City Council; and
- South Cambridgeshire District Council.

The Constitution for the Authority sets out the Authority's governance arrangements. It sets out the powers and functions of the Combined Authority, including matters reserved to the Mayor and Board, financial procedures, contract standing orders, Member Codes of Conduct, the scheme of delegation to officers and arrangements for the

operation of an overview and scrutiny committee, and an audit and governance committee function.

The Scheme of Delegation provides for the day to day management and oversight of the Authority including the responsibilities of the Head of Paid Service, the Chief Finance Officer and the Monitoring Officer.

The key elements of the governance framework, its systems and processes, are outlined below.

Board

Each of the Constituent Councils appoints a nominated representative to be a Member of the Combined Authority and another Member to act in his or her absence. The LEP will nominate one of its Members, normally the Chair and a substitute member. The Combined Authority Members comprise the Board. The Board's role and powers are set out in the constitution. Essentially, it provides strategic leadership for the Combined Authority area, approving strategies, policies and overseeing fiscal matters to ensure that the required outcomes are delivered. The Board meets monthly.

The Combined Authority Board has invited the following organisations with direct responsibility for functions relevant to the Combined Authority objectives to become Co-opted Members to attend the Combined Authority Board and may take part in the debate.

- (a) The Police and Crime Commissioner for Cambridgeshire;
- (b) Cambridgeshire and Peterborough Fire Authority representative;
- (c) Clinical Commissioning Group representative.

Mayor

Certain functions are reserved to the Mayor as set down in the Order and the Constitution. The Mayor has an overall leadership role and chairs the Board meetings. Both the Mayor and the Combined Authority have a general power of competence.

The functions of the Combined Authority are grouped into portfolios. In accordance with the Combined Authority's Constitution, the Mayor and the Combined Authority Board agree portfolio responsibilities in respect of those functions. The Mayor allocates the agreed portfolio responsibilities to each Member of the seven constituent councils. Each portfolio holder leads on his/her allocated portfolio functions and is accountable for his/her portfolio area. The Mayor has appointed two deputies.

Investment Working Group and the Delivery Working Group

The Board is supported by two working groups: The Investment Working Group and the Delivery Working Group. Their terms of

reference and membership are set out in the constitution. The operational governance arrangements are summarised in Appendix 1.

Investment Working Group

The Investment Group will oversee the development of investment opportunities from conception stage through to full, detailed business cases for approval by the Combined Authority Board. It is expected to meet monthly, or more frequently in the initial stages.

It will consider the area's future needs for infrastructure investment and help to maintain Cambridgeshire's competitiveness in the UK and across the world. It will take its lead from the Fiscal Strategy and work with the Single Investment Pot in addition to developing opportunities to lever private investment into the area.

The economic strategy will provide the basis for investment decisions made by the Authority, although investments may take into account the objectives of the Cambridgeshire and Peterborough Devolution Deal. This will form the basis for business cases and show the linkages between single pot investments and growth in the economy of the area. The economic strategy will directly inform the development of the Cambridgeshire and Peterborough CA Infrastructure and Investment Plan. The plan will identify the strategic programmes and projects that will deliver sustainable economic growth and support the social economy and health and well-being of the area.

Projects brought forward to the Investment Group may include schemes that enable housing, economic growth, skills, transport and digital connectivity. It will make recommendations to the Combined Authority Board as to the robustness of the business cases.

The Authority has agreed with Government an assurance framework. The Investment Group will provide assurance to the Board and Government through the implementation of the framework arrangements. The expected inputs and outputs from the group are summarised in Appendix 1.

Delivery Working Group

The Delivery Group will oversee the implementation of the devolution programme and its component projects or schemes, which may be cross-cutting or have interdependencies. It is expected to meet monthly.

It is the group to whom those commissioned to deliver projects initially report and it is accountable to the Combined Authority Board for the successful implementation and the achievement of the desired targets and outcomes.

The Authority has agreed a monitoring and evaluation framework with Government. The Delivery Group will provide assurance to the Combined Authority Board and to Central Government through robust monitoring and evaluation arrangements for each of the commissioned projects. The expected inputs and outputs from the group are summarised in Appendix 1.

