



**CAMBRIDGESHIRE  
& PETERBOROUGH**  
COMBINED AUTHORITY

## **COMBINED AUTHORITY BOARD**

**Date: Wednesday, 30 January 2019**

**10:30 AM**

**Democratic Services**  
Patrick Arran  
Interim Monitoring Officer

The Incubator  
Alconbury Weald  
Cambridgeshire  
PE28 4WX

**Huntingdonshire District Council  
Civic Suite Room A, Pathfinder House, St Mary's Street,  
Huntingdon, PE29 3TN**

### **AGENDA**

**Open to Public and Press**

#### **Part 1 - GOVERNANCE ITEMS**

**1.1 Announcements, Apologies and Declarations of Interest**

**1.2 Minutes - 28 November 2018**

**5 - 20**

**1.3 Petitions**

**1.4 Public Questions**

<b>1.5</b>	<b>Forward Plan</b>	
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<b>1.6</b>	<b>Housing and Communities Committee - Change in Membership</b>	<b>21 - 24</b>
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**Part 5 - DATE OF NEXT MEETING**

10:30 am Wednesday 27th February 2019, Council Chamber, South Cambridgeshire District Council, South Cambridgeshire Hall, Cambourne Business Park, Cambourne, Cambridge, CB23 6EA

The Combined Authority Board comprises the following members:

Councillor Graham Bull

Councillor Steve Count

Councillor Lewis Herbert

Councillor John Holdich

Councillor Christopher Seaton

Councillor Bridget Smith

Commissioner Jason Ablewhite

Jess Bawden

Aamir Khalid

Councillor Kevin Reynolds

*For more information about this meeting, including access arrangements and facilities for people with disabilities, please contact*

Clerk Name: Richenda Greenhill

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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 (Patrick Arran) no later than 12.00 noon three working days before the day of the meeting at [patrick.arran@cambridgeshirepeterborough-ca.gov.uk](mailto:patrick.arran@cambridgeshirepeterborough-ca.gov.uk). 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 Richenda Greenhill at [Richenda.Greenhill@cambridgeshire.gov.uk](mailto:Richenda.Greenhill@cambridgeshire.gov.uk) or on 01223 699171.





**CAMBRIDGESHIRE  
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**Item 1.2**

**CAMBRIDGESHIRE & PETERBOROUGH COMBINED AUTHORITY: MINUTES**

**Date:** Wednesday 28 November 2018

**Time:** 10.30a.m. – 1.10pm

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

**Present:** J Palmer (Mayor)

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

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

**262. ANNOUNCEMENTS, APOLOGIES AND DECLARATIONS OF INTEREST**

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

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

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

**263. MINUTES – 31 OCTOBER 2018**

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

**264. PETITIONS**

No petitions were received.

## **265. PUBLIC QUESTIONS**

No public questions were received.

## **266. FORWARD PLAN**

It was resolved unanimously to:

- a) note the Forward Plan.

## **267. MEMBERS ALLOWANCES SCHEME**

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

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

It was resolved to:

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

## **268. CHANGE TO THE ORDER OF BUSINESS**

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

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

## **269. WISBECH TO MARCH RAIL- GRIP 3b STUDY**

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

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

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

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

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

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

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

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

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

It was resolved to:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

It was resolved unanimously to:

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

## **271. BUDGET MONITOR UPDATE**

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



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

It was resolved unanimously to:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

It was resolved unanimously to:

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



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

## **273. PERFORMANCE REPORTING**

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

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

It was resolved unanimously to:

- a) note the November Delivery Dashboard.

## **274. GROWTH FUND PROJECTS**

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

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

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

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

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

## **275. EASTERN AGRI-TECH GROWTH INITIATIVE**

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

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

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

## **276. GROWTH DEAL**

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

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

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

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

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

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

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

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

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

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

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

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

## **279. ADULT EDUCATION BUDGET DEVOLUTION**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

## **280. SKILLS PRIORITISATION PLAN – CAREERS ENTERPRISE COMPANY**

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

It was resolved unanimously:

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

## **281. £100M AFFORDABLE HOUSING PROGRAMME – SCHEME APPROVALS**

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

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

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

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

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

(Recommendations a – c as included in the report)

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

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

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

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

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

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

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

It was resolved by a majority to:

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



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

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

## **282. EXCLUSION OF PRESS AND PUBLIC**

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

It was resolved:

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

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

## **283. WISBECH: 11&12 HIGH STREET**

It was resolved by a majority to:

- a) approve the recommendations in the report.

(Mayor)







<b>CAMBRIDGESHIRE AND PETERBOROUGH COMBINED AUTHORITY BOARD</b>	<b>AGENDA ITEM No: 1.6</b>
<b>30 JANUARY 2019</b>	<b>PUBLIC REPORT</b>

## **HOUSING AND COMMUNITIES COMMITTEE - CHANGE IN MEMBERSHIP**

### **1.0 PURPOSE**

- 1.1. To seek approval from the Cambridgeshire and Peterborough Combined Authority Board for a change in membership on the Housing and Communities Committee.

<b><u>DECISION REQUIRED</u></b>	
<b>Lead Member:</b>	<b>James Palmer, Mayor</b>
<b>Lead Officer:</b>	<b>Patrick Arran, Monitoring Officer</b>
<b>Forward Plan Ref: N/A</b>	<b>Key Decision: No</b>
The Combined Authority Board is recommended to approve the change of member on the Housing and Communities Committee for Fenland District Council from Councillor Chris Seaton to Councillor Denise Laws.	<b>Voting arrangements</b>  Simple majority of all Members

### **2.0 BACKGROUND**

- 2.1. On 26 September 2018 the Combined Authority Board approved the membership of the Housing and Communities Committee.
- 2.2. Since this date the lead member for Fenland District Council on the Housing and Communities Committee Councillor Chris Seaton has requested that Councillor Denise Laws, also from Fenland District Council replace him on the Committee. It is proposed that the substitute member will remain the same, Councillor David Oliver.

### **3.0 FINANCIAL IMPLICATIONS**

3.1. There are no financial implications

### **4.0 LEGAL IMPLICATIONS**

4.1. Chapter 3 paragraph 1.7 of the constitution states the Mayor shall nominate the agreed portfolio responsibilities and membership (including the chair) of any executive committees to any member of the seven Constituent Councils. The Board appoints the membership following the Mayor's nomination. Board members nominated to an executive committee may nominate their substitute member on the Board or another member from a constituent council to be a member of the committee. The Board member shall also nominate a named substitute member.

### **5.0 SIGNIFICANT IMPLICATIONS**

5.1. There are no additional implications in this report.

### **6.0 APPENDICES**

6.1. Appendix 1 – Committee allocations table

<b><u>Source Documents</u></b>	<b><u>Location</u></b>
N/A	

**Committee Allocation****Transport Committee (5 seats)**

		<b>Portfolio Responsibilities/Member</b>	<b>Board Member</b>	<b>Substitute</b>
1	Chair	Portfolio Holder for Transport	James Palmer, Mayor	Cllr Charles Roberts
2	Member	Member for Cambridgeshire County Council	Cllr Ian Bates	Cllr Roger Hickford
3	Member	Member for Peterborough City Council	Cllr Peter Hiller	Cllr John Holdich
4	Member	Member for Cambridge City Council	Cllr Lewis Herbert	Cllr Aiden Van de Weyer
5	Member	Member for Fenland District Council	Cllr Chris Seaton	Cllr David Oliver

**Skills Committee (4 seats)**

		<b>Portfolio Responsibilities/Member</b>	<b>Board Member</b>	<b>Substitute</b>
1	Chair	Portfolio Holder for Skills	Cllr John Holdich	Cllr Lynne Ayres
2	Member	Member for Huntingdonshire District Council	Cllr Graham Bull	Cllr Ryan Fuller
3	Member	Member of East Cambridgeshire District Council	Cllr Charles Roberts	Cllr Anna Bailey
4	Member	Member for South Cambs District Council	Cllr Eileen Wilson	Cllr Aidan Van de Weyer

**Housing and Communities Committee (4 seats)**

		<b>Portfolio Responsibilities/Member</b>	<b>Board Member</b>	<b>Substitute</b>
1	Chair	Portfolio Holder for Housing	Cllr Charles Roberts	Cllr Anna Bailey
2	Member	Member for Huntingdonshire District Council	Cllr Ryan Fuller	Cllr Graham Bull
3	Member	Member of Fenland District Council	<del>Cllr Chris Seaton</del> Cllr Denise Laws	Cllr David Oliver
4	Member	Member for South Cambs District Council	Cllr Bridget Smith	Cllr Richard Johnson

**Notes (as agreed at Informal Cabinet on 11 July 2018)**

(a) Portfolio holder should also be Chair

(b) Vice Chair to be agreed by committee as and when required

(c) 3 seats to go to either Member for Cambridge City council or South Cambs District Council





<b>CAMBRIDGESHIRE AND PETERBOROUGH COMBINED AUTHORITY BOARD</b>	<b>AGENDA ITEM No: 1.7</b>
<b>30 JANUARY 2019</b>	<b>PUBLIC REPORT</b>

## **APPOINTMENT OF INTERIM CHIEF FINANCE OFFICER (S73)**

### **1.0 PURPOSE**

- 1.1 To request that the Board appoint Noel O'Neill as interim s73 Chief Finance Officer for the Combined Authority.

<b><u>DECISION REQUIRED</u></b>	
<b>Lead Member:</b>	<b>Cllr Steve Count, Portfolio Holder Investment and Finance</b>
<b>Lead Officer:</b>	<b>Patrick Arran, Legal Counsel and Monitoring Officer</b>
<b>Forward Plan Ref: Not applicable</b>	<b>Key Decision: No</b>
The Combined Authority Board is recommended to appoint Noel O'Neill as interim s73 Chief Finance Officer to the Combined Authority.	<b>Voting arrangements</b>  Simple majority of all Members

### **2.0 BACKGROUND**

- 2.1 The concept of a Chief Finance Officer was established by s.151 Local Government Act 1972. (Hence the term Section 151 Officer). The responsibilities of the Chief Finance Officer for the administration of the financial affairs of the Authority are set out in s.114 of the Local Government Finance Act 1988.
- 2.2 New authorities, such as the Combined Authority are covered by the Local Government Act 1985. Section 73 of the Act provides that "*each new authority shall make arrangements for the proper administration of its financial affairs and shall secure that one of its officers has responsibility for the administration of those affairs.*" The Combined Authority is a new authority for the purposes of the Act.

- 2.3 Chapter 4 paragraph 1.5 of the Constitution states that the appointment of statutory officers is reserved to the Board. The Chief Finance Officer is a statutory officer of the Combined Authority and a 'proper officer' for this purpose.
- 2.4 The previous interim s73 Chief Finance Officer left the Authority on the 30th of November 2018 and his employment ended on the 31st of December 2018. Noel O'Neill, the Deputy Chief Finance Officer has been fulfilling the statutory duties in the meantime. Mr O'Neill is a qualified accountant which is a requirement for the role.
- 2.5 The Authority is currently recruiting a permanent Chief Finance Officer, but there is a statutory requirement for the Authority to designate one of its officers as Chief Finance Officer in the meantime.
- 2.6 Mr O'Neill has been deputy Chief Finance Officer since June 2018 and is the obvious candidate to be designated as Chief Finance Officer on an interim basis.

### **3.0 FINANCIAL IMPLICATIONS**

- 3.1 The costs of the appointment will be contained within the 2018/19 forecast outturn figure for staffing costs, as approved by the Board on 28 November 2018, and within the draft Combined Authority budget for 2019/20.

### **4.0 LEGAL IMPLICATIONS**

- 4.1 There are no additional legal implications to those mentioned in the report.

### **5.0 SIGNIFICANT IMPLICATIONS**

- 5.1 There are no equalities or other implications arising from this report.

### **6.0 APPENDICES**

- 6.1 None

<u>Source Documents</u>	<u>Location</u>
None	Not applicable



<b>CAMBRIDGESHIRE AND PETERBOROUGH COMBINED AUTHORITY BOARD</b>	<b>AGENDA ITEM No: 1.8</b>
<b>30 JANUARY 2019</b>	<b>PUBLIC REPORT</b>

## **AUDIT AND GOVERNANCE COMMITTEE - RECOMMENDATIONS**

### **1.0 PURPOSE**

- 1.1. The Audit and Governance Committee met on the 30th November 2018 and received a report from the Monitoring Officer for the Combined Authority which provided it with the factual background relating to the circumstances of the resignation of the former Chief Executive.
- 1.2. Following their discussion, the Committee members agreed that they would like to recommend to the Combined Authority Board that a review be undertaken on the procedures in place for the termination of the employment of senior officers.

<b><u>DECISION REQUIRED</u></b>	
<b>Lead Member:</b>	<b>Chair of Audit and Governance Committee</b>
<b>Lead Officer:</b>	<b>Patrick Arran, Monitoring Officer and Legal Counsel</b>
<b>Forward Plan Ref: Not applicable</b>	<b>Key Decision: No</b>
The Combined Authority Board is recommended to instruct the Chief Executive to carry out a review of procedures for termination of the employment of senior officers and report the outcome of that review to the Audit and Governance Committee.	<b>Voting arrangements</b>  Simple majority of all Members

## 2.0 BACKGROUND

- 2.1. The Audit and Governance Committee has a wide-ranging remit that underpins the Combined Authority's governance and financial processes by providing independent challenge and assurance of the adequacy of risk management, internal control including internal audit, anti-fraud and the financial reporting framework.
- 2.2. At its meeting in November, the Committee received a report from the Monitoring Officer for the Combined Authority which provided it with the factual background relating to the circumstances of the resignation of the former Chief Executive.
- 2.3. The Committee also discussed the recent dismissal of the Interim Chief Finance Officer, at a time when the Authority's two top risks were about weaknesses in financial management. The Committee raised concerns around the termination of the two senior officer roles and the impact such decisions could have on the effectiveness and reputation of the Combined Authority.
- 2.4. The Committee agreed to recommend to the Combined Authority Board that a review be undertaken on the procedures for the termination of the employment of senior officers. The Committee was concerned that the recent events surrounding officers leaving the Combined Authority was creating operational risk and reputational damage.

## 3.0 FINANCIAL IMPLICATIONS

- 3.1. None.

## 4.0 LEGAL IMPLICATIONS

- 4.1. None.

## 5.0 APPENDICES

- 5.1 None.

<u>Source Documents</u>	<u>Location</u>
None	Not applicable





<b>CAMBRIDGESHIRE AND PETERBOROUGH COMBINED AUTHORITY BOARD</b>	<b>AGENDA ITEM No: 2.1</b>
<b>30 JANUARY 2019</b>	<b>PUBLIC REPORT</b>

## **BUDGET MONITOR UPDATE**

### **1.0 PURPOSE**

- 1.1 This report provides an update of income and expenditure for the year to the end of November 2018 against the forecast for the year as approved by the Board on 28 November 2018.

<b><u>DECISION REQUIRED</u></b>	
<b>Lead Member:</b>	<b>Councillor Steve Count, Portfolio for Investment and Finance</b>
<b>Lead Officer:</b>	<b>Noel O'Neill, Interim S73 Chief Finance Officer</b>
<b>Forward Plan Ref: Not applicable</b>	<b>Key Decision: No</b>
The Combined Authority Board is recommended to: <ul style="list-style-type: none"><li>note the financial position of the Combined Authority for the year to date.</li></ul>	<b>Voting arrangements</b>  Simple Majority of the Members (or their Substitute Members)

### **2.0 BACKGROUND**

#### **Budget 2018/19 Update**

- 2.1. The 'Budget Update' report presented to the Board in November provided a summary of the Combined Authority's Revenue and Capital financial position for the six-month period to 30 September 2018. The outturn forecast reflected costs incurred to date, accrued expenditure and the impact on the current year of assumptions made on staffing, overheads and workstream programme delivery costs as set out in the Medium Term Financial Plan. The Board approved the outturn forecast for the year to 31 March 2019, which is now shown as the revised budget for 2018/19.

- 2.2. An update to the November 2018 Board report, showing 'Revenue' income and expenditure for the eight-month period to 30 November 2018, is set out in the summary table below. A more detailed breakdown of income and expenditure for the year to date is shown at **Appendix 1**.

<b>2018/19 Revenue</b>	<b>2018/19 Revised Budget (£k)</b>	<b>Year to Nov 2018 (accrued)(£k)</b>	<b>2018/19 Predicted Outturn (£k)</b>
<b>Income</b>			
Grant Income	(11,292.6)	(7,528.4)	(11,292.6)
<b>Total Income</b>	<b>(11,292.6)</b>	<b>(7,528.4)</b>	<b>(11,292.6)</b>
<b>Expenditure</b>			
Mayor's Office	349.4	222.9	349.4
Operational Budget:			
Combined Authority Staffing	5,502.1	3,562.2	5,502.1
External Support Services	547.0	264.6	547.0
Corporate Overheads	687.8	509.7	687.8
Governance	150.6	23.8	150.6
Election Provision	260.0	260.0	260.0
Financing Costs	(700.0)	(493.9)	(700.0)
Workstream/Programme Budget:			
Rural Areas, Culture, Parks etc.	30.0	12.3	30.0
Fiscal	45.0	25.0	45.0
Economic Strategy	868.1	415.1	868.1
Transport & Infrastructure	2,276.6	1,368.3	2,276.6
Employment & Skills	1,015.3	296.2	1,015.3
Strategic Planning	289.2	3.7	289.2
Public Service Reform	416.0	135.8	416.0
<b>Total Expenditure</b>	<b>11,737.0</b>	<b>6,605.8</b>	<b>11,737.0</b>
<b>Total (Income) less Total Expenditure</b>	<b>444.3</b>	<b>(922.6)</b>	<b>444.3</b>

- 2.3. The November position set out in the table above shows a surplus of income over expenditure for the year to date of £922.6k. The predicted outturn remains unchanged from the revised budget and will see a draw on reserves for the year of £444.3k. This will leave a closing revenue balance of £9.948.57k at year end, which is the base number used in the budget report for 2019/20.
- 2.4. The total Revenue income for the year is expected to be £11.3m. The majority of this is grant income which was received from Central Government in April 2018. The year to date position is calculated on an eight month pro-rata basis.
- 2.5. The 'Operational Budget' costs includes staffing expenditure for the year to date of £3.56m. These costs reflect the developing staffing structure of the Combined Authority and includes a number of interims, consultants and agency staff covering vacant establishment posts.
- 2.6. The Election Costs year to date figure represents a provision of £260k, being one quarter of the anticipated costs of holding the mayoral elections. This

follows common practice in spreading the cost of the election across the four-year mayoral term.

- 2.7. Revenue costs to date reflect payments made and accrued expenditure where third parties have incurred costs against Combined Authority projects and programmes. A number of workstream budgets have not yet incurred any direct costs or appear to be underspent at the current time. These apparent underspends are due mainly to suppliers not yet having charged for services provided, or where commissioned activities are work in progress. These costs will be recognised in the year end accounts and so are reflected in the predicted outturn position.
- 2.8. The finance system is currently being developed to enable commitment accounting in future which will provide more accurate and up-to-date financial information.
- 2.9. Financing Costs includes interest earned on investments. Interest rates have improved during the course of the year and it is likely that the amount receivable in year will exceed budget.
- 2.10. The year to date 'Capital' position of the Combined Authority (as at 30 November) is shown at **Appendix 2**.
- 2.11. The Capital projects are categorised between those over which the Combined Authority has direct control (funded from Capital Gainshare and Transforming Cities grants), grants passported to delivery partners e.g. Capital Highways Maintenance funding and for Housing Programmes, Growth Fund expenditure as prioritised by The Business Board, and other schemes previously identified and costed.
- 2.12. Year to date Capital figures are based on actual payments made to date by the Combined Authority and spending that partners have incurred and are yet to bill us for.
- 2.13. Future reports will provide variance analysis between year-to-date actual figures and profiled budgets.
- 2.14. There are no significant differences between the predicted outturn position for the Combined Authority and the revised budget.

### **3.0 FINANCIAL IMPLICATIONS**

- 3.1. There are no other financial implications other than those included in the main body of the report.

#### **4.0 LEGAL IMPLICATIONS**

- 4.1. The Combined Authority is required to prepare a balanced budget in accordance with statutory requirements.

#### **5.0 SIGNIFICANT IMPLICATIONS**

- 5.1. There are no other significant implications.

#### **6.0 APPENDICES**

- 6.1 Appendix 1 - detailed breakdown of income and expenditure for the year to date
- 6.2 Appendix 2 - the year to date 'Capital' position of the Combined Authority (as at 30 November)

<b><u>Source Documents</u></b>	<b><u>Location</u></b>
None	Not applicable

**Appendix 1: CPCA Revenue 2018/19 (Nov 2018)**

	<b><u>Revised Budget</u></b>	<b><u>Actuals to 30 Nov 2018</u></b>	<b><u>Predicted Outturn</u></b>
	<b>£k</b>	<b>£k</b>	<b>£k</b>
<b><u>Income</u></b>			
Gain Share Revenue	(8,000.0)	(5,333.3)	(8,000.0)
Mayoral Capacity Fund	(1,000.0)	(666.7)	(1,000.0)
MHCLG - LEP core payments	(500.0)	(333.3)	(500.0)
Energy Hub Contribution (Staff Costs)	(333.8)	(222.5)	(333.8)
Growth Hub - BEIS	(246.0)	(164.0)	(246.0)
EZ contribution to LEP activity	(250.0)	(166.7)	(250.0)
AEB Funding	(162.8)	(108.5)	(162.8)
CEC Skills Funding (quarterly claims)	(300.0)	(200.0)	(300.0)
Growth Fund Contribution	(500.0)	(333.3)	(500.0)
<b>Total Income</b>	<b>(11,292.6)</b>	<b>(7,528.4)</b>	<b>(11,292.6)</b>
<b><u>Expenditure</u></b>			
<b><u>Mayor's Office</u></b>			
Mayor's Allowance	85.0	56.4	85.0
Mayor's Office Expenses	33.5	16.9	33.5
Mayor's Office Accommodation	43.9	25.1	43.9
Mayor's Office Staff	187.0	124.6	187.0
<b>Total Mayoral Costs</b>	<b>349.4</b>	<b>222.9</b>	<b>349.4</b>

	<u>Revised Budget</u> £k	<u>Actuals to 30 Nov 2018</u> £k	<u>Predicted Outturn</u> £k
<b><u>Combined Authority Staffing Costs</u></b>			
Salaries per Structure Report	5,432.1	3,514.6	5,432.1
Travel	40.0	35.3	40.0
Conferences, Seminars	20.0	10.4	20.0
Training	10.0	2.0	10.0
<b>Total Combined Authority Staffing Costs</b>	<b>5,502.1</b>	<b>3,562.2</b>	<b>5,502.1</b>
<b><u>Externally Commissioned Support Services</u></b>			
Payments to LAs for services	452.0	210.2	452.0
Procurement	15.0	0.0	15.0
Finance System	30.0	15.0	30.0
ICT external support	50.0	39.3	50.0
<b>Total Externally Commissioned Support Services</b>	<b>547.0</b>	<b>264.6</b>	<b>547.0</b>
<b><u>Corporate Overheads</u></b>			
Accommodation Costs	258.8	213.1	258.8
ICT consumables	20.0	16.3	20.0
Website Development	39.0	0.0	39.0
Recruitment Costs	200.0	173.5	200.0
Insurance	25.0	23.4	25.0
Audit Costs	70.0	15.4	70.0
Office running costs	20.0	27.3	20.0
Communications	55.0	40.7	55.0
<b>Total Corporate Overheads</b>	<b>687.8</b>	<b>509.7</b>	<b>687.8</b>
<b><u>Governance Costs</u></b>			
Committee/Business Board Allowances	47.0	23.8	47.0
Meeting Costs	10.0	0.0	10.0
Monitoring and Evaluation Framework	83.7	0.0	83.7
Miscellaneous	10.0	0.0	10.0
<b>Total Governance Costs</b>	<b>150.6</b>	<b>23.8</b>	<b>150.6</b>
<b><u>Election Costs</u></b>			
Election costs	260.0	260.0	260.0
<b>Total Election Costs</b>	<b>260.0</b>	<b>260.0</b>	<b>260.0</b>
<b><u>Financing Costs</u></b>			
Interest Receivable on Investments	(700.0)	(493.9)	(700.0)
<b>Total Financing Costs</b>	<b>(700.0)</b>	<b>(493.9)</b>	<b>(700.0)</b>
<b>Total Operational Expenditure</b>	<b>6,447.5</b>	<b>4,126.4</b>	<b>6,447.5</b>

	<u>Revised Budget</u> £k	<u>Actuals to 30 Nov 2018</u> £k	<u>Predicted Outturn</u> £k
<b><u>Workstream Revenue Budgets</u></b>			
<b><u>Rural Areas, Culture, Parks and Open Spaces</u></b>			
Develop Energy Hub	10.0	12.3	10.0
Develop Rural Strategy	20.0	0.0	20.0
<b>Total Rural Areas, Culture, Parks and Open Spaces</b>	<b>30.0</b>	<b>12.3</b>	<b>30.0</b>
<b><u>Fiscal</u></b>			
Investment Fund Strategy	25.0	25.0	25.0
Treasury Management Strategy	20.0	0.0	20.0
<b>Total Fiscal</b>	<b>45.0</b>	<b>25.0</b>	<b>45.0</b>
<b><u>Economic Strategy</u></b>			
Growth Hub (net of salaries)	75.4	0.0	75.4
Development of a Market Towns Strategy	250.0	0.0	250.0
Develop an International Trade Programme	50.0	0.0	50.0
St Neots Masterplan	100.0	0.0	100.0
Independent Economic Commission	392.7	415.1	392.7
<b>Total Economic Strategy</b>	<b>868.1</b>	<b>415.1</b>	<b>868.1</b>
<b><u>Transport and Infrastructure</u></b>			
Local Transport Plan	400.0	446.0	400.0
Strategic Bus Review	148.6	44.6	148.6
Smart Cities Network	100.0	0.0	100.0
Sustainable Travel	150.0	120.1	150.0
Schemes and Studies	100.0	82.9	100.0
St Neots Bus Plan	28.0	0.0	28.0
Transport Feasibility Studies	1,350.0	556.6	1,350.0
Housing Programme Support	0.0	118.1	0.0
<b>Total Transport and Infrastructure</b>	<b>2,276.6</b>	<b>1,368.3</b>	<b>2,276.6</b>
<b><u>Employment &amp; Skills</u></b>			
Peterborough University	400.0	13.7	400.0
Career Advice and Progression (Hamptons)	54.5	0.0	54.5
Skills Hub	231.0	223.6	231.0
New - Life Sciences Sector Investment	75.0	0.0	75.0
Devolution of Adult Education Budget	254.8	58.9	254.8
<b>Total Employment &amp; Skills</b>	<b>1,015.3</b>	<b>296.2</b>	<b>1,015.3</b>
<b><u>Strategic Planning</u></b>			
Non Statutory Spatial Plan (Phase 2)	135.0	3.7	135.0
Rural Strategy - Town & Parish Council conf	8.3	0.0	8.3
CA2030 Programme	40.0	0.0	40.0
Fenland UNESCO Biosphere & Parks & Open Spaces Trust	26.0	0.0	26.0
Cambridgeshire and Peterborough Land Commission	80.0	0.0	80.0
<b>Total Strategic Planning</b>	<b>289.2</b>	<b>3.7</b>	<b>289.2</b>
<b><u>Public Service Reform</u></b>			
Independent Commission and Reform Plan	416.0	135.8	416.0
<b>Total Public Sector Reform</b>	<b>416.0</b>	<b>135.8</b>	<b>416.0</b>
<b>Total Workstream Expenditure</b>	<b>4,940.2</b>	<b>2,256.5</b>	<b>4,940.2</b>
<b>Total Expenditure</b>	<b>11,737.0</b>	<b>6,605.8</b>	<b>11,737.0</b>
<b>Total Income less Total Expenditure</b>	<b>444.3</b>	<b>(922.6)</b>	<b>444.3</b>

<b>Appendix 2: CPCA Capital Programme - 2018/19 (Nov 2018)</b>			
<b><u>Direct Control</u></b>	<b><u>Revised Budget £m</u></b>	<b><u>Actuals to 30 Nov 2018 £m</u></b>	<b><u>Predicted Outturn £m</u></b>
Cambridge South Station	0.25	0.00	0.25
Peterborough University - Business case	0.30	0.00	0.30
Soham Station	2.00	1.26	2.00
St Neots River Northern Crossing cycle bridge	0.50	0.00	0.50
Wisbech Garden Town	1.00	0.09	1.00
Wisbech Rail	0.75	0.01	0.75
Wisbech Access Study	0.30	0.00	0.30
Digital Connectivity Infrastructure	0.44	0.00	0.44
A47 Dualling	1.01	0.33	1.01
Office Accommodation Fitout	0.25	0.25	0.25
<b>Total Committed Direct Control Expenditure</b>	<b>6.81</b>	<b>1.94</b>	<b>6.81</b>
<b><u>Schemes Previously Identified and Costed</u></b>			
Coldhams Lane roundabout improvements	0.30	0.03	0.30
Eastern Industries Access - Phase 1	0.25	0.22	0.25
March junction improvements	0.39	0.19	0.39
Queen Adelaide Level Crossing	0.13	0.01	0.13
Regeneration of Fenland Railway Stations	0.30	0.00	0.30
A10 Foxton Level Crossing	0.50	0.00	0.50
A1260 Nene Parkway Junction 15	0.25	0.25	0.25
A1260 Nene Parkway Junction 32-3	0.15	0.00	0.15
A141 capacity enhancements	0.40	0.05	0.40
A142 Capacity Study	0.15	0.00	0.15
A14 Junctions Improvement feasibility study	0.15	0.00	0.15
A47 Junction 18 Improvements	0.25	0.00	0.25
A505 Corridor	1.00	0.10	1.00
A605 Oundle Rd Widening - Alwalton-Lynch Wood	0.23	0.10	0.23
<b>Schemes Previously Identified and Costed Total</b>	<b>4.44</b>	<b>0.95</b>	<b>4.44</b>



<b><u>Passported</u></b>	<b><u>Revised Budget</u> £m</b>	<b><u>Actuals to 30 Nov 2018</u> £m</b>	<b><u>Predicted Outturn</u> £m</b>
Cambridge City Housing Programme	19.43	8.77	19.43
East Cambs - Housing Loan Provision	1.67	0.00	1.67
Housing Investment Programme	6.63	1.08	6.63
LTP Schemes with PCC and CCC	24.52	24.52	24.52
National Productivity Investment Fund	4.65	1.60	4.65
<b>Passported Total</b>	<b>56.89</b>	<b>35.97</b>	<b>56.89</b>
<b><u>Growth Funds</u></b>			
King's Dyke Crossing (Growth Fund)	5.49	0.00	5.49
A428 Cambourne to Cambridge	1.00	0.00	1.00
Ely Rail Improvements	1.80	0.07	1.80
In Collusion	0.12	0.11	0.12
Wisbech Access Strategy - Delivery Phase	1.00	0.00	1.00
Agri-tech	1.98	0.54	1.98
Bourges Boulevard Phase 2	1.35	1.53	1.35
Ely Southern Bypass	3.80	3.81	3.80
Whittlesea and Manea Railway Stations	0.34	0.32	0.34
Local Energy East	0.04	0.04	0.04
ERDF	0.00	0.35	0.00
IMET Phase 3	1.64	1.02	1.64
Lancaster Way Phase 2	0.86	0.00	0.86
University Project Group	0.01	0.01	0.01
COSMOS	0.03	0.03	0.03
<b>Growth Funds Total</b>	<b>19.47</b>	<b>7.82</b>	<b>19.47</b>
<b>Total</b>	<b>87.61</b>	<b>46.67</b>	<b>87.61</b>





**CAMBRIDGESHIRE  
& PETERBOROUGH**  
COMBINED AUTHORITY

<b>CAMBRIDGESHIRE AND PETERBOROUGH COMBINED AUTHORITY BOARD</b>	<b>AGENDA ITEM No: 2.2</b>
<b>30<sup>th</sup> JANUARY 2019</b>	<b>PUBLIC REPORT</b>

## **2019/20 BUDGET AND MEDIUM TERM FINANCIAL PLAN 2019 TO 2023**

### **1. PURPOSE**

- 1.1. The Combined Authority is required to set its annual budget by 31<sup>st</sup> January. Good practice would indicate that this should be done in the context of a 3 to 5 year projected financial plan. This paper sets out the budget in terms of revenue and capital. Both reflect the financial impact of decisions taken to date by the Combined Authority, the emerging staffing structure and the wider Combined Authority's ambitions. The result is a balance of the 4-year plan objectives to the funding sources available. The report seeks Board approval of the revenue and capital budgets.

