



**CAMBRIDGESHIRE
& PETERBOROUGH**
COMBINED AUTHORITY

JAMES PALMER
CAMBRIDGESHIRE &
PETERBOROUGH MAYOR

COMBINED AUTHORITY BOARD

Date: Wednesday, 29 April 2020

Democratic Services

Robert Parkin Dip. LG.
Chief Legal Officer and Monitoring Officer

10:30 AM

The Incubator
Alconbury Weald
Cambridgeshire
PE28 4WX

**Due to Government guidance on social-distancing and the Covid-19 virus it will not be possible to hold physical meetings of the Combined Authority Board and the Combined Authority's Executive Committees for the time being. The Local Authorities and Police and Crime Panels (Coronavirus) (Flexibility of Local Authority and Police and Crime Panel Meetings) (England and Wales) Regulations 2020 allow formal local government meetings to be held on a virtual basis, without elected members being physically present together in the same place. Meetings will therefore be held on a virtual basis and the procedure is set out in the "Procedure for Combined Authority Virtual Decision-Making" which can be viewed at the foot of the meeting page under the "Meeting Documents" heading. That document also contains a link which will allow members of the public and press to observe the virtual meetings.
[Venue Address]**

AGENDA

Open to Public and Press

Part 1 - Governance Items

- 1.1 Announcements, Apologies for Absence and Declarations of Interest**
At this point Members must declare whether they have a disclosable pecuniary interest, or other interest, in any of the items on the agenda, unless it is already entered in the register of members' interests.
- 1.2 Minutes of the Combined Authority Board meeting 29 January 2020** **5 - 28**
- 1.3 Minutes of the Mayoral decision-making meeting 25 March 2020** **29 - 46**
- 1.4 Petitions and Public Questions**
Arrangements for public questions can be viewed in Chapter 5, Paragraphs 18 to 18.16 of the Constitution which can be viewed here - [Cambridgeshire and Peterborough Combined Authority: Constitution](#)
- 1.5 Forward Plan - 21 April 2020** **47 - 58**

Part 2 - Finance

- 2.1 Budget Monitor Update April 2020** **59 - 76**

Part 3 - Combined Authority Decisions

- 3.1 Update on the Combined Authority's response to Covid-19 and Funding Decisions** **77 - 98**
- 3.2 Sustainable Travel** **99 - 156**
- 3.3 Local Transport Plan Sub-Strategy - Cambridgeshire Autonomous Metro** **157 - 176**
By Recommendation to the Combined Authority

Part 4 - Transport and Infrastructure Committee Recommendations to the Combined Authority

4.1	Lancaster Way A142 - A10 Roundabout Improvements	177 - 178
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6.1	Consent to the Adoption of a Revised Business Plan for Angle Developments (East) Limited	185 - 228

The Combined Authority Board comprises the following members:

Mayor James Palmer

Austen Adams

Councillor Anna Bailey

Councillor Chris Boden

Councillor Steve Count

Councillor Ryan Fuller

Councillor Lewis Herbert

Councillor John Holdich

Councillor Bridget Smith

Jess Bawden

Councillor Ray Bisby

Councillor David Over

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

Clerk Name: Richenda Greenhill

Clerk Telephone: 01223 699171

Clerk Email: Richenda.Greenhill@cambridgeshire.gov.uk

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 (Dermot Pearson) no later than 12.00 noon three working days before the day of the meeting at dermot.pearson@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 or on 01223 699171.



CAMBRIDGESHIRE & PETERBOROUGH COMBINED AUTHORITY: MINUTES

Date: Wednesday 29 January 2020

Time: 10.30am – 2.30pm

Venue: Council Chamber, The Grange, Nutholt Lane, Ely, CB7 4EE.

Present: J Palmer (Mayor)

Councillors A Bailey – East Cambridgeshire District Council, C Boden – Fenland District Council, L Herbert – Cambridge City Council, R Hickford - Cambridgeshire County Council, J Holdich – Peterborough City Council, J Neish – Huntingdonshire District Council and B Smith – South Cambridgeshire District Council

A Adams – Chair of the Business Board

Co-opted Members: J Bawden (Clinical Commissioning Group) and Councillor D Over (Vice Chairman, Cambridgeshire and Peterborough Fire Authority)

462. ANNOUNCEMENTS, APOLOGIES AND DECLARATIONS OF INTEREST

Apologies for absence were received from Councillors S Count (substituted by R Hickford) and R Fuller (substituted by J Neish)

The following declarations of interest were made:

Item 3.1.1: £100m Affordable Housing Programme (Non-Grant) Proposed Acquisition – Hunts

Mayor James Palmer declared a non-statutory disclosable interest as a director of Angle Developments (East) Ltd. The Mayor did not take part in discussion of the report and did not vote. Minute 477 below refers.

Item 3.1.2: £100m Affordable Housing Programme (Non-Grant) Proposed Acquisition – Fenland

Mayor James Palmer declared a non-statutory disclosable interest as a director of Angle Developments (East) Ltd. The Mayor did not take part in discussion of the report and did not vote. Minute 478 below refers.

Item 5.1: University of Peterborough Outline Business Case Phase 1

Councillor John Holdich declared a non-statutory disclosable interest as the Leader of Peterborough City Council. Following advice from the Monitoring Officer Councillor Holdich did speak and vote on the item. Minute 482 below refers.

Austen Adams declared a disclosable pecuniary interest as the managing director of Stainless Metalcraft (Chatteris) Ltd. Mr Adams did not take part in discussion of the report and did not vote. Minute 483 below refers.

463. MINUTES – 27 NOVEMBER 2019

The minutes of the meeting on 27 November 2019 were confirmed as an accurate record and signed by the Mayor.

The Mayor invited Councillor Dupré, Chair of the Overview and Scrutiny Committee, to ask a question on behalf of the Committee. Councillor Dupré asked, further to Minute 455: Climate Change, what progress had been made with the appointment of a Chair of the Independent Commission on Climate Change and what impact the delay in recruiting a Chair would have on the proposed timescales for production of its report. The Mayor stated that he was not sure there had been a delay in recruiting the Chair. Discussions with potential Chair candidates and potential commission members were on-going and an announcement, including information on future timescales, would be made soon.

464. PETITIONS

No petitions were received.

465. PUBLIC QUESTIONS

Nine public questions were received relating to the Local Transport Plan and transport projects around Cambridgeshire. These were taken before discussion of the Local Transport Plan. Minute 467 below refers. Questions from the Overview and Scrutiny Committee were taken when the relevant report was presented.

466. CHANGE TO THE PUBLISHED ORDER OF BUSINESS

Due to the high level of public interest in the Local Transport Plan the Mayor exercised his discretion as Chair to vary the order of business from the published agenda to take this report as the next item of business. This would be followed by a report on Kings Dyke Level Crossing Closure which had been added to the agenda under special urgency arrangements.

467. LOCAL TRANSPORT PLAN

The Local Transport Plan (LTP) would set out the Combined Authority's vision and goals for delivering transport in Cambridgeshire to meet local need and statutory requirements. Officers had worked with key stakeholders both within the county and beyond its borders to produce the Plan, including Cambridgeshire County Council, Peterborough City Council and the Greater Cambridge Partnership. Community Impact Assessments and Environmental Impact Assessments had also been carried out and a public consultation had run for 15 weeks rather than the 12 weeks required by statute in recognition that part of that time fell within the summer holiday period. The LTP would provide a baseline and it would be for the Board to decide when it should be refreshed. The report and recommendations had been considered in detail by the Transport and Infrastructure Committee on 9 January 2020 and had been unanimously endorsed.

Nine public questions were received regarding the Local Transport Plan and transport projects around Cambridgeshire. A summary of the questions and responses is published at the following link - [Combined Authority: Public Questions](#).

The Mayor invited Councillor Dupré, Chair of the Overview and Scrutiny Committee, to ask a question on behalf of the Overview and Scrutiny Committee. Councillor Dupré asked how consultation responses from members of the public about climate change had resulted in changes to the approach or contents of the Local Transport Plan. The Mayor stated that climate change had been afforded a high priority within the LTP. A key objective was to reduce emissions to 'net zero' by 2050 to minimise the impact of transport and travel on climate change. The Authority understood that climate change, a global issue, required interventions at a local level. By committing to a target of net zero carbon by 2050 it would ensure that Cambridgeshire and Peterborough were at the forefront of driving reductions in emissions from transport. In order to meet this overarching objective, the Authority would look to:

- Utilise new technologies as they became available to minimise the environmental impacts of transport;
- Manage and reduce transport emissions; and
- Encourage and enable sustainable alternatives to the private car, including reducing the need to travel.

In addition, the Authority would look to incorporate climate resilience into the new transport network, designing infrastructure that was resilient but also easily repairable. By ensuring that the transport network was protected against human and environmental disruptions, journey time reliability would be improved.

Councillor Smith commented that it was helpful to the Board to hear from so many members of the public and that this highlighted the importance of the LTP to local residents. Much was happening at present which would influence the LTP, including the emerging Joint Local Plan for South Cambridgeshire and Cambridge City which was currently out for public consultation. This required a dynamic and flexible LTP which would be able to respond to the evolving position.

Councillor Herbert welcomed the LTP as a necessary plan for now but asked when it would be refreshed to reflect the evolving position within the county, such as the creation of larger density sites which would benefit from public transport links to take cars off of the road. He recalled the Combined Authority's previously stated aim of enabling most residents to be able to travel from home to work in 30 minutes. Officers stated that they were working closely with the Bus Reform Taskforce to ensure that public transport options were fully reflected. The LTP would be refreshed as and when the Board saw fit in light of the emerging position of Government and the evolving situation locally.

Councillor Boden commented that the Combined Authority had been tasked with doubling gross value added (GVA) and reducing inequality across Cambridgeshire and Peterborough. It was important that a balance was maintained between these two aims within the LTP. The Mayor endorsed the need for the LTP to improve equality of opportunity for parts of the county which experienced higher levels of deprivation.

Councillor Bailey welcomed the LTP. East Cambridgeshire was experiencing a period of rapid growth and welcomed the improvements to transport infrastructure which had already taken place and those which were planned. She acknowledged the environmental concerns which existed, but noted that the proposals included significant investment in rail, off-road cycle routes and bus provision. The LTP set out a commitment to a better deal for rural areas and this was to be welcomed.

On being proposed by the Mayor, seconded by Councillor Bailey, it was resolved unanimously to:

- a) Note the Public Consultation Report and Final Local Transport Plan;
- b) Approve the Local Transport Plan.

468. KINGS DYKE LEVEL CROSSING CLOSURE

The Mayor stated that a key decision on Kings Dyke Level Crossing Closure was being taken under the special urgency arrangements set out in the Constitution. It had been included with the agreement of Councillor Dupré, Chair of the Overview and Scrutiny Committee, and by the Mayor as the Chair of the Board, as required by Section 100B(4)(b) of the Local Government Act 1972.

The project had previously been considered by the Board on 31 October 2018 with a predicted completion date of late 2020. Cambridgeshire County Council had subsequently been advised of significantly increased project costs by the contractor and had chosen to end that contract and conduct a re-procurement exercise. The revised timeframe had an expected completion date of late 2022. Given this change to the proposal and the need to give confidence to County Council and prospective contractors the Board's agreement was sought to the proposed timeframe.

Councillor Hickford thanked the Mayor and Chair of the Overview and Scrutiny Committee for agreeing to add this urgent item to the meeting agenda.

Councillor Boden expressed his thanks to Cambridgeshire County Council and the Combined Authority for working together to progress the Kings Dyke project as quickly as possible. The project had a benefit cost ratio of almost 8 in normal conditions which rose to an exceptional 270 during times of flood, underlining its vital importance.

Councillor Holdich commented that there had never been any doubt that the project would progress, given its importance to the economies of both Fenland and Peterborough.

Councillor Herbert commented that he remained committed to the project as part of the work to address wider transport issues around the county, but sought more information around the timing of final decisions. Officers stated that the outcome of the current re-procurement exercise would give a new project cost estimate. If this had increased beyond the Combined Authority's existing provision of £30m it would be brought back to the Board for decision.

On being proposed by the Mayor, seconded by Councillor Hickford, it was resolved unanimously to:

469. FORWARD PLAN – JANUARY 2020

The Forward Plan was published on the Combined Authority website and updated regularly. There were no requests to reserve any committee reports to the Board for decision.

It was resolved to:

Approve the Forward Plan published on 17 January 2020 and the addition to the Forward Plan of KD2020/023: A605 Kings Dyke Level Crossing Closure published on 27 January 2020 under special urgency arrangements

470. MEMBERSHIP OF THE COMBINED AUTHORITY BOARD AND APPOINTMENT OF THE LEAD MEMBER FOR HOUSING AND CHAIR OF THE HOUSING AND COMMUNITIES COMMITTEE

The Mayor offered his congratulations to Councillor Ryan Fuller on his appointment as Leader of Huntingdonshire District Council, Councillor Ray Bisby on his appointment as Acting Police and Crime Commissioner and Austen Adams on his appointment as Chair of the Business Board.

The resignation of Councillor Bull as Leader of Huntingdonshire District Council in December 2019 had necessitated a number of changes to Board and Executive Committee membership and Lead Member roles. The changes were shown on the appendix to the report. The Board was asked to note the appointment of Councillor Ray Bisby as Acting Police and Crime Commissioner for Cambridgeshire and Peterborough.

On being proposed by the Mayor, seconded by Councillor Holdich, it was resolved unanimously to:

- a) Note and agree the nominations for membership of the Executive Committees, Chairs and Lead Members for the remainder of the 2019/20 municipal year, as set out in Appendix 1.
- b) Note that Councillor Ray Bisby has been appointed as the acting Police and Crime Commissioner for Cambridgeshire and Peterborough and is now a co-opted member of the Combined Authority Board.

471. REVIEW OF THE CORPORATE RISK MANAGEMENT STRATEGY

The existing Corporate Risk Management Strategy adopted by the Combined Authority in February 2018 had been reviewed to ensure that it reflected current best practice. A revised Strategy had been considered by the Audit and Governance Committee on 16 December 2019 and had been recommended to the Board for adoption.

On being proposed by the Mayor, seconded by Councillor Neish, it was resolved unanimously to:

Adopt the proposed revised Risk Management Strategy [Appendix 2];

472. REVIEW OF THE DATA PROTECTION POLICY

The existing data protection policy had been adopted by the Combined Authority in January 2018. Following review, a revised policy had been produced which drew on the data protection policy adopted by the West Midlands Combined Authority. It continued to reflect European Union regulations as these currently remained in force. The policy would be revised as necessary as data protection requirements evolved.

Councillor Boden asked whether any reports had been made to the Information Commissioner's Office. The Interim Monitoring Officer stated that no reports had been made to the ICO's office during his term of office.

On being proposed by the Mayor, seconded by Councillor Hickford, it was resolved unanimously to:

Adopt the revised Data Protection Policy [Appendix 2]

473. PERFORMANCE REPORTING

The Performance Report provided an overview of delivery against key metrics. There had been a net increase of three projects rated green across the portfolio.

Councillor Smith welcomed the concise nature of the report and the single page appendix, but asked officers to look again at the presentation of the data relating to gross value added to make it more clear whether delivery was on target. The inclusion of some narrative on amber and red rated projects would also be helpful.

Councillor Boden commented that it would be helpful to have a shorter timeframe in relation to housing projects.

On being proposed by the Mayor, seconded by Councillor Boden, it was resolved unanimously to:

Note the January Delivery Dashboard

474. MAYOR'S BUDGET 2020-21

The costs of the mayoral functions for 2020/21 would be funded from Revenue Gainshare. There would be no precepts issued by the Authority to fund the costs of mayoral functions for 2020/21.

On being proposed by the Mayor, seconded by Councillor Holdich, it was resolved by a majority to:

Approve the Mayor's draft budget for 2020/21.

In accordance with the Constitution this was a recorded vote:

	For	Against	Abstain
Austen Adams	X		
Councillor Anna Bailey	X		
Councillor Chris Boden	X		
Councillor Lewis Herbert			X
Councillor Roger Hickford	X		
Councillor John Holdich	X		
Councillor John Neish	X		
Councillor Bridget Smith	X		
Mayor James Palmer	X		

475. COMBINED AUTHORITY BUSINESS PLAN 2020-21

The Board was invited to review and comment on the Combined Authority Business Plan 2020/21. Details of the Authority's budgets would be appended to the final version of the report once approved and it was hoped that the final version would be ready for publication in February 2020. A six month review report would be brought to the Board in September 2020.

The Mayor invited Councillor Dupré, Chair of the Overview and Scrutiny Committee, to ask a question on behalf of the Committee. Councillor Dupré noted that page 130 of the report set out progress on key projects. She asked when funding decisions were expected to be made where there was reference to applications for government funding and whether that information could be included in future reports. The Mayor stated that it was understood that the Chancellor intended to hold a Budget in March 2020 and a Spending Review later in the year. It was expected that decisions about central government funding would be linked to those fiscal events. The Mayor would continue to lobby Government where appropriate.

Councillor Smith commended the clear and concise format of the report and the use of plain English.

On being proposed by the Mayor, seconded by Councillor Smith, it was resolved unanimously to:

- a) Review the draft 2020-21 Combined Authority Business Plan attached at Appendix 1 and consider any appropriate amendments.
- b) Delegate to the Chief Executive the authority to finalise the Business Plan for publication in the light of the view of the Combined Authority Board.

476. BUDGET MONITOR UPDATE

The Board received an update on the financial position to the end of November 2019. Details of forecast variances between the predicted revenue outturn and the annual budget for the main budget headings were set out at paragraph 2.7. These included a favourable variance of £141.3k on external support services due to lower than expected costs to date relating to external legal and professional fees. A favourable variance of £120k also existed in relation to investment revenue from Combined Authority balances. Actual expenditure to date on transport and infrastructure projects reflected the expected cost profile, with increased costs expected in the latter stages of the financial year. A report would be brought in March 2020 which would

invite the Board to review all underspends and to decide which represented true savings and which should be carried forward to the 2020/21 financial year. Some capital projects had been re-profiled and some items had not yet been billed. Updated information would be reported in March.

Councillor Boden commented that the Combined Authority was still quite a new body. As such, a forecast outturn variance of around 6% was to be commended, but he asked what would be considered an appropriate maximum variance as the organisation matured. The Chief Finance Officer stated that no absolute figure was set, but the budget was kept under constant review and the Board would be updated of any variances against forecast outturn.

Councillor Smith commended the clarity of the report. She sought clarification of the reference to the Community Land Trust and £100k homes budget. The Chief Finance Officer stated that this should read, 'The Community Land Trust and £100k homes budgets were established via the MTFP refresh in September and has not incurred limited expenditure to date.'

The Mayor commented that in-year savings on the Mayor's budget were expected due mainly to the departure of his chief of staff, Tom Hunt, following his election as the Member of Parliament for Ipswich. Mr Hunt had made a significant contribution to the Combined Authority's work during his tenure and he wished to place on record his thanks.

On being proposed by the Mayor, seconded by Councillor Hickford, it was resolved unanimously to:

Note the updated financial position of the Combined Authority for the year.

477. £100M AFFORDABLE HOUSING PROGRAMME (NON-GRANT) PROPOSED ACQUISITION – HUNTINGDONSHIRE

Mayor Palmer declared a non-statutory disclosable interest as a director of Angle Developments (East) Ltd. The Mayor did not take part in discussion of the report and did not vote. The Interim Monitoring Officer left the meeting room for the duration of the item. Legal counsel was provided by the Deputy Monitoring Officer.

Councillor Holdich stated that he had resigned from his appointment as a director of Angle Developments (East) Ltd. As such, he had no interest to declare and would chair the item in his capacity as Deputy Mayor.

The Deputy Mayor reminded the Board that the report contained a number of exempt appendices. Should any members wish to discuss these it would be necessary to consider whether to exclude the public and press from that part of the debate. No member expressed the wish to discuss the exempt appendices.

The Board's approval was sought for the grant of a loan of £1.4m to Angle Developments (East) Ltd to enable the acquisition of a freehold residential development site in Huntingdonshire. The loan funding would be taken from the £40m revolving fund within the £100m Affordable Housing Programme. The site currently had planning permission for 11 executive homes with no affordable housing units. If approved, a further planning consent would be sought for up to 24 units, to include affordable housing units. The Combined Authority would take first legal charge over the property until the loan was repaid.

Councillor Boden welcomed the proposal, commenting that this was an entirely appropriate use of the revolving fund. However, he noted that it was difficult to measure the benefit of the proposal using traditional measures as these usually looked to cost, and in these cases there was no cost as the loan would be repaid.

Councillor Herbert commented that he had no objection to the proposed scheme, but that he calculated the Board had already committed in excess of the £40m in the revolving fund. The Chief Finance Officer stated that a close analysis had been undertaken of the cash-flow within the £40m revolving fund. More than £40m had been committed in total, but on current projections the £40m total would not be exceeded at any one time. A further cushion would be provided by the repayment of some previous loans. Councillor Boden suggested this innovative approach might be put forward for an award.

Councillor Smith asked who was responsible for underwriting the project in the case of any overspend. Officers stated that there was an element of risk in any development project. In this case the risk would sit with Angle Developments (East) Ltd, which was wholly owned by the Combined Authority, and would be mitigated by the first legal charge over the land. The value of the land would increase as it was developed and no parent company guarantee was implied.

On being proposed by the Councillor Boden, seconded by Councillor Bailey, it was resolved by a majority to:

- a) Approve the lending of a sum of £1,400,000 from the Combined Authority to Angle Developments (East) Ltd to enable the acquisition and progression of a revised planning application on a site in Huntingdonshire (comprising £900,000 to acquire the site and £500,000 in costs). Heads of terms for the acquisition are detailed in the Business Case at Exempt Appendix 1. The purchase will be Conditional on satisfactory investigation and pricing of land contamination being within the £300,000 allowance provided for in the business case.
- b) Grant delegated authority to the Housing and Development Manager, in consultation with the Deputy Monitoring Officer and the Lead Member for Investment and Finance, to conclude any necessary documentation to complete the loan with Angle Developments (East) Ltd.

478. £100M AFFORDABLE HOUSING PROGRAMME – NON-GRANT – FENLAND

Mayor Palmer declared a non-statutory disclosable interest as a director of Angle Developments (East) Ltd. The Mayor did not take part in discussion of the report and did not vote. The Interim Monitoring Officer remained absent from the meeting room for the duration of the item. Legal counsel was provided by the Deputy Monitoring Officer.

Councillor Holdich stated that he had resigned his appointment as a director of Angle Developments (East) Ltd. As such, he had no interest to declare and would remain in the chair for this item in his capacity as Deputy Mayor.

The Deputy Mayor reminded the Board that the report contained a number of exempt appendices. Should any members wish to discuss these it would be necessary to

consider whether to exclude the public and press from that part of the debate. No member expressed the wish to discuss the exempt appendices.

The Board's approval was sought for a loan of £1.29m to Angle Developments (East) Ltd to enable the acquisition and progression of a revised planning application on a site in Fenland. The site had been given outline planning consent for 29 homes with no affordable units, but this had now lapsed. Purchase would be conditional on a new planning application being approved by Fenland District Council whereby the majority of units would be affordable homes. The Combined Authority would take first legal charge over the property until the loan was repaid.