Overview and Scrutiny Committee

At its first annual meeting, the Board established an overview and scrutiny committee. The committee has been established to comply with the requirements of the Combined Authorities (Overview and Scrutiny Committees, Access to Information and Audit Committees) Order 2017

It comprises 14 elected councillors, two from each of the seven constituent councils, and reflects the political balance across the combined authority area. Its primary role is to review and scrutinise decisions of the combined authority, prior to or after they have been made. They will monitor the forward plan of forthcoming key decisions, and may call-in any of these decisions where members consider that further scrutiny and challenge is required.

A shadow committee was set up earlier in the year and work began with the Centre for Public Scrutiny to explore other areas of scrutiny. Members are keen to undertake other roles including pre-decision scrutiny where they can act as a “critical friend” to highlight key issues, and challenge policies at the developmental stage. Now the committee is formally established it will be developing its role and its relationship with the board.

Audit and Governance Committee

The Board has established an Audit and Governance Committee in accordance with the Combined Authorities (Overview and Scrutiny Committees, Access to Information and Audit Committees) Order 2017. It comprises 7 elected members reflecting the political balance across the area and an independent person who will also chair the meetings.

The Greater Cambridge Greater Peterborough Enterprise Partnership

The Greater Cambridge Greater Peterborough Enterprise Partnership is a voluntary partnership between constituent councils and non-constituent local authorities and the business community, playing a key role in determining local economic priorities and growth. The Partnership is a key interface with Centre Government and the region, and offers policy advice and strategic direction aligned to the Authority's objectives. The LEP is a key member of the Combined Authority. Three local authority leaders and the Mayor are members of the LEP recognising the importance of the LEP's role and the private sector in any growth strategies for delivery in the Combined Authority area.

Decision Making

All agendas and reports produced for meetings of the Combined Authority and its associated Committees are issued to members and published on the Authority's website in accordance with access to information requirements in the 2017 Order. All board and committee meetings are held in public.

A Forward Plan identifying strategic decisions that will be made by the Board over a four month period is updated and presented to the Board each month. It will also include all

forthcoming key decisions which require at least 28 days' notice.

Notice of decisions are also published no more than two days after the meeting and are not implemented until four days after they are published to enable the overview and scrutiny committee to exercise its right to call-in decisions.

Financial Management

A key responsibility of the Combined Authority is determining, agreeing and monitoring appropriate budgets in order for it to be able to fulfil strategic objective. The First budget was agreed at the first Board meeting in March 2017 and is regularly reviewed by the Board.

A budget framework has been agreed for setting the budget in future years which takes account of the process laid down in the Combined Authorities (Finance) Order 2017

In summary, for the financial year 2018/9 onwards, the draft Budget shall be submitted to the Combined Authority Board for consideration and approval for consultation purposes before the end of December. The Board will agree the timetable for consultation and those to be consulted. The consultation period shall not be less than four weeks, and the consultees shall include Constituent Authorities, the Local Enterprise Partnership and the Overview and Scrutiny Committee.

Before 1st February, having taken into account the draft Budget, the consultation responses, and any other relevant

factors, the proposed budget for the following financial year, including the Mayor's budget, will be submitted to the Board for final approval. There is also a process for agreeing the Mayor's budget where no agreement can be reached.

Developing Capacity

The member structure is well defined, and following the appointment of the Chief Executive, a workforce plan will be developed to identify the resources required to ensure the organisation is best placed to deliver its objectives through a commissioning model.

Internal Audit

Peterborough City Council provides the internal audit function, and the Chief Internal Auditor will be submitting the first audit plan to the first meeting of the Audit and Governance Committee.

External Audit

Ernst & Young LLP has been appointed as the Authority's external auditors and will be auditing these accounts.

Risk Management

The Authority's Audit and Governance Committee is responsible for overseeing the Authority's risk management strategy and corporate risk register.

Corporate and project risk will be identified, recorded and will be monitored by the Delivery Group and the Audit and

Governance Committee, and escalated to the Board where needed.