<b><u>DECISION REQUIRED</u></b>	
<b>Lead Member:</b>	<b>Councillor Steve Count</b>
<b>Lead Officer:</b>	<b>Noel O'Neill, Interim Director of Finance</b>
<b>Forward Plan Ref: 2019/001</b>	<b>Key Decision: YES</b>
<p>The Combined Authority Board is recommended to:</p> <p>(a) Approve the revenue budget for 2019/20 and Medium Term Financial Plan 2019 to 2023.</p> <p>(b) Approve the capital programme 2019 to 2022.</p>	<p><b>Voting arrangements</b></p> <p>At least two-thirds of all Members (or their Substitute Members) appointed by the Constituent Councils to include the Members appointed by Cambridgeshire County Council and Peterborough City Council, or their Substitute Members.</p> <p>This is a recorded vote</p>

(c) Approve the Transport Levy in paragraph 6.3 and the passporting back to Cambridgeshire County and Peterborough City Councils.	
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## 2. BACKGROUND

- 2.1. In November 2018 the Board received a draft revenue budget, Medium Term Financial Plan and Capital Programme for consideration and to consult with the wider community on the proposals. At that meeting Members asked some detailed questions and sought some further clarifications but agreed to seek the views of the wider community. This report responds to those issues specifically.
- 2.2. It was emphasised in that report the level of annual funds available to the Combined Authority. Its core revenue funding is £8m per annum with £12m per annum of capital funding. This sets an important context for the financial plan. However, it is also important to remember that the Combined Authority is influential in obtaining further funding and devolved monies. Much of this is capital funding such as £170m for Housing and £74m for Transforming Cities. This brings with it some challenges of its own, but the Combined Authority's plans are reflected in the Capital Programme.
- 2.3. In February 2018, the Cambridgeshire and Peterborough Combined Authority (CPCA) set an initial budget for 2018/19 to meet the costs that it was aware of at that time. In May 2018, CPCA Board approved its 4 year Business Plan and the priorities for its work. An initial Medium Term Financial Plan was approved along-side this that allocated funding against these activities. The CPCA has continued to develop these concepts and its resource profile and the forecast outturn is based upon the implementation of those decisions. This was reported in a separate paper in November 2018, but is included within this paper and the tables as a point of reference for future year plans.
- 2.4. The Mayor instigated a review of the Combined Authority's staffing structure and fitness for purpose from the interim Chief Executives. The budget and financial plan before Members reflects that review and the savings identified. Some of the savings identified in this review were anticipated in the draft budget proposed in November. There is a more detailed explanation in the salaries section below.
- 2.5. A Business Plan for 2019/20 is also before Members on this Agenda. This has been produced in response to some of the queries raised in November 2018 by the Board and gives more detail on the areas of priority and how they will be delivered in the year. More detail on the prioritisation of revenue resources and specific feasibility work on transport schemes has been developed since November. Also, a review of how the capital programme also targets spend towards devolution priorities has been undertaken. This is reflected in the budget before Members.

- 2.6. As stated, the ambition for the CPCA area stretches beyond the current funding envelope. Whilst the budget and MTFP set out how existing resources will be used to develop the major infrastructure programmes, there will also be a focus of effort on developing and securing new funding sources to deliver those ambitions.
- 2.7. The Mayor's Office Budget is determined in a separate paper on this agenda. It is shown within this report to reflect the overall financial position of the Combined Authority.
- 2.8. The paper has made some assumptions around the split of capital and revenue expenditure in line with its emerging capital and accounting policy.

### **3. REVENUE BUDGET**

- 3.1. The revenue budget is the plan for operational, day to day expenditure that the CPCA needs to function as a local authority. It includes all of the Business Board (Local Enterprise Partnership) activity. A major change due next year is the devolution of the Adult Education Budget (AEB) for the area. This is revenue grant that will be managed by CPCA and is £12.1m in 2019/20. Another is the specific identification of revenue resources to deliver the initial feasibility work for the major priorities. Work has been undertaken to specify what is required for transport for 2019/20 but an element has been identified for non-specified work in the year. This is sound financial planning in the Combined Authority BUT no spend will be incurred without specific approval from the Board.
- 3.2. The detailed budget and MTFP is shown in Appendix 1. A summary is shown below with an associated narrative on the major elements of the budget:

**Table 1 Summary Revenue Budget 2019/20 and MTFP**

Forecast Outturn £000's		2019/20 £000's	2020/21 £000's	2021/22 £000's	2022/23 £000's
<b>(11,250.5)</b>	<b>Income</b>	<b>(23,099.2)</b>	<b>(22,065.6)</b>	<b>(22,072.6)</b>	<b>(22,079.8)</b>
<b>349.4</b>	Mayor's Office	<b>353.7</b>	<b>357.8</b>	<b>362.0</b>	<b>366.3</b>
<b>5,432.1</b>	Salaries	<b>4,845.1</b>	<b>4,917.8</b>	<b>4,991.6</b>	<b>5,066.4</b>
<b>70.0</b>	Other Employee Costs	<b>200.0</b>	<b>200.0</b>	<b>200.0</b>	<b>200.0</b>
<b>547.0</b>	Externally Commissioned Support Services	<b>375.0</b>	<b>375.0</b>	<b>375.0</b>	<b>375.0</b>
<b>593.8</b>	Overheads	<b>474.2</b>	<b>475.0</b>	<b>475.0</b>	<b>475.0</b>
<b>67.0</b>	Governance Costs	<b>67.0</b>	<b>67.0</b>	<b>67.0</b>	<b>67.0</b>
<b>260.0</b>	Election Costs	<b>260.0</b>	<b>260.0</b>	<b>260.0</b>	<b>260.0</b>
<b>0.0</b>	Capacity Funding	<b>125.0</b>	<b>125.0</b>	<b>125.0</b>	<b>125.0</b>
<b>(700.0)</b>	Financing	<b>(800.0)</b>	<b>1,615.0</b>	<b>1,743.8</b>	<b>1,925.0</b>
	<u>Workstreams</u>				
<b>0.0</b>	Non-Transport Feasibility Budget	<b>1,000.0</b>	<b>1,000.0</b>	<b>1,000.0</b>	<b>1,000.0</b>
<b>1,526.6</b>	Transport Feasibility non-capital	<b>4,000.0</b>	<b>5,000.0</b>	<b>2,000.0</b>	<b>500.0</b>
<b>750.0</b>	Other Transport Revenue	<b>350.0</b>	<b>250.0</b>	<b>0.0</b>	<b>0.0</b>
<b>1,015.3</b>	Business and Skills	<b>11,766.1</b>	<b>11,656.1</b>	<b>11,656.1</b>	<b>11,656.1</b>
<b>868.1</b>	Economic Strategy	<b>539.9</b>	<b>518.8</b>	<b>517.8</b>	<b>516.8</b>
<b>915.7</b>	Strategy, Planning & Performance	<b>505.9</b>	<b>326.8</b>	<b>233.6</b>	<b>50.0</b>
<b>444.4</b>	Net Position for year	<b>962.7</b>	<b>5,078.9</b>	<b>1,934.3</b>	<b>502.9</b>
<b>(9,948.6)</b>	Revenue balance @ 31st March	<b>(8,986.0)</b>	<b>(3,907.1)</b>	<b>(1,972.8)</b>	<b>(1,469.9)</b>

### 3.3. Income Sources

In 2019/20 CPCA will receive £23.1m of revenue funding. The largest income line is £12.1m for AEB funding. However, around 96% of this will be paid in grants direct to providers of those services. Therefore, the CPCA has £11m to deliver all of its services, the major element of which is £8m Revenue Gainshare with £1m for Mayoral Capacity Building Fund which ceases this year. The Authority also receives some core funding from Central Government for LEP activities.

### 3.4. Mayor's Office

The budget for the Mayor's Office is determined separately on this Agenda.

### 3.5. Salaries

3.5.1. The costs of paying staff is another key element of the revenue budget. An organisational structure was approved by the CPCA Board in June 2018. The interim Chief executives have reviewed this structure in the light of the ambition of CPCA and the resource challenges. The proposed budget reflects the principles of this structure. Employment Committee on 4<sup>th</sup> February 2019 will be considering this proposal.

3.5.2. The gross salary cost for 2019/20 including national insurance and pensions costs is £4.8m. It includes an assumption of a 1.5% pay award. The costs reflect the additional services that the Combined Authority now carry out.

- 3.5.3. Since its inception the Combined Authority has taken on many new services together with that funding. They include the former GCGP Local Enterprise Partnership, Adult Education and Energy Hub for the wider South east. 37%, £1.75m of this salary budget is for staff to carry out those functions. These posts are fully funded from direct Government funding and have NO call on the £8m annual gainshare funding.
- 3.5.4. In the structure report of June 2018, only the in-year impact was reported. The full year cost of that structure was £5.9m and that excluded 6 Energy Hub posts and 2 AEB positions in the current structure. Including these positions, that structure would have cost £6.3m. The proposed 2019/20 salary budget of £4.8m, including provision for pay inflation, represents a 24% reduction from the completed review.
- 3.6. **Externally Commissioned Support Services**  
The CPCA continues to operate a lean structure. To promote that efficiency some support services are provided by constituent authorities such as democratic services by Cambridgeshire County Council, transactional financial services by Peterborough City Council and procurement by Cambridge City Council. In addition, some specific expertise may be required.
- 3.7. **Corporate Overheads**  
This section identifies the costs of running an office as well as specific costs of being in business such as audit.
- 3.8. **Governance**  
This line covers the costs of holding meetings and the remuneration of the Business Board and independent panels.
- 3.9. **Capacity Funding**  
The CPCA will be required to develop emerging concepts that are not currently known. Allocating funding ensures the organisation has some flexibility to react to emerging ideas and central Government policy. As the planned expenditure is utilising most balances, it is sensible to identify some funding to enable the organisation to develop new ideas. Utilisation of this funding will require the approval of the Chief Executive.
- 3.10. **Financing Costs**
- 3.10.1. The Council is currently carrying balances of devolved funds and this line reflects interest received on those balances. As part of the budget process, the cash flows of the Combined Authority have been reviewed. Interest rate assumptions within Treasury Management have also been reviewed as they have risen over recent months. The impact of this sees an increase in the expected income in 2019/20.
- 3.10.2. Initially the draft revenue budget assumed that the CPCA will be looking to draw down its borrowing capacity in 2019/20 should that be

required to fund any Investment Strategy. However, there are no specific plans to utilise that funding this year. If opportunities did arise in year, then the Council should be able to address this via Treasury Management.

3.10.3. The Combined Authority will still be looking to utilise its borrowing powers in future years to fund investment opportunities and to deliver its planned schemes. Therefore, the medium term plan includes the interest element of that debt from 2020/21.

3.11. The major delivery elements of the revenue budget are against key workstreams. A brief summary of each is outlined below.

### 3.12. **Non-Transport Feasibility Funding**

The budget and financial plan has allocated revenue funds for non-transport feasibility work. This is unallocated at this stage because the demands are unknown. This allows the Combined Authority some scope to react to emerging issues within a defined budget. However, it is important to note that any draw down on this funding will require CPCA Board approval.

### 3.13. **Transport**

3.13.1. Transport is a major priority of the Combined Authority. Some of the major schemes need to be further developed into compelling business cases for delivery and funding. This element has a significant impact upon the revenue budget over the early years of the Combined Authority. Lots of the early feasibility work around the major infrastructure priority projects such as Cambridge Automated Metro (CAM) and Huntingdon Third Crossing require initial work to test out the appropriate solution. This early work is deemed revenue expenditure. The proposed programme, and hence funding, on CAM is based upon a collaborative approach to delivery in 2019/20 and leveraging other funding to assist that phase.

3.13.2. A prioritisation exercise has been carried out against the priorities and what can be delivered to take the major schemes forward. This reflects the Transport Director's view of what is needed to make significant headway. The prioritisation exercise is reflected in the allocations of feasibility funding to schemes in 2019/20 budget. The associated Business Plan explains further how this funding will be deployed and the outcomes delivered.

3.13.3. A key element of the revenue allocation in 2019/20 is delivery of the Bus Review. This will include paying for some crucial subsidies as well as the development of a new bus arrangement in Cambridgeshire and Peterborough. It is the subject of a separate report to the Board but £1m has been assigned in prioritisation to 2019/20 and 2020/21 for the full cost of delivery of a new system and any intermediate measures.

3.13.4. The medium term plan has allocated funding for further revenue demand and feasibility in transport in future years. Planning in this way



allows the Board to develop concepts further in the knowledge that funding is identified at the outset. Members will note that this funding is not allocated to specific schemes at this time. If the MTFP is accepted, then the call on this funding will be developed throughout the year and form part of the revised MTFP and mid-year review in October 2019.

### **3.14. Business, Skills & Economic Strategy**

- 3.14.1. Part of this workstream is how the Skills agenda is addressed to help boost our economic activity in Cambridgeshire and Peterborough. In this area the demands are often for revenue funding. An annual allocation of £150k has been made to deliver on the outcomes from the Skills Strategy. Specifically, in 2019/20, funding has been allocated to deliver a Work Readiness Pilot in Peterborough to inform future programmes to increase employability.
- 3.14.2. A need has been identified to continue Skills Brokerage across the wider area in 2019/20 whilst the future strategy is developed into a plan. An underspending in funding previously allocated by the Combined Authority to supplement apprenticeship delivery has been identified. This funding will help support the skills brokerage and aid delivery of apprentices.
- 3.14.3. A key deliverable of the Devolution Deal is developing Market Towns. Some of this will be capital but, inevitably, some revenue funding will be required. An annual allocation of £200k has been created to help deliver the wider strategies.
- 3.14.4. It is important that the Local Industrial Strategy (LIS) is developed into coherent proposals to generate the growth in Gross Value Added (GVA) that is sought across the area. Growth Funds from central government will help on the capital front but some revenue funding will be needed to develop initiatives. The medium term plan has allocated funding for this. International trade is a key aspect of the whole economy and a full programme will be delivered from this budget.
- 3.14.5. Delivery of the devolved Adult Education Budget is a key priority in 2019/20 for the Combined Authority. Resources have been allocated and approved by the Board in November 2018 to deliver. The number here reflects what is currently available to deliver the service through the major providers.

### **3.15. Strategy, Planning & Performance**

- 3.15.1. A key element of this budget is the funding of the Monitoring and Evaluation Framework. This covers the costs of the support from Cambridge Insight and the costs of the Government reviewers.
- 3.15.2. In 2019/20 this workstream will deliver the Non-Statutory Spatial Framework (NSSF) to support the Combined Authority's wider

ambitions for Housing Growth and Transport. It will also see the completion of the work on potential health reform.

### **3.16. Balances**

- 3.16.1. All local authorities have a responsibility to set a balanced budget against the resources available to it. The paper before Members sets out the current priorities and the revenue implications of delivering them. This budget is balanced against the resources currently available to the Combined Authority. The operational costs of the Combined Authority have been reviewed and the budget reflects the plan for a tightly focussed organisation commissioning work to deliver its priorities.
- 3.16.2. Utilising brought forward reserves to accelerate feasibility work is a sensible approach. However, committing all revenue balances by 31<sup>st</sup> March 2023 is not financially prudent. Good practice would indicate that a sensible policy is to budget to hold between 4% and 5% of gross expenditure as a revenue balance. Therefore, the minimum reserve level is set at £1m at any time.

### **3.17. Conclusions**

- 3.17.1. The budget for 2019/20 onwards has doubled. This is because of the devolution of Adult Education Budget (AEB) from 2019 onwards. Whilst this is a significant increase, resources have been deployed to ensure that the appropriate grants will be paid to the suppliers of the service.
- 3.17.2. The potential larger strategic capital projects that the Combined Authority is reviewing require revenue funding to develop supporting business cases. These projects will naturally take longer to bring to delivery at which point they will also require additional capacity funding. The current stage of the Authority's work in this area is focused on the prioritisation and scheduling of this next set of works to bring forward. As part of its 2019/20 budget and Medium-Term Financial Plan (MTFP) the Authority has identified its capacity for revenue funding to develop such schemes over the medium term.
- 3.17.3. The revenue budget before Members balances current resources against priorities and allows work to continue to deliver the ambitious plans of the Combined Authority. Work will continue to seek out additional funding and new financing models to help accelerate delivery of these priorities.
- 3.17.4. The Medium Term Financial Plan before Members extrapolates the Budget for 2019/20 to 2022/23. This has been based on some inflation assumptions on pay, known changes such as the Mayoral Capacity Building Fund ceasing in 2020/21 and the completion of projects within the current programme. The plan allocates funding to deliver in future years, BUT any use of the funding will need appropriate approval by Board.

## 4. CAPITAL PROGRAMME

### Development of the Capital Programme

- 4.1. The Combined Authority's capital programme sets out how capital funding will be used to deliver projects that meet its ambitions. It has developed over the course of the previous two years and has been shaped by the needs of the area's geography primarily through the devolution deal with Government and prioritisation of schemes brought forward by the constituent authorities. Thus, there is a significant emphasis on housing, transport and infrastructure schemes.
- 4.2. As the Combined Authority continues to mature as an organisation, the first group of a series of planned capital investments are now being made in areas such as the Ely Southern Bypass, Kings Dyke Rail Crossing, Fenland Rail improvement and support for the first phase of the CAM Metro. As part of this 2019/20 budget and MTFP, the Authority has identified further capital projects that, subject to the necessary approvals, funding and business cases, it anticipates bringing forward in the plan period to March 2023. These include new rail facilities at Soham and Cambridge South and the St Neots river crossing cycle bridge as well as investments towards a new University at Peterborough and improving Digital Connectivity which are in line with the priorities of the organisation.
- 4.3. The Combined Authority has several sources of funding available to deliver capital schemes. Each funding source has nuances on what it can be used for. The overall capital programme has been broken down into four categories of project based upon funding sources.
- 4.3.1. Directly Controlled Expenditure  
The projects in this category are funded by Gainshare Capital and Transforming Cities Fund Grants (TCF). TCFs are awarded as part of Single Pot for the Combined Authority and thus the Board has a large degree of discretion over which projects to finance in this category. The projects included in this section are based on previous Board allocations and identified priority schemes.
- 4.3.2. Passported Expenditure  
This category includes capital highways maintenance funding, the National Priorities Infrastructure Funding and the two Housing Infrastructure Funds. These funding sources are ringfenced for particular uses and thus the Board has less control over the projects in this category.
- 4.3.3. Growth Funds Expenditure  
Growth Fund is allocated to The Business Board by Government. Prioritisation and financing of projects using these funds is decided by the Business Board and reviewed by the CPCA Board.

#### 4.3.4. Potential Future Schemes

The CPCA and Mayor have an ambitious strategic plan for Cambridgeshire and Peterborough. To achieve this vision will require capital investment far in excess of the funds currently available to the Authority. In order to finance these strategic schemes, the Authority is looking at innovative funding mechanisms including Tax Increment Financing and Land Value Capture, as well as leveraging both private and Government investment.

### **Summary of the Capital Programme**

4.4. The table below sets out a high-level summary of the CPCA's capital programme and how the expenditure will be funded, a detailed project breakdown is included as Appendix 2.

Capital Category	Opening Balance	Expenditure (£m)			Future Years
		19-20	20-21	21-22	
<i>Directly Controlled Expenditure</i>					
Committed Schemes		13.74	13.56	21.57	
<i>Funded By</i>					
Capital Gain Share		(12.00)	(12.00)	(12.00)	
Transforming Cities		(17.00)	(22.00)	(30.00)	
Available in-year funding		(15.26)	(20.44)	(20.43)	
Costed but not yet committed schemes		10.40	29.34	26.00	
Movement on Capital Balance if schemes approved	(25.19)	(4.87)	8.90	5.57	(15.59)
Potential Future Schemes			44.00	250.03	5,778.15
Passported Expenditure		95.48	88.18	37.75	23.08
<i>Funded By</i>					
DfT Capital Funding		(23.08)	(23.08)	(23.08)	(23.08)
Housing - Cambridge City	(22.36)	(17.00)	(15.00)		
Housing Infrastructure Fund	(23.99)	(9.00)	(18.00)		
Housing Loan Repayment		(1.18)	(5.33)		
National Priorities Investment Fund	(2.00)				
Housing Investment Fund	(22.00)	(6.00)	(12.00)		
Growth Funds Expenditure		33.52	42.95	0.50	
<i>Funded By</i>					
Growth Fund Income	(25.32)	(15.88)	(35.74)		

### **Directly Controlled Expenditure**

4.5. Projects within the direct control category fall into four main areas; Transport, Strategic Transport, Other Mayoral Priorities and March 2018 Transport scheme

- 4.6. There are ten strategic transport priorities identified by the Combined Authority. Capital funding has been allocated to some of those programmes where the spending meets the definition of capital such as Kings Dyke and Soham. The capital programme also allocates future year funding as the programmes develop.
- 4.7. Accounting regulations restricts which elements of early feasibility work and options appraisal, such as that undertaken on these projects, can be capitalised and thus the total expenditure is split across both the revenue and capital programmes. As work progresses, and specific preferred options are developed, these projects will have these future costs capitalised. These strategic projects are a vital part of the Combined Authority and Mayor's long-term vision for the area underpinning the themes of access to a good job within easy reach of home, having a high quality sustainable environment and becoming the UK's capital of innovation and productivity.
- 4.8. The other mayoral priorities included under direct control are the development of Peterborough University and the Digital Connectivity Infrastructure Programme. The University of Peterborough is a key feature of the devolution deal agreed with government and is critical for delivering on the Combined Authority's skills agenda. The funding in the medium-term capital plan will deliver an interim solution providing co-location of accommodation for 2,000 students and the teaching facilities providing the best possible start for the university as later phases of the project are developed.
- 4.9. The transport schemes included as Costed but not Yet Committed are based on the prioritised list of key transport interventions considered by the Board in March 2018. At that time funding was only approved for 2018/19. This programme brings the future phases for consideration. They are a mix of rail, road and active transport schemes across the CA area which, together with schemes being carried out by the constituent authorities, ensure the continued freedom of movement and improvement in the day to day travel experience of residents in the CA area.
- 4.10. The Board is asked to approve the funding of the schemes identified as Costed but not Yet Committed noting the caveat in paragraph 4.11. If that is agreed, the Combined Authority will spend £114.6m on priority schemes within the Direct Control Programme over the period to 31<sup>st</sup> March 2022. This programme will drawdown £11.6m of gainshare reserves leaving a balance at 31<sup>st</sup> March 2022 of £15.59m. This balance leaves the organisation with some scope to meet any unforeseen costs and deliver new capital schemes as they are developed. Therefore, there is no need to allocate any further contingency at this stage.
- 4.11. It is important to note that approval of the budget at this stage is an allocation of funding. Any draw down of spend will need to have a full proposal and business case submitted to the Combined Authority, and approved by Board, a plan to deliver and a funding agreement between the delivering organisation and the Combined Authority before any funding will be paid.

## **Passported Expenditure**

- 4.12. The main elements of this category are the devolved Housing programmes and the Local Highways Capital grants.
- 4.13. The Combined Authority became the area's local transport authority from April 2017, as such capital grants from the Department for Transport (DfT) for use on maintaining the public highways are awarded to it. This is done in recognition that the Authority's strategic view across the area will, in the long term, allow for more efficient use of these funds. Cambridgeshire County Council and Peterborough City Council are the region's Highways authorities and hold responsibility for the maintenance of the roads in the area (excluding the strategic road network which is managed by Highways England). In order to ensure continuation of service, and so as not to disrupt pre-existing capital programmes, the devolution deal stated that these grants would continue to be awarded to the Highways authorities in the shares set out in DfT's published allocations to 2020-21.
- 4.14. Housing is a fundamental element of the devolution deal, as evidenced by the £170m of funding awarded to the Combined Authority to accelerate, and increase, the delivery of homes across the area by 2021. These funds are split between £70m ringfenced for use in the Cambridge City area and £100m for the rest of the area and are key in achieving the themes of; access to a good job within easy reach of home and having healthy, thriving and prosperous communities. Whilst the programme is influenced by the Combined Authority, the deliverables required are set out within the funding arrangements and thus has little choice on what to fund.
- 4.15. The Housing Strategy, adopted by Board in September 2018, identified the key deliverable of 2,500 affordable homes . This will be a mix of shared ownership, affordable rent and social rent either completed or started on site by March 2022.
- 4.16. This strategy sets out our desire to deliver through a range of mechanisms including direct grant funding, joint ventures, the creation of a new housing development company, infrastructure investment to unlock housing, and supporting Community Land Trusts.

## **Growth Funds**

- 4.17. The area's Local Enterprise Partnership secured capital grants from Government totalling over £150m including both Growth Deal funding and Growing Places Fund. Of these funds around £100m has already been allocated or spent on projects promoting jobs and housing growth in the area leaving £50m to be awarded.
- 4.18. The Business Board (TBB) has recently issued a Growth Prospectus calling on businesses in the area to come forward with proposals for the remaining funding. The prospectus outlined five programmes offering funding for loans, equity or grant funding up to £3m ensuring we capture the best value projects across all businesses from small and medium sized enterprises (SMEs) to



multinationals. The profiled expenditure of these funds is indicative and will evolve as projects are brought forward for TBB to consider and approve. However, the majority of the funding available must be spent by the end of March 2021 thus the profiles assume no expenditure after that date.