Councillor Boden commented that this appeared to be prime opportunity to deliver additional affordable homes in Fenland.

On being proposed by the Councillor Boden, seconded by Councillor Bailey, it was resolved by a majority to:

- a) Approve the lending of a sum of £1,290,000 from the Combined Authority to Angle Developments (East) Ltd to enable the acquisition and progression of a revised planning application on a site in Fenland (comprising £790,000 to acquire the site and £500,000 in costs). Heads of terms for the acquisition are detailed in the Business Case at exempt Appendix 1.
- b) Grant delegated authority to the Housing Development Manager, in consultation with the Deputy Monitoring Officer and the Portfolio Holder for Investment and Finance, to conclude any necessary legal documentation to complete the loan with Angle Developments (East) Ltd.

The mayor resumed the chair for the remainder of the meeting. Legal counsel was provided by the Interim Monitoring Officer.

479. £100K HOMES BUSINESS CASE

The need to deliver additional affordable housing across the Combined Authority area was set out in the Cambridgeshire and Peterborough Independent Economic Review (CPIER) report and reflected in the Authority's Housing Strategy. £100k Homes was the preferred mechanism for addressing a gap in affordable housing provision for those who did not qualify for traditional affordable housing, but were unable to afford open market prices. Buyers would own 100% of the property freehold, but any future resale price would be bound by covenant to a price relative to the original purchase price. This would ensure that the discounted price would be available to every subsequent purchaser. The covenant would also require that the property was a main residence to prevent them being used as second homes or sub-let. The proposal had been well received by the development industry and invitations were being offered to work alongside prospective developers and communities to identify suitable locations for £100K Homes. The availability of soft loan financing and land value capture were being explored, but the approach taken would be tailored to meet the need of each site. Some constituent councils had received initial briefings on the product and these would continue.

Councillor Smith expressed her thanks to the Chief Executive and officers for the time spent sharing the proposals with South Cambridgeshire District Council. Based on officers' assurance that this product met the national guidelines as an affordable housing product she would be pleased to run a pilot project in South Cambridgeshire.

There was an expectation that £100k Homes would replace some shared ownership properties, but she would be concerned if they replaced rented units. If the proposals could be made to work in South Cambridgeshire where housing costs were particularly high they should work anywhere in the Combined Authority area. Councillor Smith commented that she had frequent meetings with developers and that it would be helpful if officers could provide a one page summary setting out the proposals which could be easily shared.

Councillor Herbert welcomed the opportunity to expand the affordable housing offer, but asked for more information about what was being done to attract potential developers and the role of the Combined Authority in moderating expectation once the scheme became more widely known. Officers stated that it was intended to hold a series of events for developers to explain how the proposal would work in practice. The management of public expectation was recognised as a particular challenge. A website was being designed to allow potential buyers to register their interest in order to gauge the level of demand, but which would make clear that the product was not yet available.

Councillor Bailey commended the £100k Homes as an innovative product which would put people in the position to buy an affordable first home. She expressed the hope that buyers would have the option to make over-payments on their mortgage in order to build equity quickly and enable them to move on to a second home, freeing up the property for another first time buyer.

Councillor Boden expressed strong support for the proposal and suggested that it was another example of an innovative product which could be put forward for an award. It would be important to recognise the different circumstances which existed in the north and south of the county, but he expected to see demand outstrip supply across the whole of the Combined Authority area. He asked whether any measures would be put in place to ensure that homes went to those who would be living and working locally. Officers confirmed that this would be the case.

The Mayor thanked his advisor Charles Roberts and Emma Grima, Director of Corporate and Commercial Services at East Cambridgeshire District Council, for their work in turning his vision for £100k Homes into a deliverable product. He also thanked the Board for their support for the proposal. He remained confident that it was both possible and necessary to deliver £100k Homes in both the north and south of the county. These were not intended to replace rented accommodation, but would create an additional affordable housing option at zero or minimal cost to the taxpayer. The website would be an important tool as it would provide an indication of the level of demand and how this was distributed across the county. The Combined Authority was not a planning authority, so the support of planning authorities of all political persuasions would be needed to deliver these homes to local residents.

On being proposed by the Mayor, seconded by Councillor Smith, it was resolved unanimously to:

- a) Approve the Business Case detailed in Appendix 1; and
- b) Authorise the Monitoring Officer to amend the terms of reference of the Housing & Communities Committee to include the responsibility for adopting the £100k Homes Allocations Policy.

480. MARKET TOWNS PROGRAMME – APPROVAL OF MASTERPLANS FOR FENLAND

The Board was invited to approve the four Growing Fenland market town masterplans for March, Wisbech, Chatteris and Whittlesey and to note the Overarching Growing Fenland Strategic Report for Fenland. Town teams were established in each of the four towns and asked to identify the strengths of their towns and the areas where improvements could be made. This was used to produce an interim report for each town which informed a public consultation exercise, except in Wisbech where a consultation was already taking place as part of the 'I love Wisbech' project. The outcome of these consultations were used to further tailor the masterplans to local need. Funding opportunities would now be sought from the Combined Authority and other sources. Capital programme funding of £5m was available within the medium term financial plan for market towns pump priming, subject to Board approval, to support the implementation of the masterplans across all 10 market towns. Local authority leads would be invited to submit funding applications against the approved masterplans. These would be independently assessed against published criteria and recommendations made to the Combined Authority Board.

Councillor Boden commended the four Fenland masterplans to the Board. There had been significant public involvement in producing the plans and they reflected the different characteristics of each of the towns concerned. The strategic report contained a number of interesting concepts which went beyond the five year period covered by the masterplans. This had not been approved by Fenland District Council, but the district council would look at the proposals. Councillor Boden welcomed the recognition by other Board members that, whilst Fenland did not need their help, it did welcome their support in ensuring that the north of the county would be offered the same opportunities as its neighbours in the south.

Councillor Smith welcomed the development of the proposals at local level. This spoke to one of the strengths of the Combined Authority in looking beyond the boundaries of individual city and district councils to the life experience across Cambridgeshire and working together to address areas of deprivation and exclusion.

Councillor Herbert commented that it was important that this work was led locally. He agreed that the strategic document needed some further work, but it contained some interesting ideas.

Councillor Bailey commented that the presentation of information around bus subsidies in the strategic document was a little curious. Increasing the use of public transport to reduce the need for passenger subsidies should always be the aim. The Mayor commented that the challenge around bus use was being considered via the Bus Reform Taskforce. Large areas of Huntingdonshire, South Cambridgeshire, East Cambridgeshire and rural Peterborough all experienced these issues.

On being proposed by the Mayor, seconded by Councillor Boden, it was resolved unanimously to:

- a) Approve the four Growing Fenland market town masterplans produced for March, Wisbech, Chatteris and Whittlesey.
- b) Note the Overarching Growing Fenland Strategic Report for the Fenland district (referenced in paragraphs 2.21 – 2.25).

481. CAMBRIDGE AUTONOMOUS METRO CORE OUTLINE BUSINESS CASE – PUBLIC CONSULTATION

The Board's approval was sought to agree that a non-statutory public consultation on the Cambridge Autonomous Metro (CAM) should take place in early 2020. The consultation document was being drawn up in consultation with key partners including Cambridge City Council, South Cambridgeshire District Council and the Greater Cambridge Partner. It would focus on needs and benefits and potential route alignments for tunnelled sections and the findings would influence the concept design. The recommendations were considered by the Transport and Infrastructure Committee on 9 January 2020 and endorsed unanimously.

The Mayor invited Councillor Dupré, Chair of the Overview and Scrutiny Committee, to ask a question on behalf of the Committee. Councillor Dupré asked why members of the Overview & Scrutiny Committee's CAM Metro Task and Finish Group were not provided with advance copies of the consultation materials as agreed with officers. The Mayor stated that the draft consultation material was currently being prepared by the Combined Authority's consultancy team in conjunction with the Mayor's office. It was anticipated that the material would be available in early February 2020 and it would be shared with the Task and Finish Group as soon as it was available.

Councillor Herbert welcomed the proposed consultation process and sought more information on the content of the consultation document. Officers stated that it would include indicative locations for portals, stations in Cambridge City and route alignments. A series of renders would illustrate some of the considerations at key city centre locations, paying due regard to the integration of city centre stations with other modes of transport. The aim was for the consultation to run from mid-February to the end of March 2020 to allow its findings to inform work on the outline business case.

Councillor Bailey commented that East Cambridgeshire District Council had asked that the consultation should make clear what aspects were subject to consultation now and what would be the subject of future consultation. This would be important in order to establish reasonable expectations. Officers stated that the consultation would not be re-visiting questions which had already been the subject of previous consultations, but it would include details of envisaged future consultation proposals. There would be a number of further opportunities for public consultation and engagement during the preparation of the outline business case and final business case.

Councillor Boden acknowledged the need for a project on the scale of the CAM to sustain growth in the south of the county and was supportive of that. However, the effect would not be limited to the greater Cambridge area as those beyond could use it to improve their access to greater Cambridge. It would therefore be important to consult across the whole of Cambridgeshire and possibly beyond. At the least he would want to see the integration of the CAM with transport links in the north of the county.

The Mayor stated that if funding for the Alconbury spur could be confirmed in the spring, work could start on that route, opening up the option to link further north. His ambition was for the CAM to extend across Cambridgeshire, and public consultation would be a key part of that process.

On being proposed by the Mayor, seconded by Councillor Hebert, it was resolved unanimously to:

Agree that a non-statutory public consultation on the CAM should be undertaken in the early part of the New Year.

The meeting was adjourned at 1.05pm for 10 minutes.

482. CAMBRIDGE AUTONOMOUS METRO PROGRAMME - REGIONAL ARMS STRATEGIC OUTLINE BUSINESS CASE (SOBC) TENDER DOCUMENT.

The Board was invited to approve the early development of the Cambridge Autonomous Metro (CAM) regional arms strategic outline business case tender documents as part of the wider CAM programme. This would be funded from the uncommitted contingency funds within the 2019/20 CAM outline business case budget. The recommendation had been considered by the Transport and Infrastructure Committee on 9 January 2020 and endorsed unanimously.

Work on the CAM project was currently focused on the tunnelled section within Cambridge City. However, the CAM was not just an underground metro system for the City but a public transport enabler for the whole region. The aspiration was to bring forward work on the regional arms sooner than originally planned.

The Mayor invited Councillor Dupré, Chair of the Overview and Scrutiny Committee, to ask two questions on behalf of the Committee. Councillor Dupré commented that the Local Transport Plan Consultation referred to the demand for a stop on the CAM network in East Cambridgeshire. She asked how this issue would be developed and where the stop would be located. Officers stated that the requirements for the overall CAM network were subject to the usual demand forecasting and transport analysis as well as consultation with appropriate key stakeholders and local government departments. The Combined Authority was currently unable to answer questions about the specific stops and routes in East Cambridgeshire as options would be developed as part of future work on the business case for the eastern regional route. The Transport and Infrastructure Committee had asked officers to undertake the initial procurement activities to develop the CAM regional routes later in 2020. A specification for the demand modelling for the whole of the CAM network was currently being prepared and would be shared with the Overview and Scrutiny Committee, CAM partnership Board and CAM Technology Advisory Committee in due course.

Councillor Dupré further asked what progress the Combined Authority was making towards identifying funding options for the CAM Metro project. Officers stated that the Strategic Outline Business Case (SOBC) reported that the CAM could be paid for through a series of funding mechanisms, which might include local contributions and dedicated revenue streams, in particular land value capture and tax increment financing. The SOBC indicated that a mixture of these would be required to cover the capital expenditure and financing requirements for implementing the CAM, and to ensure public and business confidence in the development of the scheme. As the development of the business case for the scheme progressed further, work would be done to confirm the appropriate funding and financing package to deliver the CAM. This would need support from Government, but would also include money raised through the economy of Cambridgeshire. The conclusions of that work would be reported in the Outline Business Case in summer 2020.

The Mayor stated that the CAM could only work as the sum of its parts. The underground tunnelled section in Cambridge City would replace the need for a ring

road around Cambridge. The Combined Authority's aim was to reduce the number of cars on the road and the CAM would be instrumental in achieving this.

On being proposed by the Mayor, seconded by Councillor Holdich, it was resolved unanimously to:

Approve early development of the CAM regional arms SOBC tender documents as part of the wider CAM programme and for £100,000 to be utilised from uncommitted contingency within the current 2019/20 CAM OBC budget to fund the early development of these documents.

481. DELEGATION OF PASSENGER TRANSPORT POWERS AND THE TRANSPORT LEVY 2020-21

The Board considered recommendations relating to the delegation of passenger transport powers and the Transport Levy 2020/21. These recommendations had been considered by the Transport and Infrastructure Committee on 9 January 2020 and endorsed unanimously.

The Mayor stated that the Combined Authority was the statutory Transport Authority for Cambridgeshire. Initially these powers had been delegated to Cambridgeshire County Council and Peterborough City Council, but as the Combined Authority matured as an organisation it would be important to forge an agreement to enable it to take over these services from 2020/21 onward. The Combined Authority would work closely with the Cambridgeshire County Council and Peterborough City Council to ensure a smooth transition.

On being proposed by the Mayor, seconded by Councillor Hickford, it was resolved unanimously to:

- a) Approve the delegation of the role of Travel Concessionaire Authority and other powers set out in paragraph 2.8 of the appendix, to Cambridgeshire County Council (CCC) and Peterborough City Council (PCC) for the 2020/21 financial year
- b) Approve the amount and apportionment of the Transport Levy (2020/21 financial year) as set below:

Peterborough City Council: £3,849,906

Cambridgeshire County Council: £8,497,733

482. UNIVERSITY OF PETERBOROUGH OUTLINE BUSINESS CASE – PHASE 1

Councillor John Holdich declared a non-statutory disclosable interest as the Leader of Peterborough City Council. Following advice from the Monitoring Officer Councillor Holdich did speak and vote on the item.

The University of Peterborough project was proceeding on time and was due to open in September 2022. Talks with providers were on-going and it was proposed that the Combined Authority and Peterborough City Council establish a property company to build the new university campus. Subject to the approval of the outline business case the procurement of the infrastructure would involve selecting a contractor to deliver the physical capital works. The building would then be leased to the Higher Education

(HE) provider. A separate company (UniCo) would be established to include the HE provider, Combined Authority and Peterborough City Council to enable the local government partners to continue to influence the delivery model. The HE provider would need to be eligible for registration with the Office of Students and to have validated degree-awarding powers. The outline business case had been produced externally and independently reviewed.

The Mayor reminded the Board that the report contained a number of exempt appendices. Should any members wish to discuss these it would be necessary to consider whether to exclude the public and press from that part of the debate. No member expressed the wish to discuss the exempt appendices.

Councillor Smith commented that she was impressed by the calibre of the work which had been done, but that she would welcome sight of the risk register. Officers undertook to share this with the Board. Councillor Smith further asked for more information about the £5m described as accommodation costs. Officers clarified that this related to teaching space to accommodate more students rather than living quarters.

The Mayor described the University of Peterborough project as an exceptional story which represented the Combined Authority's vision to create a technical university based on the CPIER report. It would be the first university of its kind and would meet the needs of people in the north of the county and have a significant and positive impact for years to come.

On being proposed by the Mayor, seconded by Councillor Boden, it was resolved unanimously to:

- a) Approve the preferred option as part of an Options Appraisal and adopt the Outline Business Case for the new University of Peterborough as a Combined Authority priority and key element of the Local Industrial Strategy and Skills Strategy;
- b) Approve the development of a Subscription Agreement between the Combined Authority and Peterborough City Council for the capital investment into the development of Phase 1 and the land required and delegate to the Director of Business and Skills, in consultation with the Lead Member for Skills, the Chief Financial Officer and the Monitoring Officer, authority to negotiate and complete the Subscription Agreement;
- c) Approve the commitment to invest the £12.3M capital budget into the Phase 1 build and draw down the funding to mobilise the activities and milestones identified within the Outline Business Case to achieve the target of opening the University in September 2022 to 2000 students.

483. FOR APPROVAL AS ACCOUNTABLE BODY – LOCAL GROWTH FUND PROJECT PROPOSALS JANUARY 2020

Austen Adams declared a disclosable pecuniary interest as the managing director of Stainless Metalcraft (Chatteris) Ltd. Mr Adams did not take part in discussion of the report and did not vote.

The Mayor reminded the Board that the report contained a number of exempt appendices, including the new one page project summaries discussed at the previous

meeting which had proved very useful. Should any members wish to discuss these it would be necessary to consider whether to exclude the public and press from that part of the debate. No member expressed the wish to discuss the exempt appendices.

At its meeting on 27 January 2020 the Business Board had considered 15 project proposals which had been submitted in response to the invitation issued in July 2019. £38.3m of funding remained to be allocated by the end of March 2021. Following detailed consideration of the project proposals the recommendations had been revised as set below:

- a) Recommended that the Combined Authority Board approve funding for the projects ranked 1, 2, 4, 5, 6, 7, 8, 9, ~~10~~, 12 and 14 in the table at paragraph 2.8 of the report based on achieving highest scoring criteria and external evaluation recommendation.
- b) Recommended that the Combined Authority Board approve a revised grant funding offer for the project ranked 11 in the table at paragraph 2.8 in the report of £2,400,000.
- c) Recommended that the Combined Authority Board approve a revised grant funding offer for the project ranked 13 in the table at paragraph 2.8 in the report of £1,400,000.
- d) Recommended that the Combined Authority ~~defer project ranked 15 in the table at paragraph 2.8 below based on the scoring criteria, until the next round call of Local Growth funding or alternative funding becomes available~~ **reject** project ranked 15 in the table at 2.8 in the report.
- e) Recommended that the Combined Authority decline projects ranked 3 and 16 in the table at paragraph 2.8 in the report based on the scoring criteria for project 16, as this is the lowest scored project, and the external evaluation recommendation on project 3.
- f) **Recommend that the Director of Business and Skills, in consultation with the Lead Member for Investment and Finance, be granted delegation to approve project ranked 10 upon completion of satisfactory renegotiation of the management fee proposed and due diligence.**

Additions shown in **bold type**.

Deleted text shown as ~~struck through~~.

Councillor Smith commented that it would be useful to be given some mapping information on the location of the projects. Officers stated that the Business Board had made the same request and had also asked that projects should be grouped thematically in future.

The Mayor thanked the Business Board and the 'Dragons' Den' panellists for their detailed consideration of the projects submitted. He further commended the vision and ambition of the project proposals themselves.

On being proposed by the Mayor, seconded by Councillor Holdich, it was resolved by a majority to:

- a) Approve funding for the projects ranked 1, 2, 4, 5, 6, 7, 8, 9, 12 and 14 in the table at paragraph 2.8 below based on achieving highest scoring criteria and external evaluation recommendation.
- b) Approve a revised grant funding offer for the project ranked 11 in the table at paragraph 2.8 below of £2,400,000.
- c) Approve a revised grant funding offer for the project ranked 13 in the table at paragraph 2.8 below of £1,400,000.
- d) Reject project ranked 15 in the table at paragraph 2.8 in the report.
- e) Decline projects ranked 3 and 16 in the table at paragraph 2.8 below based on the scoring criteria for project 16 as this is the lowest scored project and the external evaluation recommendation on project 3.
- f) Delegate authority to the Director of Business and Skills, in consultation with the Lead Member for Investment and Finance, to approve project ranked 10 upon completion of satisfactory renegotiation of the management fee proposed and due diligence.

484. FOR APPROVAL AS ACCOUNTABLE BODY – LOCAL GROWTH FUND PROGRAMME MANAGEMENT JANUARY 2020

The Board was advised that nine projects were currently in the delivery phase, a further nine were at the pre-contract negotiation stage and a further 12 projects had been approved under the previous item (minute 483 refers). Expenditure to date totalled £77.7k and this would accelerate as more projects entered the delivery phase. The King's Dyke project was currently the only project with a red RAG rating and the reasons behind this had been discussed earlier in the meeting (minute 468 above refers). The Wisbech Access Strategy and Lancaster Way Phase 2 Grant were rated amber. All other projects were rated green.

On being proposed by Mr Adams, seconded by the Mayor, it was resolved unanimously to:

- a) Note the programme updates outlined in this paper to the Combined Authority Board.
- b) Note the submission of the Growth Deal monitoring report to Government to end Q2 2019/20.

485. MONITORING AND EVALUATION PLAN

The Board was invited to agree to the incorporation of the draft Local Growth Fund Monitoring and Evaluation Plan into the Combined Authority's Monitoring and Evaluation Framework. It was a requirement of central government funding that a specific Monitoring and Evaluation Framework for the Local Growth Funding was put in place.

On being proposed by Mr Adams, seconded by the Mayor, it was resolved unanimously to:

- a) Approve the incorporation of the proposed Local Growth Fund Monitoring & Evaluation Plan into the Monitoring and Evaluation Framework and to grant the Monitoring Officer delegated authority to make any consequential amendments required to the Monitoring and Evaluation Framework.
- b) Note the resource implications for effective Monitoring & Evaluation to be delivered.

486. EASTERN AGRI-TECH GROWTH INITIATIVE FUNDING REVIEW

The proposal to approve a reduction in the Local Growth Fund allocated to the Eastern Agri-Tech Growth Initiative scheme of £3.5m had been endorsed by the Business Board on 25 November 2019. This reflected the recognition that it would be difficult to utilise the full sum allocated by the deadline of March 2021. However, in order to allow this key decision to be included on the Forward Plan for a minimum of 28 clear days the report to the Combined Authority Board was deferred to its January meeting.

Councillor Bailey commented that she had been contacted by a fellow councillor and member of a trade association who was concerned that they could not recall having seen any publicity encouraging applications. Whilst she was content to accept the Business Board recommendation she asked that consideration be given to the promotion of the initiative going forward. Officers stated that both the Skills Committee and Business Board had identified the same issue and that it had been agreed that £120k would be spent on future marketing and promotion. There would still be a total of £12m small business grant funding available to 2023 so the budget could be re-balanced in future years if demand increased.

On being proposed by Mr Adams, seconded by the Mayor, it was resolved unanimously to:

Approve a reduction in the Local Growth Fund allocated to the Eastern Agri-Tech Growth Initiative scheme of £3.5m.

487. SMALL BUSINESS CAPITAL GRANT SCHEME FUNDING ALLOCATION

The proposal to approve the allocation of an additional £9m to the Small Business Capital Growth Grant Programme from Local Growth Fund and recycled Growth Fund to create a total £12m budget for the Small Business Capital Growth Grant programme had been endorsed by the Business Board on 25 November 2019. However, in order to allow this key decision to be included on the Forward Plan for a minimum of 28 clear days the report to the Combined Authority Board was deferred to its January meeting.

The scheme remained at an early stage of development and would be more heavily promoted going forward. The Monitoring and Evaluation Plan discussed previously (minute 485 above refers) would be used to identify the best areas for investment. Bench-marking was being carried out with two other Combined Authorities and Local Enterprise Partnerships and a provider had been contracted to work on the first £3m of funding.