Managing Performance

Given the level of investment the combined authority will generate, it is vital that robust programme management processes are developed for its programmes, across distinct themes and for collective consideration of outputs and outcomes. An evaluation and performance framework has been agreed by the Board and Government. A Performance Management Framework will be developed to monitor the impact of projects/programmes and to bring all the funding streams and programmes together to monitor cross cutting issues, and provide output and outcome information.

Review of Effectiveness

The Authority has responsibility for conducting an annual review of the effectiveness of its governance framework. This includes consideration of systems of internal control and arrangements for internal audit and assurance statement from key officers. The Authority is in its infancy, just three months old. Therefore this review has focused on where we are now and where we want to be in the year ahead against the Good Governance Principles.

Governance Issues

The following actions to develop the governance arrangements are planned over the next year:

Item 3

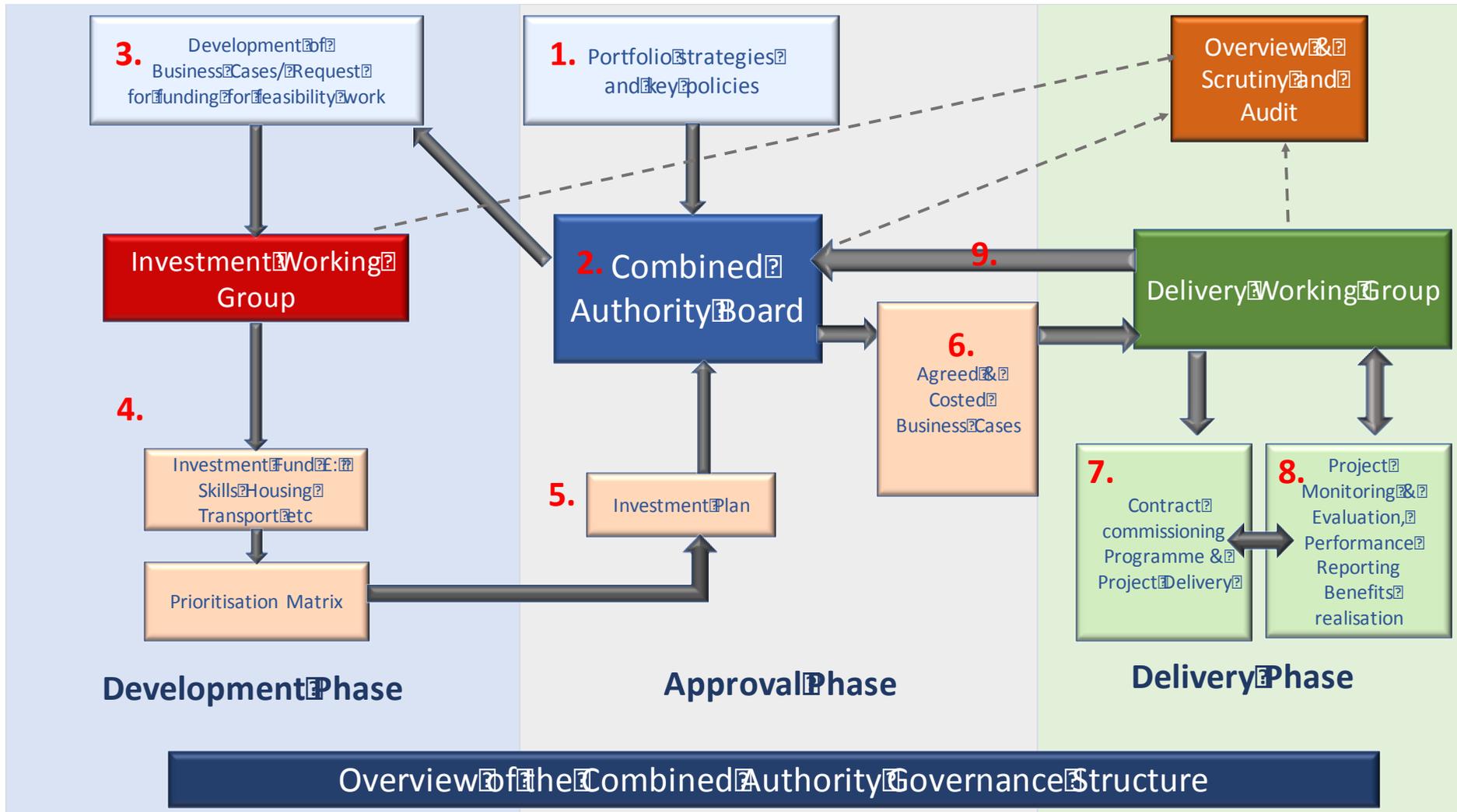


Issue	Action Required	Responsible Officer	Date of Completion
Code of Corporate Governance	Establish a Code of Corporate Governance in line with the principles of the Chartered Institute of Public Finance and Accountancy (CIPFA) / Society of Local Authority Chief Executives (SOLACE) Framework Delivering Good Governance in Local Government.	Kim Sawyer/Monitoring Officer & Finance Officer	
Whistleblowing,	These policies to be developed.	Kim Sawyer. Monitoring Officer	
Anti-fraud and corruptions Policies	These policies to be developed	Kim Sawyer, Monitoring Officer & Finance Officer	
Complaints procedure	Procedure to be developed once staff in place	Kim Sawyer. Monitoring Officer	
Risk Management	Establish risk management and reporting arrangements for corporate and individual projects.	Martin Whiteley, Interim Chief Executive/Chief Finance Officer	
Communications Strategy	A strategy to be developed to include partnership frameworks and community engagement	Kim Sawyer. Monitoring Officer	
Economic Strategy	Strategy to identify evidence base	Martin Whiteley, Interim Chief Executive	
Infrastructure and Investment Plan	Plan to identify strategic programmes and projects	Martin Whiteley, Interim Chief Executive	
Performance Management	Systems to be established	Martin Whiteley, Interim Chief Executive	



Governance

The Diagram below shows the high-level roles, relationships & reporting lines between the different structures in the Combined Authority.





Combined Authority Board