### **Potential Future Schemes**

- 4.19. As mentioned in paragraph 4.6, the CA and Mayor have identified ten strategic transport priorities, as well as Peterborough University, which will require substantial capital investment over both the medium and long term in order to achieve the vision for Cambridgeshire and Peterborough.
- 4.20. Where estimates can be made, the large capital costs of these schemes make up the vast majority of the potential future schemes. To deliver all these projects will require resources far beyond the scope of those currently available to the Combined Authority. This provides the driving force for the exploration of ways to unlock investment from other sources. Ideas range from using models proven in other developed countries such as Tax Increment Financing, Land Value Capture, joint ventures, to direct investment from Government or the private sector.
- 4.21. By identifying and recognising the scope of the challenge these schemes present the Combined Authority ensures it maintains a truly long term view of the area's prosperity and enables it to present an undeniable narrative, supported by the recently published Cambridgeshire and Peterborough Independent Economic Review.

## **5. CONSULTATION RESPONSES**

- 5.1. Eight formal responses were received in the Consultation Process. A summary of the responses, together with officer comments are contained in Appendix 3. Having considered the responses to the consultation, Officer advice is that they have no material impact on the advice given in this report.

## **6. TRANSPORT LEVY**

- 6.1. Discussions have taken place throughout the year on the impact of the Transport Levy with Cambridgeshire County Council and Peterborough City Council. Whilst it is understood and accepted that the Transport Levy needs to be set this year, the most effective way to operate in 2019/20 will be to base this on existing budgets and minimise the impact of the change whilst the options for the future are considered.
- 6.2. This funding will remain with the respective highways authorities to continue to operate the services in 2019/20 and the Department for Transport (DfT) devolved funding for Transport will continue to be passported to both of the highways authorities. The respective authorities have the staff and expertise to continue to operate the services effectively whilst the new modes of operation are fully considered over the next 12 months. This will allow continuity of

service and minimal impact on the public whilst the options are properly considered by the Combined Authority and stakeholders.

- 6.3. The Transport Levy is based upon 2019/20 budgets as provided by the respective Councils. The Levy, which has been formally agreed with both Councils is, for Cambridgeshire County Council £8.738m and Peterborough City Council £3.631m.

## **7. SECTION 25 STATEMENT**

- 7.1. Section 25 of the Local Government Act 2003 places requirements on a Section 73 Officer in determining the Council's budget for the forthcoming financial year to report on the robustness of the estimates made for the purposes of the calculations and on the adequacy of the proposed financial reserves. This assessment is based upon the Combined Authority continuing to operate on an on-going basis and with a minimum £20m gainshare (£8m revenue and £12m capital) to be funded from Central Government. This section sets out my view of the budget and medium term financial plan.
- 7.2. The level of reserves needs to be set in the context of the way this organisation operates. The level of revenue reserves have been determined based upon sensible assumptions (paragraph 3.16) and the proposed MTFP does not breach the recommended minimum level of £1m. The projected level of capital balances is described in the capital programme and paragraph 4.10. Again this represents a reasonable level based upon the commitments made.
- 7.3. The whole of this report is about the budget and financing of the Authority over the next 4 years. The paper identifies a sustainable budget and MTFP for the period within the resources available to the Combined Authority. The revenue budget identifies clear budgets to progress the major priorities of the Combined Authority as well identifying funding to further develop in future years. The wider Medium Term Financial Plan provides a clear financial plan that allows the Board to manage and monitor its financial performance as well as deliver its objectives. Resources are clearly identified against priorities. The assumptions and numbers are a fair reflection of the commitments of the Combined Authority.
- 7.4. The Capital Programme identifies funding to deliver specific schemes over the period. It will utilise Gainshare Capital to deliver on devolution aspirations such as Digital Connectivity, Peterborough University, regeneration of Market Towns and some transport priorities. It also looks to maximise the benefit of the Transforming Cities Fund towards major Transport priorities. The programme also includes the plan to deliver housing from the devolved capital funding to accelerate delivery across the Combined Authority area. The estimates for the programmes are based upon reasonable estimates across the organisation. Importantly the committed expenditure can be controlled across the years.
- 7.5. The overall budget and Medium Term Financial Plan allow development of the Devolution and Mayoral ambition within existing resources. Capacity has been built into the plan to potentially utilise borrowing to progress some of the



investment programme. Equally resources have been identified to progress other innovative funding mechanisms such as Land Value Capture, Tax Incremental Financing (TIF) and other potential new funding. Funding this capacity is essential to creating the financing packages to deliver the major strategic changes within the ambition.

- 7.6. A separate report on this Agenda describes the Business Plan for 2019/20 in more detail. The proposed budget has been developed alongside that plan.

## **8. LEGAL IMPLICATIONS**

- 8.1. The Authority is under a legal requirement to achieve a balanced budget. A draft budget was agreed by Board in November 2018 and an appropriate consultation was carried out. Sufficient information was provided to enable an intelligent consideration and response to the consultation. All consultation responses were diligently considered by officers and their response is set out in this report.
- 8.2. The Transport Levying Bodies (Amendment) regulations 2018 came into force on 1<sup>st</sup> October 2018 and sets out regulations for the calculation and apportionment of levies issued by the Combined Authority.

## **9. SIGNIFICANT IMPLICATIONS**

- 9.1. The budget, MTFP and capital programme of Combined Authority set out in financial terms how it will deliver for its programmes over the next 4 years. Therefore, it will have significant implications for the community of the area and beyond.

## **10. APPENDICES**

- 10.1. Appendix 1 – Detailed Revenue Budget for the Cambridgeshire and Peterborough Combined Authority
- 10.2. Appendix 2 – Detailed Breakdown of the Capital Programme
- 10.3. Appendix 3 – Consultation Responses

<b><u>Source Documents</u></b>	<b><u>Location</u></b>
CA Board meeting 28 November 2018: Agenda and minutes	<a href="https://cmis.cambridgeshire.gov.uk/cc_live/Meetings/tabid/70/ctl/ViewMeetingPublic/mid/397/Meeting/932/Committee/42/SelectedTab/Documents/Default.aspx">https://cmis.cambridgeshire.gov.uk/cc_live/Meetings/tabid/70/ctl/ViewMeetingPublic/mid/397/Meeting/932/Committee/42/SelectedTab/Documents/Default.aspx</a>

## APPENDIX 1

### Detailed Revenue Budget and Medium Term Financial Plan for Cambridgeshire and Peterborough Combined Authority

Forecast Outturn £000's		2019/20 £000's	2020/21 £000's	2021/22 £000's	2022/23 £000's
<b>Revenue Funding Sources</b>					
(8,000.0)	Revenue Gainshare	(8,000.0)	(8,000.0)	(8,000.0)	(8,000.0)
(1,000.0)	Mayoral Capacity Building Fund	(1,000.0)			
(246.0)	Growth Hub BEIS	(246.0)	(246.0)	(246.0)	(246.0)
(500.0)	LEP Core Funding from BEIS	(500.0)	(500.0)	(500.0)	(500.0)
(291.7)	Energy Hub Contribution (Staff Costs)	(463.6)	(470.6)	(477.6)	(484.8)
(250.0)	EZ contribution to LEP activity	(250.0)	(250.0)	(250.0)	(250.0)
(162.8)	AEB Funding	(12,139.6)	(12,099.0)	(12,099.0)	(12,099.0)
(300.0)	CEC Skills Funding (quarterly claims)				
(500.0)	Growth Fund Contribution	(500.0)	(500.0)	(500.0)	(500.0)
(11,250.5)	<b>Total Revenue Funding</b>	(23,099.2)	(22,065.6)	(22,072.6)	(22,079.8)
<b>Mayor's Office</b>					
85.0	Mayor's Allowance	85.0	85.0	85.0	85.0
33.5	Mayor's Office Expenses	25.0	25.0	25.0	25.0
43.9	Mayor's Office Accommodation	52.4	52.4	52.4	52.4
187.0	Mayor's Office Staff	191.3	195.4	199.6	203.9
349.4	<b>Total Mayor Costs</b>	353.7	357.8	362.0	366.3
<b>Combined Authority Staffing Costs (inc NI 'er and Pen 'er)</b>					
429.7	Chief Executive	246.2	249.8	253.6	257.4
258.8	Housing	393.5	399.4	405.4	411.5
189.6	Energy	463.6	470.6	477.6	484.8
768.6	Transport	574.2	582.8	591.5	600.4
<b>Business and Skills Directorate:</b>					
816.7	Business and Skills	767.8	779.3	791.0	802.9
204.6	Growth Hub	164.8	167.3	169.8	172.3
223.2	AEB	350.1	355.3	360.7	366.1
<b>Strategy, Planning &amp; Performance:</b>					
421.7	Strategy, Planning & Performance	453.7	460.5	467.4	474.4
146.6	Business Support	76.6	77.8	79.0	80.1
182.4	Communications	149.9	152.1	154.4	156.7
<b>Corporate Services</b>					
818.3	Legal and Governance	565.6	574.1	582.7	591.4
711.7	Finance	567.1	575.6	584.2	593.0
123.6	HR	72.1	73.1	74.2	75.4
136.7	LEP Transition Costs				
5,432.1	<b>Total Combined Authority Staffing Costs</b>	4,845.1	4,917.8	4,991.6	5,066.4

<b><u>Other Employee Costs</u></b>					
40.0	Travel	100.0	100.0	100.0	100.0
30.0	Conferences, Seminars & Training	100.0	100.0	100.0	100.0
<b>70.0</b>	<b>Total Other Employee Costs</b>	<b>200.0</b>	<b>200.0</b>	<b>200.0</b>	<b>200.0</b>
<b><u>Externally Commissioned Support Services</u></b>					
250.0	External Legal Counsel (via PCC)	100.0	100.0	100.0	100.0
65.0	Finance Service (PCC)	75.0	75.0	75.0	75.0
137.0	Payments to OLA's for services				
0.0	Democratic Services	90.0	90.0	90.0	90.0
0.0	Payroll	10.0	10.0	10.0	10.0
0.0	HR	25.0	25.0	25.0	25.0
15.0	Procurement	25.0	25.0	25.0	25.0
30.0	Finance System (PCC/Serco)	0.0	0.0	0.0	0.0
50.0	ICT external support (3C)	50.0	50.0	50.0	50.0
<b>547.0</b>	<b>Total Externally Commissioned Support Services</b>	<b>375.0</b>	<b>375.0</b>	<b>375.0</b>	<b>375.0</b>
<b><u>Corporate Overheads</u></b>					
258.8	Accommodation Costs	339.2	340.0	340.0	340.0
20.0	Software Licences, Mobile Phones cost etc.	20.0	20.0	20.0	20.0
200.0	Recruitment Costs	0.0	0.0	0.0	0.0
25.0	Insurance	25.0	25.0	25.0	25.0
70.0	Audit Costs	70.0	70.0	70.0	70.0
20.0	Office running costs	20.0	20.0	20.0	20.0
<b>593.8</b>	<b>Total Corporate Overheads</b>	<b>474.2</b>	<b>475.0</b>	<b>475.0</b>	<b>475.0</b>
<b><u>Governance Costs</u></b>					
47.0	Committee/Business Board Allowances	47.0	47.0	47.0	47.0
10.0	Meeting Costs	10.0	10.0	10.0	10.0
10.0	Miscellaneous	10.0	10.0	10.0	10.0
<b>67.0</b>	<b>Total Governance Costs</b>	<b>67.0</b>	<b>67.0</b>	<b>67.0</b>	<b>67.0</b>
<b><u>Election Costs</u></b>					
<b>260.0</b>	<b>Total Election Costs</b>	<b>260.0</b>	<b>260.0</b>	<b>260.0</b>	<b>260.0</b>
<b><u>Capacity Funding</u></b>					
	<b>Total Capacity Funding</b>	<b>125.0</b>	<b>125.0</b>	<b>125.0</b>	<b>125.0</b>
<b><u>Financing Costs</u></b>					
<b>(700.0)</b>	Interest Receivable on Investments	<b>(800.0)</b>	<b>(510.0)</b>	<b>(381.2)</b>	<b>(200.0)</b>
	Interest on Borrowing		2,125.0	2,125.0	2,125.0
<b>(700.0)</b>	<b>Total Corporate Income</b>	<b>(800.0)</b>	<b>1,615.0</b>	<b>1,743.8</b>	<b>1,925.0</b>
<b>6,269.8</b>	<b>Total Operational Budget</b>	<b>5,546.3</b>	<b>8,034.8</b>	<b>8,237.4</b>	<b>8,493.4</b>
<b><u>Non-Transport Feasibility Funding</u></b>					
	Feasibility (unallocated)	1,000.0	1,000.0	1,000.0	1,000.0

	<b>Total Feasibility Budget</b>	<b>1,000.0</b>	<b>1,000.0</b>	<b>1,000.0</b>	<b>1,000.0</b>
	<b><u>Transport</u></b>				
1,350.0	Feasibility Studies non-capital	500.0	4,000.0	2,000.0	500.0
	CAM	1,000.0	0.0	0.0	0.0
	A10 SOBC	500.0	0.0	0.0	0.0
	Huntingdon 3rd River Crossing	200.0	0.0	0.0	0.0
176.6	Bus Review Implementation	1,000.0	1,000.0	0.0	0.0
	Cambridge South - Interim Concept	100.0	0.0	0.0	0.0
	Garden Villages	700.0	0.0	0.0	0.0
400.0	Local Transport Plan	100.0	0.0	0.0	0.0
100.0	Smart Cities Network				
150.0	Sustainable Travel	150.0	150.0	0.0	0.0
100.0	Schemes, Studies and Monitoring	100.0	100.0	0.0	0.0
2,276.6	<b>Total Transport and Infrastructure</b>	4,350.0	5,250.0	2,000.0	500.0
	<b><u>Business &amp; Skills</u></b>				
54.5	Work Readiness Programme	110.0	0.0	0.0	0.0
231.0	Skills Brokerage	250.0	0.0	0.0	0.0
0.0	Reclaimed Skills Funding	(250.0)	0.0	0.0	0.0
400.0	University of Peterborough				
75.0	Skills Strategy Programme Delivery	150.0	150.0	150.0	150.0
254.8	AEB Devolution Programme	11,506.1	11,506.1	11,506.1	11,506.1
1,015.3	<b>Total Business, Employment &amp; Skills</b>	11,766.1	11,656.1	11,656.1	11,656.1
	<b><u>Economic Strategy</u></b>				
75.4	Growth Hub	69.9	68.8	67.8	66.8
250.0	Development of a Market Towns Strategy	200.0	200.0	200.0	200.0
50.0	Trade and Investment Programme	50.0	50.0	50.0	50.0
100.0	Industrial Strategy Programme Delivery	200.0	200.0	200.0	200.0
392.7	Independent Economic Commission	20.0			
868.1	<b>Total Economic Strategy</b>	539.9	518.8	517.8	516.8
	<b><u>Strategy, Planning &amp; Performance</u></b>				
83.7	Monitoring and Evaluation Framework	170.9	161.8	183.6	0.0
416.0	Public Service Reform	100.0	0.0	0.0	0.0
55.0	Communications	50.0	40.0	40.0	40.0
39.0	Website Development	10.0	10.0	10.0	10.0
135.0	NSSF2	150.0	115.0	0.0	0.0
80.0	Land Commission	25.0			
107.0	Other 2018-19 workstreams				
915.7	<b>Total Strategy, Planning &amp; Performance</b>	505.9	326.8	233.6	50.0
11,694.8	<b>Total Revenue Expenditure</b>	24,061.9	27,144.4	24,006.9	22,582.7
444.3	<b>Net Revenue Position for the year</b>	962.7	5,078.8	1,934.3	502.9
(9,948.6)	<b>Revenue Balances</b>	(8,985.9)	(3,907.1)	(1,972.8)	(1,469.9)

## APPENDIX 2

### Detailed Breakdown of the Capital Programme

**Table A – Direct Control**

Direct Control	Reserves b/f	19-20	20-21	21-22	Future Years
Cambridge South Station		0.75	0.75		
King's Dyke CPCA contribution		4.60	6.00	5.80	
Peterborough University - Business case		1.45	1.41	9.74	
Soham Station GRIP 3		0.95			
St Neots River Crossing cycle bridge		2.50	0.95		
Wisbech Garden Town		0.75	0.75	0.75	
Wisbech Rail		0.75	1.75		
Wisbech Access Study				4.00	
Digital Connectivity Infrastructure Programme		1.99	1.96	1.28	
<b>Total Committed Expenditure</b>		<b>13.74</b>	<b>13.56</b>	<b>21.57</b>	
Capital Gain Share		(12.00)	(12.00)	(12.00)	
Transforming Cities		(17.00)	(22.00)	(30.00)	
<b>Direct Control in-year Funding Total</b>		<b>(29.00)</b>	<b>(34.00)</b>	<b>(42.00)</b>	<b>0.00</b>
<b>Available in-year funding</b>		<b>(15.26)</b>	<b>(20.44)</b>	<b>(20.43)</b>	
<b>Costed but not yet committed schemes</b>					
Ely Rail Capacity next stage		1.00	2.00	2.00	
Market Town pump priming		1.00	2.00	2.00	
Soham Station Delivery			9.00	11.00	
Coldhams Lane roundabout improvements		0.30	2.20		
Fengate Access Study - Eastern Industries Access - Phase 1		0.30			
Fengate Access Study - Eastern Industries Access - Phase 2		0.10	0.10		
March junction improvements		1.00	3.31	1.55	
Regeneration of Fenland Railway Stations		2.70	3.00	3.00	
A10 Foxton Level Crossing		1.50			
A1260 Nene Parkway Junction 15		0.25	1.96	3.85	
A1260 Nene Parkway Junction 32-3		0.20	3.70		
A141 capacity enhancements		1.00	2.00	2.60	
A16 Norwood Dualling		0.05	0.08		
A505 Corridor		0.50			
A605 Oundle Rd Widening - Alwalton-Lynch Wood		0.50			
<b>Total</b>		<b>10.40</b>	<b>29.34</b>	<b>26.00</b>	
<b>Movement on Capital Balances if approved</b>	<b>(25.19)</b>	<b>(4.87)</b>	<b>8.90</b>	<b>5.57</b>	<b>(15.59)</b>

<b>Potential Future Schemes</b>	<b>Reserves b/f</b>	<b>19-20</b>	<b>20-21</b>	<b>21-22</b>	<b>Future Years</b>
A10 Upgrade			11.00	11.00	450.00
A47 Dualling Study			5.00	5.00	218.00
Cambridge Autonomous Metro			10.00	40.00	1,960.00
Cambridge South Station				10.00	250.00
Huntingdon Third River Crossing					200.00
Peterborough University - Land and Infrastructure for build			10.00	20.00	
Wisbech Garden Town					
Wisbech Rail			8.00	60.00	30.00
A16 Norwood Dualling					9.58
A505 Corridor				100.00	150.00
Alconbury Weald Train Station					
East-West Rail					
Ely Area Capacity Enhancements					
Fengate Access Study - Eastern Industries Access - Phase 1				4.03	4.03
Fengate Access Study - Eastern Industries Access - Phase 2					6.55
M11 Extension					2,500.00
Oxford Cambridge Expressway					
<b>Potential Future Schemes Total</b>		<b>0.00</b>	<b>44.00</b>	<b>250.03</b>	<b>5,778.15</b>

**Table B – Passported**

Passported	Opening Reserves	Expenditure (£m)			Future years
		19-20	20-21	21-22	
A47 Junction 18 Improvements		2.00			
Cambridge City Housing Programme		21.91	27.78	4.67	
Housing Loan Provision		4.83			
Housing Infrastructure Programme		20.66	20.33	10.00	
LTP Schemes with PCC and CCC		23.08	23.08	23.08	23.08
Housing Investment Fund		23.00	17.00		
<b>Passported Expenditure Total</b>		<b>95.48</b>	<b>88.18</b>	<b>37.75</b>	<b>23.08</b>
Highways Capital Block Funding		(23.08)	(23.08)	(23.08)	(23.08)
Housing - Cambridge City	(22.36)	(17.00)	(15.00)		
Housing Infrastructure Fund	(23.99)	(9.00)	(18.00)		
Housing Loan Repayment*		(1.18)	(5.33)		
National Priorities Investment Fund	(2.00)				
Housing Investment Fund	(22.00)	(6.00)	(12.00)		
<b>Passported Funding Total</b>	<b>(70.35)</b>	<b>(56.25)</b>	<b>(73.40)</b>	<b>(23.08)</b>	<b>(23.08)</b>

\* The repayment of this loan appears higher than the expenditure here as the expenditure on this project commenced in 2018-19 and is thus not captured in this table.

**Table C – Growth Funds**

Growth Funds (4.14)	Reserves	19-20	20-21	21-22
Kings Dyke Growth Deal contribution		1.40		
A428 Cambourne to Cambridge		3.00	5.00	
Ely Rail Project		1.35		
In_Collusion (Digital Sector Skills)		0.02		
Wisbech Access Strategy - Delivery Phase		4.00	5.50	
Soham Station Feasibility		1.00		
Haverhill Innovation Centre		0.65	0.65	
Small Grants Programme		0.10	0.10	
Business Growth Programme		4.00	4.70	
Eastern Agritech Initiative		2.50	3.00	
Skills Capital Fund		1.00	1.00	
Major Projects		14.00	22.50	
Revenue Recharge to Growth Funds		0.50	0.50	0.50
<b>Growth Funds Expenditure Total</b>		<b>33.52</b>	<b>42.95</b>	<b>0.50</b>
Growth Fund Income	(25.32)	(15.88)	(35.74)	
<b>Growth Fund Income Total</b>	<b>(25.32)</b>	<b>(15.88)</b>	<b>(35.74)</b>	

\* The vast majority of Growth Funds must be spent by March 2021 thus there is no profiled expenditure beyond this other than the continuing revenue costs of monitoring and evaluation.

## APPENDIX 3 - SUMMARY OF CONSULTATION AND RESPONSES

Consultation Response	Combined Authority Officer Response
Support was expressed for the prioritisation process being undertaken and highlighted that the process should be transparent, objective and take into account sequencing and co-ordination of schemes	The Combined Authority will endeavour to ensure the prioritisation process will meet these requirements.
CPCA are requested to communicate with partner organisations as early as possible specifically with respect to future project funding profiles and sources.	The Combined Authority will endeavour to communicate with partner organisations as early as is practicable in the development of their strategic projects.
The support costs for the Adult Education Budget programme should be proportional, such that the bulk of the grant funds are used for delivery of adult education courses.	The budget for supporting the delivery of the AEB programme was approved by the CPCA Board in November. As being reasonable and necessary in the circumstances. It was, however, specifically recognised that any overheads will be subject to continuous review to ensure the maximum funding possible being directly distributed to delivery organisations.
It is important that CPCA issue, and sign, funding agreements in a timely manner following Board decisions.	The Combined Authority will endeavour to send out funding agreements as soon as is practicable following receipt of proper business cases to support any funding allocations and a Board decision to award funding.
The internal governance review and independent audit are welcomed, and it is important the Combined Authority learns lessons from these reviews and improves their processes in response.	<p>The results from both reviews will inform an improvement plan that will be shared.</p> <p>These will include recommendations alongside proposed actions to be taken.</p>

Consultation Response	Combined Authority Officer Response
The Combined Authority's administration costs seem remarkably high in relation to the money being managed in projects.	The Combined Authority's operational costs have been the subject of an internal review by the CEOs. The Budget Paper in January 2019 reflects this work to date.
Concern was expressed over the timing and timescales of the consultation and its relevance following the departure of the CFO.	The Board considered the draft Budget Report prepared upon proper financial assumptions in November and made comments upon it and approved the draft for consultation. The timing and timescales of the consultation met the requirements of the Combined Authority's



	constitution. In terms of relevance, the Authority has a statutory duty to present a balanced budget, it has no discretion in this regard.
The CPCA's attention is drawn to the railway crossing between The Offords and Buckden and the proportion of time in which it is closed, impacting traffic, as a potential scheme.	The comment is noted. We will forward this to Cambridgeshire County Council for their consideration. By way of information the Combined Authority is the strategic transport authority and hence needs to look at strategic issues. At this stage this crossing is not a strategic issue. However, business cases for schemes which have a strong strategic fit with the Combined Authority's objectives are welcomed and would be assessed for suitability in line with the Combined Authority's Single Pot Assurance framework.
Sustrans (a charity representing walking and cycling priorities) stated that the CPCA's budget should include a ring-fenced fund for walking and cycling schemes.	<p>The comment is noted. The Combined Authority is the strategic transport authority for the area. Cycling and walking are key modes of transport for the area and will feature as part of the wider integrated transport solutions that the Combined Authority are looking to deliver.</p> <p>However, this must be set in the context of the size of the CA budget and its role. The CA should not be seen purely as a funding source for individual projects. They must be set in the context of the wider strategic ambition and assessed in line with Combined Authority's Single Pot Assurance framework.</p>
Fenland District Council requested a reprofiling of the planned expenditure on the Fenland Railways Stations Regeneration project.	The Board is considering an allocation for this programme over the next few years. However, a business case still needs to be submitted to CA for approval and to secure funding. Any profile of spend against outcomes will be approved as part of that process.
The Fenland Travel Choices programme was not included in the draft MTFP.	<p>This programme has not been considered by the CPCA Board to date and thus has not had funding allocated to it.</p> <p>To enable consideration, a proposal needs to be submitted but, in order to manage expectation, any proposals need to be considered in the context of the Combined Authority's strategic role. Business cases for schemes which have a strong strategic fit with the Combined Authority's objectives are welcomed and would be assessed for suitability in line with the Combined Authority's Single Pot Assurance framework.</p>





<b>CAMBRIDGESHIRE AND PETERBOROUGH COMBINED AUTHORITY BOARD</b>	<b>AGENDA ITEM No: 2.3</b>
<b>30 JANUARY 2019</b>	<b>PUBLIC REPORT</b>

## **COMBINED AUTHORITY BUSINESS PLAN 2019-20**

### **1.0 PURPOSE**

- 1.1. This report recommends a 2019-20 Business Plan for adoption by the Combined Authority Board.

<b><u>DECISION REQUIRED</u></b>	
<b>Lead Member:</b>	<b>Mayor James Palmer</b>
<b>Lead Officer:</b>	<b>Paul Raynes, Director of Strategy and Assurance</b>
<b>Forward Plan Ref: 2019/012</b>	<b>Key Decision: Yes</b>
The Combined Authority Board is recommended to adopt the 2019-20 Business Plan attached at Annex 1.	<b>Voting arrangements</b>  Simple majority of all Members

### **2.0 BACKGROUND**

- 2.1. The Board has made it clear that budgeting and activity planning should be seen in the round. The Combined Authority should therefore adopt a business plan which sets out its funded priorities for delivery in the coming year.
- 2.2. The attached Business Plan sets out the progress we expect to make on the Combined Authority's agreed priority projects over the coming financial year. It sets that in the context of a review of what we have delivered in 2018-19, and of the Authority's Growth Ambition Statement which describes our overall approach to making Cambridgeshire and Peterborough the leading place in the world to live, learn and work.

2.3. The Business Plan aligns with the approach to performance management which the Board has already adopted and the Board's quarterly performance reports will therefore enable members to monitor performance against the Business Plan priorities.

2.4. As well as monitoring performance against the Business Plan, officers will review the Plan in parallel with mid-year review of the Budget and Medium Term Financial Plan (MTFP).

### **3.0 FINANCIAL IMPLICATIONS**

3.1. The Business Plan sets out how the Combined Authority's agreed budget will be spent to deliver its key priorities.

### **4.0 LEGAL IMPLICATIONS**

4.1. Adopting a Business Plan alongside the budget is good practice but not a legal obligation.

### **5.0 SIGNIFICANT IMPLICATIONS**

5.1. None not already noted.

### **6.0 ANNEX**

6.1. Annex 1 – CPCA Business Plan 2019-20

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



**CAMBRIDGESHIRE  
& PETERBOROUGH**  
COMBINED AUTHORITY

# **COMBINED AUTHORITY BUSINESS PLAN 2019-20**

*Delivering a leading place in the world to live, learn and work*

**Cover**

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## **Mayor's introduction**

All of us who make up the Combined Authority are ambitious for Cambridgeshire and Peterborough. Devolution has brought us a fantastic opportunity to come together in a powerful partnership to ensure that our thriving economy continues to grow, and we can tackle together the many challenges that threaten that growth. We need to urgently upgrade our transport infrastructure, address a severe shortage of housing that is locking people out of home ownership, and help meet the pressing skills needs of our economy. This business plan serves as a clear, deliverable and fundable set of priorities and schemes which will help sustain our economic success story, and will deliver maximum impact on the challenges we face, with the resources we have.

We are already making inroads. Since it was established, the Combined Authority has delivered affordable homes, put forward funding to enable the construction of King's Dyke crossing, supported the opening of Ely bypass, funded the advanced training centre iMET at Alconbury Weald, funded road upgrades in the centre of Peterborough, brought forward a scheme to dual all of the A47 in Cambridgeshire, completed the first project of a programme of upgrades at our Fenland rail stations and supported bringing forward our first community land trust housing via a new, innovative housing delivery strategy.

Last year we also saw the publication of the Cambridgeshire & Peterborough Independent Economic Review which received widespread praise and support to take forward its recommendations on how to improve our prosperity and importantly how to make that prosperity felt by more people.

The future is also exciting. Next Spring, we take on responsibility for adult education funding. Our next phase will see joined-up spatial and transport planning, a skills strategy and a powerful Local Industrial Strategy. We will be progressing new rail stations, dualled A-roads, as well as the new University of Peterborough. More of our market towns will benefit from Masterplans for Growth and we will take decisive action to promote the Cambridge Autonomous Metro, a world class public transport network of international significance, that will both tackle transport infrastructure priorities, while also unlocking new housing, including through sustainable garden villages. We will also continue to commit to new ways of raising funding, including through land value capture, which will help deliver major infrastructure schemes previously thought out of reach.