Councillor Smith asked what was being done to support start-ups. Officers stated that start-up businesses would be eligible to apply for funding.

Councillor Neish asked how district councils could help make their local businesses aware of the opportunities available to them. Officers stated that meetings were being arranged with district council officers to discuss this.

On being proposed by Mr Adams, seconded by the Mayor, it was resolved unanimously to:

Approve the allocation of an additional £9m to the Small Business Capital Growth Grant Programme from Local Growth Fund and recycled Growth Fund to create a total £12m budget for the Small Business Capital Growth Grant programme.

488. HIGH GROWTH SMALL AND MEDIUM SIZED ENTERPRISERS OBSERVATORY

The Board considered a recommendation to create an Observatory to help identify high growth small and medium enterprises who would be target clients. Promoting the opportunities available to business was a key part of the work being undertaken, but it was important to attract the right applicants. The Observatory would develop the understanding of potential high growth companies so that these could be identified and proactively targeted.

On being proposed by Mr Adams, seconded by the Mayor, it was resolved unanimously to:

- a) Note and approve the proposals to create the Observatory which will act as a Research, Analytical and Market Intelligence function to identify the Combined Authority's target clients at a total cost of £80,000 subject to the following:
- b) Approve the re-profiling of £80,000 from the 19-20 LEP Capacity Funding budget to cover the costs of the High Growth SME Observatory in 2020/21 and 2021/22.

489. BUDGET 2020/21 AND MEDIUM TERM FINANCIAL PLAN 2020-2024

The Board had considered the draft budget for 2020/21 and draft medium term financial plan (MTFP) 2020-24 on 27 November 2019 and had approved them being put out to public consultation from 28 November 2019 to 31 December 2019. A summary of responses was set out at Appendix 4 of the report and changes from the draft considered in November 2019 were summarised at paragraph 3.2. The proposals had been reviewed by the Overview and Scrutiny Committee on 27 January 2020. The over-arching objective was to set an affordable and balanced budget that supported the delivery of the ambitions and priorities of the Mayor and Combined Authority, taking account of the Authority's reserves and expected annual funding stream for 2021 onward. There was no proposal to precept constituent authorities for the 2020/21 financial year.

Councillor Herbert expressed regret that the budget report had not been placed higher on the agenda rather than at the end of a long and busy meeting. He commented that Appendix 3b contained some large numbers which he did not recall being shared

before and asked where these had come from. The Chief Finance Officer stated that the figures related to capital leverage schemes and reflected discussions with Directors about potential future schemes. They had been reported to the Board previously and were included at this stage for information only, not as part of the MTFP. Business cases would be developed for the projects as part of the usual decision-making process. Councillor Herbert asked to take a report on this at a meeting in the near future to allow the Board the opportunity to contribute and to provide greater transparency.

On being proposed by the Mayor, seconded by Councillor Hickford, it was resolved by a majority to:

- a) Approve the revenue budget for 2020/21 and the Medium-Term Financial Plan 2020/21 to 2023/24.
- b) Approve the capital programme 2020/21 to 2023/24

In accordance with the Constitution this was a recorded vote:

	For	Against	Abstain
Austen Adams	X		
Councillor Anna Bailey	X		
Councillor Chris Boden	X		
Councillor Lewis Herbert	X		
Councillor Roger Hickford	X		
Councillor John Holdich			Absent
Councillor John Neish	X		
Councillor Bridget Smith	X		
Mayor James Palmer	X		

490. MOTION RECEIVED FROM COUNCILLOR CHRIS BODEN

The Board considered a Motion submitted under Committee Procedure Rule Section 14 by Councillor Boden, seconded by Councillor Bailey. The Interim Monitoring Officer advised that the Motion was in order as drafted.

Councillor Boden commented that the Combined Authority was the Transport Authority for Cambridgeshire. As such, it was quite hypocritical not to act to address the recognised traffic difficulties in Cambridge City. The Combined Authority comprised six local authority areas, excluding the county council, but around half of meetings were held in Cambridge.

An amendment to the Motion was proposed by Councillor Hickford, seconded by Councillor Bailey, that:

The Combined Authority Board therefore resolves to:

~~No longer use any premises within the City of Cambridge, including Shire Hall and the Guildhall, as the venue for any formal or informal meetings of the Combined Authority, including:~~

- ~~i. Formal meetings of the Combined Authority Board, its Executive Committees, Employment Committee, Overview & Scrutiny Committee and Audit & Governance Committee;~~

- ii. ~~Informal meetings where attendance is limited to the Mayor, and / or Members of the Combined Authority and / or officers of the Combined Authority.~~

Remove Shire Hall, Cambridge from the premises used by the Combined Authority Board, its Executive Committees, Employment Committee, Overview & Scrutiny Committee and Audit & Governance Committee; and not use Shire Hall for informal meetings where attendance is limited to the Mayor, and / or Members of the Combined Authority and / or officers of the Combined Authority.

Additions shown in **bold type**.

Deleted text shown as ~~struck through~~.

The Mayor invited Councillor Dupré, Chair of the Overview and Scrutiny Committee, to ask a question on behalf of the Committee. Councillor Dupré noted that the Committee's comments related to Councillor Boden's Motion as originally drafted and did not take account of the amendment proposed at the meeting by Councillor Hickford. If passed, the original Motion would prevent the Overview and Scrutiny Committee or its working groups meeting in Cambridge. The unanimous view of the Committee was that it was deeply disappointing that the Motion did not mention public transport, that it denied the opportunity to hold meetings in the location with the best public transport links for the maximum number of local people including interested members of the public, and did so without evidence of the impact of Combined Authority meetings on air quality and congestion in Cambridge, or the effect on car mileage or carbon emissions which would be caused by holding meetings in places with poorer public transport connections. The Committee was also concerned about the democratic deficit in not holding meetings at the offices of two of its constituent councils and that the proposal was not in accordance with the spirit of the Constitution. In these circumstances, the Committee asked how the proposal could be justified.

Councillor Boden commented that he had confirmed with the Interim Monitoring Officer that the Motion was not contrary to the Constitution. Councillor Hickford's amendment would address the Overview and Scrutiny Committee's concern about no meetings being held in Cambridge. In his judgement, Peterborough rather than Cambridge City had the best public transport links in the county. Councillor Boden was content to accept the amendment proposed by Councillor Hickford.

Councillor Smith commented that for Combined Authority meetings held outside of Cambridge she needed to drive for at least an hour as no practical public transport alternative currently existed. Meetings in Cambridge offered the option of leaving cars at a park and ride site and walking or cycling into the city from there. The meetings held at Shire Hall were generally those that were most well attended by members of the public. On that basis her preference was to leave the current arrangements unchanged.

Councillor Herbert commented that the location of meetings had been discussed by Leaders in the early days of the Combined Authority and it had been agreed to rotate meetings between constituent councils so that they were held throughout Cambridgeshire. By his recollection the only meetings where some Board members had been late arriving due to traffic problems had been those held in Peterborough,

March and Ely. Councillor Hickford commented that there were many occasions where people arrived late to meetings at Shire Hall due to problems with traffic.

Councillor Over commented that his journey from home to Cambridge took between two and a half and three hours compared to the 30 minutes it had taken him to get to Ely.

Councillor Bailey commented that the Motion also related to meetings of Executive Committees and officer meetings. She took on board the point about the democratic deficit which would arise if no meetings were held in Cambridge and, on that basis, was content to support the amendment proposed by Councillor Hickford.

On being proposed by Councillor Hickford, seconded by Councillor Bailey, it was resolved by a majority to:

Remove Shire Hall, Cambridge from the premises used by the Combined Authority Board, its Executive Committees, Employment Committee, Overview & Scrutiny Committee and Audit & Governance Committee; and not use Shire Hall for informal meetings where attendance is limited to the Mayor, and / or Members of the Combined Authority and / or officers of the Combined Authority.

491. DATE OF NEXT MEETING

The reserve meeting date on 26 February 2020 was not required. The Board would meet next on Wednesday 25 March

(Mayor)



**CAMBRIDGESHIRE & PETERBOROUGH COMBINED AUTHORITY – MAYORAL
DECISION-MAKING MEETING: MINUTES**

Date: Wednesday 25 March 2020

Time: 10.30am – 12.25pm

Venue: Virtual meeting

Present: J Palmer (Mayor)

Councillors A Bailey – East Cambridgeshire District Council, C Boden – Fenland District Council, L Herbert – Cambridge City Council, R Hickford - Cambridgeshire County Council, J Holdich – Peterborough City Council, J Neish – Huntingdonshire District Council and B Smith – South Cambridgeshire District Council

A Adams – Chair of the Business Board

Co-opted Members: Councillor Ray Bisby (Acting Police and Crime Commissioner) and Councillor D Over (Vice Chairman, Cambridgeshire and Peterborough Fire Authority)

492. MAYOR'S ANNOUNCEMENTS

The Mayor set out the process for the meeting. Due to Government guidance on social distancing the meeting was being held remotely via Zoom. The law as it stood meant that these virtual arrangements could not stand in place of a physical meeting of the Combined Authority Board. In order for decisions to be made via these virtual arrangements they would have to be made by the Mayor using his General Power of Competence. However, in order to ensure that these decisions remained as transparent and accountable as possible, officers would introduce each report in the usual way and the Mayor would invite the views of the members of the Combined Authority Board before taking each decision. Arrangements had been made for the press and public to follow the virtual meeting in real time via the Combined Authority's website. Officers had been asked to advise on which items could be deferred to a future meeting of the Combined Authority Board, in the expectation that the law would be changed fairly soon to allow local government meetings to be held on a virtual basis. The Mayor's decision-making would therefore be restricted to those matters which officers had advised required a decision now rather than anything which could wait. Decision summaries and minutes would be prepared and published in the usual way.

The Interim Monitoring Officer set out the legal issues which arose from having to change how the Combined Authority made its decisions. A summary is attached at Appendix 1.

493. APOLOGIES FOR ABSENCE AND DECLARATIONS OF INTEREST

Apologies for absence were received from Councillors S Count (substituted by R Hickford) and R Fuller (substituted by J Neish) and from J Bawden, Cambridgeshire and Peterborough Clinical Commissioning Group.

There were no declarations of interest.

494. MINUTES – 29 JANUARY 2019

Consideration of the minutes of the meeting on 29 January 2020 was deferred to the next meeting of the Combined Authority Board.

495. PETITIONS

No petitions were received.

496. PUBLIC QUESTIONS

No public questions were received. The Mayor had agreed to accept questions from the Overview and Scrutiny Committee for this Mayoral decision-making meeting. A copy of the questions and responses is attached at Appendix 2.

497. FORWARD PLAN – MARCH 2020

The Forward Plan was published on the Combined Authority website and updated regularly. There were no requests to reserve any committee reports to the Board for decision. Councillors Herbert and Smith asked for the opportunity to review the Forward Plan with officers outside of the meeting.

Having taken into account the views of the Combined Authority Board and an indicative vote which showed Board members to be in unanimous support of the recommendation, the Mayor resolved to:

Approve the Forward Plan

498. DESIGNATION OF MONITORING OFFICER AND DIRECTOR OF ANGLE HOLDINGS LTD

Robert Parkin withdrew from the meeting for the duration of this item.

The Interim Monitoring Officer stated that Robert Parkin was admitted as a solicitor in 2008 and had experience in both local government and in a government department. His most recent appointment was as the Monitoring Officer at Guildford Borough Council and he had previously been the Deputy Monitoring Officer at Portsmouth City Council. He had also held appointments at the London Borough of Hounslow, the Department for the Environment and Rural Affairs and Bristol City Council. Mr Parkin had experience as a manager of both legal and other corporate services and as a solicitor dealing with planning, procurement, state aid and company law in addition to governance matters in his previous Monitoring Officer role. The Interim Monitoring Officer commended his appointment to the Board.

Councillor Smith expressed her thanks to the Interim Monitoring Officer for his work during his period of office. The Mayor concurred, describing Mr Pearson as an exceptional Monitoring Officer.

Having taken into account the views of the Combined Authority Board and an indicative vote which showed Board members to be in unanimous support of the recommendations, the Mayor resolved to:

- a) Designate Robert Parkin as Monitoring Officer with effect from 26th March 2020;
- b) Consent to the appointment of Robert Parkin as a Director of Angle Holdings Limited.

499. DESIGNATION OF SCRUTINY OFFICER

The Interim Monitoring Officer commended the appointment of Robert Fox to the Board as Interim Scrutiny Officer, until the return of the permanent post holder.

Having taken into account the views of the Combined Authority Board and an indicative vote which showed Board members to be in unanimous support of the recommendation, the Mayor resolved to:

Designate Robert Fox as the Interim Scrutiny Officer until the return of the permanent Scrutiny Officer.

500. VARIATION TO THE ORDER OF THE PUBLISHED AGENDA

The Mayor stated the Combined Authority was duty bound to consider its response to Covid-19 as a matter of urgency and to share this with the public and press. He would therefore be making a change to the published agenda to consider an urgent report on this matter as the next item of business.

501. COMBINED AUTHORITY'S RESPONSE TO COVID-19

The Mayor stated that, given the magnitude of the Covid-19 crisis, he had asked officers to bring forward a report to outline the Combined Authority's response. Due to the fast changing nature of the situation it had not been possible for this key decision to be published on the Forward Plan with 28 days clear notice in the usual way. In such circumstances the agreement of both the Mayor and the Chair of the Overview and Scrutiny Committee was required that the decisions were urgent and could not reasonably be deferred. This had been obtained and the required statutory notice had been published on the Combined Authority website together with the report.

The report noted that the Government response to Covid-19 to date had included a range of economic measures including the new coronavirus job retention scheme, deferred tax and VAT payments, grants and business rate relief to businesses within the retail, leisure and hospitality industries, grants for small businesses that paid little or no business rates and the Coronavirus Business Interruption Loan Scheme (CBILS) for businesses with a turnover of up to £45m. The proposed Combined Authority response had been formulated in terms of an immediate, short-term and medium term response:

- i. Immediate: The Combined Authority remained open for business using virtual meetings and the Mayor's general power of competence. It would work with partners and bus operators regarding transport for key workers and home to school transport for eligible children.
- ii. Short-term: The Business Board would monitor and cascade all relevant Government communications to business and co-ordinate business information, advice, guidance and sign-posting. The Business Board had also recommended interest accruing repayment holidays to companies in receipt of a Local Growth Fund loan and adjustments to the Small Capital Grant Scheme. The Combined Authority would be invited to consider future proposals for loan repayment holidays for all investment funds loans and housing schemes and all current programmes would be reviewed with a view to prioritising the support of business recovery.
- iii. Medium-term: The Business Board to develop ideas for an 18 month Covid-19 Business Recovery Programme comprising four elements: recover, orient, adapt and regrow (ROAR). This could be complemented by a 50% capital re-growth grant of between £25-£250k to help local businesses adapt and develop.

The Mayor invited Councillor Dupré, Chair of the Overview and Scrutiny Committee, to share the Committee's questions on this issue. A copy of the questions and responses are attached at Appendix 2.

Councillor Smith sought clarification of whether the proposed repayment holidays would be offered to all or whether the offer would be filtered so that those who were still in a position to make their repayments would continue to do so. If so, she judged that the filtering process should be balanced with the need to provide a quick response to those requiring support. Normal governance processes might be too slow to accommodate this and she would welcome officers looking into this. Councillor Smith further asked whether any additional money would be coming to the Combined Authority or the Business Board and whether all schemes would be re-profiled and the impact of this on Business Board plans. She suggested that a publicity drive was needed to make business aware of the full range of support available. The Director of Business and Skills stated that he was working with the Chief Finance Officer to develop a test around need and how that would be validated and consideration was being given to changing the criteria around small grants. Only one current Local Growth Fund loan would be affected with one further one at the end of the period. Details of the additional Government funding announced to date were included in the report and it was proposed to begin promoting the support available to business from the Combined Authority as soon as it had been agreed. He clarified that the Combined Authority proposed to offer capital grants and not revenue grants which local authorities were administering. Ms Sawyer, Chief Executive, stated that housing loans was an emerging situation. The Combined Authority was looking at all of its financial obligations and before a decision was made on any repayment holidays a report would be brought to a virtual Board meeting for discussion. The Combined Authority was part of a regional strategic co-ordination group which was establishing an economic sub-group to look at how it could contribute to the area's recovery. It was also part of a Mayoral Combined Authorities group which was in dialogue with Government. Councillor Herbert asked that this further report to the Board should include a risk assessment analysis and set out any areas where the Combined Authority could remove obstructions.

Councillor Hickford commended officers for their hard work and for bringing a report to the Board so quickly. Whilst supportive, he judged that it would be preferable for the proposals to be 'noted' by the Mayor at this stage rather than 'approved' so that the Board could easily return to the proposals and change them as necessary. He further suggested that the wording around the relationship between the Strategic Co-ordination Group (SCG) and the Sub-Group should be re-visited and that the terms of reference should be reviewed and signed off by the Sub-Group and the SCG. The Director of Business and Skills confirmed that the intention was for SCG to do some further work on the terms of reference before approving them.

Councillor Boden expressed some surprise at the specificity of the medium term response outlined in the report given that there was little idea at present of the likely impact of Covid-19 and how this might vary across different areas. He judged that the medium term response should therefore be kept under review and revised to reflect the emerging situation. Councillor Neish concurred with this view.

Councillor Smith noted that the proposed membership of the Economic Recovery Sub-Group contained no elected members and commented that she would want to see elected members with business and economic skills included. The Mayor concurred, expressing reservations about the accountability of a purely officer-led response. Councillor Bailey stated her wish to place on record that the officer-led response at both East Cambridgeshire District Council and Cambridgeshire County Council had enabled swift operational decisions to be taken and that senior elected members had been kept closely involved.

Mr Adams expressed his thanks to officers for their hard work in such a short period of time.

Summing up, the Mayor stated that the Combined Authority faced an unprecedented and evolving situation. He thanked officers across all of Cambridgeshire and Peterborough's local authorities for their efforts. The region would aim to be as fleet of foot in its response as possible, but it must not lose sight of the ability of the local economy to be able to accelerate quickly when the current situation eased. He had already spoken to the Secretaries of State for Transport and Housing, Communities and Local Government during the week and these discussions would continue.

The Interim Monitoring Officer stated that the request to 'note' rather than 'approve' the recommendations had been raised in the debate on the basis that officers could progress the recommended schemes with a view to reporting back to the Combined Authority Board at a later date. The Mayor agreed to this approach.

Having taken into account the views of the Combined Authority Board and an indicative vote which showed Board members to be in unanimous support of the recommendations, subject to them being noted rather than approved, the Mayor resolved to:

- a) Note the proposed Combined Authority response to COVID-19 set out in this report
- b) Note the development of medium term business recovery support
- c) Note the offer of interest accruing repayment holidays to companies in receipt of a Local Growth Fund loans covering repayments due between 24th March 2020 and 31st August 2020

- d) Note the adjustment of the current Small Capital Grant Scheme criteria on Intervention rates, Jobs output value ratio to grant value, including safeguarded jobs in output measures for grants, subject to consultation with BEIS advice.

502. BUDGET MONITOR UPDATE – MARCH 2020

This report was deferred.

503. TREASURY MANAGEMENT STRATEGIES 2020-21

The Mayor invited Councillor Dupré, Chair of the Overview and Scrutiny Committee, to share the Committee's question on this report. A copy of the question and response is attached at Appendix 2.

The Chief Finance Officer stated that responsibility for the adoption of the Treasury Management Strategies rested with the Combined Authority Board, but it had delegated responsibility for scrutiny and monitoring of the strategies to the Audit and Governance Committee. The appendices to the report had been drafted in conjunction with the new Treasury Management Advisor and set out the capital strategy, the treasury management strategy, the investment strategy and the minimum revenue provision statement. The Mayor, in consultation with the Board, was invited to approve these strategies and the creation of a £40m 'top up' fund from within existing cash balances to extend the availability of recycled funding to bring additional affordable housing to market. Both the Board and the Audit and Governance Committee had asked officers to look at making more creative use of cash balances and the proposed 'top up' fund would operate in a similar way to the £40m revolving fund used to finance affordable homes. The proposals were consistent with the Combined Authority's principles of 'security' as a first priority, then 'liquidity', to ensure funds were available to be drawn down when needed to support the Authority's activities (including its Capital Programme) and then 'yield'.

Councillor Smith asked whether house building would be progressing in the near term and whether the £40m proposed to create the new 'top up' fund should not instead be focused on business resilience and recovery. The Chief Finance Officer stated that there was currently approximately £170m of cash balances available for investment and that Directors were looking at how project funding within the Medium Term Financial Plan could be re-profiled to support recovery. The proposed 'top up' fund would operate in a similar way to the revolving fund being part of the £100m affordable housing capital fund, but would be managed as part of the treasury management strategy. Whilst it was proposed that this should focus on the delivery of additional affordable housing there would be flexibility for it to be used for other purposes. Officers were looking at all possible re-deployment of both capital and revenue funding in the light of the Combined Authority's emerging priorities. Councillor Smith questioned the recommendation to target funds to housing delivery at this juncture as she had doubts that the money could be spent. She would support the proposals, but subject to looking at broadening the 'top up' fund's impact in the current context. The Mayor acknowledged this requested and reiterated that the money did not have to be spent on housing.

Councillor Smith further asked whether Mayors should be speaking collectively to Government about ways to free up capital spend. The Mayor stated that regular online meetings were being held with Government and every avenue was being explored. Government had already put in place a strategy to support business, but if

the Combined Authority was able to do more to place Cambridgeshire and Peterborough at the forefront of the recovery then it would do so. The Chief Finance Officer stated that officers were in discussion with other combined authorities and with constituent council colleagues around making the necessary representations.

Councillor Herbert welcomed the opportunity to discuss the proposals. He noted that the Combined Authority had already made around £40m of housing loans through the £40m revolving fund and judged that a decision now to commit further funds would be hasty. His preference would be to hold onto the £40m proposed for the creation of the new 'top up' fund until the Covid-19 crisis had passed. On that basis he would not be able to support the proposed creation of the £40m 'top up' fund at this point. The Mayor acknowledged this view, but commented that should business be able to get back to work sooner rather than later a decision to shut down investment across the county could be more damaging.

Councillor Boden judged that the Board needed to plan for the future. There was currently no real sense of how long the crisis might last. On that basis a decision now to create the £40m 'top up' fund would mean that the Authority would be well-placed to respond if the crisis passed quickly. Should it become more prolonged the position could be reviewed.

Having taken into account the views of the Combined Authority Board and an indicative vote which showed a majority of Board members to support the recommendations, the Mayor resolved to:

- a) Approve the following Treasury Strategies:
 - i. The Capital Strategy 2020/21
 - ii. The Treasury Management Strategy 2020/21
 - iii. The Investment Strategy 2020/21
 - iv. The Minimum Revenue Provision Statement 2020/21
- b) Approve the creation of a £40m 'top up' fund to extend the availability of recycled funding to bring additional affordable housing to the market.

504. MARKET TOWNS PROGRAMME – APPROVAL OF MASTERPLANS FOR HUNTINGDONSHIRE

The Mayor invited Councillor Dupré, Chair of the Overview and Scrutiny Committee, to share the Committee's question on this report. A copy of the question and response is attached at Appendix 2.