Role	To provide strategic leadership for the Combined Authority area, approving strategies, policies and overseeing fiscal matters to ensure that the required outcomes are delivered
Membership	The elected Mayor (Chair) One elected member from each Constituent council One member from the Local Enterprise Partnership
Meetings	Monthly

Items requiring Combined Authority Board Approval		
Strategies/ Policies/ Frameworks	Budget Matters	Governance
<ul style="list-style-type: none"> • Economic Strategy • Investment Plan • Growth Strategy • Evidence Base • Housing Strategy • Local Transport Plan • Skills Strategy • Delivery Plan • Other strategies and plans as agreed • Assurance Framework • Programme Management Framework • Prioritisation Framework • Monitoring & Evaluation Framework • Equality Framework 	<ul style="list-style-type: none"> • CA budget • Fiscal Strategy • Plans for the allocation of transport-related funding • Treasury Management Strategy including borrowing limits • Capital Investment Strategy • Single Investment Fund Allocation 	<ul style="list-style-type: none"> • Constitution • Establishment & membership of committees & sub-committees • Establishment and membership of Joint committees and commissions • Mayoral Allowance • Appointments of Statutory Officers • Appointment of Independent Person for Audit & Governance Committee • Any other matters reserved to the Board



Inputs to Combined Authority Board	Outputs from Combined Authority Board
<p>For approval:</p> <ul style="list-style-type: none"> • Strategies, policies & frameworks • Projects selected for inclusion via the prioritisation framework • Business Cases • Budget matters (as per above list) • Financial decisions • Statutory Officer & Independent Person appointments • Governance arrangements (as per above list) <p>For guidance/ decision:</p> <ul style="list-style-type: none"> • Matters where a project or scheme has a major risk or issue that has been escalated to the Board • Other issues where guidance is required prior to CA board decision or escalation <p>For information:</p> <ul style="list-style-type: none"> • Reports including monitoring and evaluation of investment decisions • Delivery Working Group report including <ul style="list-style-type: none"> ➤ Progress reports on overall programme/ project delivery • Corporate risk register and issues log • Outcomes of consultations • Audit reports 	<ul style="list-style-type: none"> • Publicly available minutes • Record of decisions • Approved budget, strategies, frameworks, business cases etc • Clear direction & instructions to the Investment Group and Working Group • Commissions i.e. to establish a sub-committee or agree to commission a partner authority to deliver a workstream • Reports to DCLG as required