Our business plan is aimed at giving confidence and a clear pathway for us to deliver on our ambitious and transformational agenda for Cambridgeshire and Peterborough. It states our budget plans for the next four-year period alongside a focussed to-do list of projects that will take forward our vision of making Cambridgeshire and Peterborough a leading place in the world to live, learn and work.

## **The Combined Authority**

The Cambridgeshire & Peterborough Combined Authority was established in 2017 under a Devolution Deal with the Government. Its purpose is to ensure Cambridgeshire and Peterborough is a leading place in the world to live, learn and work. It brings together the area's councils and is chaired by a directly-elected Mayor. The Mayor and Combined Authority have statutory powers and a budget for transport, affordable housing, skills and economic development, made up of money devolved from central Government. The Mayor also has powers to raise money from local taxes, although these have not so far been used. The Combined Authority and its committees meet in public and take questions from members of the public at those meetings. Details of meetings and agendas are published on the [Combined Authority's website](#).

The Combined Authority's Board brings together the Leaders of the councils in the area under the Chairmanship of the directly-elected Mayor. It is also attended by the Police and Crime Commissioner, the Chairman of the Fire Authority, the Chairman of the Business Board, and a representative of the National Health Service.

## **The Business Board**

The Business Board was constituted in September 2018. It is proud to be the Local Enterprise Partnership (LEP) for our region, integrated with the Cambridgeshire & Peterborough Combined Authority, which is its accountable body.

The Business Board gives commerce a stronger voice in developing the Combined Authority's plans and decision making, especially the Local Industrial Strategy (LIS). The Business Board is committed to advising the Combined Authority on achieving its Growth Ambition. It ensures that a clear business perspective is brought forward as the Combined Authority seeks to be at the frontier of accelerating delivery and securing new investment models, with and across Government, the private sector and the local area.

## **The Devolution Deal and our mission**

The Devolution Deal for Cambridgeshire and Peterborough sets out key ambitions for the Combined Authority to make our area a leading place in the world to live, learn and work. These 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

The Deal, which runs for 30 years, also sets out a list of specific projects which the Combined Authority and its member councils will support over that time.

The Combined Authority is publicly accountable for how it uses the devolved money voted by Parliament to meet the Devolution Deal commitments.

## **Our partners**

The Combined Authority is founded on partnership, and we work in partnership to deliver our key projects. Our core partnerships are with constituent authorities, with The Business Board and employers in the area, with the Greater Cambridge Partnership, and those involving cross-border working with neighbouring councils. We also work closely with a range of other local and national organisations.

## **Our Growth Ambition**

The Combined Authority has set out a Growth Ambition Statement which summarises our strategy and responds to the Cambridgeshire & Peterborough Economic Review (CPIER). The CPIER has endorsed the Devolution Deal ambition of doubling GVA over 25 years and has also said that growth is of strategic importance for the future global competitiveness of Britain. It has emphasised the diversity of our economy and the difference between the challenges the strongly-growing large cities and other parts of the area face.

The CPIER has also thrown down a challenge by saying that current efforts are not enough to secure that growth. It has highlighted the risk that the Greater Cambridge economy may decelerate unless there is investment in transport infrastructure and housing. It provides clear evidence that we need to do more to develop the productivity of firms, raise skill levels, make home ownership affordable, address health and educational inequalities, and generate revenue to pay for public services in the future.

Not enough homes have been built in the past. The Combined Authority will therefore lead work to review future housing demand and needs. That review will take place in a way that makes new analysis available to support those of our planning authorities which have committed to review their plans in the near future.

New homes need to be affordable. The Combined Authority's Housing Strategy aims to exceed the 2,500 affordable homes committed to in the Devolution Deal. We will also use the new Spatial Framework and direct investment in new settlements to encourage extra affordable housing provision, including by developing homes for first time buyers with a price target based on earnings.

In striking a balance between the different possible patterns for future settlements through the Spatial Framework, the Combined Authority will encourage development, where good transport can be provided, including along transport corridors and new garden villages. By linking the Spatial Framework and Local Transport Plan, this approach will be based on ensuring that transport and other infrastructure investment precedes housing development.

The Combined Authority's identified key transport priorities reflect a commitment to improve connectivity both East to West and North to South, to reduce commuting times in line with a journey to work target of within 30 minutes, and to support future development. We are committed to rigorous prioritisation based on business cases which assess the impact of the projects on future growth.

Bringing transport and spatial planning together around projects like the Cambridge Autonomous Metro (CAM) creates opportunities to fund future investment through Land Value Capture. The Combined Authority will consider acquiring and promoting strategic housing sites along the proposed CAM routes. We will work to develop these as possible

future garden villages. We will also engage with Government about utilising Tax Increment Financing models to fund infrastructure so that it can precede development.

Responding to the growth challenge means public sector interventions to help firms raise their productivity, especially outside the Greater Cambridge area. Our Local Industrial Strategy (LIS) will reflect the CPIER's recommendations about key sectors and the drivers of productivity. Our LIS will recognise the different economic roles that different towns play and will be about targeting support to businesses in areas that need it. It will focus on improving productivity and encouraging exporting. As part of this, the Combined Authority is already supporting digital connectivity for businesses.

One of the paradoxes of our area, highlighted by the CPIER, is the existence of a low level of skills and educational aspiration in some communities, and mismatches with employer needs in the education system, alongside the high-skilled economy of Cambridge. The Combined Authority will continue to prioritise skills interventions, including supporting the establishment of a new university in Peterborough with a course mix driven by local employer demand for skills in both public and private sectors, encouraging apprenticeships, and through the LIS working to activate employer demand and motivate learners and their families to aspire.

The CPIER rightly recognised that growing our economy is not just about our two large cities and emphasised the role of Market Towns. We will continue to support the Market Town Masterplans and will be ready to support proposals for delivery that come out of those masterplans. This will include supporting digital connectivity to help develop the economy of market towns.

Growth, educational attainment, health and social mobility are linked. More skilled, more productive, higher-earning Market Towns will also be healthier. That requires consideration of how public services can best be organised to focus on improving the wider determinants of health and encouraging education aspiration. The Combined Authority has launched an Independent Commission on public service reform and commissioned work on achieving a stronger health and care system.

The full Growth Ambition Statement can be found [here](#).

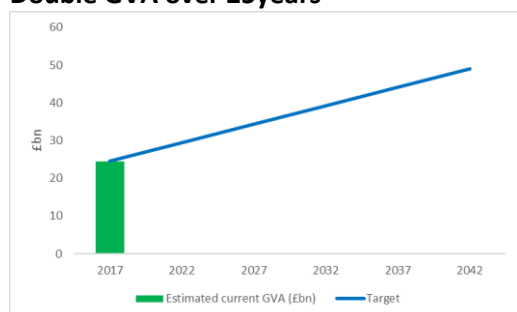
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## How we are doing - our targets

The Combined Authority has established some key metrics to help show progress. More detailed monitoring is undertaken as part of our commitment under the devolution deal and as good practice.

Progress on our six metrics are shown below and these are updated and presented to Combined Authority Board on a quarterly basis.

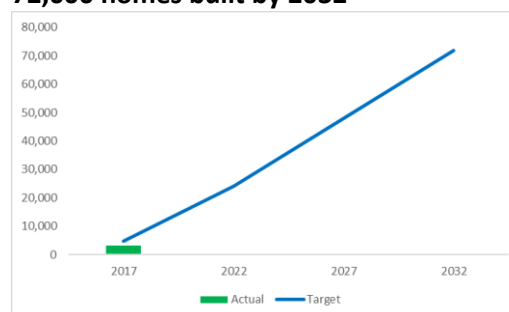
**Double GVA over 25years**



**4.1%**

2016

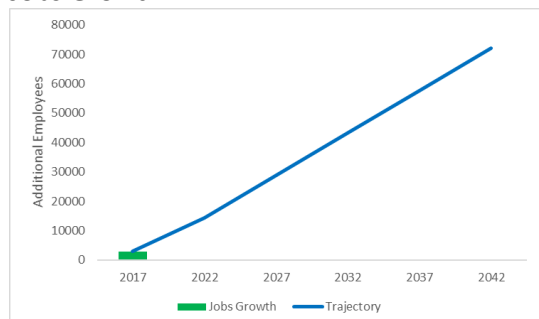
**72,000 homes built by 2032**



**3160**

2017/18

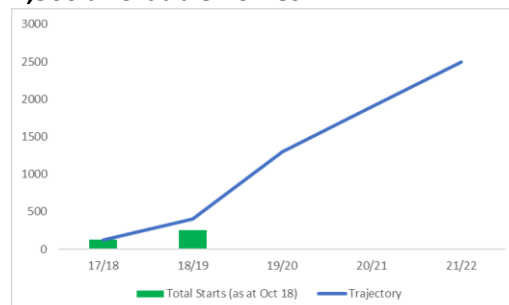
**Jobs Growth**



**2900**

2017

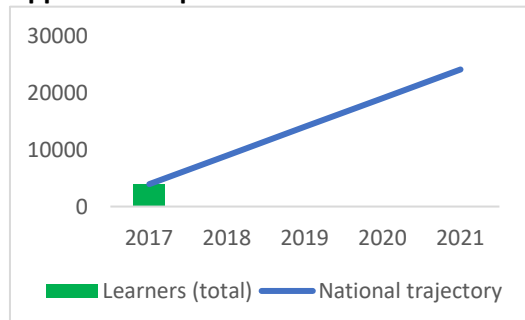
**2,500 affordable homes**



**258**

Total to Oct 2018

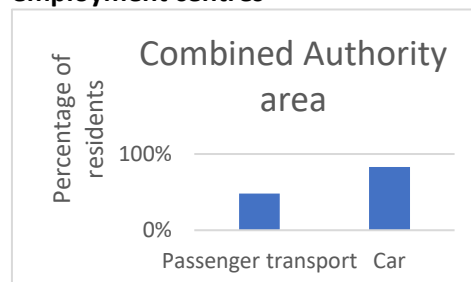
**Apprenticeships**



**3940**

2017

**Within 30 mins travel of major employment centres**



**83%**

2016

## **What we have delivered in 2018-19**

2018-19 was the Combined Authority's first full financial year of operation. Here are just some of the projects across Cambridgeshire and Peterborough we have backed as we hit the ground running.

### **CPIER REPORT**

The Combined Authority welcomed the findings of the report published by the Cambridgeshire & Peterborough Independent Economic Commission. The Commission, chaired by Dame Kate Barker, was set up in January 2018 to bring together prominent experts in the fields of business, academia and economics to undertake a major review of the Cambridgeshire and Peterborough economy.

The Devolution Deal with Government included a target to increase economic output by nearly 100% in the next 25 years. The Cambridgeshire & Peterborough Independent Economic Review (CPIER) highlights the actions needed to achieve this and make the region a leading place in the world to live, learn and work.

### **CAMBRIDGE AUTONOMOUS METRO (CAM)**

The Combined Authority and Greater Cambridge Partnership (GCP) have developed a strategic outline business case for the CAM proposal, which will be ready before the end of the financial year. Meanwhile, in October, the Cambourne to Cambridge transport corridor phase of the project received a significant boost as the Combined Authority Board agreed to a series of findings from a review which confirmed it as the first phase of a wider CAM system.

### **WISBECH ROAD IMPROVEMENTS AND WISBECH RAIL STUDY**

The Cambridgeshire & Peterborough Combined Authority allocated £10.5 million to a package of improvements to the road system around Wisbech.

The highway improvements will stimulate housing, economic and jobs growth in the town, with the funding coming via the Government's Growth Deal package.

A budget of £1.5 million was also approved to fund a detailed study into delivering a rail link between Wisbech and March. The study will satisfy the requirements of what is known as the GRIP 3b stage – part of Network Rail's wider eight-stage process for bringing rail infrastructure projects to completion.

## **PETERBOROUGH CITY CENTRE IMPROVEMENTS: BOURGES BOULEVARD**

An extensive improvement programme along Peterborough's Bourges Boulevard Corridor was completed in October 2018, thanks to a £9.2 million contribution from the Cambridgeshire & Peterborough Combined Authority via the Government's Growth Deal.

The work included extensive improvement of the Bourges Boulevard carriageway, vital footbridge refurbishment and the creation of a new entrance to Peterborough train station. The scheme has created 100 jobs.

## **ST NEOTS MASTER PLAN**

Following the approval of Phase One of the St Neots Masterplan by the Combined Authority Board in 2017, a bid for £4.1 million of investment in St Neots was agreed by the Combined Authority Board in June 2018. St Neots is the first Market Town in the Combined Authority area to complete its Masterplan. The Masterplan is the result of a partnership led by Huntingdonshire District Council and working alongside The Neotists (a collective of residents working in creative industries), the St Neots Manufacturing Club, Urban&Civic, St Neots Town Council, Cambridgeshire County Council and the Combined Authority. The £4.1 million Combined Authority funding will support a range of projects and will attract a further £1.7 million of partner contributions to make a total investment of £5.8 million into the Market Town.

## **AFFORDABLE HOMES IN HADDENHAM**

In November 2018, a landmark loan of £6.5 million was exchanged by the Cambridgeshire & Peterborough Combined Authority with the East Cambs Trading Company to support a community-led development that will deliver affordable housing for rent and sale in East Cambridgeshire.

The loan, to be repaid within two years, will be used to build 54 houses at the West End Gardens site, Haddenham. Of this total, 19 units will be affordable, to be transferred on completion to Haddenham Community Land Trust (CLT). The Trust will manage the houses, ensuring that they remain affordable and available for local people for the long-term.

## **AFFORDABLE HOMES IN ELY**

In November 2018, the Cambridgeshire & Peterborough Combined Authority Board agreed a repayable commercial loan up to a maximum of £24.4 million to convert 88 empty properties in Ely into 92 homes.

The loan will enable the purchase of the Ministry of Defence-owned site at Princess of Wales Hospital in Ely, where the properties currently sit vacant and are in need of a

programme of refurbishment.

The 92 homes site will be redeveloped, then sold back to the market within two years, at which point the loan will be repaid. The scheme will also develop 15 affordable homes to link in with an existing CLT.

### **AFFORDABLE HOMES IN SOHAM**

In September, the first new residents began to move into The Fledglings, Soham, a CLT-led development of 13 new homes, funded by East Cambridgeshire District Council and the Combined Authority.

This community-led project is the product of significant community engagement before, during and after the planning application process. The local Community Land Trust, Soham Thrift CLT and the wider local community were involved from the beginning in the design and development of the scheme and will continue to be involved in the long-term management of the affordable homes. Applicants for the affordable homes that have a strong local connection to Soham will be prioritised in the housing allocations process, meaning that local people on local wages can continue to live close to work, family, irrespective of future fluctuations in property market values. This will help to strengthen local communities and assist local employers struggling to retain key staff.

### **ELY SOUTHERN BYPASS**

October 2018 saw the opening the Ely Southern Bypass, delivering a boost to residents and the economy of East Cambridgeshire and beyond, after years of suffering the effects of delays and congestion on the busy A142 route.

The Cambridgeshire & Peterborough Combined Authority contributed £22 million to the scheme, from the Government's Growth Deal, including £16 million from the Department for Transport, alongside funding from Cambridgeshire County Council (£21 million), East Cambridgeshire District Council (£1 million) and Network Rail (£5 million).

### **SAVING THE X3 BUS SERVICE**

A vital bus service between Papworth and Cambridge was saved thanks to a £10,000 grant by the Combined Authority and South Cambridgeshire District Council.

The Combined Authority is working on a long-term solution to bus services across Cambridgeshire and Peterborough, which will aim to provide as much coverage to as many people as possible and avoid the need for such interventions in future.



## **AFFORDABLE HOMES IN PETERBOROUGH**

The Combined Authority's largest scheme within the housing programme to commence to-date is on Peterborough's former Perkins Engines site. It is being delivered by Cross Keys Homes and work started on site in October 2018. The Combined Authority is providing £1.7 million in affordable housing grant to deliver 54 of the 104 total units, and the scheme is due to complete in 2020/21.

## **BETTER STATIONS IN FENLAND: WHITTLESEA STATION**

Passengers at Whittlesea Station are now benefitting from 70 new solar-powered LED 'cat eyes' providing an illuminated walkway, providing a clear and defined guide of the path ahead.

The lighting upgrade is the first in a range of short, medium and long-term regeneration projects designed to improve Manea, March and Whittlesea stations, funded by £9 million of investment from the Cambridgeshire & Peterborough Combined Authority.

## **ROAD IMPROVEMENTS: KING'S DYKE**

Funding for the new King's Dyke level crossing project was approved by the Cambridgeshire & Peterborough Combined Authority in October 2018, allowing it to progress to the construction phase. The Combined Authority will provide funding contribution of up to £16.4 million over the original £13.6 million allocation to enable the scheme to progress to construction. The Combined Authority and Cambridgeshire County Council will work together to deliver the project to remove the delays at the level crossing, helping to promote growth in the local area now and in the future. Work is beginning in early 2019 and the project is scheduled to complete by the end of 2020.

## **AGRI-TECH GRANT PROGRAMME**

The Eastern Agri-Tech Growth Initiative is run by the Combined Authority with support from New Anglia LEP, Norfolk County Council, and the local authorities covering the two LEP areas. In 2018, the Combined Authority agreed to extend the project to 2021, with a further £4 million available to businesses.

Grants are available to organisations looking to invest in specialist equipment, new market and supply chain development, ways to improve productivity and efficiency, and the application and commercialisation of Research and Development.

In 2018, nine new applications for grants were approved and a total of £328,000 was awarded.

## **TRAINING FOR APPRENTICES AT iMET**

iMET is an advanced technical training centre, based in the heart of the Alconbury Weald Enterprise Campus, conceived from an identified need to deliver higher-level training for the manufacturing, built environment and science & technology sectors.

The £10.5 million facility, funded by the Combined Authority through the Government's Growth Deal and with land gifted to the project by developers Urban&Civic, opened in June 2018.

## **DELIVERING DIGITAL CONNECTIVITY STRATEGY**

In June 2018 the region's new Delivering Digital Connectivity Strategy was launched with £5.6 million investment from the Combined Authority to significantly improve mobile, broadband and public Wi-Fi coverage, whilst securing future proof full fibre and 5G networks. The funding will be used to extend the Connecting Cambridgeshire programme, led by Cambridgeshire County Council, which has already successfully rolled out superfast broadband access to over 96% of the county and is on track to achieve 99% by 2020. The innovative programme is among the first in the country to launch a dedicated team working with telecoms providers to remove the barriers to the rapid delivery of digital connectivity, make best use of public sector assets and attract private sector investment.

## **GROWTH PROSPECTUS: SUPPORT FOR BUSINESSES**

In September, the Business Board issued a Growth Prospectus which invited businesses and others to bid for £50 million of Growth Deal and Growing Places funding. The Business Board will be considering new project proposals from bidders to drive productivity, new homes, jobs and skills from early 2019.

## **GREATER SOUTH EAST ENERGY HUB**

The Energy Hub was established this year and is operated by the Combined Authority for a 15-county area plus Greater London to promote sustainable energy solutions. The Hub is funded for two years to enable local energy project delivery by unlocking barriers and resolving challenges. The Hub team will be deployed to identify, assess and plan supporting and delivery activities to back up Local Energy Strategies.

## **M11 JUNCTION 8**

Following the recommendation of the Business Board, £1 million is being invested in improvements to Junction 8 on the M11. This is an important intersection for Stansted Airport, a key international gateway for the Cambridgeshire and Peterborough. The junction is currently operating at or near capacity during peak periods. The £9 million project, funded with other partners, will deliver a series of improvements designed to help alleviate congestion, allowing for around 10 years growth at the junction.

## **CREATION OF THE BUSINESS BOARD**

The Business Board has been created as a new model for LEPs within a Mayoral Combined Authority, bringing a stronger industry voice into devolved leadership of the growth agenda. This has in turn brought now two organisations into one single team that can more effectively align strategy and spend in our area.

## **Our key projects – what we will do in 2019-20**

We will take the Board's 12 key projects to either delivery or to the next decisive stage of business case development during the coming year, as set out below:

### **CAM**

The Cambridge Autonomous Metro (CAM) forms a key component of the Combined Authority's vision for the Cambridgeshire and Peterborough economy. It aims to unlock growth across the region through the provision of high quality and high frequency metro services, in turn addressing severe housing and congestion pressures within the city of Cambridge. Following the development of a Strategic Outline Business Case for the CAM in 2018, the next 12 months will involve the Combined Authority commencing work on an Outline Business Case and collaborating with central and local government partners to establish the innovative funding model required for delivery.

### **A10**

Improvements to the Ely-Cambridge transport corridor were identified within the CPIER report as critical in connecting Fenland to the Cambridge economy. Enhancing the A10 – the main connecting route in the corridor – through a combination of dualling and junction improvements will unlock key opportunities, such as a new town north of Waterbeach and development on the Cambridge Science Park. 2019 will see a Strategic Outline Case brought forward to the Combined Authority Board and, pending approval, will lead to the identified intervention options being further developed to prepare for an application for funding for the Government's Major Road Networks and Large Local Majors programmes.

### **A47**

The Combined Authority is working in partnership with Highways England to produce a suite of Project Control Framework Documents for Stage 0, Strategy, Shaping and Prioritisation, to enable Highways England to assess the viability of the A47 Dualling proposal between A16 Peterborough and Walton Highway, against all competing schemes nationally for inclusion in the Roads Investment Strategy Period 2 (RIS2) programme.

Key outputs for 2019/20 are:

- Completed suite of PCF stage 1 documents with Highways England Green rating
- Confirmation of inclusion in the RIS2 delivery plan, in March 2020

## **HUNTINGDON THIRD RIVER CROSSING**

As part of the Devolution Deal, the Combined Authority wishes to understand how the highway network north of the Great River Ouse can be more effectively connected with the wider strategic road network. A key part of this study will involve examining the feasibility, viability, benefits and impacts of a road link crossing the River Great Ouse that connects the A141 primary route to the north of the river and the existing A14 trunk road. It is anticipated that this new link would:

- Provide transport capacity that would be needed to cater for the travel demand of additional economic and housing growth and providing a platform for Economic and Social growth facilitating improved access to growth areas
- Reduce travel demand and alleviate congestion at existing river crossings
- Improve local connectivity and demonstrating alignment with the wider strategic context and ambitions of the Combined Authority

The initial feasibility report is expected in March 2020.

## **SOHAM STATION**

In 2018, the Combined Authority assumed direct responsibility for developing the new Soham Railway station with the intention of accelerating delivery and ensuring that the town is reintegrated into the national rail network by 2021. The summer of 2019 will see the production of a 'Guide To Rail Investment Process' (GRIP 3) report that will allow the project to proceed into delivery with a full knowledge of the construction costs and timescales

## **CAMBRIDGE SOUTH STATION**

The delivery of an interim train station at Cambridge South, ahead of the development of a permanent north-south and east-west route solution, builds on the key CPIER recommendation for rapid infrastructure responses to be introduced where need is most pressing. As Cambridge's biomedical campus continues to flourish, the case for this intervention has received national attention. In 2019, the Combined Authority will work with the Department for Transport to address challenges surrounding delivery, timetabling and operations, as well as integrating the emerging proposals for the interim station with the permanent solution.

## **ALCONBURY STATION**

The coming year will see plans for Alconbury Station progress, as the successful development of Alconbury Weald continues. The Combined Authority will aim to formalise partnership structures with the developer Urban&Civic in order to enable delivery of a new rail transport hub, which will be wholly funded through developer contributions. The station

will play a central role in satisfying the Devolution Deal requirement for successful delivery of the Alconbury Weald Enterprise Zone, by enabling 6,000 new homes and 290,000m<sup>2</sup> of employment floor space.

### **WISBECH RAIL**

Mott MacDonald have been appointed to undertake a Heavy Rail study (GRIP 3) for the currently disused rail line between Wisbech and March, with a non-heavy rail alternative study report. The intention is to produce a single option public transport solution primarily between Wisbech and March, ultimately linking Wisbech to the wider region and national rail networks.

Key outputs for 2019/20 are:

- Technical reports on Wisbech Station location, crossing of A47 Strategic Road and level crossing solutions between Wisbech and March
- Completed suite of GRIP 3 documents
- Non-Heavy rail solution Strategic Outline Business Case

### **KING'S DYKE**

Construction of the A605 King's Dyke Level Crossing bypass commenced in November 2018. This significant and complex project will tackle the current congestion at the level crossing and provide future economic expansion and housing stimulation within the Whittlesey area.

The construction consists of new roundabout construction at either end of the diverted route, with underpass access for the continuing extraction of minerals by the adjacent business and bridge over the mainline rail route.

The scheme is due to be completed and open in December 2020.

### **UNIVERSITY OF PETERBOROUGH**

There is a long-standing ambition between public sector partners, employers and the residents of Peterborough and surrounding areas to have an independent university. The University is part of the Devolution Deal to address Peterborough as a cold spot for Education and Skills and the outcomes will include:

- Developing a higher local skill set
- Raising aspirations and participation in HE
- Providing a high-quality curriculum and qualifications fit for the modern workforce
- Attracting talent to a technical/vocational offer leading to better paid jobs

It is envisaged that this year will see the project moving forward to address the priority workstreams to deliver the project including buildings and infrastructure, business-led technical course provision, delivery model exploration and student offer and experience. The full business case will be completed in 2019/20.

## **MARKET TOWN MASTERPLANS**

The Combined Authority has pioneered this programme elevating and supporting the role that Market Towns play in our economy as vibrant and prosperous places. By the end of 2019 each Market Town will have a plan setting out future economic growth potential and highlighting the strategic interventions that are needed to achieve that. Naturally these interventions will vary in nature, reflecting local characteristics. Masterplans are intended to be living documents owned between local partners and the Combined Authority. The Combined Authority will work towards implementing strategic interventions directly where appropriate and possible, and by advocating action and investment from other partners, including Government.

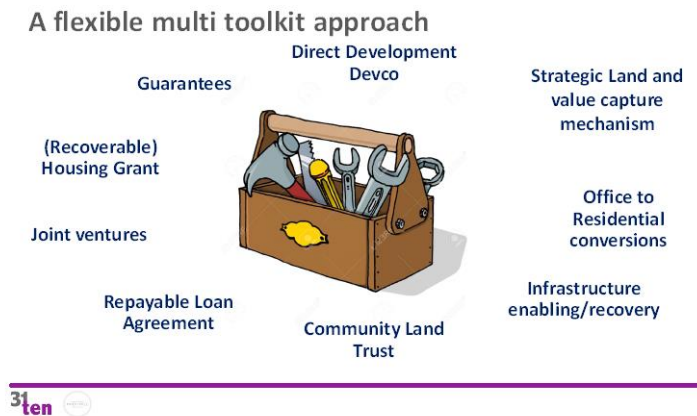
## **AFFORDABLE HOUSING**

As part of the Devolution Deal the Combined Authority was allocated £170 million to deliver 2,500 new affordable homes by 31 March 2022. Of these, 500 are being delivered by Cambridge City Council for £70 million and 2000 by the Combined Authority in other areas including Peterborough, using £100 million.

Forecast Key outputs for 2019/20 are:

- £70 million programme Starts on Site – 264
- £70 million programme Completions – 14
- £100 million programme Starts on Site – 600
- £100 million programme Completions – 141

Outside of the Cambridge City programme, the £100 million programme will action component parts of the housing strategy as approved by Board in September 2018. We will create a Combined Authority development and delivery vehicle to enhance, and in some cases, take control of the delivery of residential development that includes affordable housing that the market will not otherwise deliver, using some of the tools in the toolbox below.



This will involve the principle of using, paying back and using again some of the £100 million fund, to become a revolving fund supporting the delivery of a programme of affordable housing development for years to come.

## **Other projects in 2019/20**

As well as the key projects that we will deliver in 2019/20, other projects which have been identified, costed and provided for in the Medium Term Financial Plan are shown below:

- Ely Rail Capacity Enhancements Feasibility – Increasing the capacity of the rail network around the Ely Dock and Ely North Junction area to enable more freight paths and increased passenger services. 2019/20 will see the delivery of a business case and GRIP 3 report to the Department for Transport to secure funding for the next stages of the scheme.
- Coldham's Lane improvements – Design phase of improvements to the junction of Coldham's Lane, Brooks Road and Barnwell Road, Cambridge.
- A505 study – A study into the current transportation challenges and opportunities between Royston and Granta Park to include the A505 and side road challenges, including interaction with the M11, A11, A1301 and A1307.
- Fengate Access Study: Eastern Industries Access Phase 1 – A study into improving access to a large employment area at Red Brick Farm within Eastern Industries, Peterborough.
- Fengate Access Study: Eastern Industries Access Phase 2 – A follow-up study considering the access improvements for this employment area and the University of Peterborough campus.
- March Area Transport Study – A study to identify transportation challenges and opportunities to improve traffic flow and public transport solutions for congestion reduction, improved safety and parking in and around March.