The market towns programme for Huntingdonshire formed part of the Prospectus for Growth led by Huntingdonshire District Council and related to the towns of St Ives, Huntingdon and Ramsey. Work had begun in November 2019 with town teams established for each town to ensure that their local character was fully reflected. An extensive programme of consultation had taken place with the Mayor attending the last round of meetings. Each masterplan contained an action plan comprising short, medium and long term objectives focused around delivering jobs, infrastructure and economic growth.

Councillor Neish stated that the masterplans were good documents and that Huntingdonshire District Council welcomed them. St Ives, Huntingdon and Ramsey were very different towns and it was crucial that this had been reflected. Work was continuing on the governance arrangements as these had not yet been fully worked

through and it might be necessary to review the proposed timelines in view of the current situation in relation to Covid-19.

Councillor Smith commended the masterplans as good, clear documents. She noted that officers had stated that the information requested by the Overview and Scrutiny Committee about local engagement had been collated and asked that this should be shared with the Board now. Officers stated that councillors, local community groups and businesses had been engaged in the masterplan process for each town through a series of three meetings in addition to stakeholder meetings, the last of which was also attended by the Mayor. Details of the attendance at these meetings and the business covered would be provided to the Overview and Scrutiny Committee by the end of the week. Councillor Neish stated that there had been wide local representation at these meetings.

The Mayor stated that the masterplans for Huntingdonshire and also those for East Cambridgeshire and Fenland were of great importance. Steps had been taken from the outset to ensure that these were locally led and every town involved would receive some funding to support delivery of its objectives. Additional Government funding would also be available for some of the schemes.

Having taken into account the views of the Combined Authority Board and an indicative vote which showed Board members to be in unanimous support of the recommendations, the Mayor resolved to:

Approve the Huntingdonshire 'Prospectus for Growth' Market Town Masterplans produced for St Ives, Huntingdon and Ramsey.

BY RECOMMENDATION TO THE COMBINED AUTHORITY

TRANSPORT AND INFRASTRUCTURE COMMITTEE RECOMMENDATIONS TO THE COMBINED AUTHORITY

505. LANCASTER WAY A142/A10 ROUNDABOUT IMPROVEMENTS

The Mayor stated that he was advised that this was not an item upon which he could make a decision using his General Power of Competence and he proposed to defer consideration of the report until such time as the Board could reconvene with decision-making powers.

Councillor Bailey expressed concern at the potential delay to a scheme which offered such significant benefits to the residents of East Cambridgeshire. The Interim Monitoring Officer stated that officers would look at every means available to enable the decision to be made as quickly as possible.

The report was deferred.

506. ST NEOTS RIVER GREAT OUSE NORTHERN CROSSING CYCLE BRIDGE

The Mayor stated that this key decision report was added to the Combined Authority Board agenda on the recommendation of the Transport and Infrastructure Committee. This was done under the General Exception arrangements set out in the Constitution as the report had been on the Forward Plan for less than 28 clear days. A copy of the General Exception notice was attached to the public report as Appendix 1. The Mayor had subsequently been advised that this was not an item upon which he could

make a decision using his General Power of Competence. He therefore proposed to defer consideration of the report until such time as the Board could reconvene with decision-making powers.

Although the report would not be considered, the Mayor invited Councillor Dupré, Chair of the Overview and Scrutiny Committee, to share the Committee's question on this report. A copy of the question and response is attached at Appendix 2.

Councillor Neish stated that Huntingdonshire District Council was due to submit its business case by 30 June 2020 so any steps which could be taken to expedite decision-making would be appreciated.

The report was deferred.

HOUSING AND COMMUNITIES COMMITTEE RECOMMENDATIONS TO THE COMBINED AUTHORITY

507. £100M AFFORDABLE HOUSING PROGRAMME (NON-GRANT) - CAMBRIDGE CITY, HISTON ROAD, DEVELOPMENT LOAN TO LARAGH HOMES

The Mayor reminded the Board that if Members wished to discuss the exempt appendices relating to the project it would be necessary to consider whether to exclude the press and public from that part of the meeting. No Board member expressed the wish to do so.

The Mayor invited Councillor Dupré, Chair of the Overview and Scrutiny Committee, to share the Committee's question on this report. A copy of the question and response is attached at Appendix 2.

The Mayor's approval was sought for the provision of a 30 month repayable loan facility capped at £9.637m to Histon Road Development LLP for the development of a 27 unit housing scheme at 295-301 Histon Road, Cambridge. This would include 10 affordable residential units. The loan would be used to acquire the land and develop the site and the developer advised that without this they would not be able to proceed. The loan would be secured against a first charge over the land and a guarantee of 10% of the development costs from the parent company, Laragh Homes.

Councillor Boden commented that the proposals had been considered by the Housing and Communities Committee on 9 March 2020 where they were endorsed by a majority of those present. In reaching this decision the Committee had taken into account that the proposals would provide additional affordable and shared housing in a key area of Cambridge City. In his capacity as Chair of the Housing and Communities Committee and Lead Member for Housing he had subsequently reviewed the proposal with the Director of Housing and Development in light of the rapidly evolving Covid-19 situation and revisited the risk profile. He remained comfortable to recommend that the Combined Authority should proceed with the proposal.

Councillor Herbert commented that Cambridge City Council supported the inclusion of three £100k Homes as part of this specific proposal and that he understood that the City Council Planning Department had independently endorsed the proposal. With regard to the Combined Authority's wider financial strategies he noted that, if approved, this proposal would represent almost a quarter of the £40m 'top up' fund approved earlier in the meeting (minute 503 refers). Cllr Herbert noted that he had raised before why it seemed that preference was being given to applications by

Laragh Homes, described the delivery cost per £100k Home for this project as high, questioned whether this was good timing in light of the current situation with Covid-19 and asked for the expected build date. He further commented that he did not believe that the Combined Authority would have been attracted to this proposal if it had not included three 100k Homes. The Director of Housing and Delivery stated that a first charge would be taken over the land with an additional guarantee in place from the parent company with respect to development costs. Developers were in some cases choosing to bring forward work on the affordable housing element of their developments which would in turn bring in receipts from those properties earlier than anticipated. Under normal circumstances cashflow would be based on a 19 month period, but this proposal was based on a 30 month period to allow for any Covid-19 related delays. If approved, the developer planned to begin work in two to three weeks.

The Mayor stated that there was a need to be mindful that the housing crisis which existed in Cambridgeshire and Peterborough would not go away due to Covid-19. The level of on-line expressions of interest in £100k Homes was high. Whilst taking account of the need to support business in the short-term there remained a longer term need to continue to support sustained economic growth across the county. The Mayor acknowledged Councillor Herbert's concerns, but remained of the opinion that it remained right to support the economy at this time through the development of this site.

Councillor Boden clarified that the proposed loan facility of £9.637m would support the delivery of 10 affordable housing units, not just the three which would be £100k Homes, and that this cost would be repaid in full.

Having taken into account the views of the Combined Authority Board and an indicative vote which showed Board members to be in unanimous support of the recommendations, the Mayor resolved to:

- a) Approve the provision of a loan facility of £9.637m to Histon Road Developments LLP for a scheme of 27 units based on the heads of terms detailed in exempt Appendix 1.
- b) Delegate authority to the Director of Housing and Development, in consultation with the Lead Member for Housing, the Monitoring Officer and the Lead Member for Investment and Finance, to conclude any necessary legal documentation, including the determination of the interest rate to be charged and the security for the loan by way of a first charge upon the land.

BUSINESS BOARD RECOMMENDATIONS TO THE COMBINED AUTHORITY

508. BUSINESS BOARD GOVERNANCE REVIEW

The Board considered the preliminary findings of a review of governance arrangements for the Business Board. This had focused on four key areas: Board oversight and assurance; Board membership; Board performance; and effective decision-making. Amongst the changes proposed were revisions to the arrangements relating to the resignation of Business Board members and a process for officer declarations of interest. At present, all Business Board decisions were submitted to the Combined Authority Board for ratification. This was not required within the regulations governing the Business Board's operation and a further report exploring whether this should continue would be brought to a future meeting of the Combined Authority Board for decision.

Councillor Smith asked whether any comparison had been carried out between the composition of the Business Board and that of other local enterprise partnerships (LEPs) to make sure that democratic representation was similar. She acknowledged that the Business Board was already operating effectively, but judged that elected members actively involved in economic issues could add additional value. She would be particularly interested to see comparisons with LEPs in the OxCam Arc and more widely towards the east coast. The Deputy Monitoring Officer stated that membership of the Business Board was prescribed in the Combined Authority's Assurance Framework. However, some work could be done to see how Business Board membership compared to the composition of other LEPs for inclusion in the next report to the Board.

The Mayor stated that the Business Board had been established with the clear intention to put business representation at its heart. This remained the case and he emphasised that the two elected members of the Business Board were not voting members.

Having taken into account the views of the Combined Authority Board and an indicative vote which showed Board members to be in unanimous support of the recommendations, the Mayor resolved to:

- a) Approve the preliminary recommendations and next steps outlined in the Appendix.
- b) Delegate authority to the Monitoring Officer to amend the Assurance Framework and Constitution to reflect the recommendations outlined in the Appendix.

509. ENTERPRISE ZONE FUNDING UTILISATION

The Mayor invited Councillor Dupré, Chair of the Overview and Scrutiny Committee, to share the Committee's question on this issue. A copy of the question and response are attached at Appendix 2.

The report provided an update on Combined Authority Enterprise Zone business rates income based on recently updated National Non-Domestic Rates (NNDR) figures and set out the revised financial commitments and allocations made against Combined Authority Enterprise Zone NNDR income.

Having taken into account an indicative vote which showed Board members to be in unanimous support of the recommendation, the Mayor resolved to:

Approve the reallocation of £306,313 (representing 75% of all eligible costs) from Enterprise Zone National Non-Domestic Rates (NNDR) income to Local Growth Fund.

510. ADVANCED MATERIALS AND MANUFACTURING SECTOR STRATEGY

This report was deferred at the request of the Business Board. Although the report would not be considered, the Mayor invited Councillor Dupré, Chair of the Overview and Scrutiny Committee, to share the Committee's question on the report. A copy of the question and response is attached at Appendix 2.

511. DATE OF NEXT MEETING

Subject to the necessary legislation having been enacted, the Mayor expressed the hope that the Board would be able to convene with full decision-making powers in April 2020 (date to be confirmed).

(Mayor)

Legal basis for the Mayor's Decision-Making meeting 30 March 2020

We are unable to hold a physical meeting of the Combined Authority Board due to the Government's social distancing guidance and the law as it stands does not allow the Combined Authority Board to conduct virtual meetings. This leaves two options for making the decisions which cannot wait for the law on holding virtual local government meetings to be changed. The first is for decisions to be made by the Combined Authority's officers using the powers delegated to them in the Constitution. The second is for decisions to be made by the Mayor using his general power of competence. The Interim Monitoring Officer has advised that, while both options are valid, it would be preferable for decisions to be made by an elected member rather than an unelected officer in order to provide greater accountability for the decision-making. The Cambridgeshire and Peterborough Combined Authority Order 2017 gave the Combined Authority a General Power of Competence under the Localism Act 2011. This is the same power of competence enjoyed by the constituent authorities. The 2017 Order also provided that the Mayor may do anything that the Combined Authority may do under the General Powers of Authorities section of the Localism Act 2011. The Combined Authority and the Mayor both have the same General Power of Competence. The restrictions on the Mayor's use of his general power are:

- Any decision involving the transfer of property, rights and liabilities of the Combined Authority to or from any of the constituent authorities or any decision relating to the preparation and publication of a non-statutory spatial strategy requires the consent of all members of the Combined Authority appointed by the constituent councils, or their substitute members;
- Any decision which would require two thirds majority voting under the Constitution or the 2017 Order could not be taken by the Mayor using his general power of competence;
- Any decision taken by the Mayor using his general power of competence would be subject to funding being available; and
- General Administrative Law principles would apply to any exercise of the Mayor's General Power.

Section 1(5) of the Localism Act 2011 provides:

(5) The generality of the power conferred by subsection (1) ("the general power") is not limited by the existence of any other power of the authority which (to any extent) overlaps the general power.

This means that the Mayor's General Power of Competence is not limited by the existence of any other power of the Combined Authority which (to any extent) overlaps the general power.

Questions from the Overview and Scrutiny Committee

Item 1.1 Announcements, Apologies for Absence and Declarations of Interest

Question: Will the Mayor make a statement at this meeting on the Covid-19 pandemic and the Combined Authority, including

- The Combined Authority's own preparations for the pandemic
- Combined Authority support for any other agencies in the front line of the crisis
- Any updates on support being provided to business
- Transport plans to enable key workers to get to work and to childcare provision
- What plans the Combined Authority has to divert staff and resources away from the non-urgent and into present resilience?

Response:

Since the Overview and Scrutiny Committee submitted these questions officers had brought forward an urgent report setting out the Combined Authority's response to Covid-19 for consideration at the informal Combined Authority Board meeting on 25 March 2020. It is hoped that this will address those questions.

Item 2.2 [Treasury Management Strategies 2020-21](#)

Question: How will these treasury management strategies be reviewed in the light of the economic effects of Covid-19, given that the severe shocks to the economy might require more frequent and more in-depth review than previously envisaged?

Response:

The Board has delegated scrutiny of the Combined Authority's Treasury Management Strategy to the Audit and Governance Committee. The Committee receives a minimum of three treasury reports a year which includes performance updates against

prudential indicators which are set, taking advice from our external Treasury advisors, to protect the resources of the Combined Authority. The vast majority of the Combined Authority's cash balances are currently held with Local Authorities, which are considered to be low risk. The Finance team will continue to take advice from our advisors and monitor the current and future situation of the economy under the scrutiny of the Audit and Governance Committee and take appropriate action where necessary.

Item 3.1 [Market Towns Programme - Approval of Masterplans for Huntingdonshire](#)

Question: The Overview & Scrutiny Committee is still awaiting the information requested at its meeting on 27 January 2020 about how councillors and communities are engaged in these masterplan exercises. When will this be provided?

Response:

A written response will be provided by the end of this week.

Item 4.2 [St Neots River Great Ouse Northern Crossing Cycle Bridge](#)

Question: Which projects within the St Neots Masterplan would be eligible to benefit from this funding, and which particular ones does the Mayor have in mind?

Response:

The £3.1m of Gainshare funding, if approved by the Board, will be available to be allocated to any projects against priorities within the approved St Neots Market Town Masterplan. A call for proposals will be launched under the Market Towns Programmes to administer Combined Authority funding across all towns in delivery of each Masterplan. The application process will be open and transparent, and proposals will be independently appraised. It is up to St Neots to decide what projects its residents would want to benefit from the available funding and will be approved by the CA Board.

Item 5.1 [£100m Affordable Housing Programme \(Non-Grant\) - Cambridge City, Histon Road, Development Loan to Laragh Homes](#)

Question: What form of tenure will the affordable homes be, and to what accessibility standards will they be constructed?

Response:

The affordable housing was set to be 60% (affordable rent) 40% (shared/ownership) but Cross Keys have had an initial discussion with Cambridge City Council who are happy in principal for this to be 70% (affordable rent) and 30% (shared ownership). There are 10 affordable units.

They will be built to minimum space standards and include the provision of a lift to comply with life time homes policy, M4 part 2 of the building regulations regarding acceptable and adaptable dwellings.

Item 6.2 [Enterprise Zone Funding Utilisation](#)

Question: Which assumptions in this report are likely to be affected by Government financial announcements relating to Covid-19?

Response:

The Government support for business that relate to business rates are as follows:

- 1.Grants for retail, hospitality and leisure businesses consisting of a £25k grant for retail, hospitality and leisure businesses operating from smaller premises with a rateable value between £15 and £51k. This will be administered through Local Authorities.
- 2.Grants for small businesses that pay little or no business rates businesses consisting of a £10k for firms currently eligible for small business rate relief (SBRR) or rural rate relief, to help meet their ongoing business costs. This will be administered through Local Authorities.
- 3.Business Rate relief allowing for a 100% business rates discount for all retail, leisure and hospitality venues with no limit to Rateable Values. This will be administered through Local Authorities.

Whilst the third measure has the potential to impact business rate revenue receipts, there are relatively few tenants on the Enterprise Zones in these categories of business.

Item 6.3 [Advanced Materials and Manufacturing Sector Strategy](#)

Question: When and how will this strategy be reviewed in the light of the Covid-19 pandemic?

Response:

All Combined Authority business support strategies are currently being reviewed in the light of the Covid-19 pandemic. An economic survey will be carried out in the summer to measure the medium-term impacts of the pandemic. This will be used to inform a medium-term review.



**CAMBRIDGESHIRE
& PETERBOROUGH**
COMBINED AUTHORITY

JAMES PALMER
CAMBRIDGESHIRE &
PETERBOROUGH MAYOR

CAMBRIDGESHIRE & PETERBOROUGH COMBINED AUTHORITY'S FORWARD PLAN OF EXECUTIVE DECISIONS

PUBLISHED TUESDAY 14 APRIL 2020
UPDATED 21 APRIL 2020

FORWARD PLAN

PURPOSE

The Forward Plan sets out all of the key decisions which the Combined Authority Board and Executive Committees will be taking in the coming months. This makes sure that local residents and organisations know what key decisions are due to be taken and when.

The Forward Plan is a live document which is updated regularly and published on the [Combined Authority website](#) (click the Forward Plan' button to view). At least 28 clear days' notice will be given of any key decisions to be taken.

WHAT IS A KEY DECISION?

A key decision is one which, in the view of the Overview and Scrutiny Committee, is likely to:

- i. result in the Combined Authority spending or saving a significant amount, compared with the budget for the service or function the decision relates to (usually £500,000 or more); or
- ii. have a significant effect on communities living or working in an area made up of two or more wards or electoral divisions in the area.

NON-KEY DECISIONS

For transparency, the Forward Plan also includes all non-key decisions to be taken by the Combined Authority Board and Executive Committees.

ACCESS TO REPORTS

A report will be available to view online one week before a decision is taken. You are entitled to view any documents listed on the Forward Plan after publication, or obtain extracts from any documents listed, subject to any restrictions on disclosure. There is no charge for viewing the documents, although charges may be made for photocopying or postage. Documents listed on this notice can be requested from Robert Parkin, Chief Legal Officer and Monitoring Officer for the Combined Authority at Robert.Parkin@cambridgeshirepeterborough-ca.gov.uk.

The Forward Plan will state if any reports or appendices are likely to be exempt from publication or confidential and may be discussed in private. If you want to make representations that a decision which it is proposed will be taken in private should instead be taken in public please contact Robert Parkin, Chief Legal Officer and Monitoring Officer at Robert.Parkin@cambridgeshirepeterborough-ca.gov.uk at least five working days before the decision is due to be made. A definition of exempt and confidential information is set out at the end of this document.

NOTICE OF DECISIONS

Notice of the Combined Authority Board's decisions and Executive Committee decisions will be published online within three days of a public meeting taking place.

STANDARD ITEMS TO COMMITTEES

The following reports are standing items and will be considered by at each meeting of the relevant committee. The most recently published Forward Plan will also be included on the agenda for each Executive Committee meeting:

Housing and Communities Committee

1. £100m Affordable Housing Programme Update
2. £70m Cambridge City Council Affordable Housing Programme: Update
3. £100k Homes and Community Land Trusts Update

Skills Committee

1. Budget and Performance Report
2. Employment and Skills Board Update

Transport and Infrastructure Committee

1. Budget Monitor Update
2. Performance Report

DECISION REQUIRED		DECISION MAKER	DATE DECISION EXPECTED	KEY DECISION OR DECISION	PURPOSE OF REPORT	CONSULTATION	CONTACT DETAILS/ REPORT AUTHOR	LEAD MEMBER	DOCUMENTS RELEVANT TO THE DECISION SUBMITTED TO THE DECISION MAKER (INCLUDING EXEMPT APPENDICES)
Skills Committee									
1.	Careers Progression and Work Readiness (Hampton Academies Trust pilot) – Update Paper	Skills Committee	27 April 2020	Decision	To receive an update on the Careers Progression and Work Readiness (Hampton Academies Trust pilot)	Relevant internal and external stakeholders	John T Hill Director of Business and Skills	Councillor John Holdich Lead Member for Skills	It is not anticipated that there will be any documents other than the report and relevant appendices to be published.
2.	Adult Education Budget Top Slice Review [May contain exempt appendices]	Skills Committee	27 April 2020	Decision	To consider a review and recommendation for the future top slice required to implement the delivery of Adult Education Budget.	Relevant internal and external stakeholders	John T Hill Director of Business and Skills	Councillor John Holdich Lead Member for Skills	It is not anticipated that there will be any documents other than the report and relevant appendices to be published.
3.	Adult Education Budget Innovation Fund	Skills Committee	27 April 2020	Decision	To consider the creation of an Innovation Fund for the Adult Education Budget (AEB) and make recommendations to the Combined Authority Board.	Relevant internal and external stakeholders	John T Hill Director of Business and Skills	Councillor John Holdich Lead Member for Skills	It is not anticipated that there will be any documents other than the report and relevant appendices to be published.
Housing and Communities Committee									
4.	Communities remit of the Housing and Communities Committee	Housing and Communities Committee	27 April 2020	Decision	To brief the committee on its communities remit.	Relevant internal and external stakeholders	Roger Thompson, Director of Housing and Development	Councillor Chris Boden Lead Member for Housing	It is not anticipated that there will be any documents other than the report and relevant appendices to be published
5.	£100m Affordable Housing Programme Scheme Approvals – April 2020 i. Brampton Park, Brampton, Hunts ii. St Thomas Park, Ramsey, Hunts iii. Whittlesey Green, Whittlesey (Fenland District Council),	Housing and Communities Committee	27 April 2020	Key Decision 2020/004	To consider and approve allocations to new schemes within the £100m Affordable House Programme.	Relevant internal and external stakeholders	Roger Thompson, Director of Housing and Development	Councillor Chris Boden Lead Member for Housing	It is not anticipated that there will be any documents other than the report and relevant appendices to be published

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	<p>Sandpit Road, Thorney (Peterborough City Council), Harriers Rest, Wittering (Peterborough City Council), and Cromwell Fields, Bury (Huntingdonshire District Council)</p> <p>iv. Roman Fields, Paston, Manor Drive, Peterborough</p> <p>v. JMS (former John Mansfield school site). Damson Drive, Peterborough</p> <p>[May include exempt appendices]</p>								
6.	£100m Affordable Housing Programme: Approval of Revised Business Plan for Angle Developments (East) Ltd	Housing and Communities Committee	27 April 2020	Decision	To recommend consent be given to the adoption of the revised Business Plan for Angle Developments (East) Limited.	Relevant internal and external stakeholders	Nick Sweeney Development Manager	Councillor Chris Boden Lead Member for Housing	It is not anticipated that there will be any documents other than the report and relevant appendices to be published
Combined Authority Board Governance and Finance Items									
7.	Minutes of the Meeting on 29 January 2020	Cambridgeshire and Peterborough Combined Authority Board	29 April 2020	Decision	To agree the minutes of the Combined Authority Board meeting on 29 January 2020.	Relevant internal and external stakeholders	Richenda Greenhill, Democratic Services Officer	Mayor James Palmer	It is not anticipated that there will be any documents other than the report and relevant appendices.
8.	Minutes of the Mayoral decision-making meeting on 25 March 2020 (remote meeting)	Cambridgeshire and Peterborough Combined Authority Board	29 April 2020	Decision	To agree the minutes of the Mayoral decision-making meeting on 25 March 2020.	Relevant internal and external stakeholders	Richenda Greenhill, Democratic Services Officer	Mayor James Palmer	It is not anticipated that there will be any documents other than the report and relevant appendices.