Investment Group

<p>Role</p>	<p>The Investment Group will oversee the development of investment opportunities from conception stage through to full, detailed business cases for approval by the Combined Authority Board.</p> <p>It will consider the area’s future needs for infrastructure investment and help to maintain Cambridgeshire’s competitiveness in the UK and across the world. It will take its lead from the Fiscal Strategy and work with the Single Investment Pot in addition to developing opportunities to lever private investment into the area.</p> <p>Projects brought forward to the Investment Group may include schemes that enable housing, economic growth, skills, transport and digital connectivity. It will make recommendations to the Combined Authority Board as to the robustness of the business cases.</p> <p>It will provide assurance to The Combined Authority Board and to Central Government through the implementation the Assurance Framework arrangements.</p>
<p>Membership</p>	<p>Deputy Mayor (Statutory) - Chair Fiscal Portfolio Holder (Vice-Chair) Strategic Planning Portfolio Holder Chair of the LEP</p>
<p>Meetings</p>	<p>Supported by senior financial and legal advisors as appropriate Monthly</p>

Items requiring Investment Group input or action			
Strategies/ Policies	Budget Matters	Delivery-related	Governance
<ul style="list-style-type: none"> • Fiscal Strategy • Investment Strategy • Strategic Infrastructure Delivery Plan • Local Transport Plan • Transport Strategy including Key Route Network (management & maintenance) • Bus Franchising (subject to the Bus Services Bill) • Investment Plan 	<ul style="list-style-type: none"> • CA budget (& MTFP) • Local Transport Budget • Single Investment Pot • 19+ Skills budget (from 19/20) • Apprenticeship Grant for Employers • Contracts (as per contract standing orders) • New Local Government Finance System 	<ul style="list-style-type: none"> • Prioritisation Framework • Project Appraisal process • Individual business cases for schemes/ projects • Individual project/ programme risks, issues, changes, exceptions, close down 	<ul style="list-style-type: none"> • Governance arrangements <ol style="list-style-type: none"> 1. Assurance Framework refresh 2. 5-yearly evaluation panels (Investment Fund Grant)
Inputs to Investment Group		Outputs from Investment Group	
<p>For review and comment to the CA Board:</p> <ul style="list-style-type: none"> • Strategies, polices & frameworks (will feed into the Investment Plan produced by the Investment Group) • Business Cases (linked to prioritisation framework) • Budgets • Financial decisions • Governance arrangements 		<ul style="list-style-type: none"> • Minutes of the meetings • Recommendations to the CA Board on budgets, strategies, frameworks, business cases etc • Investment programme/ project pipeline • Investment Plan • Reports on the Investment budget (Single Pot) • Reports that provide an assessment of the outcomes and impact of each project to the Combined Authority Board • Reports for Overview and Scrutiny 	



<p>For Investment Group action:</p> <ul style="list-style-type: none"> • Draft Investment Strategy for detailed review and input • Draft Investment Budget (single pot) for detailed review, input and comments throughout its stages of preparation • Development of an Investment Plan • Business Cases for projects that are to be assessed via the prioritisation framework • Matters where a project or scheme has a financial risk or issue that has been escalated to the Investment Group • Other issues where guidance is required prior to CA Board decisions • Annual review of Local Assurance Framework • Outcome reports from the Delivery Group to be reviewed and inputted to, identifying the benefits, direct and indirect impacts in order to provide evidence of success of the investment • Project Closedown report for Investment Group recommendation to closedown <p>For information:</p> <ul style="list-style-type: none"> • Economic and other local data/ Intelligence to inform strategy development and identification of needs • Modelling information and data to inform options • Delivery Group reports • Progress reports on overall programme/ project delivery • Corporate risk register and issues log • Outcomes of consultations • Audit reports 	<ul style="list-style-type: none"> • Commissions i.e. to produce an investment strategy, investment budget • Refreshed Local Assurance Framework
---	--