- Regeneration of Fenland Stations – Interventions across March, Manea and Whittlesey stations, to include car park improvements, lighting, ticket machine and shelter improvements, plus platform lengthening at Manea and Whittlesey.
- A10 Foxton Level Crossing – A study into interventions to address congestion issues arising from the level crossing.
- A1260 Nene Parkway Junction 15 – A study to consider the interaction between the A47 and A1260 Nene Parkway to reduce congestion, particularly at peak times and improve traffic flows and safety.
- A1260 Nene Parkway Junction 32-3 – A study to look into improvement options between Junction 32 of A1260 Nene Parkway and Junction 3 of A1139 Fletton Parkway in Peterborough, which experiences severe congestion during peak hours of the day.
- A141 Capacity Enhancements – A study into improvements to the A141 in the Huntingdon area. This will look at current transport issues and supporting planned and potential future growth.
- A605 Oundle Road Widening: Alwalton-Lynch Wood – Improvements to access into the Lynch Wood Business Park which suffers from severe congestion during peak hours. Construction due to complete in March 2020.
- A16 Access – A study to consider access off the A16 into the proposed Norwood development in Peterborough, and to dual the existing section of the A16 to the A47.

## **Ongoing delivery programmes**

As well as the projects described in the previous section, in 2019/20 the Combined Authority will also be delivering programmes across the whole area relating to skills, infrastructure, growth and business support.

### **ADULT EDUCATION BUDGET**

In 2019/20 the Combined Authority will become responsible for the devolved Adult Education Budget (AEB). This is an allocation of £12.1 million for Cambridgeshire and Peterborough and is an important mechanism for intervention and delivery of skills in the area. Commissioning adult education locally allows for better industry and business involvement in shaping and designing a system that supports our local economy. The primary purpose of AEB is to engage adults and provide them with the skills and learning needed for work or further learning. The Combined Authority has an opportunity to work with providers, learners and employers in simplifying the system, and to demonstrate the advantages of a devolved skills administration and delivery.

### **APPRENTICESHIPS**

The Combined Authority is committed to supporting businesses and individuals into Apprenticeships by using a strong partnership approach. The introduction of the Apprenticeship Levy will also provide greater opportunities for employers to consider higher and degree level Apprenticeships, which will drive economic growth. Progressing individuals using AEB, better promotion with businesses, schools and colleges will allow us to increase the availability of Apprenticeship opportunities whilst ensuring high calibre applicants are available to fill them. We will use our proposed Skills and Apprenticeship Hub to support these activities. Research intelligence and the CPIER indicates that an increasing percentage of new jobs growth in Cambridgeshire and Peterborough over the next five years will require higher level skills. The Combined Authority Apprenticeship and Young Ambassador Network has recently been launched, to support our drive to encourage employers and young people to take on and/or become an Apprentice.

### **BUS REVIEW IMPLEMENTATION**

The Combined Authority commissioned bus review has identified a series of recommendations to improve the bus services in the region; in 2019 the following activities will begin to make those improvements:

- Begin preparations to develop and deliver a business case that will assess the benefits of the alternative operational models. This business case will be completed by Spring 2021

- Begin engagement with local operators on how to improve service provision through enhanced partnerships
- Establish a cross-organisational group to oversee the improvements

## **GARDEN VILLAGES**

The development of garden villages and towns with thousands of new homes is a fresh opportunity to stimulate economic growth by creating new places and aspire beyond identikit housing and town centres. It's an opportunity for developers, investors and local authorities to build communities with local character and beauty, linked employment opportunities, with strong services, integrated and accessible transport solutions like the proposed Cambridge Autonomous Metro scheme, involving innovative uses of technology.

The development of a potential scheme in Wisbech will bring 10,000-12,000 new homes, jobs, better transport links, improved health, education and skills training.

In 2019, the Combined Authority will supply funding to progress Wisbech garden town towards the next stage of development. This will identify viability and will investigate feasibility issues such as flood risk, transport issues and land acquisition. It is anticipated the feasibility studies will take two years and complete later in 2020. In connection with the CAM project, potential garden village sites will be identified along the prospective CAM route, with steps taken to ensure those can be put forward for new garden village communities made sustainable by CAM connectivity.

## **GROWTH HUB**

One of 38 Government-funded Growth Hubs providing nationally recognised business support, BEIS provide key funding for this programme. Support is primarily targeted at SME's at all stages comprising of one-to-one support and events. Much of the work undertaken is to signpost and refer applicants to the most appropriate support available, requiring knowledge of the business support network itself.

In 2019, the opportunity has arisen to transform the Growth Hub into a targeted support provision, focussing on businesses with the potential to fulfil the aspirations of the LIS and CPIER.

## **TRADE AND INVESTMENT PROGRAMME**

In the coming year, a programme strategy will be developed aiming to secure funding for more enhanced, higher impact activities starting in 2020/21. This includes development of a Trade Support Programme; Targeted Company Inward Investment activities; Capital Investment Opportunities promotion; and the establishment of a new Combined Authority Capital Investment Growth Fund, for scaling/expanding businesses.

In 2019/20, the Combined Authority will support Opportunity Peterborough's inward investment activities, delivering trade support to more companies in the North of the area.

## **ENERGY HUB**

The Combined Authority is the accountable body for the Greater South East Energy Hub, funded by BEIS. A team of specialists work with a broad range of stakeholders from public, private, academic and third sector organisations across the area's 15 counties and Greater London to unlock local energy barriers to sustainable growth. Stakeholders can also access project feasibility funding for a variety of technical, financial and regulatory prohibitors to delivery. The programme also supports stakeholders to build innovative projects themselves and facilitates access to funding support and partners.

## **DIGITAL INFRASTRUCTURE**

Over the coming year, the Combined Authority will invest £2.1 million in improving digital connectivity, working through Connecting Cambridgeshire. Priority planned investments include £1 million to improve mobile coverage, £500,000 for full fibre, £200,000 to develop a 5G network, and £100,000 on public access Wi-Fi. This work will be aligned with and support our strategy for the economic development of market towns.

## **BUSINESS BOARD GROWTH PROSPECTUS**

In 2019/20, the Business Board will make recommendations on grant support to businesses received under the growth prospectus. This will deliver improvements in productivity, new jobs, skills and homes.

## **Strategy Development**

We are producing or updating long-term strategies to guide our delivery and help us prioritise. In addition to the Housing Strategy which was produced last year, we will be updating/producing four key strategy documents in 2019/20.

### **LOCAL INDUSTRIAL STRATEGY**

Implementing the Growth Ambition for Cambridgeshire and Peterborough requires a focussed Local Industrial Strategy (LIS) defining how the Combined Authority will support businesses and key sectors to grow and become more productive, and people in our communities to gain the skills for these jobs. Led by the Business Board in development and implementation, the LIS will be completed in early 2019 and will set out priority productivity and skills activities for the Combined Authority for the medium-term. The LIS, which is being co-produced with Government, will also explore the further support and investment national Government could offer to deliver the UK Industrial Strategy locally.

### **STRATEGIC SPATIAL FRAMEWORK**

As part of the Devolution Deal, the Combined Authority is developing a non-statutory spatial strategy for Cambridgeshire and Peterborough. This will align essential infrastructure, housing and job growth, and set out how growth can be delivered. It links to other strategies of the Combined Authority. Local planning authorities, all of whom are represented on the Combined Authority Board, retain their statutory planning powers.

Phase one of the Non-Statutory Strategic Spatial Framework has been completed, which sets out the principles of planning for sustainable growth. In 2019 we will be bringing forward Phase two with a growth vision to 2050.

### **SKILLS STRATEGY**

The Skills Strategy supports our vision of a local skills system that is world-class in matching the needs of our employers, learners and communities. The principles of the Strategy include simplifying access to skills support for employers and learners and tailoring interventions to appropriate geographies, sectors and learners by the development of the Progression and Apprenticeship Market Place, the new University of Peterborough and AEB. The strategic priorities are ensuring local provision that is matched to industry need, making sure people are work-ready, raising aspirations, and influencing choices.

It is envisaged that this year will see the priority planned interventions to address the strategic priorities. These include the University of Peterborough, implementing localised

adult education, a work readiness pilot and a Progression and Apprenticeship Market Place. 2019 will also be the second year of the Health & Care Sector Work Academy, a programme to tackle the local shortage of skilled workers in the health and care sector. This three-year programme will train 2,100 learners.

## **LOCAL TRANSPORT PLAN**

Following devolution, the Combined Authority is now the Local Transport Authority with strategic transport powers. The Local Transport Plan provides an overview of the area's aims and objectives, its strategies to address challenges and summarises the major transport schemes required to achieve targeted growth and place-making across the Combined Authority geography. Whilst the current interim plan complies with the Authority's statutory requirements, it is not fully aligned with the aspirations of the Combined Authority as set out by the Mayor. The final Local Transport Plan will be produced during 2019.

## **Managing ourselves**

The Combined Authority is committed to transparency, accountability and good financial management. The Board receives quarterly performance management reports and will take monthly financial reports. Over the Autumn, we began internal reviews in parallel with developing the 2019-20 budget, including a review of staffing structure and costs. The structure review will be implemented in the Spring of 2019 following consultation with staff. The recommendations of other reviews are being brought together in a management delivery plan which we will implement over the first half of the financial year.

The Combined Authority and The Business Board each have an Assurance Framework setting out their governance and how they monitor public expenditure. Following the publication of new guidance from Government in early 2019, the Combined Authority and the Business Board will produce a shared Assurance Framework. This will include a monitoring and evaluation framework reflecting member decisions about project priorities.

## **The Combined Authority Budget and MTFP**

### **CAPITAL PROGRAMME**

The Combined Authority's capital programme sets out how funding will be used to deliver projects that meet its ambitions. As part of the 2019/20 budget and Medium Term Financial Plan (MTFP), the Combined Authority has identified further capital projects that, subject to the necessary approvals, funding and business cases, it anticipates bringing forward in the plan period to March 2023.

The table below sets out a high-level summary of the Combined Authority's capital programme and how the expenditure will be funded. A detailed project breakdown is included as Table 2.

Table 1: Capital Programme summary

Capital Category	Earmarked	Expenditure (£m)			Future
	Reserves	19-20	20-21	21-22	Years
<i>Directly Controlled Expenditure</i>					
Committed Schemes		13.74	13.56	21.57	
<i>Funded By</i>					
Capital Gain Share		(12.00)	(12.00)	(12.00)	
Transforming Cities		(17.00)	(22.00)	(30.00)	
Available in-year funding		(15.26)	(20.44)	(20.43)	
Costed but not yet committed schemes		10.40	29.34	26.00	
Movement on reserves if schemes approved	(25.19)	(4.87)	8.90	5.57	
Potential Future Schemes			44.00	250.03	5,778.15
Passported Expenditure		90.26	86.52	40.10	23.21
<i>Funded By</i>					
DfT Capital Funding		(23.08)	(23.08)	(23.08)	(23.08)
Housing - Cambridge City	(17.98)	(17.00)	(15.00)		
Housing Infrastructure Fund	(23.99)	(9.00)	(18.00)		
Housing Loan Repayment		(1.18)	(5.33)		
National Priorities Investment Fund	(2.00)				
Housing Investment Fund	(22.00)	(6.00)	(12.00)		
Growth Funds Expenditure		33.52	42.95	0.50	
<i>Funded By</i>					
Growth Fund Income	(25.32)	(15.88)	(35.74)		



Table 2: Capital projects detail

Direct Control	Reserves b/f	19-20	20-21	21-22	Future Years
Cambridge South Station		0.75	0.75		
King's Dyke CPCA contribution		4.60	6.00	5.80	
Peterborough University - Business case		1.45	1.41	9.74	
Soham Station GRIP 3		0.95			
St Neots River Crossing cycle bridge		2.50	0.95		
Wisbech Garden Town		0.75	0.75	0.75	
Wisbech Rail		0.75	1.75		
Wisbech Access Study				4.00	
Digital Connectivity Infrastructure		1.99	1.96	1.28	
<b>Total Committed Expenditure</b>		<b>13.74</b>	<b>13.56</b>	<b>21.57</b>	
Capital Gain Share		(12.00)	(12.00)	(12.00)	
Transforming Cities		(17.00)	(22.00)	(30.00)	
<b>Direct Control in-year Funding Total</b>		<b>(29.00)</b>	<b>(34.00)</b>	<b>(42.00)</b>	<b>0.00</b>
<b>Available in-year funding</b>		<b>(15.26)</b>	<b>(20.44)</b>	<b>(20.43)</b>	

Costed but not yet committed schemes					
Ely Rail Capacity next stage		1.00	2.00	2.00	
Market Town pump priming		1.00	2.00	2.00	
Soham Station Delivery			9.00	11.00	
Coldhams Lane roundabout improvement		0.30	2.20		
Fengate Access Study - Phase 1		0.30			
Fengate Access Study - Phase 2		0.10	0.10		
March junction improvements		1.00	3.31	1.55	
Regeneration of Fenland Railway Stations		2.70	3.00	3.00	
A10 Foxton Level Crossing		1.50			
A1260 Nene Parkway Junction 15		0.25	1.96	3.85	
A1260 Nene Parkway Junction 32-3		0.20	3.70		
A141 capacity enhancements		1.00	2.00	2.60	
A16 Norwood Dualling		0.05	0.08		
A505 Corridor		0.50			
A605 Oundle Rd Widening		0.50			
<b>Total</b>		<b>10.40</b>	<b>29.34</b>	<b>26.00</b>	
<b>Movement on reserves if approved</b>	<b>(25.19)</b>	<b>(4.87)</b>	<b>8.90</b>	<b>5.57</b>	

<b>Potential Future Schemes</b>	<b>Reserves b/f</b>	<b>19-20</b>	<b>20-21</b>	<b>21-22</b>	<b>Future Years</b>
A10 Upgrade			11.00	11.00	450.00
A47 Dualling Study			5.00	5.00	218.00
Cambridge Autonomous Metro			10.00	40.00	1,960.00
Cambridge South Station				10.00	250.00
Huntingdon Third River Crossing					200.00
Peterborough University			10.00	20.00	
Wisbech Garden Town					
Wisbech Rail			8.00	60.00	30.00
A16 Norwood Dualling					9.58
A505 Corridor				100.00	150.00
Alconbury Weald Train Station					
East-West Rail					
Ely Area Capacity Enhancements					
Fengate Access Study - Phase 1				4.03	4.03
Fengate Access Study - Phase 2					6.55
M11 Extension					2,500.00
Oxford Cambridge Expressway					
<b>Potential Future Schemes Total</b>		<b>0.00</b>	<b>44.00</b>	<b>250.03</b>	<b>5,778.15</b>

## Revenue Budget

The revenue budget is the plan for operational, day to day expenditure that the Combined Authority needs to function as a local authority. This includes nearly £12 million each year that will be paid out as grant to providers under the devolved Adult Education Budget. It also includes the Business Board (Local Enterprise Partnership) activity.

Table 3 Summary Revenue Budget 2019/2020 and Medium Term Financial Plan

Forecast Outturn £000's		2019/20 £000's	2020/21 £000's	2021/22 £000's	2022/23 £000's
<b>(11,250.5)</b>	<b>Income</b>	<b>(23,099.2)</b>	<b>(22,065.6)</b>	<b>(22,072.6)</b>	<b>(22,079.8)</b>
<b>349.4</b>	Mayor's Office	<b>353.7</b>	<b>357.8</b>	<b>362.0</b>	<b>366.3</b>
<b>5,432.1</b>	Salaries	<b>4,845.1</b>	<b>4,917.8</b>	<b>4,991.6</b>	<b>5,066.4</b>
<b>70.0</b>	Other Employee Costs	<b>200.0</b>	<b>200.0</b>	<b>200.0</b>	<b>200.0</b>
<b>547.0</b>	Externally Commissioned Support Services	<b>375.0</b>	<b>375.0</b>	<b>375.0</b>	<b>375.0</b>
<b>593.8</b>	Overheads	<b>474.2</b>	<b>475.0</b>	<b>475.0</b>	<b>475.0</b>
<b>67.0</b>	Governance Costs	<b>67.0</b>	<b>67.0</b>	<b>67.0</b>	<b>67.0</b>
<b>260.0</b>	Election Costs	<b>260.0</b>	<b>260.0</b>	<b>260.0</b>	<b>260.0</b>
<b>0.0</b>	Capacity Funding	<b>125.0</b>	<b>125.0</b>	<b>125.0</b>	<b>125.0</b>
<b>(700.0)</b>	Financing	<b>(800.0)</b>	<b>1,615.0</b>	<b>1,743.8</b>	<b>1,925.0</b>
	<u>Workstreams</u>				
<b>0.0</b>	Non-Transport Feasibility Budget	<b>1,000.0</b>	<b>1,000.0</b>	<b>1,000.0</b>	<b>1,000.0</b>
<b>1,526.6</b>	Transport Feasibility non-capital	<b>4,000.0</b>	<b>5,000.0</b>	<b>2,000.0</b>	<b>500.0</b>
<b>750.0</b>	Other Transport Revenue	<b>350.0</b>	<b>250.0</b>	<b>0.0</b>	<b>0.0</b>
<b>1,015.3</b>	Business and Skills	<b>11,766.1</b>	<b>11,656.1</b>	<b>11,656.1</b>	<b>11,656.1</b>
<b>868.1</b>	Economic Strategy	<b>539.9</b>	<b>518.8</b>	<b>517.8</b>	<b>516.8</b>
<b>915.7</b>	Strategy, Planning & Performance	<b>505.9</b>	<b>326.8</b>	<b>233.6</b>	<b>50.0</b>
<b>444.4</b>	Net Position for year	<b>962.7</b>	<b>5,078.9</b>	<b>1,934.3</b>	<b>502.9</b>
<b>(9,948.6)</b>	Revenue balance @ 31st March	<b>(8,986.0)</b>	<b>(3,907.1)</b>	<b>(1,972.8)</b>	<b>(1,469.9)</b>



**CAMBRIDGESHIRE  
& PETERBOROUGH**  
COMBINED AUTHORITY

<b>CAMBRIDGESHIRE AND PETERBOROUGH COMBINED AUTHORITY BOARD</b>	<b>AGENDA ITEM No: 2.4</b>
<b>30 JANUARY 2019</b>	<b>PUBLIC REPORT</b>

## **BUDGET 2019-20 (MAYOR'S BUDGET)**

### **1.0 PURPOSE**

1.1. This report requests the Board to approve the Mayor's draft budget for 2019/20.

<b><u>DECISION REQUIRED</u></b>	
<b>Lead Member:</b>	<b>James Palmer, Mayor</b>
<b>Lead Officer:</b>	<b>Noel O'Neill, Interim Chief Finance Officer</b>
<b>Forward Plan Ref: 2019/013</b>	<b>Key Decision: Yes</b>
The Combined Authority Board is recommended to approve the Mayor's draft budget for 2019/20.	<b>Voting arrangements</b>  Simple majority of all Members.  This should be a recorded vote.

### **2.0 BACKGROUND**

- 2.1. In accordance with the Combined Authorities (Finance) Order 2017, the Mayor must, before 1 February in any financial year, notify the Combined Authority of the Mayor's draft budget in relation to the following financial year.
- 2.2. The process and timetable for approving the Mayor's budget is set out in **Appendix A**.

- 2.3. The draft Mayor's Office budget is shown within the 2019/20 Draft Budget and Medium Term Financial Plan (MTFP) report and is set out below.

2018/19 £k		2019/20 £k	2020/21 £k	2021/22 £k	2022/23 £k
<b><u>Mayor's Office</u></b>					
85.0	Mayoral Allowance (inc NI'er)	85.0	85.0	85.0	85.0
33.5	Mayor's Office Expenses	25.0	25.0	25.0	25.0
43.9	Mayor's Office Accommodation	52.4	52.4	52.4	52.4
187.0	Mayor's Office Staff	191.3	195.4	199.6	203.9
<b>349.4</b>		<b>353.7</b>	<b>357.8</b>	<b>362.0</b>	<b>366.3</b>

- 2.4. The Mayoral allowance is based on the recommendation made by the Independent Remuneration Panel for an allowance of £75,000, as approved by the Board on 28th June 2017. The total of £85,000 is made up of the allowance itself, plus an on-cost for employer's national insurance contributions.
- 2.5. 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 its approval.
- 2.6. The Mayor's Office expenses reflects the budget required for the Mayor and the Mayor's Office staff to properly carry out their duties.
- 2.7. The Mayor's Office accommodation costs allows for a full year's costs of the Mayor's offices in Ely.
- 2.8. The Mayor's Office staff budget includes the salary costs plus on-costs of four members of staff. The four posts included in this budget are the Chief of Staff, two Political Advisors and one Executive Assistant.
- 2.9. The Mayor's draft budget will be deemed to be approved if the Combined Authority does not make a report to the Mayor by 8th February 2018.
- 2.10. The costs of the mayoral functions for 2019/20 will be funded from Revenue Gainshare. There will be no precepts issued by the authority to fund the costs of mayoral functions for 2019/20.

### **3.0 FINANCIAL IMPLICATIONS**

- 3.1. There are no other matters to bring to the Board's attention other than those highlighted in other sections of the report.

## 4.0 LEGAL IMPLICATIONS

- 4.1. The Combined Authority is required to prepare a balanced budget each financial year in accordance with statutory timelines.
- 4.2. The process for the setting of the mayor's budget is contained within the Combined Authorities (Finance) Order 2017.

## 5.0 SIGNIFICANT IMPLICATIONS

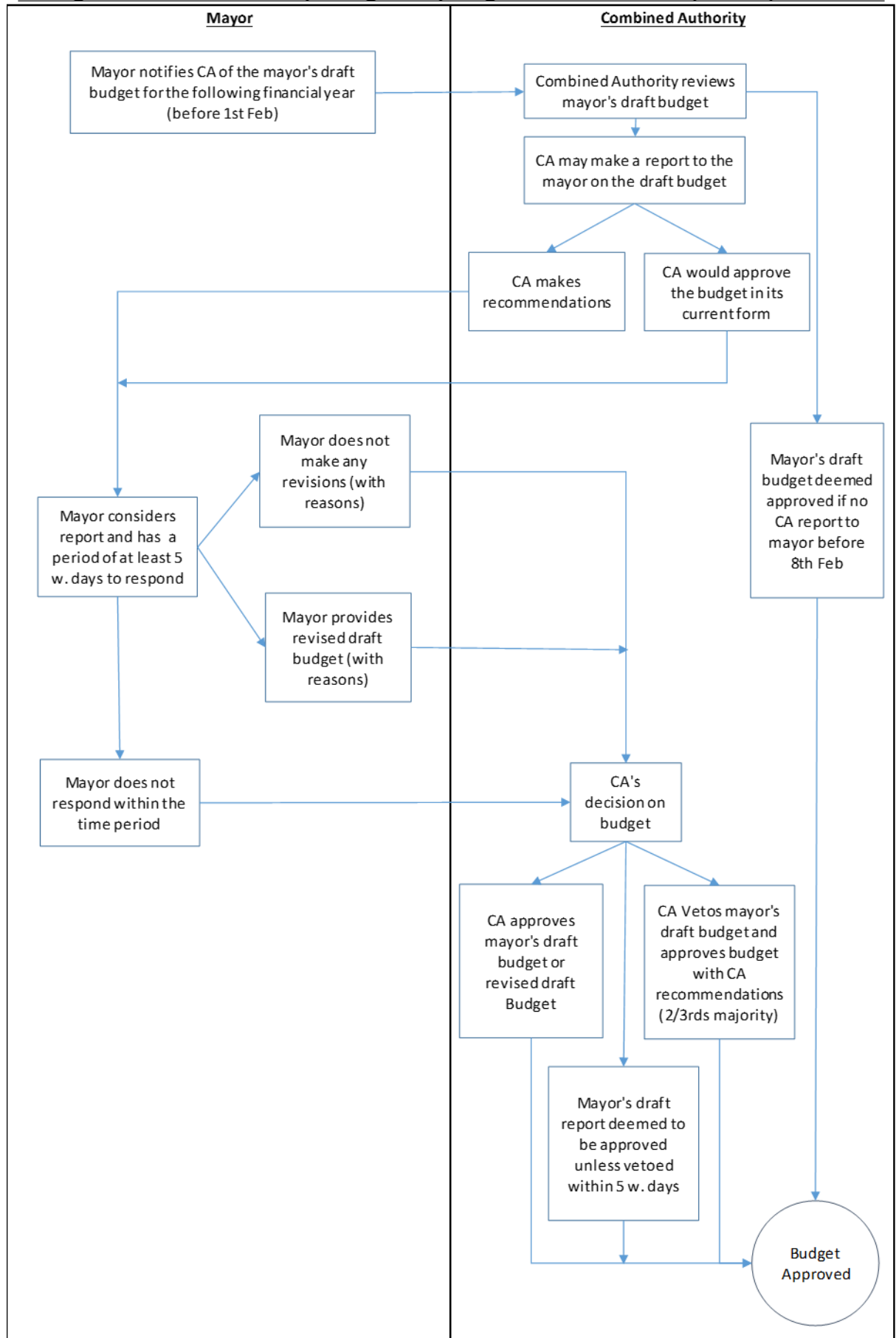
- 5.1. There are no other significant implications to bring to the Board's attention.

## 6.0 APPENDICES

- 6.1. The process workflow for the setting of the Mayor's Budget is shown at Appendix A.

<u>Source Documents</u>	<u>Location</u>
Combined Authorities (Finance) Order 2017	<a href="http://www.legislation.gov.uk/uksi/2017/611/pdfs/uksi_20170611_en.pdf">http://www.legislation.gov.uk/uksi/2017/611/pdfs/uksi_20170611_en.pdf</a>

**Setting of a Combined Authority's budget: Mayor's general functions - CA (Finance) Order 2017**







**CAMBRIDGESHIRE  
& PETERBOROUGH**  
COMBINED AUTHORITY

<b>CAMBRIDGESHIRE AND PETERBOROUGH COMBINED AUTHORITY BOARD</b>	<b>AGENDA ITEM No: 2.5</b>
<b>30 JANUARY 2019</b>	<b>PUBLIC REPORT</b>

## **11 & 12 WISBECH HIGH STREET**

### **1. PURPOSE**

- 1.1. At its last meeting, the Combined Authority Board delegated authority to the interim Section 73 Officer and the interim Chief Executive Officer to formalise the potential arrangements to support Fenland District Council in the event that step in is required. This report seeks approval for potential support to Fenland District Council.

<b><u>DECISION REQUIRED</u></b>	
<b>Lead Member:</b>	<b>Councillor Steve Count, Portfolio for Investment and Finance</b>
<b>Lead Officer:</b>	<b>Noel O'Neil, Interim Section 73 Officer</b>
<b>Forward Plan Ref: n/a</b>	<b>Key Decision: No</b>
The Combined Authority Board is recommended to:  approve the arrangements to support Fenland District Council if required to see successful conclusion of the project.	<b>Voting arrangements</b>  Simple majority of all Members

## **2. BACKGROUND**

- 2.1. In September 2016, the Heritage Lottery Fund (HLF) awarded £1.9m to Fenland District Council from its Townscape Heritage Scheme. The project has become Wisbech High Street Project and has also been supported by Cambridgeshire County Council and Fenland District Council with £200,000 each.
- 2.2. 11 & 12 High Street were identified as a key element of the wider programme and £1m of the HLF funding was allocated to redevelop this key site. The site has many issues that has meant that development has been slow in coming forward but now a scheme has been identified and a developer to deliver it.
- 2.3. However, as the scheme moves closer to starting, there is pressure on the end date of HLF funding of January 2021. Fenland District Council is seeking support from the Combined Authority to ensure that this scheme does progress and to safeguard the investment of £1m of HLF. Supporting the Regeneration of Market Towns within the area is a key part of the devolution deal for Cambridgeshire and Peterborough. The offer of support will give confidence to Fenland District Council to progress the scheme and secure the investment.
- 2.4. Discussions have taken place between interim Chief Executive, Kim Sawyer, interim Section 73 Officer, Noel O'Neill and officers of Fenland District Council including Chief Executive, Paul Medd to identify the extent of any support. The details of this need to remain confidential due to commercial sensitivities at this time. Therefore, the details are shown in an exempt appendix.

## **3. FINANCIAL IMPLICATIONS**

- 3.1. Should the Combined Authority need to intervene, the support could be met within the Medium Term Financial Plan to be approved elsewhere on this agenda. The majority of any financial support should Fenland need to step in will be in the form of a repayable grant and repaid over a period of time from the gross rent that will be received from the property. A legal charge on the property at that time would secure that future repayment.
- 3.2. Making this commitment will secure the development of 11 & 12 High Street and see the improvements to Wisbech Town Centre that HLF funding was targeted to deliver. It will also safeguard the HLF investment within the timeframe of delivery.

## **4. LEGAL IMPLICATIONS**

- 4.1. There will be the requirement to draw up appropriate legal documentation should this intervention be called upon. This will be a call on legal time.
- 4.2. Providing grant support is within the powers of the Combined Authority. It is for the Board to decide upon the merits of this application and the impact of such investment.