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9.	Forward Plan	Cambridgeshire and Peterborough Combined Authority Board	29 April 2020	Decision	To approve the latest version of the forward plan.	Relevant internal and external stakeholders	Robert Parkin Chief Legal Officer and Monitoring Officer	Mayor James Palmer	It is not anticipated that there will be any documents other than the report and relevant appendices.
10.	Budget Monitor Update	Cambridgeshire and Peterborough Combined Authority Board	29 April 2020	Decision	To provide an update on the revenue and capital budgets for the year to date	Relevant internal and external stakeholders	Jon Alsop Section 73 Chief Finance Officer	Councillor Steve Count Lead Member for Investment and Finance	It is not anticipated that there will be any documents other than the report and relevant appendices to be published.
Combined Authority Decisions									
11.	Update on the Combined Authority's Response to Covid-19 and Funding Decisions	Cambridgeshire and Peterborough Combined Authority Board	29 April 2020	Key Decision 2020/037 [General Exception Arrangements]	To provide an update on work being undertaken by the Cambridgeshire and Peterborough Combined Authority in response to Covid-19.	Relevant internal and external stakeholders	Kim Sawyer Chief Executive	Mayor James Palmer	It is not anticipated that there will be any documents other than the report and relevant appendices.
12.	Sustainable Travel (Peterborough)	Cambridgeshire and Peterborough Combined Authority Board	29 April 2020	Decision	To approve the drawdown of funds for the 2020/21 financial year to enable continued support for the sustainable travel project within Peterborough.	Relevant internal and external stakeholders	Paul Raynes Director of Delivery and Strategy	Mayor James Palmer	It is not anticipated that there will be any documents other than the report and relevant appendices.
13.	Local Transport Plan – CAM Sub-Strategy	Cambridgeshire and Peterborough Combined Authority Board	29 April 2020	Decision	To consider a draft CAM Sub-Strategy for the Local Transport Plan and agree a consultation process.	Relevant internal and external stakeholders	Paul Raynes Director of Delivery and Strategy	Mayor James Palmer	It is not anticipated that there will be any documents other than the report and relevant appendices.
By recommendation to the Combined Authority									
Recommendations from the Transport and Infrastructure Committee: 6 March 2020									
14.	Lancaster Way A142/ A10 Roundabout Improvements	Cambridgeshire and Peterborough Combined Authority Board	29 April 2020	Key Decision 2020/028	To confirm funding to support the delivery of the A10/A142 BP roundabout and the Lancaster Way roundabout to support continued investment in	Relevant internal and external stakeholders	Paul Raynes Director of Delivery and Strategy	Mayor James Palmer	It is not anticipated that there will be any documents other than the report and relevant appendices.

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					the Lancaster Way Enterprise Zone.				
15.	St Neots River Great Ouse Northern Crossing Cycle Bridge	Cambridgeshire and Peterborough Combined Authority Board	29 April 2020	Key Decision 2020/032	To consider whether work on the St Neots Foot and Cycle Bridge should cease, the project be removed from the Combined Authority's Business Plan and the remaining project funding be re-allocated to projects within the St Neots Masterplan.	Relevant internal and external stakeholders	Paul Raynes Director of Delivery and Strategy	Mayor James Palmer	It is not anticipated that there will be any documents other than the report and relevant appendices.
Recommendations from the Housing and Communities Committee									
16.	£100m Affordable Housing Programme: Approval of Revised Business Plan for Angle Developments (East) Ltd	Cambridgeshire and Peterborough Combined Authority Board	29 April 2020	Decision	To approve the revised Business Plan for Angle Developments (East) Limited.	Relevant internal and external stakeholders	Nick Sweeney Development Manager	Councillor Chris Boden Lead Member for Housing	It is not anticipated that there will be any documents other than the report and relevant appendices to be published
Recommendations from the Skills Committee									
17.	Adult Education Budget Innovation Fund	Skills Committee	29 April 2020	Decision	To consider the creation of an Innovation Fund for the Adult Education Budget (AEB).	Relevant internal and external stakeholders	John T Hill Director of Business and Skills	Councillor John Holdich Lead Member for Skills	It is not anticipated that there will be any documents other than the report and relevant appendices to be published.
Transport and Infrastructure Committee									
18.	Coldhams Lane Roundabout	Transport and Infrastructure Committee	29 April 2020	Decision	To update Committee and to provide variations to the options presented in the January 2020 Committee following a value engineering exercise; and reflect this information in an updated programme for consultation and then to construction.	Relevant internal and external stakeholders	Paul Raynes Director of Delivery and Strategy	Mayor James Palmer	It is not anticipated that there will be any documents other than the report and relevant appendices.

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19.	Bus Reform Task Force: Outline Business Case stage approval	Transport and Infrastructure Committee	29 April 2020	Decision	To seek authority to move on to the creation of an Outline Business Case.	Relevant internal and external stakeholders	Paul Raynes Director of Delivery and Strategy	Mayor James Palmer	It is not anticipated that there will be any documents other than the report and relevant appendices.
20.	A10 Dualling and Junctions Strategic Outline Business Case	Transport and Infrastructure Committee	29 April 2020	Decision	To consider an update on progress on the A10 Dualling and Junctions Strategic Outline Business Case.	Relevant internal and external stakeholders	Paul Raynes Director of Delivery and Strategy	Mayor James Palmer	It is not anticipated that there will be any documents other than the report and relevant appendices.
Combined Authority Board – Annual Meeting Governance and Finance Items									
21.	Minutes of the meeting on 29 April 2020	Cambridgeshire and Peterborough Combined Authority Board	3 June 2020	Decision	To approve the minutes of the previous meeting.	Relevant internal and external stakeholders	Richenda Greenhill, Democratic Services Officer	Mayor James Palmer	It is not anticipated that there will be any documents other than the report and relevant appendices.
22.	Forward Plan	Cambridgeshire and Peterborough Combined Authority Board	3 June 2020	Decision	To approve the latest version of the forward plan.	Relevant internal and external stakeholders	Robert Parkin Chief Legal Officer and Monitoring Officer	Mayor James Palmer	It is not anticipated that there will be any documents other than the report and relevant appendices.
23.	Membership of the Combined Authority	Cambridgeshire and Peterborough Combined Authority	3 June 2020	Decision	To note the appointment of Members of Constituent Councils and appointments to the Business Board for 2020/21 (and their Substitute Members) and to appoint any Non-Constituent Members of Co-opted Members.	Relevant internal and external stakeholders	Robert Parkin Chief Legal Officer and Monitoring Officer	Mayor James Palmer	It is not anticipated that there will be any documents other than the report and relevant appendices.
24.	Appointments to Executive Committees, appointment of Committee Chairs and Lead Members	Cambridgeshire and Peterborough Combined Authority	3 June 2020	Decision	To approve Lead Member responsibilities and appoint such executive Committees as the Combined Authority considers appropriate, their membership and the Chair for 2020/21.	Relevant internal and external stakeholders	Robert Parkin Chief Legal Officer and Monitoring Officer	Mayor James Palmer	It is not anticipated that there will be any documents other than the report and relevant appendices.

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25.	Appointment of the Overview and Scrutiny Committee	Cambridgeshire and Peterborough Combined Authority	3 June 2020	Decision	To appoint the Overview and Scrutiny Committee, including its terms of reference, size and allocation of seats to political parties in accordance with political balance requirements, according to the nominations received from constituent councils.	Relevant internal and external stakeholders	Robert Parkin Chief Legal Officer and Monitoring Officer	Mayor James Palmer	It is not anticipated that there will be any documents other than the report and relevant appendices.
26.	Appointment of the Audit and Governance Committee	Cambridgeshire and Peterborough Combined Authority	3 June 2020	Decision	To appoint the Audit and Governance Committee, including its terms of reference, size and allocation of seats to political parties in accordance with political balance requirements, according to the nominations received from constituent councils.	Relevant internal and external stakeholders	Robert Parkin Chief Legal Officer and Monitoring Officer	Mayor James Palmer	It is not anticipated that there will be any documents other than the report and relevant appendices.
27.	Calendar of meetings 2020/21	Cambridgeshire and Peterborough Combined Authority	3 June 2020	Decision	To agree the calendar of meetings for 2020/21.	Relevant internal and external stakeholders	Robert Parkin Chief Legal Officer and Monitoring Officer	Mayor James Palmer	It is not anticipated that there will be any documents other than the report and relevant appendices.
28.	Review of the new governance arrangements	Cambridgeshire and Peterborough Combined Authority	3 June 2020	Decision	To review the Constitution and the new governance arrangements introduced with effect from 1 November 2019 and agree any proposed changes to the Constitution.	Relevant internal and external stakeholders, including the Audit and Governance Committee	Robert Parkin Chief Legal Officer and Monitoring Officer	Mayor James Palmer	It is not anticipated that there will be any documents other than the report and relevant appendices.
29.	Overview and Scrutiny Committee Annual Report 2019/20	Cambridgeshire and Peterborough Combined Authority	3 June 2020	Decision	To receive the Overview and Scrutiny Committee's annual report 2019/20.	Relevant internal and external stakeholders	Robert Parkin Chief Legal Officer and Monitoring Officer	Mayor James Palmer	It is not anticipated that there will be any documents other than the report and relevant appendices.
30.	Complaints Policy	Cambridgeshire and Peterborough	3 June 2020	Decision	To consider the adoption of a revised complaints policy.	Relevant internal and external stakeholders,	Robert Parkin Chief Legal Officer and	Mayor James Palmer	It is not anticipated that there will be any documents other than the

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		Combined Authority				including the Audit and Governance Committee	Monitoring Officer		report and relevant appendices.
31.	Code of Corporate Governance	Cambridgeshire and Peterborough Combined Authority	3 June 2020	Decision	To consider the adoption of a revised Code of Corporate Governance.	Relevant internal and external stakeholders, including the Audit and Governance Committee	Robert Parkin Chief Legal Officer and Monitoring Officer	Mayor James Palmer	It is not anticipated that there will be any documents other than the report and relevant appendices.
32.	Performance Monitoring Report: June 2020	Cambridgeshire and Peterborough Combined Authority Board	3 June 2020	Decision	To note performance reporting updates.	Relevant internal and external stakeholders	Paul Raynes Director of Delivery and Strategy	Mayor James Palmer	It is not anticipated that there will be any documents other than the report and relevant appendices.
33.	Budget Monitor Report	Cambridgeshire and Peterborough Combined Authority Board	3 June 2020	Key Decision 2020/030	To provide an update on the revenue and capital budgets for the year to date	Relevant internal and external stakeholders	Jon Alsop Section 73 Chief Finance Officer	Councillor Steve Count Lead Member for Investment and Finance	It is not anticipated that there will be any documents other than the report and relevant appendices to be published.
Combined Authority Decisions									
34.	Market Towns Programme – Approval of Masterplans for East Cambridgeshire	Cambridgeshire and Peterborough Combined Authority Board	3 June 2020	Key Decision 2020/018	To approve Market Town Masterplans for East Cambridgeshire (Littleport, Ely and Soham)	Relevant internal and external stakeholders	John T Hill Director of Business and Skills	Mayor James Palmer	It is not anticipated that there will be any documents other than the report and relevant appendices.
35.	Innovation Body Outline Business Case	Cambridgeshire and Peterborough Combined Authority Board	3 June 2020	Key Decision 2020/022	To approve the Innovation Body outline business case.	Relevant internal and external stakeholders	Kim Sawyer Chief Executive	Mayor James Palmer	It is not anticipated that there will be any documents other than the report and relevant appendices.

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Mayoral Decision									
36.	Local Highways Maintenance Capital Grant Allocation 2020/21	Mayor	3 June 2020	Key Decision 2020/031	To consult the Combined Authority Board on the allocation of the 2020/21 Highways Maintenance Capital grants and recommend to the Mayor the allocation in line with the shares set out by the Department for Transport.	Relevant internal and external stakeholders	Jon Alsop Section 73 Chief Finance Officer	Mayor James Palmer	It is not anticipated that there will be any documents other than the report and relevant appendices to be published.
BY RECOMMENDATION TO THE COMBINED AUTHORITY BOARD									
Recommendations from the Housing and Communities Committee									
37.	Cambridge City Council £70m Affordable Housing Programme Forecast 2020/21	Cambridgeshire and Peterborough Combined Authority Board	3 June 2020	Key Decision 2020/035	To consider and agree the Cambridge City Council £70m Affordable Housing Programme Forecast 2020/21	Relevant internal and external stakeholders	Roger Thompson Director of Housing and Development	Councillor Chris Boden Lead Member for Housing	It is not anticipated that there will be any documents other than the report and relevant appendices to be published.
Recommendations from the Business Board									
38.	Local Growth Fund Programme Management: June 2020	Cambridgeshire and Peterborough Combined Authority Board	3 June 2020	Key Decision 2020/027	To review the Local Growth Fund Budget and amend as required.	Relevant internal and external stakeholders	John T Hill, Director of Business & Skills	Austen Adams, Chair of the Business Board Councillor John Holdich Lead Member for Economic Growth	It is not anticipated that there will be any documents other than the report and relevant appendices to be published
39.	Growth Service - Full Business Case [May include exempt appendices]	Cambridgeshire and Peterborough Combined Authority Board	3 June 2020	Key Decision 2020/029	To approve the Full Business Case for mobilisation of the Growth Service.	Relevant internal and external stakeholders	John T Hill, Director of Business & Skills	Austen Adams, Chair of the Business Board Councillor John Holdich Lead Member for Economic Growth	It is not anticipated that there will be any documents other than the report and relevant appendices to be published

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40.	Advanced Materials and Manufacturing Sector Strategy	Cambridgeshire and Peterborough Combined Authority Board	3 June 2020	Decision	To approve the adoption of the Advanced Materials and Manufacturing Sector Strategy.	Relevant internal and external stakeholders	John T Hill Director of Business and Skills	Austen Adams Chair of the Business Board Councillor John Holdich Lead Member for Economic Growth	It is not anticipated that there will be any documents other than the report and relevant appendices to be published.

**SUBMIT YOUR COMMENTS OR QUERIES TO
CAMBRIDGESHIRE AND PETERBOROUGH COMBINED
AUTHORITY**

Please send your comments or queries to Robert Parkin, Chief Legal Officer and Monitoring Officer, at Robert.Parkin@cambridgeshirepeterborough-ca.gov.uk

Your comment or query:

How can we contact you with a response?
(please include a telephone number, postal and/or e-mail address)

Name

Address

.....

Tel:

Email:

Who would you like to respond?



CAMBRIDGESHIRE AND PETERBOROUGH COMBINED AUTHORITY BOARD	AGENDA ITEM No: 2.1
29 APRIL 2020	PUBLIC REPORT

BUDGET MONITOR UPDATE

1.0 PURPOSE

- 1.1 This report provides an update of the 2019/20 financial position as at 29th February 2020 and keeps the Board informed of developments affecting the external audit of the 2019-20 accounts.
- 1.2 The report prepared for the March Cambridgeshire and Peterborough Combined Authority (CPCA) Board was not formally considered due to deferral in order to focus on the CPCA's urgent response to COVID-19. As such, this report has been written to highlight changes since the Board last received a budget update at its meeting on 29 January 2020.

<u>DECISION REQUIRED</u>	
Lead Member:	Councillor Steve Count, Lead Member for Investment and Finance
Lead Officer:	Jon Alsop, Chief Finance Officer (Section 73 Officer)
Forward Plan Ref: n/a	Key Decision: No
The Combined Authority Board is recommended to: a) note the updated financial position of the Combined Authority for the year.	Voting arrangements A simple majority of members

2.0 BACKGROUND

- 2.1. At its September 2019 meeting, the Board approved a refreshed Medium-Term Financial Plan (MTFP), including balanced revenue and capital budgets for 2019/20. This report presents the progress made against these budgets along with any changes in line with subsequent Executive Committee and Board decisions.
- 2.2. Over the last quarter there has been substantial work undertaken to improve budget and expenditure monitoring within the Combined Authority. This has resulted in the formalisation of a monthly reporting cycle, improved internal financial reports, and regular meetings between project managers and Directors at which directorate finance leads provide support and challenge.
- 2.3. This process has resulted in more robust forecasting for the 2019-20 financial year, as well as enabling more effective contract and supplier management within the delivery Directorates.
- 2.4. Between March and June 2020 a detailed analysis of underspends will take place across the Combined Authority to establish where underspends represent an actual saving against expected costs, and therefore releases funding to be reallocated based on the Combined Authority's priorities, and where it represents slippage of project budgets, which do not change overall project budgets but instead represent a re-profiling of expenditure.
- 2.5. The Combined Authority Board reserves the power to authorise carry forward of budgets between financial years, therefore underspends will (where relevant) be presented to April Committees for comment on underspends which will then be recommended to the Combined Authority Board in June 2020. The Board will then decide on which budgets to allow carry forward into 2020-21 and which should be recovered corporately for reallocation.

3.0 CHANGES TO REPORTING ARRANGEMENTS

- 3.1. As the Executive Committees have embraced their role in monitoring projects and programmes at the operational level, the Combined Authority Board can place assurance on this and need only consider variances where they are material at a corporate level.
- 3.2. Excluding the Transport Levy expenditure, as the responsibility for delivering these services is currently passported to the Local Highways Authorities, the gross revenue budget for the Combined Authority for 2019-20 is £24.2m. A materiality limit of approximately 1% results in a threshold of £250k, thus variances below this level will not be reported in detail to the Combined Authority Board. As operational budgets are not reported to an Executive Committee a lower threshold of £100k is used to ensure a more operational level of oversight is maintained.
- 3.3. The capital programme for the 2019-20 financial year is £121.9m. Applying a similar materiality limit results in a threshold of £1.2m, however the vast majority of our capital projects have annual budgets significantly below this

level. As such an alternative level of £500K has been taken to ensure reporting to the Board is meaningful.

4.0 REVENUE BUDGET

- 4.1. A summary of the financial position of the Authority, showing 'Revenue' income and expenditure for the eleven-month period to 29th February 2020, is set out in the table below. A more detailed breakdown of income and expenditure for the year to date is shown at **Appendix 1**.

2019/20 Revenue	19-20 Budget (Nov) £'000	Budget Adjustments £'000	19-20 Budget (Feb) £'000	Actuals to 29th February 2020 £000	Forecast Outturn (Nov) £'000	Forecast Outturn (Feb) £'000	Change in Forecast Outturn £'000	Appendix 3 ref.
Income								
Grant Income	(30,213.0)	0.0	(30,213.0)	(28,061.5)	(30,303.9)	(30,303.9)	-	
Total Income	(30,213.0)	0.0	(30,213.0)	(28,061.5)	(30,303.9)	(30,303.9)	-	
Expenditure								
Mayor's Office	379.9	0.0	379.9	336.6	368.0	364.4	(3.6)	
Operational Budget:								
Combined Authority Staffing	5,122.1	0.0	5,122.1	4,855.6	5,081.8	5,360.4	278.6	1
External Support Services	505.0	0.0	505.0	211.9	363.7	337.2	(26.5)	
Corporate Overheads	748.7	0.0	748.7	728.4	803.7	779.2	(24.5)	
Governance	205.0	0.0	205.0	98.0	143.3	143.3	-	
Election Provision	260.0	0.0	260.0	0.0	260.0	260.0	-	
Capacity Funding	125.0	-	125.0	101.6	125.0	125.0	-	
Financing Costs/(Income)	(1,480.0)	0.0	(1,480.0)	(1,483.7)	(1,600.9)	(1,595.1)	5.8	
Workstream/Programme Budget:								
Transport	16,252.7	250.0	16,502.7	13,228.7	15,853.0	15,020.4	(832.6)	2-4
Business and Skills	9,669.0	0.0	9,669.0	6,869.8	9,324.6	7,786.6	(1,538.0)	5-6
Economic Strategy	2,907.0	-80.0	2,827.0	461.5	2,319.1	1,623.2	(695.9)	7
Strategy and Performance	498.0	0.0	498.0	277.4	405.9	347.1	(58.8)	
Housing	957.5	0.0	957.5	150.5	457.5	261.3	(196.2)	
Total Expenditure	36,149.9	170.0	36,319.9	25,836.3	33,904.8	30,813.2	(3,091.6)	
Total (Income) less Total Expenditure	5,936.9	170.0	6,106.9	(2,225.2)	3,600.8	509.2		

- 4.2. The Forecast Outturn as set out in the table above shows a 'favourable' variance of forecast expenditure against budget of £5.5m (£36.3m-£30.8m).
- 4.3. There have been three changes to the budget since the position reported to the January Board: A decrease of £80k within Economic Strategy, and movement of £100k from the Cambridgeshire Autonomous Metro Outline Business Case (CAM OBC) to fund the Strategic Outline Business Case (SOBC) of the CAM arms, both reflecting the decisions of the Combined Authority Board on 29 January 2020. The updated budget also reflects a £250k virement from the capital programme to the revenue Transport budget reflecting the A10 feasibility study being brought in house and thus not being eligible for capitalisation.
- 4.4. 'Actual' figures for the period to 29 February 2020 are based on payments made and accrued expenditure where known. Actual expenditure has accelerated as the year has progressed, having increased by £7.793m from November 2019 to February 2020 – this behaviour is expected to continue, which is reflected in the £5.0m of expenditure forecast in March (£30.8m-£25.8m).
- 4.5. The current approved budget shows total revenue expenditure for the year of £36.3m against grant income receivable in year of £30.2m. The difference of £6.1m was to be funded from revenue reserves. The favourable £5m forecast outturn variance means that the draw on reserves will be reduced this year; however, any of these underspends which reflect a re-phasing of expenditure

could result in a correspondingly higher than anticipated draw on reserves in 2020-21.