Delivery Group

<p>Role</p>	<p>The Delivery Group will oversee the implementation of an approved Cambridgeshire and Peterborough devolution programme and its component projects or schemes, which may be cross-cutting or have interdependencies.</p> <p>It is the group to whom those commissioned to deliver projects initially report and is accountable to the Combined Authority Board for the successful implementation and the achievement of the desired targets and outcomes.</p> <p>It will provide assurance to The Combined Authority Board and to Central Government through robust monitoring and evaluation arrangements for each of the commissioned projects.</p> <p>Projects may include schemes that enable housing, economic growth, skills, transport and digital connectivity.</p>
<p>Membership</p>	<p>Deputy Mayor (Constitutional) - Chair Housing Portfolio Holder (Vice Chair) Employment & Skills Portfolio Holder Transport & Infrastructure Portfolio Holder</p> <p>It will invite to the Board non-voting independent advisors such as financial and legal professionals and those with specialist expertise in matters relating to the programmes to be delivered, as it considers appropriate.</p>
<p>Meetings</p>	<p>Monthly</p>

Items requiring Delivery Board Review, Input or Action

Strategies/ Policies	Budget Matters	Delivery-related	Governance
<ul style="list-style-type: none"> Investment Plan for information Other strategies and plans for information only 	<ul style="list-style-type: none"> MTFP for information Contract approval (as per contract standing orders) Monitoring delivery of approved projects/ schemes against budget 	<ul style="list-style-type: none"> Strategic Programme Delivery Plan Individual business cases for schemes/ projects Individual project/ programme risks, issues, changes, exceptions Performance Management & Reporting Day to Day project Monitoring & Evaluation Benefits realisation & Outcome Measurement Agreements with providers/ partners 	<ul style="list-style-type: none"> Governance arrangements <ol style="list-style-type: none"> Assurance Framework refresh Monitoring & Evaluation Framework 5-yearly evaluation panels (Investment Fund Grant) Performance Management Framework

Inputs to Delivery Group	Outputs from Delivery Group
<p>For review and comment to the CA Group:</p> <ul style="list-style-type: none"> Strategies, polices & frameworks as appropriate Business Cases (since this Group will oversee their delivery) <p>For the Operation of the Delivery Group:</p>	<ul style="list-style-type: none"> Minutes of the meetings Record of decisions (made within the parameters allowed) Recommendations to the CA Board as appropriate Programme Management Framework Strategic Programme Delivery Plan



<p><i>Initial items:</i></p> <ul style="list-style-type: none"> • Programme management arrangements including Toolkit and reporting templates to be agreed and implemented across all projects • Standard Contract management arrangements to be developed • Performance Management arrangements and reporting to be developed <p><i>Ongoing items:</i></p> <ul style="list-style-type: none"> • Pipeline of projects from Investment Group and approved by CA Board to be built into Strategic Programme Delivery Plan • Project plans from leads for initial signoff before commencement • Detailed programme plans, project resourcing plan, corporate risk register and issues log for review and maintenance • Project Highlight reports for review, direction and comment • Exception reports where a project or scheme has a financial, technical, timescale or other risk/ issue • Other issues where guidance is required prior to CA Board decisions or escalation • Draft outcome reports identifying the benefits, direct and indirect impacts in order to provide evidence of success of the investment – production overseen by the Delivery Group for submission to the Investment Group and the CA Board • Project Closedown report for Investment Group agreement • Lessons Learned Log – review and learning shared • Annual review of Evaluation and Monitoring Framework 	<ul style="list-style-type: none"> • Individual detailed project plans (with officer support) • Refreshed Evaluation and Monitoring Framework (annual) • Project update reports and overall programme update reports • Highlight and exception reporting • Corporate Risk Register and Issues Log • Lessons Learned Log • Reports that provide an assessment of the benefits, outcomes and impacts of each project to the Investment Board (for input) and the Combined Authority Board • Reports for Overview and Scrutiny • Project Closedown reports to Investment Group & CA Board
---	---