## 5. APPENDICES

### 5.1 Appendix 1: Confidential under Paragraph 3 of Part 1 Schedule 12 of Local Government Act 1972

<u>Source Documents</u>	<u>Location</u>
None	Not applicable





<b>CAMBRIDGESHIRE AND PETERBOROUGH COMBINED AUTHORITY BOARD MEETING</b>	<b>AGENDA ITEM No: 3.1</b>
<b>DATE OF MEETING: 30<sup>TH</sup> JANUARY 2019</b>	<b>PUBLIC REPORT</b>

## STRATEGIC BUS REVIEW

### 1.0 PURPOSE

- 1.1. In November 2017 the Combined Authority commissioned a strategic review of the regional bus network. This report presents the outcomes of that review and proposes recommendations for consideration.

<b><u>DECISION REQUIRED</u></b>	
<b>Lead Member:</b>	<b>Mayor James Palmer</b>
<b>Lead Officer:</b>	<b>Interim Transport Director Chris Twigg</b>
<b>Forward Plan Ref: n/a</b>	<b>Key Decision: No</b>
<p>The Combined Authority Board is recommended to:</p> <ul style="list-style-type: none"> <li>a) Note the recommendations of the Strategic Bus Review.</li> <li>b) Approval, to develop and deliver a Business case assessment of the benefits of operational models open to the Combined Authority including Enhanced Partnerships and franchising opportunities in line with DfT Guidelines and as set out in the Bus Service Act. The business case will be completed in Q1 2021.</li> <li>c) Approve the establishment of a cross-organisational group "Bus Reform Group" to build up the implementation</li> </ul>	<p><b>Voting arrangements</b></p> <p>At least two-thirds of all Members (or their Substitute Members) appointed by the Constituent Councils to include the Members appointed by Cambridgeshire County Council and Peterborough City Council, or their Substitute Members.</p>

strategy based on the recommendations of the Strategic Bus Review for short and medium term improvements.	
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## 2.0 BACKGROUND

- 2.1. As part of the Devolution Agreement, Transport Authority powers were transferred to the Cambridgeshire and Peterborough Combined Authority (CPCA) from Cambridgeshire County Council and Peterborough City Council. Such powers include responsibility for passenger transport which, in the context of this paper, relate to bus services. It is also important to note that these powers do not extend to home to school transport duties.
- 2.2. The future of bus provision also needs to be placed in the context of wider changes that can be expected within the Combined Authority area. A key ambition of the CPCA is to double the size of the local economy and accelerate house building rates to meet local and national needs. Pressures on transport infrastructure are likely to see increased requirements on developers to create more sustainable developments. There are also plans to develop a mass rapid transport solution for Cambridge City and surrounding travel to work area. In the shorter term, the Greater Cambridge Partnership is exploring and developing a range of other public transport initiatives including extended guided busways, bus priority measures, rural bus hubs, orbital bus services and electric buses. These changes are likely to present both opportunities and challenges to future bus provision.
- 2.3. Delivering radical mode shift, per the targets discussed in the Greater Cambridge Partnership's Transport Strategy - Future Public Transport Requirements (July 2018) will require radical interventions to make modes such as bus travel more attractive, accessible and cost effective.
- 2.4. From a commercial perspective, patronage is simply not high enough on certain routes to be viable without subsidies. This will be compounded by a national trend of reducing patronage figures and rising costs. Furthermore, mandatory concessions for older and disabled people are enshrined by the Transport Act 2000 (as modified by the Concessionary Bus Travel Act 2007). Bus operators are reimbursed for carrying concessionary passengers and the level of reimbursement is set based on guidance from Central Government. This guidance assumes concessionary passengers are using spare capacity on services that would be operating anyway. In reality, these concessionary passengers can make up the majority of passengers on rural services.
- 2.5. In November 2017, the Cambridgeshire and Peterborough Combined Authority was recommended to:
  - a) Agree to undertake a Bus Review within the scope and terms of reference set out in this report.

- b) Agree a total budget allocation of £150,000 to undertake the Bus Review.
- c) Note the intention to use this Bus Review to inform a future Combined Authority Bus Strategy which will be developed as part of the future Local Transport Plan.
- d) Note that the Bus Review will seek to recognise the issues faced in certain areas of Cambridgeshire and Peterborough following the recent withdrawal of some commercial services.

### **3.0 SCOPE OF BUS SERVICE REVIEW**

- 3.1. As approved by the CPCA Board in November 2017, the study was intended to provide a high-level strategic review of current bus service provision across the Combined Authority area and provide a menu of potential options for improving the service in the medium and long term. The study considered a broad range of factors as outlined later in this paper, recognising that different areas of the Combined Authority may require different solutions. However, a key aim of the study was to recognise and understand the wider economic and social benefits of an effective bus service against a range of operating models.
- 3.2. The scope proposed in the November paper included 4 main issues that the Bus Review would have to address:
  - a) Current bus service provision: ascertain the level and nature of both commercial and subsidised bus provision with the CPCA.
  - b) Strategic options for bus services of the future: identify and evaluate examples of best practice that may be appropriate for consideration within the CPCA area in the short term (5 years). The review will differentiate between the potential range of bus services and consider alternative delivery models.
  - c) Assess operational models: it is envisaged that the study will consider the opportunities and constraints resulting from the Bus Services Act 2017.
  - d) Transition arrangements: An outcome from this study will be to identify potential transition arrangements that might be put in place until such time as the strategic options identified are further developed and implemented. It is, therefore, important that the study considers the cost of implementation, likely levels of future subsidy and potential sources of funding. This study will also consider the phasing and implications of moving from the 'as is' bus service to alternative delivery models.
- 3.3. The Bus review is intended to identify strategic opportunities and realistic but specific interventions across the whole geography of the CPCA. Through devolution there are increased opportunities to spread benefits through a consistent and integrated network. The review was to identify potential recommendations for CPCA consideration and prioritisation to create an improved integrated service in the short medium and long term.

- 3.4. The timing of this report means that a number of key transport documents are in the process of being prepared, such as the Local Transport Plan for the CPCA, the Greater Cambridge Partnership's (GPC) Transport Strategy, and a number of detailed studies looking at delivering Cambridge's City Access package. As such, this Bus Review cannot, and does not, seek to present a single preferred solution for the network. It presents a range of options at a conceptual level which can help inform more detailed planning and design in the future through other studies.
- 3.5. The report presents the need to consider different delivery models and funding – this is highlighted by the step change that would be required in the delivery of the transport network if options such as those presented conceptually in the report were to be taken forward.

#### **4.0 FINDINGS OF THE STRATEGIC BUS REVIEW**

- 4.1. The report has identified that the area has a variety of existing and emerging opportunities, which should be exploited to enhance the existing bus network and ensure that it supports economic growth.
- 4.2. The opportunities (section 4.3) and proposed interventions (section 5) are presented in one of 4 categories for review
- a) Review of routes (for i.e. cities, rural and interurban network, delivery models and governance)
  - b) Review of integrated ticketing (for i.e. fares initiatives)
  - c) Review of alignment of timetabling with other infrastructure (for i.e. capacity efficiency and technology, land use and infrastructure interphase)
  - d) Review of operational models open to the Combined Authority under the Bus Services Act 2017 (for i.e. delivery models, integrated approach to public transport)
- 4.3. **Opportunities**  
**Increasing private funding for transport development**
- 4.4. Economic growth and the planned new developments offer significant opportunities for enhanced bus services as an alternative to the private car, but linking land-use changes to early, high quality and suitable transport interventions will be critical to supporting sustainable travel choices. Retrospective introductions of bus services must be avoided, as travel behaviours will have already become embedded and difficult to change.
- 4.5. The opportunity to intervene early may be made possible through funding sources such as developer contributions (which need to be made available very early in the development phase), and the City Deal funding must be used judiciously. Funding for enhancements in Peterborough, which does not benefit from City Deal, may prove more challenging.



- 4.6. Existing employer-provided transport services could be replaced by integration with a more flexible public transport network, with an opportunity to tap into employer-funding for staff transport.

### **Delivery models and governance**

- 4.7. The recognition that modal shift is critical for the sustainability of the Cambridgeshire and Peterborough area offers a clear opportunity for change, alongside an apparent appetite to take forward difficult transport decisions and adopt a visionary approach to public transport (e.g. CAM).
- 4.8. Emerging models of delivery (greater powers for local transport authorities, and the ability to plan and deliver services in real-time using emerging app-based technology) should help to reinvent public transport with a more appealing and modern image for the 21st Century; and the emergence of the MaaS concept offers an opportunity for a wholesale change in approach to how public transport is delivered, through a one-stop-shop for all information and ultimately even for all travel requirements.
- 4.9. Utilising alternative delivery options that will enable cross subsidy of routes to reduce the subsidy burden and reinvest profit back into the network, improving the services for users.
- 4.10. Exploiting emerging delivery models to reconnect rural areas with nearby urban settlements, and with Peterborough and Cambridge, need to be thoroughly explored, with solutions that match user needs with the services provided.
- 4.11. Greater collaboration between multiple stakeholders will help to reduce conflicts and overlapping responsibilities, perhaps through the Transport for Cambridgeshire and Peterborough concept.

### **Capacity efficiency and technology**

- 4.12. Although there are isolated examples of overcrowding on the bus network, generally there is capacity to expand ridership making better use of existing capacity on busway, and other local bus services.
- 4.13. New technology and more flexible approaches to delivery, including total transport, should support better matching of demand and capacity. Modern demand responsive solutions, including flexible applications in urban areas as a more attractive alternative to low-frequency, fixed-route conventional solutions, are emerging and should be explored.
- 4.14. Public attitudes in the area appear to favour modern sustainable travel choices, provided that the transport options are sufficiently attractive. Reducing inconsistencies of information provision, branding, user restrictions, ticketing, etc would help to make the whole sustainable transport offer more legible for users. Existing RTPI infrastructure provides a basis for future expansion.
- 4.15. Integration with all other forms of sustainable transport gives opportunities to offer attractive first/last mile solutions building on existing positive attitudes

towards modes such as walking and cycling, as well as community transport outside the two major cities. Bus should be complementary to other sustainable modes, not abstractive.

- 4.16. Remaining opportunities for reallocating road-space need to be identified, not limited to Cambridge, but with priority given to buses over all other modes on selected key corridors.

### **Health and socioeconomic considerations**

- 4.17. Younger people appear to be driving less, and are more open to using public transport, and as people change work locations (with the emergence of new employment sites, often in peripheral locations) there is an opportunity to embed sustainable travel behaviours.
- 4.18. The fact that as many as half of the local population have never tried a bus, and examples such as the limited use of the busway by 16-24 year olds, gives an opportunity to develop a new and a more attractive offer, building on known success stories in the area.
- 4.19. Labour shortages within the bus sector may be tackled in the future through autonomous vehicle (AV) technology, allowing limited staff resources to be focused on those services where driverless operation proves more challenging. For example, busway services may be an easy example of early-adoption for AV technology.
- 4.20. Both local Stagecoach depots are located in potential development areas, offering opportunities to modernise depot infrastructure and optimise locations, as well as possibly supporting transition to new delivery models.
- 4.21. Air Quality issues are recognised in the area and have already been partially tackled through an upgraded bus fleet. There is also the recognition that tackling congestion and traffic will alleviate health issues.

## **Challenges**

### **Modal shift and congestion**

- 4.22. The mode share targets for Cambridgeshire and Peterborough require a very significant increase in sustainable travel behaviours, which cannot be supported by the public transport network in its current form. The changes required are a step-change compared to present, and should be seen as revolutionary not evolutionary, posing significant challenges for stakeholders in terms of finance, resources, and organisational change.
- 4.23. Existing congestion is likely to worsen, both in Cambridge – where it is already a major challenge – but also in other urban centres if mode shift to the private car continues. This will be exacerbated by continued population and economic growth in the area.

- 4.24. The high expectations placed on buses to help deliver this revolutionary change will be extremely challenging in the short-term, when delivery structures are likely to be largely unchanged from present.
- 4.25. Behavioural change is very challenging given the current perceptions about local bus services – although existing user satisfaction is reasonable, the image (with multiple operators, mixed responsibilities between public and private sectors, and inconsistent messaging across all forms of sustainable transport) will make it challenging to attract significant volumes of new users to the bus.
- 4.26. In many cases, direct bus services will continue to be difficult to justify, and reliance will continue on interchange – albeit that it is anticipated the quality of interchange facilities will improve. Public transport users are resistant to interchange, and this will pose a significant challenge to mode shift involving potential passengers who are remote from high frequency direct bus services. Rural travel patterns already demonstrate a very low mode share for bus, which may be very difficult to influence.

#### **Land use and public transport interface**

- 4.27. At present, transport solutions for new developments lag behind the developments themselves, meaning that less sustainable travel behaviours become established and difficult to change. Delivery models, and financial support, need to support proactive early intervention. All sources of finance need to be explored, and difficult financial decisions may be necessary including workplace parking levies.
- 4.28. The dispersed nature of planned development, and changing travel patterns (e.g. flexible work times, frequency of home-working, internet shopping) makes it challenging to serve by conventional public transport, which works best as a mass transit mode, meaning new delivery models will need to be developed, which have no current track record.

#### **Funding and resources**

- 4.29. Where funding is available for transport, it is largely restricted to capital funding which is of limited value in supporting many of the initiatives necessary to deliver the revolutionary levels of mode shift envisaged. More attractive bus services rely heavily on revenue funding for their success.
- 4.30. Even where funding for new initiatives is available, it may not be evenly – or equitably – distributed. For example, City Deal funding is targeted at Cambridge and its immediate surrounding area, whereas enhancing rural transport might require a disproportionate share of the total funding for public transport. Funding across different modes (conventional bus, rail, community transport, walking/cycling, etc) will almost certainly need to be reprioritised compared to present.
- 4.31. Demographic changes will also add to challenges for bus network – increasing numbers of older people (eligible for free travel) may result in diversion of funding away from development-led interventions, and emerging attitudinal

trends, such as young and retired people's attitudes to driving, are not yet clearly established.

- 4.32. Given the considerable level of economic growth anticipated in Cambridgeshire and Peterborough, labour shortages within the bus sector are likely to continue, and may well pose very real restrictions on the level of ambition that can be delivered through bus-based interventions.
- 4.33. Bus fares are high (in some cases more expensive than trains), and in a commercial market likely to remain so.

### **Organisational change**

- 4.34. Local proposals for CAM (Cambridge Autonomous Metro) are important to the economic growth of Cambridge, but it will be critical to ensure that short-term bus-based interventions are aligned with CAM aspirations, so that the emerging short-term bus strategy is capable of evolution and flexibility into one which incorporates CAM alongside all other sustainable modes.
- 4.35. At present, operators are reluctant to innovate for the long-term due to uncertainty about the overall trajectory for bus-based interventions in the area, and in the short-term it is likely that this inertia will continue until the Combined Authority's aspirations (and appetite for change) are clarified.
- 4.36. The regulatory and legislative landscape has changed recently, with the Bus Services Act and revised interpretation of operator licensing for community transport providers. The impact of these changes cannot yet be predicted – in some cases it is unknown, and in others it is dependent on local political decision-making.
- 4.37. It is likely that driving all these initiatives forward will require significant leadership from the public sector, at a time when local transport authority resources are strained. There is a significant risk that the public sector will be unable to dedicate sufficient resources to provide consistent leadership.
- 4.38. Managing multiple stakeholder relations will be critical but time-consuming and may distract from a focus on high-quality service delivery.

### **Technology**

- 4.39. Technological change has accelerated markedly in recent years, and it is challenging for existing operators and transport authorities to be confident about the future technological landscape. It will be critical to remain ahead of the development cycle wherever possible, to avoid pursuing obsolescent solutions, but the risk of technological blind-alleys must also be recognised.
- 4.40. Mobility as a Service (MaaS) offers clear opportunities for developing a holistic sustainable transport service for Cambridgeshire and Peterborough, but as yet many of its concepts are untested. The structure of MaaS delivery, with a mixture public and private sector stakeholders, will be challenging and is largely uncharted waters.

- 4.41. As well as information technology, vehicle power systems and autonomous vehicle solutions are also evolving rapidly – new solutions are expensive to adopt, and also risky when the precise direction of travel is unknown. It is likely that new technologies will require championing from the public sector, and potentially financial support to offset risks for the private sector. Infrastructure provision for electric vehicles may prove challenging.
- 4.42. Local proposals for CAM (Cambridge Autonomous Metro) are welcome, but it will be critical to ensure that short-term bus-based interventions are aligned with CAM aspirations, so that the emerging short-term bus strategy is capable of evolution into one which incorporates CAM alongside all other sustainable modes.

## **5.0 PROPOSED INTERVENTIONS IN THE NETWORKS**

- 5.1. The report identifies and analyses different networks within the territory of the Combined Authority: Cities network and Interurban and Rural network.

### **Cities network**

- 5.2. Both Cambridge and Peterborough will face challenges in accommodating significant future growth in population and economic activity without a commensurate increase in car travel.
- 5.3. The report proposes interventions in the short term to improve services in the cities network, where around 20 million trips are done yearly, linking most of the population to the main employment sites.
- 5.4. Regarding frequency and routes of the network, the report proposes to enhance the existing bus network by:
- Establish a minimum level of service
  - Committed equity of access for areas of deprivation
  - Enhance radial bus services and evolve into a turn-up-and-go network
  - Consider the feasibility of providing targeted cross-city services for high demand movements
  - Merge Park & Ride services with the wider network
  - Adjust bus services to complement CAM proposals
  - Enhance bus service provision for key employment centres
  - Target bus priority: create quality bus corridors and limit motorised access to the city centres.
  - Support demand responsive transport and first/last mile solutions
  - Support vehicle quality upgrades and new vehicle technology
  - Support multi-modal integration
- 5.5. It is recognised that the majority of the options outlined would require increased spend on public transport and that this would need to be delivered through additional sources of funding. However, to deliver the ambitious targets for mode share in the area, as well as wider Government objectives, such as reducing air pollution and emissions, easing social deprivation and

health inequality, and delivering sustainable growth, options should not be discounted at this early stage because they represent a step-change in delivery and resources. Having noted this, it is also recognised that issues such as cost cannot simply be ignored.

### **Interurban and Rural networks**

5.6. Given the urban geography around Peterborough and Cambridgeshire, there is a well-defined network of inter-urban bus services linking Peterborough and Cambridge with towns such as Huntingdon, St Ives, Ely, Wisbech, St Neots, March, and Whittlesey, as well as some key towns outside the study area such as Newmarket.

5.7. As described, there is some potential overlap between the inter-urban network, and the rural and market town network, but in principle the latter constitutes lower frequency services, in some cases only operating a small number of journeys per day (often not even operating every weekday), sometimes to irregular timetables designed around specific demand requirements such as providing home to school/college transport or to minimise costs by fitting resources around operations such as school transport contracts. Rural buses and community transport faces increased challenges like lack of long vision, lack of funding, and decreasing patronage. These challenges could be alleviated by some of the interventions proposed.

5.8. In summary, the proposed interventions for these networks are:

- Adopt a consistent and long term response, taking into account of current needs, but also with a view to the future
- Aim for rural transport services to provide more targeted access to employment, education, shopping and recreation, operating at least 6 days per week at a reasonable frequency
- Adopt a centrally planned approach, led by the Combined Authority to manage the network including establishing new routes where bulk demand is recognised, allocate subsidies, promote a common branding and integrated ticketing, promote multi-purpose vehicles.
- The central management of the network would also include:
  - Maximise the role of transport hubs via integration
  - New initiatives such as the crowd-sourcing of services to test out new potential routes.
  - Establish community bus partnerships
  - Adopt the network concept including provision of feeder hubs and services to connect low access areas to core transport links

## **6.0 DELIVERING MODERN PUBLIC TRANSPORT**

6.1. Delivery of these radical mode shift targets requires a step change in the weight placed to delivering transport solutions in the CPCA area – as already emphasised, the targets mean that simply continuing business as usual will not



achieve success, and the delivery of significant changes to delivery will need a new approach to funding and resourcing.

- 6.2. There are several components to successful delivery of transport as envisioned by the report.
- 6.3. Firstly, the services themselves need to be fit for purposes: providing high quality, high frequency city bus services, using best in class vehicles, and supported by world-leading infrastructure, alongside seamless integration with other sustainable modes (walking, cycling, rail and CAM).
- 6.4. Transport provision will still involve multiple providers: bus operators, community transport, the CPCA itself, other public-sector authorities, train operating companies, cycle hire providers, community car clubs, and the CAM franchisee for example. Providing a seamless marketing front and effective communication with these multiple service providers will be critical in positioning public transport as a 21<sup>st</sup> Century utility. Branding must be unified and information coordinated so that a coherent message is always provided.
- 6.5. Fundamental to this repositioning of public transport will be payment means and ticketing. Replicating the flexibility and seamless nature of mobile phone pricing suggests a move towards multimodal payment contracts encompassing all relevant transport modes in the CPCA area.
- 6.6. Ensuring that public transport is affordable will help to maximise its usage. At present, there is a limited range of tickets available, including day, weekly and monthly unlimited travel on selected operators and in selected areas – with some constraints on what can be delivered in terms of multi-operator ticketing as a result of competition legislation that restricts cooperation between operators regarding pricing.
- 6.7. The report recommends the following initiatives regarding how to deliver this modern public transport vision:
  - It is suggested that communication, branding, and ease of user access are reviewed in line with network options to ensure an effective approach is taken.
  - Assess the benefits in the creation of an organisation that draws in professional officers to deliver necessary back office systems and ensure community transport support, in the form of a delivery agency.
  - New mobility concepts, such as MaaS, should be explored to consider their potential to provide holistic delivery of the mobility system.
  - Review benefits in introducing fares initiatives such as:
    - Simplified, flat fare system for Peterborough and Cambridge
    - Discounted fares for young apprentices, jobseekers, over 60s
    - Promotional packages for new residents and employees of new developments
    - Retention of current free travel arrangements for ENCTS cardholders

## **7.0 DELIVERY MODELS**

- 7.1. Fundamental to repositioning transport as a utility for economic growth also requires tackling the structure of the conventional bus sector in the CPCA, and the associated restrictions imposed by competition legislation as a result of the deregulated bus market (e.g. restrictions on joint ticketing products and cooperation between operators).
- 7.2. Despite the presence of an open, deregulated bus market, there is very little actual competition between operators in the CPCA area – the only significant overlap in services was between Whippet and Stagecoach on sections of the busway.
- 7.3. Recognising that the deregulated market may not always be the most effective delivery model to meet local authority aspirations, recent legislation (Bus Services Act 2017) provides for a range of interventions to modify the fully deregulated model introduced in 1986.
- 7.4. Agreement with Operators could be encompassed within an Enhanced Partnership under the Bus Services Act 2017. If the operator was unwilling to meet these requirements, the CPCA would be able to propose incorporating it within its own network (as part of the franchising element of the Act).
- 7.5. Under a partnership, CPCA would have an expanded influence over local bus service delivery, but with very little leverage to enforce its plans and operators still at liberty to take commercial decisions, albeit under Enhanced Partnership there is the potential for such decisions to be moderated in line with jointly-agreed plans and schemes. There may still be only limited data-sharing between operators and CPCA, and constrained strategic decision-making.
- 7.6. In consideration of the CPCA aspiration as set out in the 2030 plan the Mayoral Interim Transport Strategy, it is clear that to access significant economic growth the Bus network will need to be flexible and fluid to act as an enabler and facilitator of integrated transport models over the coming years. Given the need for flexibility over the coming years that fixed contracts may not facilitate, it will be important to improved partnership working as a vital prerequisite – if successful, it accelerates delivery of many of the recommendations set out in this document.
- 7.7. Therefore, the recommended strategy to follow would be to start engaging with operators to investigate an Enhanced Partnership in the short term, while developing a Business Case for the assessment of a long term delivery models including Enhanced partnerships and franchising considerations that achieve the Combined Authorities need for investment back into its networks and offers flexibility to support economic growth over the short medium and long term.
- 7.8. An estimated timeline for the development of the recommended strategy is shown below. According to this timeline, it would be possible to reach a decision on whether one of the Bus Service Act options (including franchising) by mid 2021.



Item	Time	Year 1: 2019				Year 2: 2020				Year 3: 2021
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
Engage with operators										
Establish brief										
Procurement of Business Case										
Business Case										
Consultation										
Independent Audit										
Decision by Mayor/Board										

## 8.0 INTEGRATED APPROACH TO PUBLIC TRANSPORT

- 8.1. An important outcome of the Strategic Bus Review is the need for a consistent and integrated way of managing public transport for the new geography of the Combined Authority.
- 8.2. In order to provide an integrated response to the recommendations from the report, this paper is asking the board to establish a Bus Reform group (including Peterborough City Council, Cambridgeshire County Council, the Combined Authority and external consultants where needed). The commission of the Bus Reform group would also include the development of an implementation plan including establishing a brief for what is most appropriate route network and operational model to the CPCA. This will serve as a base for engaging with operators to achieve public transport improvements, in line with the options given by the Bus Service Act (2017).

## 9.0 FINANCIAL IMPLICATIONS

- 9.1 The integrated approach to public transport is the first step of a long term strategy. The future of bus provision should be guided by efficiency and integration, while looking at delivery models that provide income streams and private sector involvement in the provision of improved public transport.
- 9.2 The implications of examining different models and developing a Cambridgeshire and Peterborough solution to improve public transport has been considered as part of the development of the Medium Term Financial Plan elsewhere on this agenda. Specifically £1m has been identified in both 2019/20 and 2020/21 to fund the work in looking at the options and delivering a new model by 2021 as well as any on-going costs for intermediate measures and subsidies that may be required in addition to budgets already allowed for by CCC and PCC. during that period.

## 10.0 LEGAL IMPLICATIONS

- 10.1. The Combined Authority is the local transport authority by virtue of the Cambridgeshire and Peterborough Combined Authority Order 2017. It is in this capacity as the local transport authority that it has the power to conduct this review.

## 11.0 SIGNIFICANT IMPLICATIONS

- 11.1. none

## 12.0 APPENDICES

### 12.1. Appendix 1 –Strategic Bus Review Report Executive Summary

<b><u>Source Documents</u></b>	<b><u>Location</u></b>
List background papers:  1. CA Board Report November 2017	List location of background papers  1. <a href="http://cambridgeshirepeterborough-ca.gov.uk/assets/Combined-Authority/Agenda-29th-November-2017.pdf">http://cambridgeshirepeterborough-ca.gov.uk/assets/Combined-Authority/Agenda-29th-November-2017.pdf</a>  2.

CPCA Strategic Bus Review

Reference number 107607

10/01/2019

**SYSTRA**

## **CAMBRIDGESHIRE AND PETERBOROUGH STRATEGIC BUS REVIEW: EXECUTIVE SUMMARY**



## IDENTIFICATION TABLE

<b>Client/Project owner</b>	Cambridgeshire and Peterborough Combined Authority
<b>Project</b>	CPCA Strategic Bus Review
<b>Study</b>	Cambridgeshire and Peterborough Strategic Bus Review: Executive Summary
<b>Type of document</b>	Executive Summary – Draft Final
<b>Date</b>	10/01/2019
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<b>Reference number</b>	107607
<b>Number of pages</b>	21

## APPROVAL

Version	Name		Position	Date	Modifications
1	Author	Neill Birch Ralph Anderson Peter Hardy	Project Director Project Manager Director	26/10/2018	Draft Report
	Checked by	Neill Birch	Project Director	26/10/2018	
	Approved by	Neill Birch	Project Director	26/10/2018	
2	Author	Neill Birch	Project Director	17/12/2018	Amended summary based on revised draft of final report
	Checked by	Ralph Anderson	Project Manager	17/12/2018	
	Approved by	Neill Birch	Project Director	17/12/2018	
3	Author	Neill Birch	Project Director	10/01/2019	Revised Draft Final
	Checked by	Ralph Anderson	Project Manager	10/01/2019	
	Approved by	Neill Birch	Project Director	10/01/2019	

# 1. INTRODUCTION

## 1.1 Study Purpose and Background

- 1.1.1 SYSTRA Ltd was commissioned by the Cambridgeshire and Peterborough Combined Authority (CPCA) in May 2018 to undertake a strategic review of bus service provision within the CPCA area. The study is intended to develop potential strategic proposals over a longer time horizon to explore opportunities for transformational change.
- 1.1.2 The timing of this report means that a number of key transport documents are in the process of being prepared, such as the Local Transport Plan for the CPCA, the GCP's Transport Strategy, and a number of detailed studies looking at delivering Cambridge's City Access package. As such, this Bus Review cannot, and does not, seek to present a single preferred solution for the network. It presents a range of options at a conceptual level which can help inform more detailed planning and design in the future through other studies. This is likely to include documents such as the future CPCA Bus Strategy, which will be developed as part of or in parallel with the Local Transport Plan.
- 1.1.3 For a number of the options presented, examples have been used to illustrate the types of incidences where these could be applied. These examples should not preclude the development of alternative approaches during more detailed planning of the network in other studies.
- 1.1.4 One of the key messages presented in this report is the need to consider different delivery models and funding – this is highlighted by the step change that would be required in the delivery of the transport network if options such as those presented conceptually here were to be taken forward.

## 1.2 Structure of the Study

- 1.2.1 Previous work, documented in the study's Part 1 Report, looked in depth at the strengths, weaknesses, opportunities and challenges (SWOC) associated with bus-based public transport in Peterborough and Cambridgeshire.
- 1.2.2 This is summarised in the diagram on the next page. The work for Part 1 has formed the basis for a wide-ranging option generation exercise and sifting of potential options, until a coherent holistic set of proposed interventions has emerged covering short, medium and long terms, set out in the full Part 2 Report and summarised herein.
- 1.2.3 The Learning Points from the SWOC analysis formed the starting point for developing options to ensure that buses play a viable role in supporting economic development in the CPCA area and delivering the very challenging levels of mode shift required.