- 4.6. The majority of revenue grant income has been received 'in advance'. These funds have been apportioned to show the amount relevant to the eleven-month period to 29th February 2020. Funding for the devolved Adult Education Budget (AEB) has been received but it is only applied to the academic year from September 2019 to March 2020 as this was the first year this funding was devolved.
- 4.7. The forecast underspend for the year has increased by £3.1m since the report seen at the November Combined Authority Board: the material variances since the last report are summarised below, full details of these variances, including relevant mitigations and responses, are included in Appendix 3.
- Combined Authority staffing: As a result of the recent staff restructuring exercise, which reduced forecast staffing costs by £800k over two years, an additional payment to the pension fund to cover potential future pension liabilities has been provided for. (+£184k),
 - CAM Core OBC and Arms SOBC: there has been a delay in some additional work being undertaken by the consultants which will not be completed by the end of March. (-£377k)
 - A revised profile of expenditure on the Bus Review Implementation (-£650k),
 - The A10 SOBC project being brought in house (+£250k),
 - Provision of Adult Education courses by procured providers lagging behind the expected profile (-£550k)
 - Reprofiling of the Health and Care Sector Work Academy (-£1,000k)
 - The Rural Communities Energy Hub Fund has awarded its first funding agreement to a project, however this award was made months later than planned due to delays with the governance structure being signed off by the Energy Hub Board. (-£400k)

5.0 CAPITAL BUDGET

- 5.1. The year to date 'Capital' position of the Combined Authority (as at 29th February) is shown at **Appendix 2**.
- 5.2. As with revenue budgets, reflecting the role of the Executive Committees, a corporate materiality limit has been established and only variances of £500k or more will be detailed in these reports going forward.
- 5.3. The forecast underspend for the year to March 2020 has increased by £12.7m since the report seen at the November Combined Authority Board: the material variances since the last report are summarised below. Full details of these variances, including relevant mitigations and responses, are included in **Appendix 3**.

- University of Peterborough Business Case is forecasting an underspend due to delays at the beginning of the financial year pushing costs back to 2020-21. (-£1,220k)
- The Wisbech Garden Town business case development has been put on hold pending further work on the A47 dualling. (-£1,700k)
- Digital Connectivity Infrastructure is forecasting a reduction in spend across the remaining project lifetime due to changes in funding from Central Government and advances in technology changing the scope of the project (-£500k)
- Market Town Pump Priming expenditure is not forecast this year as the majority of the masterplans were only completed in the current quarter. (-£500k)
- Cambridge City Housing Programme is running behind profile however the delivery partner is confident that this will not result in an underspend across the total programme lifetime. (-£1,710k)
- The Affordable Housing Programme has revised back its expenditure profile due to a number of drawdowns scheduled for Q4 2019-20 being delayed into 2020-21. Whilst the total value of approved schemes within the £40m revolving fund is over £40m, the peak drawdown according to cashflows provided by borrowers was forecast as £35m. However, this is likely to be affected by COVID's impact on the construction industry and the effects of this will be reported to Housing Committee and Combined Authority Board once they are understood (-£2,780k).
- A47 Junction 18 Improvements is back on track to spend to profile after anticipated delays have been avoided. (£850k)
- A605 Stanground East was forecasting a saving due to an alternative delivery option, unfortunately this option has proved too complex and thus the project has reverted to its original plan. (£550k)
- The Agri-Tech Programme has revised down its forecast spend in line with the January Combined Authority Board decision to reduce its total funding. (-£1,300k)
- Project Living Cell's initial loan drawdown is now anticipated in Q1 2020-21 due to a delay in contract award.

6.0 2019-20 EXTERNAL AUDIT

- 6.1. In response to the pressures on Local Authorities due to the COVID-19 crisis, the Chartered Institute of Public Finance and Accountancy, the Ministry for Homes, Communities and Local Government and HM Treasury considered changes to the timing, and content of the statutory accounts, and their audit, for Local Government bodies.
- 6.2. The conclusion of this review was that there will be no change to the content of the accounts Local Authorities have to publish for the 2019-20 financial year; however, the deadlines for the publication of draft, and audited accounts have been extended to 31st August and 30th November respectively to allow authorities who need it time to focus on COVID crisis response and complete

their accounts when the worst of the crisis response has been managed.

- 6.3. These dates are the latest possible point by which the draft and final accounts should be published, however our external auditor's (EY) have indicated that they have the ability to continue to deliver to the timetable which was originally proposed, and was due to be presented to the Audit and Governance Committee in March. The proposed audit timetable is as follows

18th May – External audit fieldwork commences.

26th May – CPCA Audit and Governance Committee – review of accounts

31st May – Draft Accounts published on the Combined Authority's website.

12th June – External audit fieldwork completes

Late September/October – Audit opinion provided

- 6.4. Given the Combined Authority's role is of a strategic nature, and will be called upon to lead the local economic recovery once the immediate crisis has passed, our intention is to keep as close as possible to this original timeframe so that the Authority can maximise it's focus on the recovery effort once lockdown procedures begin to relax and the economy re-ignites.
- 6.5. EY have established a phased approach to the Local Authority audits in the Cambridgeshire and Peterborough area which will result in all authorities' fieldwork being completed between 12th June and the 16th October 2020.
- 6.6. While the Combined Authority has been put into the earliest possible audit phase (18th May to the 12th June), and thus will have its audit fieldwork completed early in the summer, EY have indicated that they will not be providing any audit opinions until late September or October 2020 in order to be fair to authorities in later phases.

7.0 FINANCIAL IMPLICATIONS

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

8.0 LEGAL IMPLICATIONS

- 8.1. The Combined Authority is required to prepare a balanced budget in accordance with statutory requirements.
- 8.2. The Audit and Accounts Regulations 2015 require the Combined Authority to publish its statement of accounts for 2019/20 by 31 July 2020. As set out above in section 6 of this report, the current situation in the external audit sector and with the Combined Authority's external auditors means that this deadline will not be met. In these circumstances the Combined Authority will be required publish as soon as reasonably practicable on or after 31 July 2020 a notice stating that it has not been able to publish the statement of accounts and its reasons for this.

9.0 Significant Implications

9.1. There are no other significant implications.

- **APPENDICES**

Appendix 1 - Detailed breakdown of the revenue position for the period to 29th February 2020

Appendix 2 – Capital position for the period to 29th February 2020

Appendix 3 – Detailed explanations of material variances

<u>Source Documents</u>	<u>Location</u>
Combined Authority Board reports 27 November 2019	https://cambridgeshirepeterboroughcagov.cmis.uk.com/Meetings/tabid/70/ctl/ViewMeetingPublic/mid/397/Meeting/849/Committee/63/Default.aspx
Combined Authority Board report 29 January 2020	https://cambridgeshirepeterboroughcagov.cmis.uk.com/Meetings/tabid/70/ctl/ViewMeetingPublic/mid/397/Meeting/851/Committee/63/Default.aspx



Appendix 1: CPCA Revenue 2019/20

	19-20 Budget (Nov)	Budget Adjustments	19-20 Budget (Feb)	Actuals to 29th February 2020	Forecast Outturn (Nov)	Forecast Outturn (Feb)	Change in Forecast Outturn	Forecast Outturn Variance
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Income								
Gain Share Revenue	(8,000.0)		(8,000.0)	(7,333.3)	(8,000.0)	(8,000.0)	-	-
Mayoral Capacity Building Fund	(1,000.0)		(1,000.0)	(916.7)	(1,000.0)	(1,000.0)	-	-
Transport Levy (Passported to PCC and CCC)	(12,369.0)		(12,369.0)	(11,338.3)	(12,369.0)	(12,369.0)	-	-
Enterprise Zone Receipts	(138.0)		(138.0)	(126.5)	(138.0)	(138.0)	-	-
Growth Hub - BEIS	(246.0)		(246.0)	-	(246.0)	(246.0)	-	-
LEP Core Funding from BEIS	(500.0)		(500.0)	(458.3)	(500.0)	(500.0)	-	-
EZ contribution to LEP activity	(250.0)		(250.0)	(229.2)	(250.0)	(250.0)	-	-
CPCA LIS Implementation (LEP Capacity Funding)	(200.0)		(200.0)	(183.3)	(200.0)	(200.0)	-	-
AEB implementation Grant	(40.6)		(40.6)	(40.6)	(40.6)	(40.6)	-	-
AEB Devolved Funding	(7,253.5)		(7,253.5)	(7,253.5)	(7,253.5)	(7,253.5)	-	-
EU Exit Funding	(90.9)		(90.9)	(181.8)	(181.8)	(181.8)	-	(90.9)
Careers and Enterprise Company (CEC) Funding	(125.0)		(125.0)	-	(125.0)	(125.0)	-	-
Total Income	(30,213.0)	0.0	(30,213.0)	(28,061.5)	(30,303.9)	(30,303.9)	0.0	(90.9)
Expenditure								
Mayor's Office								
Mayor's Allowance	85.0		85.0	80.5	85.0	85.0	-	-
Mayor's Office Expenses	25.0		25.0	33.9	25.0	25.0	-	-
Mayor's Office Accommodation	52.4		52.4	37.0	52.4	52.4	-	-
Mayor's Office Staff	217.5		217.5	185.2	205.6	202.0	(3.6)	(15.5)
Total Mayoral Costs	379.9	0.0	379.9	336.6	368.0	364.4	(3.6)	(15.5)
Combined Authority Staffing Costs								
Salaries								
Chief Executive	269.0		269.0	273.1	272.1	272.1	-	3.1
Business and Skills	1,655.2		1,655.2	1,478.6	1,615.2	1,617.9	2.7	(37.3)
Delivery and Strategy	1,217.6		1,217.6	1,071.7	1,153.0	1,178.6	25.6	(39.0)
Housing	362.0		362.0	358.9	315.9	392.2	76.3	30.2
Corporate Services	1,408.3		1,408.3	1,548.3	1,515.6	1,515.6	-	107.3
Travel	100.0		100.0	72.3	100.0	100.0	-	-
Restructure Costs	-		-	-	-	184.0	184.0	184.0
Apprenticeship Levy	10.0		10.0	-	10.0	-	(10.0)	(10.0)
Training, Conferences & Seminars	100.0		100.0	52.8	100.0	100.0	-	-
Total Combined Authority Staffing Costs	5,122.1	0.0	5,122.1	4,855.6	5,081.8	5,360.4	278.6	238.3

	19-20 Budget (Nov)	Budget Adjustments	19-20 Budget (Feb)	0 Actuals to 29th February 2020	Forecast Outturn (Nov)	Forecast Outturn (Feb)	Change in Forecast Outturn	Forecast Outturn Variance
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<u>Externally Commissioned Support Services</u>								
External Legal Counsel	200.0		200.0	45.7	60.0	60.0	-	(140.0)
Finance Service	90.0		90.0	68.6	90.0	90.0	-	-
Democratic Services	90.0		90.0	93.1	90.0	91.5	1.5	1.5
Payroll	10.0		10.0	2.6	8.0	3.0	(5.0)	(7.0)
HR	25.0		25.0	1.2	25.0	2.0	(23.0)	(23.0)
Procurement	25.0		25.0	(46.4)	25.0	25.0	-	-
Finance System	15.0		15.0	15.7	15.7	15.7	-	0.7
ICT external support	50.0		50.0	31.5	50.0	50.0	-	-
Total Externally Commissioned Support Services	505.0	0.0	505.0	211.9	363.7	337.2	(26.5)	(167.8)
<u>Corporate Overheads</u>								
Accommodation Costs	339.2		339.2	368.9	339.2	339.2	-	-
Software Licences, Mobile Phones cost etc.	20.0		20.0	19.1	20.0	20.0	-	-
Communications	50.0		50.0	45.0	50.0	50.0	-	-
Website Development	29.5		29.5	-	29.5	-	(29.5)	(29.5)
Recruitment Costs	160.0		160.0	164.0	185.0	185.0	-	25.0
Insurance	30.0		30.0	29.5	30.0	30.0	-	-
Audit Costs	85.0		85.0	36.5	85.0	85.0	-	-
Office running costs	25.0		25.0	27.2	25.0	30.0	5.0	5.0
Corporate Subscriptions	10.0		10.0	38.1	40.0	40.0	-	30.0
Total Corporate Overheads	748.7	0.0	748.7	728.4	803.7	779.2	-24.5	30.5
<u>Governance Costs</u>								
Committee/Business Board Allowances	185.0		185.0	98.0	123.3	123.3	-	(61.7)
Meeting Costs	-		-	-	-	-	-	-
Governance Projects	20.0		20.0	-	20.0	20.0	-	-
Total Governance Costs	205.0	0.0	205.0	98.0	143.3	143.3	0.0	(61.7)
<u>Election Costs</u>								
Election costs	260.0		260.0	-	260.0	260.0	-	-
Total Election Costs	260.0	0.0	260.0	0.0	260.0	260.0	0.0	0.0
<u>Capacity Funding</u>								
Capacity Funding	125.0		125.0	101.6	125.0	125.0	-	-
Total Capacity Funding	125.0	-	125.0	101.6	125.0	125.0	0.0	0.0
<u>Financing Costs</u>								
Interest Receivable on Investments	(1,480.0)		(1,480.0)	(1,483.7)	(1,600.9)	(1,595.1)	5.8	(115.1)
Total Financing Costs	(1,480.0)	0.0	(1,480.0)	(1,483.7)	(1,600.9)	(1,595.1)	5.8	(115.1)
Total Operational Expenditure	5,485.8	-	5,485.8	4,511.8	5,176.6	5,410.1	233.4	(75.7)

	<u>19-20 Budget (Nov)</u>	<u>Budget Adjustments</u>	<u>19-20 Budget (Feb)</u>	<u>Actuals to 29th February 2020</u>	<u>Forecast Outturn (Nov)</u>	<u>Forecast Outturn (Feb)</u>	<u>Change in Forecast Outturn</u>	<u>Forecast Outturn Variance</u>
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<u>Workstream Revenue Budgets</u>								
<u>Transport</u>								
CAM OBC	1,907.0	(100.0)	1,807.0	1,109.1	1,907.0	1,530.0	(377.0)	(277.0)
CAM arms SOBC	-	100.0	100.0	-	-	-	-	(100.0)
A10 SOBC	-	250.0	250.0	115.7	-	250.0	250.0	-
A14 Revenue Feasibility	150.0		150.0	-	-	-	-	(150.0)
Huntingdon 3rd River Crossing	300.0		300.0	19.4	50.0	19.4	(30.6)	(280.6)
Bus Review Implementation	800.0		800.0	27.5	800.0	150.0	(650.0)	(650.0)
Cambridge South - Interim Concept	100.0		100.0	96.5	100.0	97.0	(3.0)	(3.0)
Transport Levy PCC	3,631.0		3,631.0	3,328.4	3,631.0	3,631.0	-	-
Transport Levy CCC	8,738.0		8,738.0	8,009.8	8,738.0	8,738.0	-	-
Local Transport Plan	376.7		376.7	353.2	377.0	355.0	(22.0)	(21.7)
Sustainable Travel	150.0		150.0	110.6	150.0	150.0	-	-
Schemes, Studies and Monitoring	100.0		100.0	58.5	100.0	100.0	-	-
Total Transport	16,253	250	16,503	13,229	15,853	15,020	(832.6)	(1,482.3)
<u>Business and Skills</u>								
Work Readiness Programme (Hamptons)	110.0		110.0	109.7	83.2	109.6	26.4	(0.4)
Skills Brokerage	344.2		344.2	166.1	344.2	306.0	(38.2)	(38.2)
University of Peterborough Taught Degree Awarding Powers	201.9		201.9	182.9	190.0	190.8	0.8	(11.1)
University of Peterborough	235.0		235.0	290.1	235.0	265.0	30.0	30.0
Skills Strategy Programme Delivery	150.0		150.0	148.0	150.0	148.0	(2.0)	(2.0)
AEB Devolution programme - Grant	5,576.3		5,576.3	5,118.9	5,576.3	5,576.3	-	-
AEB Devolution programme - ITP	1,282.3		1,282.3	379.6	1,000.0	450.0	(550.0)	(832.3)
AEB Programme Costs	115.4		115.4	111.0	100.0	87.0	(13.0)	(28.4)
Health and Care Sector Work Academy	1,500.0		1,500.0	267.1	1,500.0	500.0	(1,000.0)	(1,000.0)
EU Exit Funding	90.9		90.9	63.9	90.9	90.9	-	-
Growth Company Development	63.0		63.0	32.6	55.0	63.0	8.0	-
Total Business and Skills	9,669.0	0.0	9,669.0	6,869.8	9,324.6	7,786.6	(1,538.0)	(1,882.4)
<u>Economic Strategy</u>								
Growth Hub	92.2		92.2	50.1	92.2	92.2	-	-
Market Town Strategy Implementation	200.0		200.0	75.5	150.0	75.0	(75.0)	(125.0)
Energy Hub	615.4		615.4	14.5	500.0	420.0	(80.0)	(195.4)
Rural Communities Energy Fund	1,052.5		1,052.5	-	800.0	400.0	(400.0)	(652.5)
St Neots Masterplan Revenue	171.9		171.9	45.6	171.9	150.0	(21.9)	(21.9)
Trade and Investment Programme	100.0		100.0	50.0	80.0	77.0	(3.0)	(23.0)
CPCA LIS Implementation	200.0		200.0	167.2	150.0	189.0	39.0	(11.0)
LEP Capacity Funding	400.0	(80.0)	320.0	43.4	300.0	145.0	(155.0)	(175.0)
Skills Advisory Panel (SAP)	75.0		75.0	15.2	75.0	75.0	-	-
Total Economic Strategy	2,907.0	-80.0	2,827.0	461.5	2,319.1	1,623.2	(695.9)	(1,203.8)

	<u>19-20 Budget (Nov)</u>	<u>Budget Adjustments</u>	<u>19-20 Budget (Feb)</u>	<u>Actuals to 29th February 2020</u>	<u>Forecast Outturn (Nov)</u>	<u>Forecast Outturn (Feb)</u>	<u>Change in Forecast Outturn</u>	<u>Forecast Outturn Variance</u>
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Strategy, Planning and Performance								
Monitoring and Evaluation Framework	163.0		163.0	104.1	163.0	163.0	-	-
Public Service Reform	100.0		100.0	89.3	100.0	100.0	-	-
Non-Statutory Spatial Framework (Phase 2)	130.0		130.0	54.1	112.9	54.1	(58.8)	(75.9)
Cambridgeshire and Peterborough Land Commission	105.0		105.0	30.0	30.0	30.0	-	(75.0)
Total Strategy and Performance	498.0	0.0	498.0	277.4	405.9	347.1	(58.8)	(150.9)
Housing								
War Veterans Homelessness Support Grant	90.9		90.9	90.9	90.9	90.9	-	-
CLT / £100k Housing	166.6		166.6	55.8	166.6	166.6	-	-
Garden Villages	700.0		700.0	3.8	200.0	3.8	(196.2)	(696.2)
Total Housing	957.5	0.0	957.5	150.5	457.5	261.3	(196.2)	(696.2)
Total Workstream expenditure	30,284.2	170.0	30,454.2	20,987.9	28,360.1	25,038.7	(3,321.5)	1,924.1
Total Revenue Expenditure	36,149.9	170.0	36,319.9	25,836.3	33,904.8	30,813.2	(3,091.6)	(5,506.8)

Appendix 2: CPCA Capital Programme - 2019/20

Capital	19-20 Budget (Jan)	Budget Adjustments	19-20 Budget (Feb)	Actuals to 29 Feb 2020	Forecast Outturn (Nov)	Forecast Outturn (Feb)	Change in Forecast Outturn	Forecast Outturn Variance
	£m	£m	£m	£m	£m	£m	£m	£m
Kings Dyke CPCA Contribution	2.50		2.50	-	0.46	-	(0.46)	(2.50)
Cambridge South Station	0.75		0.75	0.18	0.75	0.36	(0.39)	(0.39)
A10 SOBC Capital	0.25	(0.25)	-	-	0.15	-	(0.15)	-
Peterborough University - Business case	1.52		1.52	0.23	1.52	0.30	(1.22)	(1.22)
Soham Station	0.95		0.95	0.19	0.95	0.95	-	-
St Neots River Crossing Cycle Bridge	0.60		0.60	-	0.45	-	(0.45)	(0.60)
St Neots Masterplan Capital	0.33		0.33	0.12	0.33	0.33	-	-
Wisbech Garden Town	1.75		1.75	0.05	1.75	0.05	(1.70)	(1.70)
Wisbech Rail	1.48		1.48	0.95	1.48	1.17	(0.31)	(0.31)
Wisbech Access Strategy	0.30		0.30	0.00	0.30	-	(0.30)	(0.30)
Digital Connectivity Infrastructure	0.84		0.84	0.29	0.84	0.34	(0.51)	(0.51)
A47 Dualling	0.41		0.41	0.14	0.41	0.17	(0.24)	(0.24)
Total Committed Direct Control Expenditure	11.67	(0.25)	11.42	2.14	9.38	3.66	(5.71)	(7.76)
Costed but not Committed								
Ely Rail Capacity next stage	1.00		1.00	-	-	-	-	(1.00)
Market Town pump priming	0.50		0.50	-	0.50	-	(0.50)	(0.50)
Coldhams Lane roundabout improvements	0.53		0.53	0.08	0.13	0.08	(0.05)	(0.45)
Eastern Industries Access - Phase 1	0.43		0.43	0.09	0.15	0.06	(0.09)	(0.37)
University Access	0.10		0.10	0.01	0.03	0.05	0.02	(0.05)
March junction improvements	1.08		1.08	0.34	0.50	0.55	0.05	(0.53)
Investment into CAM Innovation Company	0.30		0.30	-	0.30	0.30	-	-
Regeneration of Fenland Railway Stations	0.09		0.09	-	0.09	-	(0.09)	(0.09)
Regeneration of Fenland Railway Stations - Non Platforms	0.61		0.61	0.29	0.61	0.18	(0.43)	(0.43)
A1260 Nene Parkway Junction 15	0.36		0.36	0.01	0.10	0.23	0.13	(0.13)
A1260 Nene Parkway Junction 32-3	0.32		0.32	0.16	0.19	0.25	0.07	(0.07)
A141 Capacity enhancements	1.27		1.27	0.14	0.50	0.29	(0.22)	(0.99)
A16 Norwood Dualling	0.05	0.01	0.06	0.00	0.13	0.05	(0.08)	(0.01)
A505 Corridor	1.00		1.00	0.09	0.17	0.10	(0.07)	(0.90)
A605 Oundle Rd Widening - Alwalton-Lynch Wood	0.51		0.51	0.17	0.40	0.54	0.14	0.03
Schemes Previously Identified and Costed Total	8.15	0.01	8.16	1.39	3.80	2.69	(1.11)	(5.47)