For information:

- Economic and other local data/ Intelligence to inform strategy development and identification of needs
- Modelling information and data to inform options
- Delivery Group reports
- Progress reports on overall programme/ project delivery
- Corporate risk register and issues log
- Outcomes of consultations
- Audit reports

APPENDIX A	<u>Outturn</u> 2016/17 £k	<u>Budget</u> 2017/18 £k	<u>Budget</u> 2018/19 £k	<u>Budget</u> 2019/20 £k	<u>Budget</u> 2020/21 £k	Total £k
<u>Funding</u>						
Gain Share	20,000	20,000	20,000	20,000	20,000	100,000
Housing (General)	10,000	30,000	15,000	15,000	30,000	100,000
Housing (Cambridge)	10,500	10,500	17,000	17,000	15,000	70,000
Transport Levy	0	31,496	31,496	31,496	31,496	125,984
LTP Capital Grant	0	27,654	27,654	27,654	27,654	110,616
	40,500	119,650	111,150	111,150	124,150	506,600
<u>Budget Allocations</u>						
Revenue	416	14,327	4,785	4,785	4,785	29,099
VAT charge	81	0	0	0	0	81
Investment in Transport	0	31,496	31,496	31,496	31,496	125,984
<u>Capital</u>						
- Gain Share	0	1,100	0	0	0	1,100
- Housing	0	146	120	120	120	506
- Local Transport Plan	0	27,654	27,654	27,654	27,654	110,616
	497	74,723	64,055	64,055	64,055	267,386
<u>Budget Unallocated</u>						
Earmarked Reserve	27	0	0	0	0	27
Gain Share Revenue	7,057	-6,327	3,215	3,215	3,215	10,374
Gain Share Capital	12,000	10,900	12,000	12,000	12,000	58,900
Gain Share Housing	20,500	40,354	31,880	31,880	44,880	169,494
Less, Revenue Reserve	419	0	0	0	0	419
	40,003	44,927	47,095	47,095	60,095	239,214

APPENDIX B	Approved 2017/18 Budget (£k)	Budget adjustments 28 June (£k)	Updated Budget 2017/18 (£k)	Approved 2018/19 Budget (£k)	Budget adjustments 28 June (£k)	Updated Budget 2018/19 (£k)
Workstream/Programme Costs						
Governance						
Interim Chief Exec	10.0		10.0			0.0
Recruitment of the Combined Authority Chief Executive and other CA posts.	20.0	30.0	50.0			0.0
To provide the services of a Monitoring Officer (including backfill) to the Combined Authority	15.8	-15.8	0.0			0.0
To provide legal support to the Combined Authority across the work streams.	4.0	12.0	16.0			0.0
Democratic services support to the Shadow Combined Authority, Combined Authority, Scrutiny and Audit Committee prior to mayoral elections.	10.0		10.0			0.0
Accommodation: (including email/ICT infrastructure for the CA)	50.0	24.2	74.2			0.0
To provide Programme and Project Management resources to support the setting up of the Combined Authority, delivering on devolution deal 1 and supporting the preparation of devolution deal 2.	48.0	84.4	132.4			0.0
To provide a dedicated website for the Combined Authority that will include hosting and advertisement of Committee Papers, information on the mayoral election, FAQ's, News and Events, consultations etc	6.0		6.0			0.0
Fiscal						
To provide the services of a Section 151 officer and to provide financial support.	12.0	-12.0	0.0			0.0
To provide the services of a Deputy Section 151 officer.	2.0		2.0			0.0
To provide financial support until August 2017 and to support the development of the Mayor's 100 day plan	24.0	68.2	92.2			0.0
To receive external assurance on VAT issues	0.0	10.0	10.0			0.0
Development of an Investment Fund Strategy	25.0		25.0			0.0
Development of a Market Towns Strategy	75.0		75.0			0.0
Economic Strategy						
Independent Economic Commission: Developing Economic Strategy		145.0	145.0			0.0
Transport and Infrastructure						
To prepare a strategic 'short term' consolidation of the existing Cambridgeshire and Peterborough Local Transport Plans and support to the Infrastructure and Transport workstream until May '17. To include development of a Prioritisation Framework and the development of Transport Strategy and Policy.	5.0		5.0			0.0
Transport & Infrastructure Schemes a) Dualling of A47 and Upgrading of A10 b) Extension to A47 c) Cambridge Transport Study d) Wisbech Garden Town Study		4,200.0	4,200.0		3,250.0	3,250.0
National Productivity Investment Fund		3,290.0	3,290.0			