## 1.3 Structure of this Report

- 1.3.1 This report provides a summary of the recommendation from the study, and the implications with regard to delivery models and funding.
- 1.3.2 Below is a summary of the SWOC analysis from the Part 1 report.
- 1.3.3 Following this, the report: describes a range of conceptual interventions for the urban networks in Cambridge and Peterborough, and inter-urban and rural networks across the CPCA area; summarises potential delivery models for these transport options; and provides a high level implementation and transition plan.

## STRENGTHS

- Good geographical network coverage, including strong rail network
- Frequent services on many corridors, especially in cities
- 90% of bus network provided commercially
- Ongoing investment in the network - new technology, including RTPI, busway
- Park & Ride concept supported in Cambridge
- External funding for bus services
- Local environmental awareness
- Local commitment to active travel, especially cycling
- Active community transport sector
- Existing integration of school and rural transport
- Willingness to trial new approaches (e.g. Zume)
- Bus users generally positive about bus service experience

## WEAKNESSES

- Inconsistent service offer, in particular in rural areas - frequency, accessibility and journey time, times of day, information, etc.
- Inadequate coordination between services, especially Busway and P&R
- Unattractive journey times by bus, in particular in rural areas
- Crowding (on some peak services)
- Community transport provision inconsistent and restricted to users
- Some key travel desire lines not linked by direct bus - new developments not served
- Congestion and conflicting priorities for road space (cycling versus bus)
- Excessive supply of car parking
- Bus/rail integration poor
- Staff recruitment challenging
- Limited market research by commercial operators - limited appetite for innovation
- Limited competition amongst commercial operators
- Financial sustainability of existing commercial operations
- Inadequate public-sector funding
- Limited evening, Sunday services
- Complex public-sector delivery structure
- Inadequate multi-operator/multi-modal ticketing
- Costs of public transport to users too high

## OPPORTUNITIES

- Air quality providing imperative to change
- City deal funding, work place charging levy
- Harnessing value from economic development
- Political appetite for change
- Younger people driving less
- Limited use of busway services by 16-24s
- Integration with other modes (e.g. cycling)
- Emerging new technologies (information, delivery models) - chance to revamp the image
- Eliminating inconsistencies of delivery
- Behavioural change - especially at new developments
- New delivery approaches (e.g. commercial DRT)
- Not all services busy - capacity to carry more
- Reconnecting rural areas to modern public transport
- Reallocation of road space
- Depot modernisation and location
- Greater partnership and collaboration (Transport for Cambridgeshire and Peterborough)

## CHALLENGES

- Congestion
- PT keeping ahead of economic development
- Dispersal of growth
- Meeting ambitious mode shift targets
- Improving public perceptions of the bus
- Car and rail can be cheaper than bus, with parking charges providing the largest comparative cost disincentive for city centre access.
- Changing travel patterns, flexible working, online shopping, etc. - challenging by bus
- Long term political support over multiple electoral cycles
- Inadequate finance available - especially outside City Deal, also balance revenue/capital funding
- Labour shortages
- Operator uncertainty - legislation, regulations
- Pace (and cost) of technological change
- Engaging with MaaS providers
- Insufficient public-sector resources, especially staff
- Need to integrate short-term proposals with long-term aspirations (e.g. CAM)
- Relationships between stakeholders
- Providing infrastructure for electric vehicles

## 2. INTERVENTIONS IN THE CITIES' NETWORKS

### Establish Minimum Levels of Service

The concept of 'minimum levels of service' can be used to provide a more equitable network across time periods by adopting rules of provision for evening and Sunday services which relate to the core daytime frequency. This could be explored for both cities.

Table 1. Relationship of Daytime to Evening/Sunday Bus Frequencies

MAIN DAYTIME FREQUENCY BASED ON MON-FRI 0900-1700 PROVISION	MINIMUM EVENING AND SUNDAY FREQUENCY PROVIDED MON-SAT AFTER 1900, AND SUNDAY 1200-1800
Every 10 minutes or more frequently	At least every 20 minutes
Every 12-15 minutes	At least every 30 minutes
Every 20-30 minutes	At least every 60 minutes
Less frequent than every 30 minutes	No service unless required by specific demand

### Committed Equity of Access for Areas of Deprivation

A commitment could be made to serve areas of high deprivation with a defined 'attractive' level of service provision, reviewed regularly to ensure this is in line with the most attractive service levels provided in each city in terms of single service frequency.

As growth takes place, areas of deprivation should be prioritised, where possible, to ensure that they have access to new employment opportunities, and services (such as retail, health, and education) are maximised.

### Enhanced Bus Services in Peterborough and Cambridge

2.1.1 In both Peterborough and Cambridge, the characteristics of high quality bus services should be as follows, to maximise attractiveness to potential passengers:

- Highest possible viable frequency (subsidised if necessary), with at least a turn-up-and-go frequency during the main periods of demand;
- Direct routings, balanced by ensuring that key demand generators and attractors are served en route;
- Suitable vehicle capacity for peak demand; and
- High quality in-vehicle features commensurate with the type of service offered.

Consider targeting the creation of a turn-up-and-go service. This would largely require enhancing all major radial corridors from Peterborough and Cambridge city centres to at least a bus every 12 minutes (Mon-Sat daytime).



### Enhanced Radial Bus Services in Peterborough

Where growth is targeted at specific outer suburban locations, then bus services could be reconfigured to offer more direct linkages to the city centre.

By this reasoning, examples of such changes would be to provide enhanced or new peripheral links between:

- City Centre – Norwood & Paston
- City Centre – Hampton
- City Centre – Great Haddon

A funding arrangement which does not rely solely on s106 Agreements may be required to ensure this is feasible where required most.

### Bus Service Pairs could be Cross-linked across Cambridge City Centre

Consider the feasibility of providing targeted cross-city services for high demand movements, aligned to congestion reduction or bus priority interventions.

### Merging Park & Ride Services with the Wider Cambridge bus network

- 2.1.2 Although we acknowledge that establishing a high-quality P&R network has been positive in attracting new users to buses in Cambridge, strategically we believe that the future lies with a more holistic approach. Firstly, additional capacity will be required in the bus system, as described in section 1.4, and the current overlapping of conventional and P&R bus services will prove wasteful of scarce

resources (vehicles, drivers and road capacity). Secondly, improving quality on the conventional bus network will reduce the need to differentiate P&R services by way of enhanced features.

In Cambridge, part of the increased efficiency of resourcing could be achieved by completely merging the existing P&R services with the wider city bus network.

### Enhanced Bus Service Provision for Key Employment Centres in Cambridge

While detailed planning would be required, and some work is already underway to progress access to these areas, some examples of the types of changes which could be made to the network include:

- Cambridge Science Park – provide enhanced links to Cambridge North station via busway; introduce peripheral bus service linking to West Cambridge (e.g. mirroring CAM proposals until CAM delivered).
- Cambridge East and Airport cluster - introduce peripheral link to Cambridge North station and Science Park if suitable route can be identified across River Cam.
- Cambridge Biomedical Campus – receives enhanced services as part of improvements for Addenbrookes Hospital area.
- West Cambridge – enhanced service provided from review of overlapping services; introduce peripheral bus service linking to West Cambridge (mirroring CAM proposals until CAM delivered).



## Bus Services Adjusted to Complement CAM Proposals

- 2.1.3 As the CAM proposals are still being developed, routing and service details are only indicative at present. Furthermore, as significant changes may be undertaken to the bus network in the period preceding the opening of the CAM, detailed planning of the bus network cannot be undertaken to specify exact service changes to maximise integration with the metro.

**However, some general principles can be applied when considering future integration:**

- The P&R strategy should complement the CAM, replacing services where overlapping, and expanding, relocating or providing additional sites where gaps in capacity, service level, or network coverage exist;
- Maximise the potential of feeder services;
- Provide first and last mile solutions across modes, including fixed route bus, demand responsive transport, and Mobility as a Service style transport provision (in addition to walk, cycle and car clubs for example);
- Integrate with the existing and proposed rail network; and
- Ensure communication, branding, and ticketing is integrated with other services where possible, presenting a unified transport network to the public.

## Quality Bus Corridors – Cambridge

**Consider Potential Quality Bus Corridors, for example:**

- Maddingley Road from city centre to P&R site;
  - Milton Road from city centre to junction with busway;
  - Hills Road from city centre to Addenbrookes Hospital via Cambridge station;
- *Together these quality bus corridors on Milton Road and Hills Road would fill the central gap in the busway.*

## Cambridge City Centre – Addressing Modal Conflict

- 2.1.4 Delivering radical mode shift, per the targets discussed in the Greater Cambridge Partnership's Transport Strategy - Future Public Transport Requirements (July 2018) will require radical measures, both in the form of carrots but also as sticks.

**We therefore recommend investigating constraints on motorised access to the central city core in Cambridge, complemented by a edge-of-centre loop arrangement for conventional bus services and a central area bus service provided by smaller, zero emission vehicles.**

- 2.1.5 This will also underscore the existing, unusually high mode share for walking and cycling in Cambridge and ensure that this continues into the future, helping to minimise the pressure on local public transport and the need for high levels of public funding for bus service enhancements.
- 2.1.6 While this report has concentrated on the benefits for bus operation, there are also benefits to greenhouse gas emissions, air quality and

health from helping create a low-traffic city centre, and uncongested and efficient operation of vehicles through the network.

### Embedding Quality Services Early

- 2.1.7 Successful implementations of new bus services need to be demanded (i.e. responses to clear travel needs), but must be delivered as early as possible in the life of major new developments. Travel habits quickly become embedded, and if there is an inadequate bus service then that travel habit may well revolve around the private car.

**Therefore, it is critical that bus services for new developments continue to be provided at the start of activity at the location, and that of sufficient frequency and adequate routing to make them attractive to current *and future* users. Services also need to be tailored to the nature of the development – for example, new industrial locations with shift-working arrangements will need bus services which adequately cater for those shift times.**

### Flexible Services and First/Last Mile Solutions

- 2.1.8 Modern working practices, with a significant increase in flexible hours, part-time working, and working from home now result in even more pressures on public transport to be adequately flexible to match users' travel expectations and the alternative flexibility offered by the car. First mile/Last mile solutions can play a significant role in this attractive flexibility, with commercially-funded demand-responsive solutions now being piloted in a number of parts of the UK as below.
- 2.1.9 A recent development in the provision of bus transit is the advent of urban demand responsive transit (DRT), an 'Uber for buses'. In this style of operation, passengers can request a bus pick-up using an app at a location convenient to them, rather than relying on conventional

bus routes and stops. It is often advertised as an intermediate service between taxis and buses: cheaper than a taxi, but more flexible than a bus. This solution would address concerns over infrequent or irregular bus service patterns and can help plug the gap in areas not best suited to conventional fixed route service.

### The types of location which may be suitable for urban DRT in Peterborough and Cambridge include, but are not limited to:

- Norwood and Paston (Peterborough)
- Stanground (Peterborough)
- Hampton and Great Haddon (Peterborough)
- Cambridge Science Park and Regional College
- Cambridge East and Airport cluster
- Cambridge Biomedical Campus and Addenbrookes Hospital
- Cambridge West development area

### The Role of Taxis

- 2.1.10 Delivering a holistic and flexible transport experience should include consideration of how taxis interact with the wider public transport offer in the cities. Offering transport users a flexible experience requires a new approach to payment for regular transport requirements, and there would be considerable merit in developing a partnership with local taxi owners as they offer a ready-made opportunity to provide flexible local transport solutions.

### Vehicle Quality

- 2.1.11 Vehicle standards across both city fleets should be best in class if they are to offer an attractive alternative to the private car and support the radical mode shift targets:

**Best standard of interior finish, high quality seats, and selected features such as WiFi, and charging points should be standard features.**

### Multi-Modal Integration

2.1.12 Bus/rail integration is a key consideration at Peterborough, Cambridge, Cambridge North and the proposed Cambridge South stations. Inter-modal integration depends on two key components:

- Physical integration; and
- Journey coordination.

2.1.13 Physical integration at all three existing stations in Peterborough and Cambridge is reasonable. However, the number of buses passing close to Peterborough station is very limited.

**We would recommend enhancements to the physical linkages between the bus and rail stations in Peterborough, including improved walking routes and clear signage. The distance to walk is quite acceptable if adequate signage is provided.**

2.1.14 Cambridge station has high quality physical integration between bus and rail, and is served by a generally adequate network of buses, including busway services.

2.1.15 Facilities at Cambridge North are adequate, but the station is very poorly served by local bus services, including those along the busway.

### Taking these points into account, we would suggest exploring:

- Routing additional busway journeys via Cambridge North station; and

- Providing local feeder bus services to Cambridge Science Park, as well as proposed new developments at the Cambridge Airport cluster.

2.1.16 Journey coordination needs to be carefully considered. Timetables should therefore be carefully examined to ensure they are fit for all potential purposes. At locations and times of day when trains and buses are less frequent, careful consideration needs to be given to matching timetables so that adequate timetabled connections are provided where these would be of value.

2.1.17 The proposed station at Cambridge South should conform to best practices as regards physical integration and supported by a network of buses offering a suitable feeder function as soon as the station opens.

2.1.18 The introduction of CAM as a new, additional public transport mode will also need careful integration with existing bus services – with best practice at each interchange and a redesigned local bus network which avoids abstraction from CAM and provides it with the complementary feeder functions

### New Vehicle Technologies

#### Take a Lead in AV Operation

To release resources for additional local bus services described throughout this report, we recommend continued support for AV technology operation existing busway operations, releasing drivers over significant proportions of the network, and exploiting existing crew facilities at locations such as St Ives and the Stagecoach bus depot adjacent to the busway in Cambridge.

### 3. RURAL AND INTER-URBAN BUS SERVICES

#### A Suitable Support and Development Framework is Needed

3.1.1 The following key principles are considered important to underpin and provide a suitable framework for the support and development of rural public transport:

- Recognise that there will be a continuing need for rural public transport and that it will require financial support.
- Take a holistic view of urban and rural public transport networks, recognising the linkage between the two. Exert some form of considered, central planning over rural networks to ensure they develop in an integrated and efficient way.
- It will be important to involve rural communities throughout, both to articulate needs and to assist in the formulation and implementation of solutions.
- Collaboration by all interested parties (policy makers, commissioners and providers) is vital to achieve integration, economies of scale and effective use of resources.
- A range of different operators and types of service (mixed economy of provision) will be necessary to find the most effective solutions for different areas. These may include private bus, taxi and private hire vehicle, community transport, public sector in-house vehicles, car clubs and car share schemes, all promoted across a single integrated service, perhaps provided via a MaaS platform.
- Taxi licensing reform may assist in service developments, and community transport operators may benefit from some consolidation of certain functions.
- Inter-urban bus services will form the framework for local networks, with more sparsely populated areas served by demand responsive services, feeding into the main network.

- There will be a presumption against low frequency fixed route rural bus services, which should be replaced by more flexible demand responsive arrangements feeding into a network of rural hubs.
- Hubs would be linked to each other and major urban centres by high quality inter-urban bus services running at least every 30 minutes.
- Operators need to be incentivised to develop and improve services, rather than merely operate services in a passive way as specified by commissioning authorities. Again, partnership approaches should help, together with the use of more flexible procurement methods that look to achieve desired outcomes (as opposed to focusing on inputs and outputs).
- The value placed on services by users should be recognised, with fares set to reflect this and in a way that will help sustain services in the future.
- From a health and social care perspective, the organisation of non-emergency patient transport needs to be reviewed and reformed in order that it can be planned and provided in an integrated way with other types of transport.
- Use technology to support information provision, ticketing and on-demand service provision.

**Overall, there needs to be a comprehensive approach; it needs to be bold but practical and affordable, offering stability and opportunities to achieve economies of scale.**

### **A Coordinated Approach Could be Provided by the CPCA**

**A centrally planned approach, led by the Combined Authority and taking forward concepts along the lines of those presented at the end of this section, is required to achieve a coordinated network.**

- 3.1.2 It may be beneficial to explore the organisation of non-emergency patient transport to be considered as part of this, enabling that to be integrated too and adding to the demand for a flexible responsive transport service, but acknowledging that the early focus should be on modernising the delivery of rural public transport for general users, without the distraction associated with specialist transport provision.

**Inter-urban bus services, together with any local rail services, could form the framework for the rest of the network.**

- 3.1.3 If these bus services were supported, then they could become part of a franchised network planned and controlled by the Combined Authority. If the services were operated commercially, they could remain in the control of the operator, if it agreed to meet various conditions, including co-operation with feeder services, integrated ticketing and assurances on maintenance of services in the long term.

### **Delivering Rural Transport**

- 3.1.4 The network could be developed in partnership with operators and include a mix of fixed route and flexible services.

### **The following principles are recommended:**

- Fixed routes should only be provided where there is a recognised bulk demand, otherwise comprehensive DRT would be specified.
- Whatever delivery model is adopted, most rural services will require subsidy. Packages of service contracts could be put out to tender. Contractors could include commercial bus companies, taxi operators, on-demand providers, community transport or local authority in-house (where allowed by legislation).
- Common branding and promotion of services and integrated ticketing will likely be key.
- Vehicles may be multi-purpose and be used to convey all types of passengers.

## Maximise the Role of Hubs via Integration

The idea would be to plan the network in the most efficient way, with local fixed or flexible transport feeding into the main fixed public transport services at hubs, with all services running to clock-face timetables.

## Involve Communities

- 3.1.5 It will be important to involve local communities, recognising that they have local knowledge and insight, will highlight needs and demands and can contribute to solutions.

New initiatives would be encouraged and supported, such as the crowd-sourcing of services to test out new potential routes. Also, initiatives to use available capacity, such as the ability to sign-up to receive messages about available travel opportunities at relatively short notice.

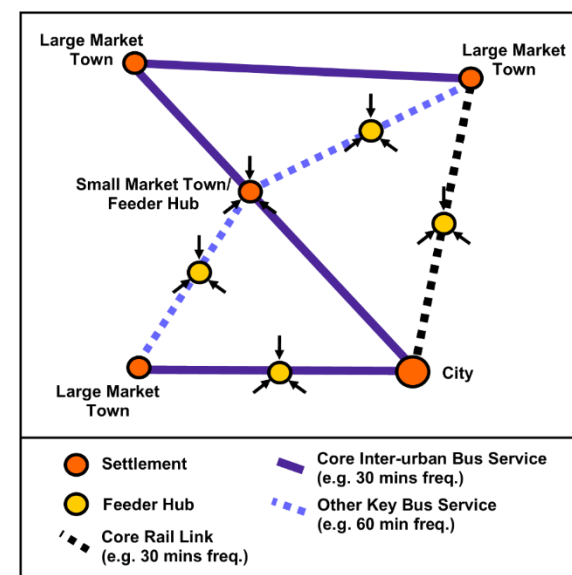
- 3.1.6 There are various ways to mobilise community action. One method, which is used extensively on the UK's rail network, with around 60 in place across the country, is that of Community Partnerships. Community partnerships act as a means of connecting local communities to the railway and train operators that serve them. They act alongside local, regional and national partners to improve social inclusion, community well-being, as well as promoting sustainable and healthy travel. There have been efforts to introduce community partnerships focusing on bus usage, e.g. in Leicestershire, however the success of rail partnerships is yet to be realised for community bus partnerships. A case study example is provided alongside.

Establishing Community Bus Partnership along similar principles to rail partnerships could be explored.

- 3.1.7 We believe that empowering local rural communities to engage with their transport provision is fundamental to making them a success. Where additional operators are required, such as community transport providers or locally-based taxis, the CPCA could help support the establishment of suitable Social Enterprises in rural areas, ensuring that funding for rural transport is focused on employers based in those areas wherever possible.

## Network Concept

A stronger network concept for rural and inter-urban services should be considered, providing feeder hubs and services to connect low access areas to core transport links.





## 4. DELIVERING MODERN PUBLIC TRANSPORT

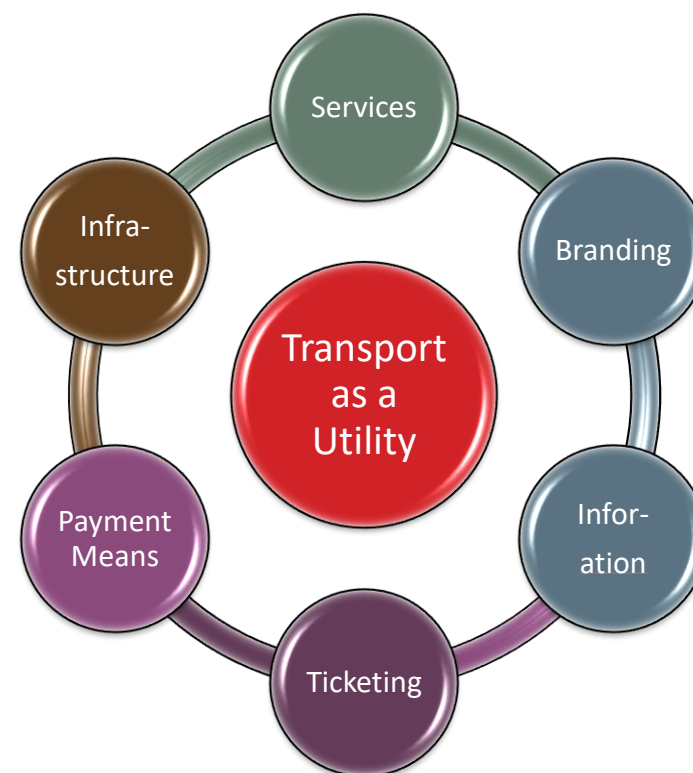
### 4.1 Holistic Delivery of Public Transport

- 4.1.1 To meet the radical mode share targets for the Combined Authority area, transport needs to be positioned as a fundamental 21<sup>st</sup> Century utility, similar to telecommunications. Certain building blocks are critical to this.

**It is suggested that communication, branding, and ease of user access are reviewed in line with network options to ensure an effective approach is taken.**

- 4.1.2 Firstly, the services themselves need to be fit for purposes: Providing high quality, high frequency city bus services, using best in class vehicles, and supported by world-leading infrastructure, alongside seamless integration with other sustainable modes (walking, cycling, rail and CAM).
- 4.1.3 The vision is for public transport to be an unobtrusive part of everyday living for residents and workers in the CPCA area, a utility they use without stopping to think about it, and within which usage patterns can be flexed at will to meet changing daily needs. The model we have in mind is that of mobile phone usage, which is now simply taken for granted as part of most people's lives.
- 4.1.4 In the same way that mobile phone users have no need to understand the technology and back-office systems which support their use of the phone wherever they may be in the world, then the objective should be to ensure that public transport users have the same ease and flexibility of use.
- 4.1.5 Transport provision will still involve multiple providers: bus operators, community transport, the CPCA itself, other public sector

authorities, train operating companies, cycle hire providers, community car clubs, and the CAM franchisee for example. Providing a seamless marketing front to these multiple service providers will be critical in positioning public transport as a 21<sup>st</sup> Century utility, so branding must be unified and information coordinated so that a coherent message is always provided.



**Figure 1. Holistic Delivery of Public Transport in CPCA area**

- 4.1.6 Fundamental to this repositioning of public transport as a utility will be payment means and ticketing. Replicating the flexibility and seamless nature of mobile phone pricing suggests a move towards multimodal payment contracts encompassing all relevant transport modes in the CPCA area, following mobile phone practices. In principle, as with a mobile phone, subscribers could choose between a fixed monthly contract payment and/or the opportunity to pay as they go for selected services (a combination of the two being feasible, similar to how roaming works with mobile phones).
- 4.1.7 Taxis offer a flexible response to both rural and urban transport requirements, and we would recommend that they are incorporated into its holistic delivery.
- 4.1.8 Infrastructure is also a key part of the transport service offer, and needs to be delivered holistically alongside all other elements – for example, ensuring that physical accessibility measures are coordinated with provision of suitable vehicles.
- 4.1.9 Many of these aspects are covered by the Mobility as a Service concept, as described more fully in the Part2 Report.

## 4.2 Fares Initiatives

**We would therefore recommend the following fares initiatives for consideration:**

- Simplified, flat fare system for Peterborough and Cambridge;
- Discounted fares for young apprentices;
- Discounted fares for active jobseekers;
- Retention of current free travel arrangements for ENCTS cardholders;

- Discounted fares for over 60s on community transport services;
- Promotional packages for new residents and employees of new developments – suggested 50% discount for one year.

- 4.2.1 Fares initiatives can be made easier to implement by some of the changes resulting from the Bus Services Act 2017, described later.

## 4.3 Political Support

- 4.3.1 Delivering radical reform to how transport is delivered, such that it becomes a core utility underpinning economic success in the CPCA area, and delivering the radical mode shift targets, will require strong and consistent political support.
- 4.3.2 This support will be required to secure sufficient budget allocations, maintained over a prolonged period of time, and to give coherent and consistent support, across multiple electoral cycles.

## 4.4 Delivery Agencies

- 4.4.1 Delivering this radical agenda requires changes to the delivery model, as at present many of the components are either not in place or are not delivered holistically.
- 4.4.2 There will be a wide variety of stakeholders involved in repositioning transport as a 21<sup>st</sup> Century utility. Delivering a radical mode shift compared to current travel patterns will not be achieved easily, and will certainly require a very clear focus on adhering to the vision, and delivering the components which will make up the coherent, holistic programme.
- 4.4.3 Drawing together professional officers from the current transport authorities, delivery of the necessary back office systems, and



ensuring community support as the programme progresses will require radical changes to how transport is currently delivered, in the form of a modern transport delivery agency.

- 4.4.4 We refer to this as Transport for Cambridge and Peterborough, and a schematic illustration of the high-level relationships is shown in Figure 2.

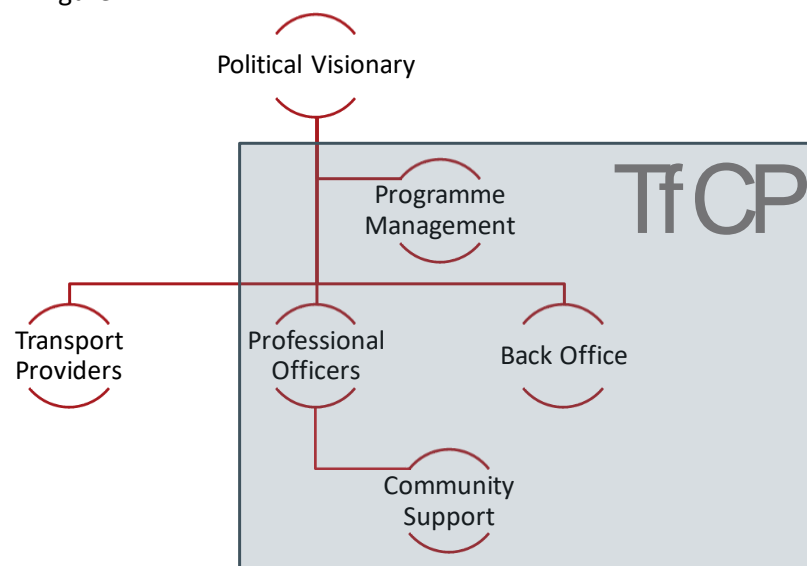


Figure 2. Stakeholder Relationships – Transport for Cambridge and Peterborough

## 4.5 Delivery Models

**The concept of a holistic approach to transport as a utility supporting 21<sup>st</sup> century development aspirations, articulated in the radical mode shift targets for the CPCA area, will require integration of these delivery models.**

The CPCA requires a delivery model which supports radical enhancements to public transport provision in Peterborough and Cambridgeshire, with buses playing a key role in that future transport provision, building on existing services particularly in the two cities. It is clear, however, that existing delivery models face challenges in supporting an integrated approach to the full range of strategic interventions which are likely to be required, and there is a need to explore how cross-subsidisation might help to enhance overall service levels throughout the area.

Whilst delivery of these future aspirations may be feasible through partnership, this requires positive engagement by the Operators as well as the transport authorities, and in the absence of a willingness to partner in a positive way, Mayoral Authorities such as the CPCA are uniquely placed to deliver the alternative – Franchising.

**We therefore recommend that the CPCA develops a Business Case comparison of alternative delivery models, including both Enhanced Partnership and Franchising, in compliance with the requirements of the Bus Services Act 2017.**

<sup>1</sup> TfL, <http://content.tfl.gov.uk/uploads/forms/lbsl-tendering-and-contracting.pdf>, accessed on 24/10/2018.

<sup>2</sup> TfL, *Network Performance Summary*, 2018/19 Q1: <http://content.tfl.gov.uk/2018-19-q1-network-performance-summary.pdf>, accessed on 24/10/2018.

## 4.6 Funding

- 4.6.1 Capital funding for enhanced public transport in the CPCA area should be available through the City Deal funding, albeit that a significant proportion of that may be required for the CAM project.
- 4.6.2 However, providing enhanced and high quality bus-based transport always relies very heavily on revenue funding. Many of the initiatives will require dedicated staff to drive them forward, and where additional and enhanced bus services are recommended it is likely that these will require targeted subsidies because it is assumed that if they were already commercially viable then the bus operators would be providing them.