<u>Passported</u>	<u>19-20 Budget (Jan)</u>	<u>Budget Adjustments</u>	<u>19-20 Budget (Feb)</u>	<u>Actuals to 29 Feb 2020</u>	<u>Forecast Outturn (Nov)</u>	<u>Forecast Outturn (Feb)</u>	<u>Change in Forecast Outturn</u>	<u>Forecast Outturn Variance</u>
	£m	£m	£m	£m	£m	£m	£m	£m
Passported								
Cambridge City Housing Programme	20.61		20.61	9.89	20.61	18.90	(1.71)	(1.71)
Housing Affordable Housing Programme	41.18		41.18	25.39	34.18	31.40	(2.78)	(9.78)
Highways Maintenance Capital Grants	23.08		23.08	21.19	23.54	23.54	-	0.46
A47 J18 improvements	3.85		3.85	2.15	3.00	3.85	0.85	-
A605 Stanground East (whittlesea Access)	2.80		2.80	0.32	0.36	0.91	0.55	(1.89)
Passported/Ringfenced Total	91.52	0.00	91.52	58.93	81.69	78.60	(3.09)	(12.92)
Growth Funds								
King's Dyke Crossing (Growth Fund)	0.78		0.78	0.58	0.45	0.64	0.19	(0.14)
A428 Cambourne to Cambridge	-		-	-	-	-	-	-
Ely Area Capacity Enhancements	2.32		2.32	1.01	1.50	1.16	(0.34)	(1.16)
In Collusion	0.02		0.02	0.02	0.02	0.02	-	-
Wisbech Access Strategy - Delivery Phase	1.00		1.00	0.72	1.00	0.88	(0.12)	(0.12)
Agri-tech	3.69	(2.69)	1.00	0.63	2.00	0.70	(1.30)	(0.30)
M11 Junction 8	-		-	-	-	-	-	-
Soham Station Feasibility	1.00		1.00	1.00	1.00	1.00	-	-
Haverhill Innovation Centre	1.35		1.35	0.93	1.60	1.54	(0.06)	0.19
Small Grants Programme	0.10		0.10	0.16	0.06	0.06	-	(0.04)
Whittlesea and Manea Railway Stations	0.03		0.03	-	0.03	0.03	-	-
iMET Phase 3	0.30		0.30	-	-	-	-	(0.30)
Lancaster Way Phase 2	0.15		0.15	-	0.15	0.15	-	-
TeraView Loan	0.12		0.12	0.11	0.12	0.11	(0.01)	(0.01)
Project Living Cell	1.35		1.35	-	1.35	-	(1.35)	(1.35)
Capital Growth Grant Scheme	-	0.20	0.20	0.00	-	0.20	0.20	-
Sci-Tech Container Village (Loan)	-		-	-	-	-	-	-
Illumina Accelerator Global Expansion	1.00		1.00	-	-	-	-	(1.00)
Growth Funds Total	13.21	(2.49)	10.72	5.15	9.28	6.48	(2.80)	(4.24)
Total	121.82	(2.73)	121.82	67.61	104.14	91.43	(12.71)	(30.38)



Appendix 3 – Detailed explanations of material variances

Operational Revenue Variances >£100k

1. Restructure Costs		Change in forecast expenditure	£184k
2019-20 Budget	£0k	Forecast expenditure	£184k
<p>As a result of the restructure exercise at the beginning of the financial year, which reduced forecast staffing costs by £800k over two years, an additional payment to the pension fund for a provision to cover anticipated future pension liabilities has been required by the Authority's actuaries.</p>			

Workstream Revenue Variances >£250k

2. CAM OBC and Arms SOBC		Change in forecast expenditure	(£377k)
2019-20 Budget	£1,907k	Forecast expenditure	£1,530k
<p>The forecast underspend on the CAM is due to a delay in additionally scoped works being completed by the consultants: this work is contracted and underway hence the budget is committed and will be required in 2020-21.</p>			

3. Bus Review Implementation		Change in forecast expenditure	(£650k)
2019-20 Budget	£800k	Forecast expenditure	£150k
<p>A new permanent project manager has been put in place of this programme and has undertaken a complete review of the planned programme. This has resulted in a re-phasing of the project expenditure, to include additional bus services between Cambourne and Cambridge. The programme is still expected to deliver to its original budget over the 12 month implementation period.</p>			

4. A10 SOBC		Change in forecast expenditure	£250k
2019-20 Budget	£250k	Forecast expenditure	£250k
<p>The delivery of the A10 strategic outline business case has been taken in-house from the original delivery partner to accelerate delivery. The Combined Authority cannot capitalise this expenditure so funding has been allocated from revenue sources. There is a corresponding decrease in the capital programme.</p>			

5. Adult Education Budget - ITP		Change in forecast expenditure	(£550k)
2019-20 Budget	£1,282k	Forecast expenditure	£450k
<p>The AEB team have been working with providers to understand the reasons for the underspend, and providers have highlighted that it is due to it taking time for them to gain traction in the market as this is the first 6 months of the new devolved regime.</p> <p>A proposal to utilise part of this forecast underspend, still within the sphere of AEB provision is being brought to the Skills Committee and CPCA Board in April.</p>			

6. Health and Care Sector Work Academy		Change in forecast expenditure	(£1,000)
2019-20 Budget	£1,000k	Forecast expenditure	£500k
<p>It was anticipated that the responsibility for delivery of this programme would be transferred to Peterborough City Council as they are delivering the work via City College Peterborough; however, after protracted negotiations with DWP this project will now be remaining with the CPCA and it is unlikely that the full funding will be drawn down by the end of the year.</p>			

7. Rural Communities Energy Fund		Change in forecast expenditure	(£400k)
2019-20 Budget	£1,053k	Forecast expenditure	£400k
<p>There have been continued delays in the Energy Hub Board agreeing the governance structure required to award the RCEF to projects. This has delayed the majority of fund expenditure into future years.</p> <p>The governance system is now in place and the first claim for awarded funding has been received.</p> <p>The Department for Business, Energy & Industrial Strategy (BEIS) has set a deadline of March 2021 for all the funds to be committed. If this is not met, the Energy Hub and the Combined Authority can work with BEIS to see if an alternative use can be agreed. Otherwise under-allocated grant must be repaid to BEIS.</p> <p>It is anticipated that the Energy Hub will transfer to another Local Authority from the Combined Authority in 2020-21, and thus the RCEF will also be transferred.</p>			

Capital Variances >£500k

8. University of Peterborough Business Case		Change in forecast expenditure	-£1,220k
2019-20 Budget	£1,520k	Forecast expenditure	£300k
<p>The University of Peterborough Outline Business Case (OBC) has been approved with the Full Business Case (FBC) being presented in financial year 2020-21. Due to delays in this project at the beginning of the financial year, a large portion of the capital expenditure that was programmed for 2019-20 is now expected in 2020-21, thus resulting in the need for budget reprofiling</p>			

9. Wisbech Garden Town		Change in forecast expenditure	-£1,700k
2019-20 Budget	£1,750k	Forecast expenditure	£50k
<p>The development of the Wisbech Garden Town business case is dependent on certainty around the location and timing of the A47 upgrade. As such, the development of the business case has been put on hold pending further progress in delivering the A47 upgrade.</p>			

10. Digital Connectivity Infrastructure		Change in forecast expenditure	-£505k
2019-20 Budget	£840k	Forecast expenditure	£335k
<p>Due to advances in technology there is reduced opportunity for anticipated interventions, thus a reduced funding requirement to deliver the intended outcomes of the project.</p>			

11. Market Town Pump Priming		Change in forecast expenditure	-£500k
2019-20 Budget	£500k	Forecast expenditure	£0k
<p>As the majority of these plans have only been approved in 2020 there has been nothing spent to date. As the plans are now in place it is anticipated that projects will start to come forward, but it is unlikely that these will commence spending prior to April 2020. As the Combined Authority has communicated to the Market Towns an overall capital budget of £5m of seed funding to pump-prime projects, the June Board will be asked to approve carrying this budget forward.</p>			

12. Cambridge City Housing Programme		Change in forecast expenditure	-£1,710k
2019-20 Budget	£20,610k	Forecast expenditure	£18,900k
<p>This programme is managed and delivered by Cambridge City Council who have indicated that the project's expenditure is running behind profile. The City Council is confident that they will still utilise the entirety of the £70m within the programme lifetime.</p>			

13. Affordable Housing Programme		Change in forecast expenditure	-£2,780k
2019-20 Budget	£41,180	Forecast expenditure	£31,400k
<p>A number of the schemes that were due to draw down in Q4 2019-20 have been delayed and will instead draw down in 2020-21. As has been reported to the Housing Committee the overall contracted loan value is over £40m with a peak draw on the fund of c.£35m, however this is likely to be affected by COVID's impact on the construction industry and the effects of this will be reported to Housing Committee and Board once they are understood</p>			

14. A47 Junction 18 Improvements		Change in forecast expenditure	£850k
2019-20 Budget	£3,850k	Forecast expenditure	£3,850k
<p>This project had been forecast to slip, but the delivery partner has indicated that it is now back on track and will spend on profile.</p>			

15. A605 Stanground East		Change in forecast expenditure	£550k
2019-20 Budget	£2,800k	Forecast expenditure	£910k
<p>The project has been delayed due to a gas main identified in the centre of the junction to be improved, the utility company is now carrying out a detailed design and costing exercise to give a better idea of the costs of the diversion works. Design of alternative options was considered, with a potential cost saving, but due to complexity of this option the original option will now be progressed.</p>			

16. Agri-Tech Programme		Change in forecast expenditure	-£1,300k
2019-20 Budget	£1,000	Forecast expenditure	£700k
<p>The January Combined Authority Board approved a reduction in the Agri-tech Programme of £4.5m due to the programme not anticipating the required spending before the deadline, due to it's funding source, of March 2021. This reduction in forecast is in line with the recommendation to the January Board.</p>			

17. Project Living Cell		Change in forecast expenditure	-£1,350k
2019-20 Budget	£1,350	Forecast expenditure	£0k
<p>Due to delays in contract negotiation the loan drawdown for this project is now anticipated in Q1 2020-21.</p>			



CAMBRIDGESHIRE AND PETERBOROUGH COMBINED AUTHORITY BOARD	AGENDA ITEM No: 3.1
29 APRIL 2020	PUBLIC REPORT

UPDATE ON THE COMBINED AUTHORITY RESPONSE TO COVID-19 AND FUNDING DECISIONS

1.0 PURPOSE

- 1.1. The purpose of this report is to provide an update on the Combined Authority's response to COVID-19 and proposes further recommendations to enhance the response work. Given that the recommendations made on 25 March 2020 were noted at that meeting, it is recommended that those recommendations be approved as part of the formal transparent decision-making process of the Combined Authority.

<u>DECISION REQUIRED</u>	
Lead Member:	Mayor James Palmer
Lead Officer:	Kim Sawyer
Forward Plan Ref: KD2020/037	Key Decision: Yes
<p>The Combined Authority Board is recommended to:</p> <ul style="list-style-type: none"> (a) Approve the Combined Authority responses to COVID-19, as described in this report (b) Approve the Recover Orient Adapt and Regrowth (ROAR) approach, set out in appendix A (c) Approve the offer of interest-accruing repayment holidays to companies in receipt of a Local Growth Fund loans, covering repayments due between 24th March 2020 and 31st August 2020 (d) Approve the adjustment of the current Small Capital Grant Scheme eligibility criteria on Intervention rates, Jobs output-value ratio to grant-value, including safeguarded jobs in 	<p>Voting arrangements</p> <p>Simple majority of all Members</p>

output measures for grants, subject to consultation with BEIS where appropriate	
(e) Approve the allocation of £3million Local Growth Funding to the COVID-19 Capital Grant Scheme, from returned unallocated Local Growth Funding.	
(f) Approve the creation of a £500,000 capital grant scheme aimed at supporting the smallest businesses in the Cambridgeshire and Peterborough Combined Authority area and delegate to the Director of Business and Skills, in consultation with the Mayor, the Section 73 and the Monitoring Officer, the setting of detailed parameters and criteria for the scheme.	

2.0 BACKGROUND

- 2.1. At the Mayoral decision-making meeting held on 25 March 2020, the COVID-19 response recommendations were noted [report available to view at <https://cambridgeshirepeterboroughcagov.cmis.uk.com/Meetings/tabid/70/ctl/ViewMeetingPublic/mid/397/Meeting/853/Committee/63/SelectedTab/Documents/Default.aspx> - Item 7.1 refers] . Officers have since implemented the response. This report provides an update on progress and includes further recommendations.

3.0 GOVERNANCE CHANGES

- 3.1 The introduction of the *Local Authorities and Police and Crime Panels (Coronavirus) (Flexibility of Local Authority and Police and Crime Panel Meetings) (England and Wales) Regulations 2020* provides for a range of flexibilities which will enable the Combined Authority to conduct business in the context of public health measures, such as social-distancing. For example, Combined Authority Board and Committee Meetings may take place virtually, and documentation (including statutory meeting notices, reports and background papers) may be published solely in a digital format. These flexibilities are in place until May 2021.

MAYORAL COMBINED AUTHORITY M9 DISCUSSIONS WITH THE MINISTRY OF HOUSING, COMMUNITIES AND LOCAL GOVERNMENT (MHCLG)

- 3.2 The Mayor has been in regular contact with MHCLG and the minister, with the other M9 Mayors. MHCLG recognises the key role of Mayoral Combined Authorities in economic recovery and recognises their role in place-based thinking.
- 3.3 The Minister is committed to working with Mayors on recovery planning, along with partners such as the LGA and LEAs/Business Boards and is proposing to establish a working group while work goes on to identify an appropriate approach to emerging from lockdown, and relating that emergence with economic activity.
- 3.4 In relation to funding, MHCLG is committed to a pragmatic and flexible approach to funding which it controls.
- 3.5 Recovery planning was discussed in detail, with the following key points being noted:
- Government response to recovery should be cross-departmental and regionally led by Mayoral Combined Authorities, freeing up Local Authorities to deal with practicalities of the response.
 - Each Mayoral Combined Authority regional economy has particular features and needs and there will be a need for flexibility to respond to that.
 - Lockdown exit should take a thematic, rather than a place-based model that may be challenging to implement in practice. Officials are anticipating a phased approach to opening businesses and continuing social distancing in public spaces and on transport.
 - The importance of skills and need to preserve funding base of skills providers. For example, open air construction may be an early recovery area so skills providers will need to support that.
 - The devolution White Paper remains a core 2020 piece of work and is vital to recovery.
- 3.6 Mayors also raised issues relevant to the immediate response in relation to personal protective equipment (PPE), social care, testing, financial support and furlough payments.

COMBINED AUTHORITY RESPONSE

- 3.7 The Combined Authority aims to support recovery and formulated an approach covering an immediate, short term and medium-term response to COVID-19.
- 3.8 The Combined Authority remains 'open for business'. The Combined Authority's workforce continues to work from home. The Alconbury Office is now closed.
- All staff have laptops which can remotely connect to the CPCA network.
 - All staff have access to Microsoft Teams, Skype and Zoom for remote meetings.

- Guidance has been circulated by HR on managers maintaining contact with teams and on notification procedures where staff are self-isolating or are diagnosed with COVID-19.
- Remote all-staff meetings are being held by the Chief Executive and also particularly for staff with parental responsibilities to discuss the issues arising for parents working from home and how the CPCA can support them.
- The Happenings communications stream is being used to communicate with staff and to encourage morale boosting activities and to pass on wider messages relating to the COVID-19 situation.

3.9 Future measures will depend upon the onward impact of COVID-19, In particular on CPCA staff absence. Assessment and monitoring continues and such measures may include:

- Arrangements for management and decision-making should senior leaders be absent due to COVID-19
- Identifying the CPCA delivery priorities in the event of staff resource depletion
- Re-prioritisation of work including re-deployment of staff to other duties or other teams
- Re-deployment of staff to support other local agencies if their normal duties are no longer a priority for the CPCA and there is sufficient capacity.

Local Resilience Forum

3.10 The CPCA is participant in the Local Resilience Forum and is involved in the civil contingencies emergency planning response and response planning for the recovery phase.

4.0 Business Board: Loan and Grant Provision

Repayment holidays to companies in receipt of a Local Growth Fund loans

4.1 Two projects have so far requested, and were granted, loan repayments holidays.

Small grants applications

4.2 As of the 15th April 2020, the COVID-19 Capital Grant Scheme had the following applications and successful offer of grants in process to date:

- Number of Applications Received to Date: 135 (Total value: £6,280,645)
- Number of Applications Still in Progress: 89 (Pipeline value: £5,211,785)
- Number of Applications at Grant Offer Stage: 7 (Grant value: £518,000)

- 4.3 The current pipeline of applications in process already exceeds the £2.4million initially available and additional Local Growth Funding is sought into the COVID-19 Capital Grant scheme to achieve a total of £5.4million to service current demand in the system. Please see the Business Board Report at Appendix A.

ADDITIONAL PROPOSED ENHANCEMENTS TO COVID-19 CAPITAL GRANTS SCHEME

- 4.4 The current LGF funded scheme has seen a high level of applications and interest, from Sole Traders, Non-Limited companies such as partnerships, and companies with less than five employees who are not eligible for support by that scheme.
- 4.5 To address this issue, it is proposed that the Combined Authority approves the allocation of £500,000 of its Gainshare Capital funding to create a fund specifically to support this sector of the economy by offering capital grants between £2,000 and £5,000 to enable these businesses to maintain their ability to adapt and survive the crisis.
- 4.6 As this scheme will involve a high volume (100-250 based on the thresholds above) of small value grants, this is significantly different to the existing LGF funded scheme. As such due consideration needs to be given to how the Combined Authority will ensure that it has mitigated the risks of such a scheme, from resourcing impacts, to outcome measurement and fraud prevention.
- 4.7 Establishing the right controls and potential mitigations, has not been possible in the time available to meet the deadline for bringing a comprehensive proposal to the April meeting of the Combined Authority Board. Therefore, in order to implement this scheme with the speed required to address the immediate market need, while still fulfilling its duties as a publicly funded organisation, it is recommended that the Combined Authority Board approve the high level principle of the scheme (total value, funding source, and sector of the business community being supported) now, and delegate the final decision on the criteria and parameters to the Director of Business and Skills in consultation with the Mayor, Section 73 and Monitoring Officer.

GROWTH HUB

- 4.8 The Growth Hub service has been exponentially busy with a peak over last two weeks of 200 calls and 400 emails a day from clients who are not qualifying for Government Support Packages, signposting them to appropriate local sector Business Networks such as FSB, NFU, Make UK, etc where they can benefit from sector specific guidance and support. At this stage, there has been triage with these clients to assess whether the client should be directed to either of following additional levels of Support including CPCA COVID-19 Capital Grant

Scheme and additional 121 support provided through our contractor V4 services.

- 4.9 Through our existing contractor V4 Services (who are an existing vetted and approved partner) there has been delivery of additional 1-2-1 support for businesses contacting the Growth Hub, CPCA Business & Skills team. This service has been provided through a network of 11 Business Advisers covering multiple business topics such as finance, liquidity, accessing Government support, legal, HR, premises, technology, supplier management etc. Funded by CPCA, we are initially delivering this service over a 3-month period at which point we may augment the service to provide more focussed business planning for the post COVID-19 recovery period.
- 4.10 There have been many enquiries from businesses who have a specific technical requirement where a specialist/professional service provider is required. We have engaged and are signposting to specific expertise and 1-2-1 Support from referred private sector specialists who are solution-focussed. Growth Hub Advisers are using a database of local, well-established contacts to refer the client to at least two potential sources of support.
- 4.11 In response to concerns that normal Business Board governance processes being too slow to respond to the needs of businesses, officers have incorporated this into the continued design and requests for approval, of COVID response and recovery interventions. This has included further approvals being sought via emergency procedures, for example £3m of LGF at paragraph 4.4 above. In addition, the prompt response detailed at 4.5 in relation to £500k Gainshare funding. In the face of a fast-moving business needs environment, the officers have demonstrated they are able to work in a highly agile manner to meet the needs of business, within the normal and emergency governance processes.

MEMBERSHIP OF ECONOMIC RECOVERY SUB GROUP

- 4.12 Membership of the Economic Recovery Sub-Group of the Covid-19 Strategic Co-ordination Group is reserved for Officers, however as there was a clear need to involve elected members in the oversight, planning and delivery of Covid-19 response and recovery interventions the Mayor convened a political forum to fill this requirement.

PUBLICITY AND COMMUNICATIONS

- 4.13 Publicity undertaken to date, to inform businesses of the support available from the Combined Authority includes:
- 14 Business Bulletins, signposting to government which has reached c40,000 business across the region
 - 150 social media posts to an audience of 8,896 people, signposting business support, public health and good news stories

- Email and media campaigns regarding the Capital Grant Scheme and soon to be launched talent portal
- New media partnership with Archant across the Business Board region to ensure consistent public business messaging, business blogs, Q&A, sharing good news business stories and case studies

5.0 HOUSING & DEVELOPMENT

- 5.1 Housing and Development are considering whether we need a package of measures for borrowers in the £40m revolving fund. If so, this will be presented to the Combined Authority Board. This could comprise components like potential interest free repayment holidays whilst the construction industry is disrupted and extensions of the duration of the loans to enable the developers to cope with the additional disruption and uncertainty around the demand for the sale and occupation of completed units in order to re-pay the loans.
- 5.2 To prepare for this, discussions with developers will take place regarding their position and needs. Discussion will include re-programming of cashflows to reflect how developers see the current situation evolving and impacting on their schemes. Developers are having to either delay their main construction start or suffer an enforced mid-construction delay. Developers could be faced with a market delay in selling products. Any impacts of future proposals upon the overall programme will be financially modelled. The likely outcome will be to extend the periods for the payback, so not as much new business as hoped from the £40m revolving fund until paybacks from the existing loan book becomes more certain. With a support package, we are not anticipating any write offs, loan default or developer failure that might require us to step in at this time. The intention will be to support borrowers and to encourage them to still deliver the schemes for which loans have been approved.
- 5.3 The grant supported schemes continue to see new applications coming forward and other than construction programme delays, it is too early to determine whether there are other impacts that may require further support. Dialogue will continue with grant supported housing providers, advising the Housing and Communities Committee and the Combined Authority Board of any significant impacts or recommended interventions.

TRANSPORT

- 5.4 The lockdown has had a very significant impact on public transport operators. Patronage on buses is down some 90%. The operators have reduced services in response. About half the normal level of bus services has been running. This means that the providers have faced greater reductions in fare income than their ability to cut costs. Bus companies have significant fixed costs and do not benefit

from the government's rate relief scheme. The position of smaller firms is likely to be particularly challenging.

- 5.5 The Mayor raised the challenges of the local bus sector in conversations with the Secretary of State for Transport and the Buses Minister, Baroness Vere. He made specific proposals for providing targeted assistance to Ministers on 26 March 2020. On 4 April 2020 the government announced a package of support for the bus industry. The majority of this support will be provided directly, but the Combined Authority will distribute a proportion of the funding. Officers estimate that Cambridge and Peterborough bus firms will receive some £5 million over 12 weeks as a result of this package. Within that total, some £275,000 will be distributed by the Combined Authority.
- 5.6 The Mayor also raised with Ministers the position of school transport providers. Subsequently, government guidance made it clear that contracts with school transport providers should be honoured in full for the coming term, even if schools remain shut. Cambridgeshire County Council have confirmed that this will be their approach.

Construction: road schemes

- 5.7 Government guidance indicates that, where appropriate social distancing measures can be put in place, construction works should continue. The Combined Authority is working with its partners to ensure that highways schemes funded by the Authority and due to start construction in the coming weeks will remain on track wherever possible. The Mayor has also been in correspondence with Ministers on this issue. Officers are also working on innovative approaches to public consultation that would allow schemes still in their development and business case stages to remain on-programme.

Impact of COVID-19 on travel habits

- 5.8 The Transport and Infrastructure Committee will discuss the impact of the lockdown on travel patterns with a view to understanding the risks and opportunities the coming recovery phase may present for the achievement of the Combined Authority's aims as set out in the Local Transport plan, including for carbon reductions and air quality, and modal shift. The risk profile of the Authority's bus reform project has also been reviewed in the light of emerging evidence from the lockdown period.