APPENDIX B	Approved 2017/18 Budget (£k)	Budget adjustments 28 June (£k)	Updated Budget 2017/18 (£k)	Approved 2018/19 Budget (£k)	Budget adjustments 28 June (£k)	Updated Budget 2018/19 (£k)
<u>New Homes & Communities</u>						
To provide a programme delivery support to manage the £170m Housing Programme.	240.0		240.0	240.0		240.0
Development of housing strategy and assurance frameworks; plus housing delivery management.	39.0		39.0			0.0
Housing consultancy to support plans for Housing Programme	10.0		10.0			0.0
Modular Housing		25.0	25.0			0.0
<u>Employment & Skills</u>						
Support to the Skills work stream until May 2017, including development of a Single Skills Strategy for the CA.	7.0		7.0			0.0
University of Peterborough - Business Case		3,840.0	3,840.0			0.0
<u>Strategic Planning</u>						
<u>Communication</u>						
To provide Communications support to manage press enquiries and responses, communication with members of the public and communication across organisations.	28.0		28.0			0.0
Total Cost	630.8	11,701.0	12331.8	240.0	3250.0	3490.0
<u>Income</u>						
Extra LGA grant secured						
Recharge to Housing Capital Grant	-146.0		-146.0	-120.0		-120.0
Total Income	-146.0	0.0	-146.0	-120.0	0.0	-120.0
Net Workstream Budget	484.8	11,701.0	12185.8	120.0	3250.0	3370.0

APPENDIX B	Approved 2017/18 Budget (£k)	Budget adjustments 28 June (£k)	Updated Budget 2017/18 (£k)	Approved 2018/19 Budget (£k)	Budget adjustments 28 June (£k)	Updated Budget 2018/19 (£k)
Establishment Costs						
Chief Executive	147.0		147.0	160.0		160.0
Director, Delivery	128.0		128.0	140.0		140.0
Scrutiny Officer	35.0		35.0	38.0		38.0
Senior Dem Services	29.0		29.0	32.0		32.0
Dem Services	25.0		25.0	27.0		27.0
PA support to CE/Director/Mayor	17.0		17.0	19.0		19.0
Administrative Support	10.0		10.0	11.0		11.0
S151 Officer	29.0	131.0	160.0	32.0	118.0	150.0
Monitoring Officer	10.0	120.0	130.0	11.0	119.0	130.0
Finance Officer	49.0		49.0	54.0		54.0
on costs for posts (NI, pension)	120.0		120.0	131.0		131.0
Governance						
Remuneration for independent member of audit & governance committee	1.0	0.5	1.5	1.0	0.5	1.5
Adverts and fees for remuneration panel	0.5		0.5	0.5		0.5
Insurance	18.7		18.7	18.7		18.7
Audit Costs	37.0	3.0	40.0	40.0		40.0
Office running costs	19.0		19.0	20.0		20.0
Communications	19.0		19.0	20.0		20.0
Election costs	1,044.0		1,044.0	260.0		260.0
Mayoral office costs						
Mayoral Allowance	64.0	12.0	76.0	70.0	14.5	84.5
Shared costs with combined authority						
PA support to CE/Director/Mayor	22.0		22.0	24.0		24.0
Administrative Support	13.0		13.0	14.0		14.0
Office running costs	19.0		19.0	20.0		20.0
Communications	19.0		19.0	20.0		20.0
Total Establishment and Mayoral Costs	1,875.2	266.5	2,141.7	1,163.2	252.0	1,415.2
Total CPCA Net Budget	2,360.0	11,967.5	14,327.5	1,283.2	3,502.0	4,785.2