**Delivering enhanced bus services will require additional revenue funding support from the public sector, identification of additional revenue streams (e.g. workplace parking levy), a reduction in overall operating costs, or – most likely – a mixture of all three.**

## 4.7 Achieving Financial Sustainability

- 4.7.1 As we described in the Part 1 Report, there are a range of different sources of funding for local bus services:
- Fares paid by the travelling public;
  - Reimbursement paid to operators and transport authorities under BSOG;
  - Subsidy paid by local transport authorities for selected non-commercial bus services; and

- Reimbursement paid to operators as compensation for free travel provided through the English National Concessionary Travel Scheme (ENCTS).

4.7.2 We would currently estimate that total revenue collected on bus services in the CPCA area is in the order of £75m per annum<sup>3</sup>. Where enhancements are made to local bus services, there will be a need to consider the impact on financial sustainability. BSOG reimbursement will increase if additional services are operated, however it represents a relatively small proportion of overall funding, circa £5m per annum in recent years – even a 20% increase in total eligible mileage operated in the CPCA area would generate only £1m of additional BSOG funding from DfT.

4.7.3 Currently just short of £10m per annum is used to fund the councils' ENCTS obligations. Whilst operating additional bus services would potentially generate a requirement to increase reimbursement to operators, this might be offset (at least in part) by:

- Increased generation factor<sup>4</sup> if services became more attractive; and
- Reductions to the fares basket calculation (if discounted fares are commonplace, then arguably this should be reflected by reducing the average fare calculation used to compute reimbursement to operators).

4.7.4 Any increase in ENCTS obligations would, of course, require to be met from local authority funds, and therefore the potential impact of enhanced public transport services on ENCTS obligations must be taken into account, particularly if provided through an Enhanced Partnership. We have already discussed the potential to raise

<sup>3</sup> Based on analysis in Part 1 report (section 6.4) which identified circa £65m per annum on the three main commercial bus operators

<sup>4</sup> The calculation that ensures that operators are only recompensed for travel that takes place because of the free nature of the fare

additional funds by seeking donations from ENCTS travelcard users to help partially offset their travel costs, but have recommended against this based on Government guidance. Providing additional rural services via community transport operators could result in discounted fares for certain categories, replacing free travel for ENCTS cardholders.

- 4.7.5 Total transport pilots have identified that enhancements to rural transport might be deliverable within existing budgets, if these were pooled and deployed more effectively. Our proposals recommend extending that principle to take a totally holistic approach to rural transport delivery, merging all delivery models into a single approach tailored to the requirements of the CPCA's rural districts, and focusing travel around a network of hubs linked by enhanced inter-urban services. **The target here would be no additional funding.**
- 4.7.6 Operating enhanced bus services which are not directly commercially viable (ie where the additional revenue collected falls short of the additional operating costs) would require funding from the CPCA – at present, the two councils spend just over £3m per annum on supporting local bus services. Enhancing services as envisaged to meet the radical mode shift targets is likely to require a significant increase in financial support.
- 4.7.7 Currently the three principal commercial bus operators in the CPCA area earn circa £10m per annum in operating profit. This suggests that the commercial operators are earning circa 13%-15% operating margin in the CPCA area. From this profit, they need to reinvest for the future, as well as using the profit for shareholder returns such as dividends, and meeting taxation liabilities.
- 4.7.8 If, say, one-third of the profits earned in the CPCA area were available to reinvest into the network, this could represent an additional £3.5m funding per annum, more than doubling the amount spent on subsidised local bus services by the two councils at present.

4.7.9 There are two means by which this funding can be released into the local bus network:

- Agreeing a set of interventions jointly with local operators through an Enhanced Partnership plan and its associated schemes – with operators agreeing to part-finance initiatives in partnership with the CPCA; or
- Establishing one or more franchising areas covering the CPCA, whereby competitive tendering for contracts could release some of the existing profit based on the London example quoted above.

4.7.10 It should be noted, however, that both approaches imply increased costs compared to present, particularly the franchising approach which not only would require ongoing procurement and contract management resources, but also implies a significant commitment of one-off fees to prove the case for franchising (see below).

### Conclusions on Sustainable Financing – Short/Medium Term

- 4.7.11 Additional revenue funding is critical to meet the radical mode shift targets established for the CPCA area.
- 4.7.12 It is possible that additional services could be secured through robust dialogue with local operators, and tied up through an Enhanced Partnership – which would, in any case, need to be considered as an alternative to franchising. Franchising might eventually allow for a doubling in funding for local bus services in the CPCA area, albeit that initial upfront preparation costs may be equivalent to the first year of this funding.
- 4.7.13 As an alternative, franchising could be focused firstly on the rural areas (where services are already largely subsidised) to deliver the holistic approach described, with franchising as a backstop for enhanced city and inter-urban bus services if partnership fails to

achieve the desired results. Targeting holistic rural transport provision within existing revenue budgets would mean that funds released either through partnership or franchising could be focused on enhanced local bus services within Cambridge and Peterborough, and on inter-urban links within the CPCA area.

- 4.7.14 Capital funding can then be targeted at facilitating schemes, such as rural bus hubs, expanded bus priority, and investment in the back office systems which would support the positioning of public transport as a utility supporting economic growth in the CPCA area.

### Conclusions on Sustainable Financing – Long Term

- 4.7.15 As set out already, transition to a suitable 21<sup>st</sup> Century model for public transport is likely to shift the landscape of financing, because there will be far more pooling and sharing of revenue if a holistic and seamless service is offered to the public.
- 4.7.16 In a franchised model this would be immaterial as TfCP would be taking all revenue risks and simply paying contractors supplying services through appropriate Service Level Agreements. Otherwise there would need to be a methodology of identifying equitable shares of revenue, and subsidising service provision which would not otherwise be viable from revenue shares alone. The complexities of doing so with any degree of transparency and certainty are likely to result in a trend towards a franchise model led by TfCP.

## 5. IMPLEMENTATION AND TRANSITION PLAN

- 5.1.1 Figure 3 shows an outline implementation plan for the recommendations set out in this report.
- 5.1.2 Initially we had anticipated discrete sets of interventions, divided into short, medium, and long-terms, albeit with some commonality and cohesion across the timescales.
- 5.1.3 However, for the following reasons, we consider that a more holistic approach is critical:
- The scale of change from the current “business as usual” is very significant given the radical nature of the aspiration for modal shift to public transport – in turn meaning that radical change is required to support all interventions, starting as early as possible; and
  - The likelihood of forthcoming major changes to how transport is delivered (Mobility as a Service, emerging new technologies, and repositioning future public transport as a fundamental modern utility like telecoms and internet access) means that adopting a short/medium/long term perspective is inappropriate.
- 5.1.4 We have therefore developed a broadly 10 year plan for implementation and transition.
- 5.1.5 Achieving the radical aspiration for mode shift is likely to require delivery of all the recommendations, which have been designed in a holistic manner rather than as a menu from which only a selection is taken forward. The implementation plan recognises these holistic inter-dependencies, whilst at the same time identifying some groupings of recommended interventions, identified by colour coding.

### Groups of Interventions

- Enhancements to bus services in Peterborough and Cambridge – BLUE
- Enhancements to Busway services – GREEN
- Enhancements to Inter-Urban bus services – PURPLE
- Delivery of CAM project - RED
- Enhancements to Rural public transport provision – YELLOW
- New delivery models, including payment means - GREY

Figure 3. Indicative Implementation Plan

	SHORT TERM					MEDIUM TERM					LONG TERM	
	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030+
Procurement and completion of a business case to assess different delivery model options, including engagement with operators around likely Enhanced Partnership and Franchising options												
Basic establishment of TfCP, including preparation to deliver outcomes of the business case – scope of responsibilities, what will be delivered in-house, what will be contracted out, governance arrangements, etc.												
Consultation on business case, completion of an independent audit												
Decision on the delivery model by the mayor, and implementation of switch to new delivery model												
Expanded role for TfCP across the delivery of projects that follow												
Engage with operators to improve city bus services – define gaps, identify how to fill those gaps												
Exercise targeting immediate improvements to busway services												
Identify opportunities for modern, urban demand responsive services												
Improvements to Inter Urban bus services – start to create the network of hubs into which the modernised rural transport will link, and the services which will link those hubs (some exist already)												
Restructuring of Rural Transport Delivery – begin to identify holistic future model, combining best aspects of existing provision and targeting consistency of rural service across the area												
Expanded and targeted bus priority network, particularly in Cambridge but also as required in Peterborough (and elsewhere)												
Delivering CAM – preliminary work to deliver proposals												
Expansion of Urban demand responsive transport, in conjunction with local operators												
Progressive roll-out of holistic and consistent rural transport services												
Rural Hubs – completion of a series of rural hubs, providing comprehensive facilities for their local areas, and linked into the upgraded inter-urban bus network												
Delivery of CAM and revision of bus services to complement CAM operations												
Restructure internally to engage with emerging Mobility as a Service (MaaS) opportunities – process continues into medium term												
Branding & Information Provision – establish unique and identifiable branding and promotion for all public transport in CPCA area												
Develop integrated networks with other modes, particularly rail												
Begin switch to a modern, MaaS-based public transport service, with harmonised payment systems, information provision, etc												
Completion of switch to modern, MaaS-based public transport service												

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<b>CAMBRIDGESHIRE &amp; PETERBOROUGH COMBINED AUTHORITY BOARD</b>	<b>AGENDA ITEM No: 3.2</b>
<b>30th January 2019</b>	<b>PUBLIC REPORT</b>

## **TRANSPORT DELIVERY – APPOINTMENT OF INNER CIRCLE**

### **1. PURPOSE**

- 1.1 Transport has a vital role to play in helping the region fulfil its economic potential. In March 2018 the Combined Authority set out its ambitious transport plans for the area and is making progress across a range of projects which will provide transformational benefits for the area. Many of these projects are only possible through the additional funding the Combined Authority has unlocked through devolution.
- 1.2 As Local transport planning authority the Combined Authority is working with various organisations who make vital transport and infrastructure contributions to this area. These include organisations ranging from Highways England, Network Rail and the East-West Rail organisation, to more local bodies such as the highway authorities, district councils and the Greater Cambridge Partnership. Whilst the Combined Authority welcomes these contributions it is important that it provides a strategic overview to ensure that these interventions align with wider transport, housing and economic strategies. During the summer of 2018 the transport team was strengthened to deliver the transport priorities in line with the strategic overview as set out in the Mayor's Interim Transport Strategy Statement.
- 1.3 The purpose of this report is to provide the Board with a briefing relating to the appointment of Inner Circle Ltd as transport consultants to the Authority under delegated powers
- 1.4 On 31 March 2019 the contract with Inner Circle concludes and this report requests authority to carry out a procurement exercise and for an allocation budget to secure appropriate consultancy arrangements until the appointment of the permanent Transport Director and transport team

DECISION REQUIRED	
Lead Member:	Mayor James Palmer
Lead Officer:	Kim Sawyer, Interim Chief Executive
Forward Plan Ref: KD2019/011	Key Decision: No
<p>The Combined Authority Board is recommended to:</p> <ol style="list-style-type: none"> <li>1. Note the arrangement with Inner Circle to date.</li> <li>2. Authorise the Chief Executive, in consultation with the Chair of the Transport Committee, to take whatever steps are necessary to secure appropriate consultancy arrangements after the end of March 2019 and until the appointment of the permanent transport team</li> </ol>	<p>Voting arrangements:</p> <p>Simple majority of all Members</p>

## 2.0 BACKGROUND

- 2.1 On the 30<sup>th</sup> of May 2018, the Combined Authority Board approved the Mayoral Interim Transport Strategy Statement. The purpose of this statement is to guide the development of the new LTP and to provide strategic direction for the delivery of transport projects that were either underway or soon to be developed. The MITSS included 16 priority transport projects ranging in scale for transport studies through to the Cambridge Autonomous Metro System.
- 2.2 As part of the MITSS, the preparation of a new LTP is major undertaking which is currently under development and will be completed by spring 2019. This new document will address any shortfalls in the existing LTP and ensure full alignment with the Combined Authority's bold and ambitious transport aspirations and priorities for the region. This LTP will challenge traditional approaches in how our transport solutions are designed and move towards a new model which creates a world-class public transport system integrating metro, rail, bus and mobility services with walking and cycling facilities that supports more active travel choices.
- 2.3 In approving the MITSS, the Board requested a review of the features and timeframes for all transport corridors to ascertain their alignment with the MITSS. The review identified significant opportunities across the transport

programme to save money, accelerate delivery and remove interim solutions that divert public money away from delivery of the long-term transport ambitions.

#### 2.4 Procurement of Inner Circle Ltd (IC)

Having identified the requirement for immediate support to implement the Board's requirement to accelerate delivery of the schemes within the Transport Portfolio, Inner Circle were appointed to provide a transport team to the Combined Authority. This was due to their expertise in a number of areas, namely governance, funding and financing, transport, political negotiating, devolution policy and delivery. They also have extensive knowledge and experience of working in the region and with key partners.

- 2.5 Under the Constitution the Chief Executive has delegated authority to enter into contracts up to £500k under the Contract Procedure Rules (which form part of the Authority's Standing Orders). This decision has been reflected in an Officer Decision Notice (ODN 2018-78)
- 2.6 The contract is based on a proposal sent by Inner Circle in April which was a call off contract from the Crown Commercial Services framework, which includes a schedule of rates. Under the framework, Inner Circle could be procured without competition to provide consultancy services for a period of up to nine months. It is important to note that, to comply with procurement rules, after the initial period, a mini competition must be held. Whilst current spend on the contract to date is within officer delegations, if Inner Circle are successful in the mini competition, overall spend on this contract will exceed officer delegations. Hence the request for the Board to give authority to officers to carry out whatever procurement steps are necessary to secure specialist consultancy advice beyond March 2019 and until a permanent transport team can be recruited.
- 2.7 Inner Circle commenced work for the Authority in June 2018. In July 2018, Chris Twigg, who is a Director of Inner Circle, was asked to carry out the role of interim Director of Transport at the Authority. This is a secondment agreement which is a separate contract to the call off contract for Inner Circle but is reported to Board for transparency.
- 2.8 At the time of Chris Twigg's secondment, Inner Circle provided an addendum proposal to ensure that there were no potential or actual conflicts of interest and since that point another Inner Circle Director, Andrew Starkie, has been the relationship manager. Mr Starkie has been the only point of contact in relation to the contract and all dealings have been with him.
- 2.9 In order to formalise the arrangement and to protect the Authority, the interim Monitoring Officer prepared a secondment agreement between the Authority and Inner Circle which ensures that there is no conflict of interest. The agreement also specifically provides that Chris Twigg does not have authority to enter into contracts, commit the Authority to resources or bind the Authority in any way. This ensures that he cannot enter into any contractual

arrangements with Inner Circle whilst acting as a Director of the Combined Authority.

- 2.10 An important point for members to note is that there has been no additional work commissioned or any changes to the scope of the call off contract with Inner Circle since its inception. Officers will need to take steps to comply with procurement rules by carrying out a mini competition at the end of March in line with the rules governing the framework.

### **3. FINANCIAL IMPLICATIONS**

- 3.1 To the end of December 2018, the Authority has spent the following sums with IC:

IC Team costs	£	278,456.50
Chris Twigg Secondment		121,191.50
Total		399,648.00

- 3.2 Whilst the amount of time spent on the contract varies from month to month depending upon the demand for programme management, the predicted spend for the remaining 3 months to 31 March is:

IC Team costs	£	104,421.18
Chris Twigg Secondment		51,939.21
Total projected costs		156,360.39

- 3.3 The total costs under the consultancy contract to the end of March are estimated to be £382,877.69, which is within officer delegations.
- 3.4 As stated, these numbers relate only to the IC team costs and the costs for the secondment of the interim Director of Transport relate to a separate contract, but the figures are shown for information.

### **4. LEGAL IMPLICATIONS**

- 4.1 The Combined Authority assumed the role of the Local Transport Authority by virtue of Article 8 of the Cambridgeshire and Peterborough Combined Authority Order 2017. The Combined Authority must exercise the statutory functions of the local transport authority under Part II Local Transport Act 2000 and Parts 4 & 5 of the Transport Act 1985 so as to achieve effective and efficient transport within the area.
- 4.2 Part II of the Transport Act 2000 introduced new requirements for the preparation of local transport plans, replacing transport policies and programmes. 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) carry out its functions so as to implement those policies.

- 4.3 Procurement of Inner Circle was under a framework agreement. Framework agreements are pre-tendered lists of suppliers from which various authorities can 'call-off' contracts based upon the terms of the framework agreement. This can be by direct award or mini-competition. Frameworks are fully compliant with procurement legislation and save considerable time and costs of tendering individually for contracts.
- 4.4 The Combined Authority appointed Inner Circle under a Call-Off Contract from the Crown Commercial Services Framework Agreement which, along with a Single Supplier Exemption - permissible under the relevant Framework Agreement - ensures that the Authority follows both internal governance for procurement of Contracts as well as EU Procurement Law. However, the framework only allows for a nine month call off and a mini competition will have to be held to ensure arrangements are in place after the 31<sup>st</sup> March 2019. This will be an open competition with no supplier being given any preference.
- 4.5 A mini competition is where several suppliers on the framework are invited to bid against a set scope of works. The process is usually utilised to place a call-off contract under a framework agreement where the best value (cheapest) supplier has not been specified. It allows one to further refine requirements to be wider than just financial, whilst retaining the benefits offered under the framework agreement
- 4.6 The process is faster and less onerous than a full tender process as there is no need to assess successful suppliers' capacity and capability to be able provide the service (which is done when they sign-up to the Framework Agreement). It does however allow the client to use a wider selection criterion than just price, including; financial standing, technical capability, staffing, health and safety, environmental aspects, accreditations etc.
- 4.7 In addition, the financial limits on the delegated arrangements are likely to be exceeded once the contract is placed following the mini competition. The Board must therefore approve any further delegation of budget to the Chief Executive to authorise the contract.

## **5. SIGNIFICANT IMPLICATIONS**

There are no additional significant implications to consider in this paper. Equalities impacts are addressed in the framework contract terms.

## **6. APPENDICES**

None

## **7. BACKGROUND PAPERS**

None





**CAMBRIDGESHIRE  
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<b>CAMBRIDGESHIRE AND PETERBOROUGH COMBINED AUTHORITY BOARD</b>	<b>AGENDA ITEM No: 4.1</b>
<b>30 JANUARY 2019</b>	<b>PUBLIC REPORT</b>

## **GROWTH DEAL PROJECTS PROPOSALS JANUARY 2019**

### **1. PURPOSE**

- 1.1. The Business Board is responsible for allocating the Growth Fund (Schedule 5 Para 3.3) subject to ratification by the Combined Authority (CA) Board with the objective of creating new jobs and boosting productivity.
- 1.2. At its meeting on 28 January 2019, the Board will consider and make recommendations against new applications that have been submitted for these funds, based upon the independent external assessment undertaken.
- 1.3 The CA Board will be asked at its meeting on 30 January 2019 to approve the recommendation highlighted in bold. The full report to be considered by the Business Board is available at the link below:  
<http://cambridgeshirepeterborough-ca.gov.uk/business-board/meetings/>

<b><u>DECISION REQUIRED</u></b>	
<b>Lead Member:</b>	<b>Chair of Business Board</b>
<b>Lead Officer:</b>	<b>John T Hill, Director, Business and Skills</b>
<b>Forward Plan Ref: 2019/005</b>	<b>Key Decision: Yes</b>
<p>The Business Board is recommended to:</p> <p>(a) Consider the reports by external assessors of projects submitted for Growth Deal Funds.</p>	<p><b>Voting arrangements</b></p> <p>Simple majority of all Members</p>

(b) <b>To recommend those schemes which are suitable to the Combined Authority Board for approval</b>	
(c) Note the summary of Small Grants approved under delegated powers.	

<b><u>Source Documents</u></b>	<b><u>Location</u></b>
Agenda and Reports of the Business Board meeting – 28 January 2019	<a href="http://cambridgeshirepeterborough-ca.gov.uk/business-board/meetings/">http://cambridgeshirepeterborough-ca.gov.uk/business-board/meetings/</a>





**CAMBRIDGESHIRE  
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<b>CAMBRIDGESHIRE AND PETERBOROUGH COMBINED AUTHORITY BOARD</b>	<b>AGENDA ITEM No: 4.2</b>
<b>30 JANUARY 2019</b>	<b>PUBLIC REPORT</b>

## **DRAFT ANNUAL DELIVERY PLAN FOR BUSINESS AND SKILLS**

### **1. PURPOSE**

- 1.1. Achieving our collective ambition of ***Cambridgeshire and Peterborough being the leading place in the world to live, learn and work*** depends upon a thriving local economy.
- 1.2. The Business Board and Combined Authority have aligned to create one integrated programme that is more powerful in growing our economy and spreading prosperity further.
- 1.3. The Business and Skills team within the Combined Authority is responsible for delivering this integrated programme on behalf of both Boards. At its meeting on 28 January 2019, the Business Board will consider a report bringing forward the first draft of the Business and Skills Annual Delivery Plan for Board consideration and comment.
- 1.4 The CA Board will be asked at its meeting on 30 January 2019 to approve the recommendation highlighted in bold. The full report to be considered by the Business Board is available at the link below:  
<http://cambridgeshirepeterborough-ca.gov.uk/business-board/meetings/>

<b><u>DECISION REQUIRED</u></b>	
<b>Lead Member:</b>	<b>Aamir Khalid, Business Board Chair</b>
<b>Lead Officer:</b>	<b>John T Hill, Director of Business and Skills</b>
<b>Forward Plan Ref: Not applicable</b>	<b>Key Decision: No</b>
<p>The Business Board is recommended to:</p> <ul style="list-style-type: none"> <li>a) consider the content of the draft Annual Delivery Plan</li> <li>b) identify any areas for further development by officers</li> <li><b>c) recommend that the Combined Authority Board note the draft Annual Delivery Plan for Business and Skills</b></li> </ul>	<p><b>Voting arrangements:</b></p> <p>There is no vote required, this is for noting only</p>

<b><u>Source Documents</u></b>	<b><u>Location</u></b>
Agenda and Reports of the Business Board meeting – 28 January 2019	<a href="http://cambridgeshirepeterborough-ca.gov.uk/business-board/meetings/">http://cambridgeshirepeterborough-ca.gov.uk/business-board/meetings/</a>



**CAMBRIDGESHIRE  
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<b>CAMBRIDGESHIRE AND PETERBOROUGH COMBINED AUTHORITY BOARD</b>	<b>AGENDA ITEM No: 4.3</b>
<b>30 JANUARY 2019</b>	<b>PUBLIC REPORT</b>

## **RURAL COMMUNITY ENERGY FUND – MANAGEMENT AND ADMINISTRATION**

### **1. PURPOSE**

- 1.1. The Cambridgeshire and Peterborough Combined Authority is the Accountable Body for the Greater South East Energy Hub that covers fifteen counties and Greater London. The Hub was funded (£1.29m in advance) for two years of operation by the Department of Business, Energy and Industrial Strategy (BEIS). A fully funded team of seven currently exists, with an eighth team member to be recruited, and is dedicated to local energy project delivery in the Greater South East area.
- 1.2. The Energy Hub has been set up to unlock current restrictions and blockages relating to local energy infrastructure such as technical, financial, regulatory, policy or human resources. By operating the Energy Hub from Cambridgeshire and Peterborough the focus of the Energy Hub in this area is maximised and benefits can be more readily realised.
- 1.3. The Rural Community Energy Fund (RCEF) has been in operation since 2013 through the Waste and Resources Action Programme (WRAP) but has been closed to new applicants since the Department for the Environment, Food and Rural Affairs (DEFRA) and the Department for Business, Energy & Industrial Strategy (BEIS) undertook a review and concluded it would be best offered by local organisations rather than a national one.
- 1.4. Aligning the RCEF with the Energy Hub operation from Cambridgeshire and Peterborough enables greater connectivity with Energy Hub staff and their local stakeholders. This maximises the resultant opportunities to create, initiate and deliver projects locally.
- 1.5. The Business Board approved the principal that the Combined Authority would act as Accountable Body for the RCEF and requested a detailed report on the management and administration of the fund. The Board will receive a report

which explains what BEIS has suggested is the management and administrative structure with full costings.

- 1.6. BEIS will fund the new RCEF programme in the Greater South East Energy Hub area with a £2.9m grant for delivery over a minimum time period of two years with an additional third year possible.
- 1.7 The Business Board will consider the following recommendation at its meeting on 28 January 2019. The Combined Authority Board will be asked at its meeting on 30 January 2019 to approve the recommendation highlighted in bold. The full report to be considered by the Business Board is available at the link below: <http://cambridgeshirepeterborough-ca.gov.uk/business-board/meetings/>

<b><u>DECISION REQUIRED</u></b>	
<b>Lead Member:</b>	<b>Aamir Khalid, Chair of Business Board</b>
<b>Lead Officer:</b>	<b>John T Hill, Director of Business and Skills</b>
<b>Forward Plan Ref: 2019/018</b>	<b>Key Decision: Yes</b>
<p>The Business Board is recommended to invite the Combined Authority Board to:</p> <p><b>agree that the Greater South East Energy Hub assumes the RCEF management role, administers the fund and employs the Community Energy Advisor.</b></p>	<p><b>Voting arrangements</b></p> <p>(a) Simple majority of all members</p>

<b><u>Source Documents</u></b>	<b><u>Location</u></b>
Agenda and Reports of the Business Board meeting – 28 January 2019	<a href="http://cambridgeshirepeterborough-ca.gov.uk/business-board/meetings/">http://cambridgeshirepeterborough-ca.gov.uk/business-board/meetings/</a>



**CAMBRIDGESHIRE  
& PETERBOROUGH**  
COMBINED AUTHORITY

<b>CAMBRIDGESHIRE AND PETERBOROUGH COMBINED AUTHORITY BOARD</b>	<b>AGENDA ITEM No: 4.4</b>
<b>30 JANUARY 2019</b>	<b>PUBLIC REPORT</b>

## **GROWTH PROGRAMME UPDATE (FROM NOVEMBER 2018 BUSINESS BOARD)**

### **1. PURPOSE**

- 1.1. The Greater Cambridge and Greater Peterborough Local Enterprise Partnership (GCGP LEP) negotiated three successive Growth Deals with Government between 2014 and 2017, securing £146.7m to deliver new homes, jobs and skills across the LEP area. At its meeting on 26 November 2018, the Business Board received an update on the programme's performance since April 2015, a summary of the programme monitoring report to Government to end September 2018 and the current in-year position to end October 2018.
- 1.2. Progress to 31 October 2018 shows:
  - £6.42 million in Growth Deal payments made to projects in 2018/19, an increase of £4.2 million since the end of August
  - accumulative total programme spend of £65.9 million
  - forecast spend of £10.2 million remaining in 2018/19 on contracted projects
  - forecast total contracted spend of £75.31 million.
- 1.3. In addition to the Growth Deal, GCGP secured £16.1m from the Growing Places Fund to establish a recyclable pot of grants and loans for projects delivering economic benefit across the region. The Board also received a summary of the current position of that fund.
- 1.4. Progress to 31 October 2018 for Growing Places Fund shows £321,920 in payments made to projects to in 2018/19 against a total forecast spend for the financial year of £3.75 million.
- 1.5. At its meeting on 26 November 2018, the Business Board noted and agreed the following recommendations. The Combined Authority Board will be asked at its meeting on 30 January 2019 to approve the recommendations highlighted in

bold. The full report considered by the Business Board is available at the link below:

<https://cmis.cambridgeshire.gov.uk/ccclive/Meetings/tabid/70/ctl/ViewMeetingPublic/mid/397/Meeting/1176/Committee/53/Default.aspx>

<b><u>DECISION REQUIRED</u></b>	
<b>Lead Member:</b>	<b>Chair of Business Board</b>
<b>Lead Officer:</b>	<b>John T Hill, Director, Business and Skills</b>
<b>Forward Plan Ref: Not applicable</b>	<b>Key Decision: No</b>
<p>The Business Board is recommended to:</p> <ul style="list-style-type: none"> <li>(a) note the accumulative and in-year programme position to 31 October 2018 for Growth Deal and Growing Places Fund;</li> <li>(b) note and agree the submission of the Growth Deal monitoring report to Government to end Q2 2018/19; and</li> <li>(c) <b>approve an extension to the funding period for the Lancaster Way Phase 2 (grant). See sections 3.8 to 3.11.</b></li> </ul>	<p><b>Voting arrangements</b></p> <p>Simple majority of all Members</p>

<b><u>Source Documents</u></b>	<b><u>Location</u></b>
Agenda, Reports and Minutes of the Business Board meeting – 26 November 2018	<a href="https://cmis.cambridgeshire.gov.uk/ccclive/Meetings/tabid/70/ctl/ViewMeetingPublic/mid/397/Meeting/1176/Committee/53/Default.aspx">https://cmis.cambridgeshire.gov.uk/ccclive/Meetings/tabid/70/ctl/ViewMeetingPublic/mid/397/Meeting/1176/Committee/53/Default.aspx</a>