Impact of COVID-19 on Consultation plans

- 5.9 The March Area Transport Study (MATS) public consultation was scheduled to start on Saturday 28 March for a period of 6 weeks with an invitation only event for key stakeholders planned for Thursday 26 March 2020.

- 5.10 The consultation plan (which involved face to face meetings) has been affected. For example, the social-distancing measures preclude public drop-in events such as those planned for April 2020. By adopting an innovative approach to consultation, it will be possible to maintain progress.
- 5.11 Officers have investigated different online tools to 'kick start' the consultation and have adopted a tool which will enable engagement with the public and consultees, meeting virtually and bringing the community together.
- 5.12 With this new platform, a virtual event can be personalised to show consultation materials including virtual reality and sound demonstrations, videos, maps, plans and pop up banners. The tool allows for instant feedback so public reaction can be captured and saved for analysis and accurate reporting.
- 5.13 An example where the tool is already in use is Oxfordshire. The County Council there have made live their consultation boards in this virtual space to counter the effects of the lockdown. Please see link - <https://hif1project.consultation.ai/>.
- 5.14 The tool will be used for the MATS study, in addition to the public face to face events which it is intended to conduct in the future.

6.0 REGULATORY FLEXIBILITIES

- 6.1 A range of measures are in place to provide for flexibility in responding to the COVID-19 situation. These include measures around procurement, state aid, and meetings.
- 6.2 On procurement, the Cabinet Office has issued Practice Note 02/20 "*Procurement Policy Note - Supplier relief due to COVID-19*". The key messages were:
- *The public sector must act quickly and take immediate steps to pay all suppliers as a matter of urgency to support their survival over the coming months. Where goods and services are either reduced or paused temporarily, authorities should continue to pay at risk suppliers to ensure cash flow and supplier survival.*
 - *Contracting authorities should pay suppliers as quickly as possible to maintain cash flow and protect jobs. The public sector must pay suppliers within 30 days under the Public Contracts Regulations 2015 but contracting authorities now need to accelerate their payment practice.*
- 6.3 On state aid, a range of sector specific flexibilities have been developed, which allow of a lighter-touch approach

6.4 The *Local Authorities and Police and Crime Panels (Coronavirus) (Flexibility of Local Authority and Police and Crime Panel Meetings) (England and Wales) Regulations 2020* provide for key flexibilities, including:

- Local and combined authorities can determine not to hold their annual meeting.
- Local and combined authorities have the flexibility to hold meetings at any time of day and on any day, to alter how frequently meetings can be held and to move or cancel meetings without requiring further notice.
- Meetings can be held remotely. For the purposes of any statutory requirement, members of the authority will be considered as attending a meeting if they can hear, and where practicable see, and be heard and, where practicable, be seen by other members and the public. This allows for meetings to be held by remote means including via telephone conferencing, video conferencing, live webchat and live streaming.
- Local and combined authorities can make standing orders about remote attendance at meetings in relation to voting, access to documents and facilities that can be employed to allow the meeting to be held remotely to suit their own circumstances.
- The “place” at which a meeting is held is not confined to the council building. The “place” may be where the instigator or arranger of the meeting is, or electronic, digital or virtual locations such as internet locations, web addresses or conference call telephone numbers. It could be an officer’s or member’s home.
- Requirements for a meeting being “open to the public” are satisfied by holding the meeting remotely. This facilitates the holding of remote meetings outside of the normal offices and/or remotely and allows for members of the public to attend remotely.
- Where documents must be “open to inspection”, this is satisfied by the documents being published on the authority’s website. Documents include notices, agendas, reports, background papers, minutes etc. The publication, posting or making available of documents at the authority’s offices includes publication on the website of the authority.
- Where the annual meeting is not held, the appointments which would normally be dealt with at the meeting will continue until the next annual meeting of the authority or when the authority determines, providing continuity of membership.

7.0 FINANCIAL IMPLICATIONS

7.1 The allocation of £3million Local Growth Funding to the COVID-19 Capital Grant Scheme is to be made from returned unallocated Local Growth Funding and is therefore affordable.

- 7.2 The recommendation to approve the creation of a £500,000 capital grant scheme to support sole traders and small businesses can be made available from existing revenue reserves.

8.0 LEGAL IMPLICATIONS

- 8.1 The Combined Authority has the power to make grants. The LGF is administered by the Business Board and the Combined Authority is the accountable body responsible for financial oversight. The National Assurance Framework and the Combined Authority Assurance Framework both set out the remit under which the Business Board must operate. Given the current climate and the unprecedented events, all proposals should be implemented in consultation with the Department for Business, Energy and Industrial Strategy where appropriate.

9.0 APPENDICES

- 9.1 Appendix Ai - Report to the Business Board 17 April 2020 - Covid-19 Capital Grant Scheme
Appendix Aii - Covid 19 Grant Scheme Process
Appendix Aiii: - Snap Shot 16 April 2020 Covid-19 Response Development

<u>Source Documents</u>	<u>Location</u>
Mayoral Decision-Making meeting reports 25 March 2020	https://cambridgeshirepeterboroughcagov.cmis.uk.com/Meetings/tabid/70/ctl/ViewMeetingPublic/mid/397/Meeting/853/Committee/63/SelectedTab/Documents/Default.aspx

BUSINESS BOARD	AGENDA ITEM No: 1.1
DATE 17 April 2020	PUBLIC REPORT URGENCY PROCEDURES

COVID-19 CAPITAL GRANT SCHEME

1.0 PURPOSE

- 1.1. The COVID-19 Capital Grant scheme has seen an exponential level of applications and interest. This paper provides an update on the grant scheme performance since launch on 7th April and outlines the requirement for additional funding to service applications received.

<u>DECISION REQUIRED</u>	
Lead Member:	Austen Adams, Interim Chair Business Board
Lead Officer:	John T Hill, Director Business & Skills
Forward Plan Ref:	Key Decision: Yes
<p>The Business Board is recommended to:</p> <p>(a) Recommend to the Combined Authority Board approval of allocating an additional £3million Local Growth Funding to the COVID-19 Capital Grant Scheme from the returned unallocated Local Growth Funding.</p>	

1.0 BACKGROUND

- 1.1. The COVID-19 Capital Grant scheme was launched on 7th April as a response to COVID-19 crisis taking over the Small Business Capital Grant Scheme with reprioritised criteria as noted at the Mayoral decision-making meeting on 25 March 2020.
- 1.2. The COVID-19 Capital Grant scheme is currently funded with the residual £2.4million Local Growth Funds transferred from the previous £3million Small Business Capital Grant Scheme.

1.3. The scheme is hosted online at <https://capitalgrantscheme.co.uk/> and has been set up at pace to provide a faster application process and automated processing and templated response triggers. The Officer team is still maintaining scheme oversight particularly the external appraisals and due diligence aspects of applications that progress from initial meeting of criteria to Grant Offer letters through to payment to applicants.

1.4. The scheme criteria is, as noted by Combined Authority Board, enhanced from the previous Small Business Capital Grants Scheme to support companies to respond/adapt/adjust to the COVID-19 crisis – this being capital grants to SME's with 5 to 249 employees as per below:

- For grants of £2,000 - £49,999, up to 80% of the capital/equipment costs will be funded. This means that the minimum total project costs must be £2,500 in order to attract the minimum grant of £2,000.
- For grants of £50,000 - £150,000, up to 50% of the capital costs will be funded. This means that the minimum total project costs must be £100,000 in order to attract a grant of £50,000.
- All applicants must be able to demonstrate how the purchase of grant funded equipment/capital will protect or create jobs.
- Whilst the grant can pay up to 80% of the total project costs, it is a requirement that at least one job is protected or created for every £25,000 (or part of) of grant funding.
- The ceiling of the grant scheme is capped at £150,000 to allow the scheme to run under state aid de minimus rules for SME's

2.0 COVID-19 CAPITAL GRANT SCHEME POSITION

2.1. As of the 15th April 2020 the COVID-19 capital grant scheme had the following applications and successful offer of grants in process to date:

- Number of Applications Received to Date: 135 (Total value: £6,280,645)
- Number of Applications Still in Progress: 89 (Pipeline value: £5,211,785)
- Number of Applications at Grant Offer Stage: 7 (Grant value: £518,000)

The current pipeline of applications in process already exceeds the £2.4million initially available, and the Board is recommended to support the addition of a

further £3million of Local Growth Funding into the COVID-19 Capital Grant scheme to achieve a total of £5.4million to service current demand in the system.

- 2.2. The current rate of applications is extremely high and, in order to avoid a large number of disappointed applicants when the grant funds are depleted, it is intended that the application process will be closed when the value of grant applications exceeds a certain level. Currently, the rejection rate during processing is approx. 25% therefore, assuming the recommendation to increase the funding allocation by £3m is approved, the application process will be closed to new applicants when total applications value at step 1 reaches £7million, currently at £6.2million. See **APPENDIX A** for the stages of process in the grant scheme.
- 2.3. We have already allocated and made much more accessible, to a wider range of firms and uses, £2.4m of capital grant funding for short term COVID support grants and seeking to extend this by a further £3m more. This rapidly configured grant service will act as a pilot for A Recovery Investment Scheme for Enterprise (RISE) to be continued and developed in the medium term see **APPENDIX B**.
- 2.4. In addition to this request, the Combined Authority is exploring the possibility of creating a complimentary fund, to that approved by the Business Board, which would target a different section of the economy and a paper outlining this will be presented to the Combined Authority Board on the 29th April 2020.

3.0 SIGNIFICANT IMPLICATIONS

- 3.1. None

4.0 FINANCIAL IMPLICATIONS

- 4.1. BEIS have released the 2019-20 Local Growth Fund allocation to CPCA and have recognised the Business Board as the region's LEP as such the future funding allocation are expected to be received. This funding is ringfenced for the projects approved by the LEP historically and the Business Board going forward thus there is no call on wider CPCA resources.

5.0 LEGAL IMPLICATIONS

The Combined Authority is the accountable body for the Business Board and retains financial oversight over all allocation and funding decisions.

6.0 IMPLICATIONS FOR NATURE

- 6.1 None

7.0 OTHER SIGNIFICANT IMPLICATIONS

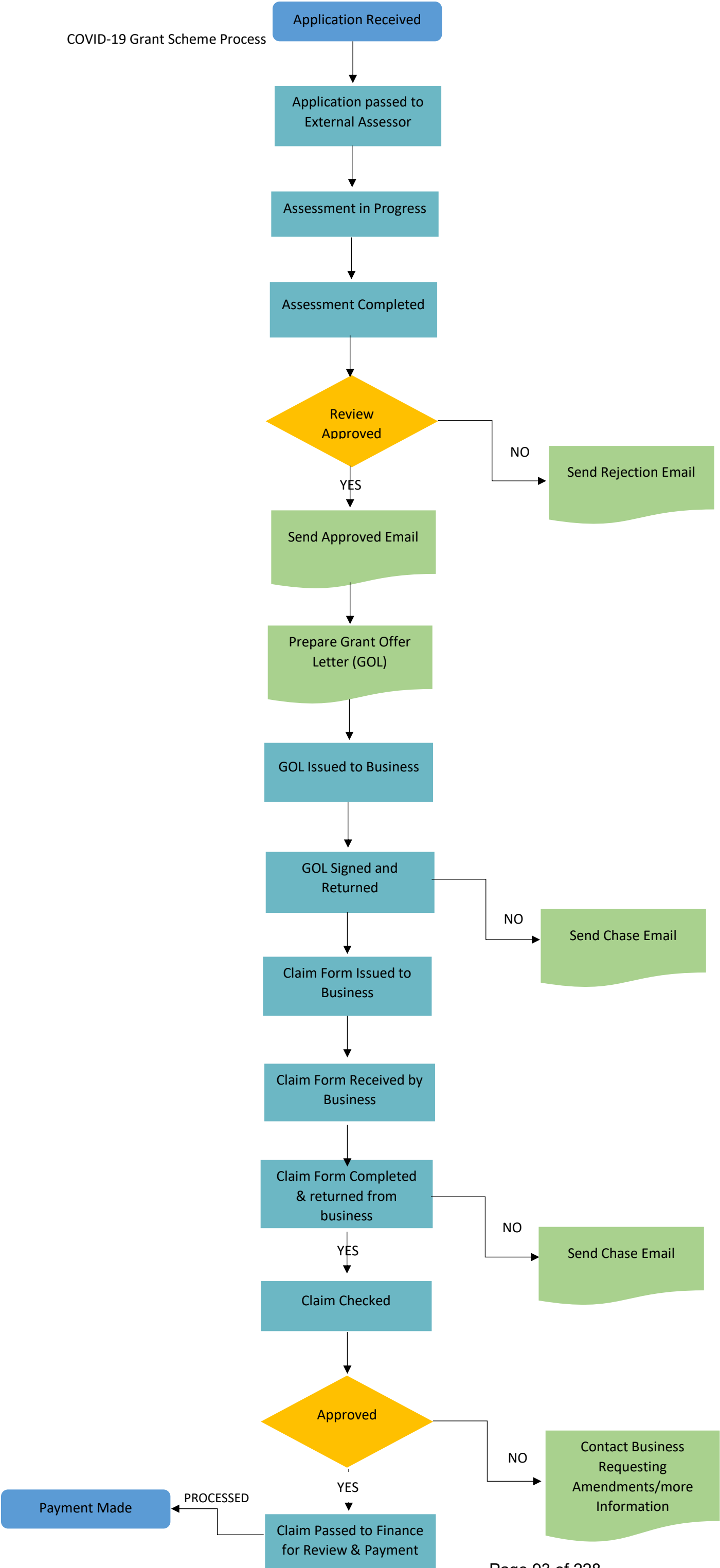
7.1. None

8.0 APPENDICES

8.1. **Appendix A** : COVID-19 Grant Scheme Process Chart

8.2. **Appendix B** : Snap Shot 16 April - COVID 19 Response Development

<u>Background Papers</u>	<u>Location</u>
i. COVID-19 Capital Grant scheme	https://capitalgrantscheme.co.uk/
ii. Local Growth Fund Documents, Investment Prospectus, guidance and application forms	https://cambridgeshirepeterborough-ca.gov.uk/business-board/growth-funds/



Snap-Shot 16 April - COVID 19 Response Development

Short term, we have repositioned the Growth Hub

1. **Growth Hub 1-2-1 Support.** We ensure all clients are accessing information regarding the Central Government Support Packages and are clear on how to apply for these. We also signpost these clients to appropriate local sector Business Networks such as FSB, NFU, Make UK, etc) where they can benefit from sector specific guidance and support. At this stage, we will also triage these clients to assess whether the client should be directed to either of following additional levels of Support.
2. **Multi-Topic 1-2-1 Business Support – Multi-disciplinary, action-led and funded by CPCA.** Some businesses require assistance covering multiple business topics such as: finance, liquidity, accessing govt support, legal, HR, premises, tech, supplier management etc. We have procured V4 (whom are an existing vetted and approved partner) to deliver this 1-2-1 support through a network of 11 Business Advisers. Our Growth Hub Advisers will be alert to clients with numerous, inter-twined challenges and will provide a swift referral to our partners at V4. Funded by CPCA, we are initially delivering this service over a 3-month period at which point we may augment the service to provide more focussed business planning for the post COVID-19 recovery period.
3. **Specific Expertise - 1-2-1 Support from referred specialists and solution-focussed.** We regularly experience enquires from Businesses who have a specific technical requirement where a specialist/professional service provider may be required. Examples include clients who have contacted us requiring legal HR support when furloughed staff take on a second paid job and clients seeking Referrals to more empathetic Bankers. In these cases, and in keeping with the “signposting” role of Growth Hubs, our Growth Hub Advisers are using our database of local, well-established contacts to refer the client to at least two potential sources of support. We make it clear these are Referrals and not Recommendations. These Referrals are being made on the clear basis that initial guidance will be free - but at some point, the client may be required to pay fees to secure the expert-help they require from the specialist, in more depth.
4. **Grants to ease capital payments for businesses** - We have already allocated and made much more accessible, to a wider range of firms and uses, £2.3m of capital grant funding for short term COVID support grants and are seeking to extend this by a further £3m more. This rapidly configured grant service will act as a pilot for A Recovery Investment Scheme for Enterprise (RISE) to be continued and developed in the medium term.

Medium term we are repurposing the previously planned replacement of the Growth Hub, called the **Business Growth Service** with a recovery modified enhancement of it, renamed the **Business Lions Recovery Programme**.

1. To achieve this, we are re-purposing the £29m investment already allocated to our flagship, Business Growth Service, due to launch in August 2020. The first year of the programme is currently being re-designed through procurement around the “ROAR” concept described below, comprising four elements: Recover – Orient – Adapt – Regrow:
 - a. **Recover -Supporting financial security and sustainability.** It is possible, that to step in and provide financial security and sustainability for large, economically structural firms, HMG may part nationalise some businesses such as airlines or train companies. - SMEs will need similar capital injections. The economy is likely to contract creating a recession and slowing the recovery of firms’ revenue lines, whilst pre-recession capital programmes and debt obligations will still need to be financed. We will continue and develop the pilot for a **Recovery Investment Scheme for Enterprise (RISE)** with a further £3m to be delivered through the **Business Lions Recovery Programme**.
 - b. **Orient, Adapt & Regrow - Coping with medium and long term shifts in markets and customer behaviours**
 - i. Customer access could be affected by a more permanent shift in behaviours towards online and distance buying.
 - ii. Markets could be affected by periods of social distancing for 12 months. Trade could be affected by competitor & supply chain consolidation & localisation
 - iii. Revenues could be affected by opportunities for new offerings and modes of delivery
 - iv. Operations could be affected by a more permanent shift in working practices

All the above present both threats and opportunities, based on SMEs’ product and organisational strengths and weaknesses going into this economic shock. A **Regrowth Accelerator Coaching for Enterprise (RACE)** scheme could be considered and could:

 - v. Utilise the platform of the planned Business Growth Coaching scheme, currently under procurement. However, this is unlikely to meet the scale of demand, hence lobbying HMG would be preferable.
 - vi. Harness a recruited and accredited pool of business coaches to help firms Orient & Adapt to permanent shifts in their business, whilst identifying regrowth opportunities, raising business leader ambition, identifying barriers, developing strategies and supporting implementation ad change.
 - vii. Utilise a 50% revenue nudge grant to overcome the prevailing market failure, that stops widespread SMEs take-up professional advice and coaching, even though it is proven to accelerate and sustain higher growth.

- viii. Develop peer-2-peer alumni **“Business Lions”** to go on to mentor thousands more firms, extending the current DIT campaign idea of **“if I can you can!”**



- ix. Offer 50% Capital Regrowth Grant to co-invest with local firms in new technology and equipment to help them adapt and capture new opportunities for regrowth between £25,000 and £250,000 based on a benchmark scheme performance level of £10,000 per new/regrown job created.

Long term, we are levelling up our economy in which economic data from the CPIER would predict that that north, Peterborough and the Fens will be hit hardest and have the longest recovery, where quality of life and employment is lowest and the productivity and knowledge intensity of business is lowest. To tackle this we are building a university and innovation ecosystem to raise all 4 measures, underpinning recovery longer term and building in future resilience. This includes;

1. £26.4m already committed by the CPCA and PCC to build a Phase 1 teaching facility on the embankment in Peterborough by September 2022 for 2,000 students.
2. Plans to raise a further £15m for a Phase 2 University Research Centre, on the same Campus, that will become the hub for a Peterborough and Fens innovation eco-systems, involving a wide range of research teams, from multiple universities and local businesses.
3. Aspirations to raise a further £80m for a Phase 3 university teaching facility to bring capacity up to 12,500 students by 2030.



CAMBRIDGESHIRE AND PETERBOROUGH COMBINED AUTHORITY BOARD	AGENDA ITEM No: 3.2
29 April 2020	PUBLIC REPORT

SUSTAINABLE TRAVEL (PETERBOROUGH)

1.0 PURPOSE

- 1.1. To request the release of funding for the 2020/21 financial year for Peterborough Council's work on Sustainable Travel.

<u>DECISION REQUIRED</u>	
Lead Member:	Mayor James Palmer
Lead Officer:	Paul Raynes, Director of Delivery and Strategy
Forward Plan Ref: n/a	Key Decision: No
<p>The Combined Authority Board is recommended to:</p> <p>(a) Approve the release of £150,000 from the provisional allocation in the Medium-Term Financial Plan to continue with the sustainable travel project within Peterborough.</p>	<p>Voting arrangements</p> <p>Simple majority of all Members</p>

2.0 BACKGROUND

- 2.1. Peterborough City Council commissioned a report in 2016 to evaluate three years of behavioural change measures funded by the Local Sustainable Transport Fund programme and to provide analysis for future bids up to 2020. The report concluded the schools programme offered the best value for money because it shows the most modal shift, followed by the workplace programmes. Appendix 1 sets out the evaluation evidence.
- 2.2. On 28 March 2018, the Combined Authority Board approved funding for Sustainable Travel in Peterborough.

- 2.3. This funding contributed to Peterborough's Travelchoice project which works with businesses, schools and communities to encourage more people to travel in a sustainable, active and safe way.

3.0 Outcomes 2019 -20

- 3.1 The benefits of influencing travel behaviour towards more sustainable means are
- a) Reducing congestion
 - b) Active travel improves health and wellbeing
 - c) Improving air quality.
- 3.2 In the 2019 -20 financial year a range of interventions were used to influence travel behaviour. These included:
- a) Bespoke travel plans for businesses
 - b) Peterborough "Bike It!" project
 - c) School Streets project
 - d) Modeshift STARS
 - e) Public events.
- 3.3 These interventions have had a positive effect on travel behaviour with key highlights being the Bike It! project, School Streets project and the travel plans for businesses.
- 3.4 The Bike It! is a Sustrans led campaign to deliver a programme of activities in schools to encourage more young people of primary and secondary school age to cycle, walk and scoot. The Bike It Peterborough Annual Report shows a continued increase in pupils cycling or using active travel to school (Appendix 2).
- 3.5 Travelchoice delivered two School Streets projects whereby the street is closed to school run traffic. The projects observed an estimated increase of over 50% of pupils and parents travelling sustainably.
- 3.6 Furthermore, Travelchoice has focused its business engagement projects at a cluster of businesses within the Lynch Wood Business Park which resulted in an area wide travel plan being developed. This has been endorsed by the businesses and provides the catalyst for them to independently support their staff to travel more sustainably.
- 3.7 Aside from the behavioural measures Peterborough City Council has drafted their Local Cycling and Walking Infrastructure Plan (LCWIP) in line with government first cycling and walking investment strategy. The LCWIP enables a long-term approach to developing local cycling and walking networks.

4.0 Next Steps

- 4.1 The 2020-21 financial year will continue the Travelchoice interventions and engage with new schools and business to influence travel behaviour. Therefore, funding for the 2020-21 financial year is required. A financial breakdown and expected outputs for the 2020-21 financial year is attached at Appendix 3.

5.0 FINANCIAL IMPLICATIONS

- 5.1 The £150,000 revenue funding for 2020-21 was set out in the MTFP in January and described as “subject to approval”.

6.0 LEGAL IMPLICATIONS

- 6.1 None at this time.

7.0 OTHER SIGNIFICANT IMPLICATIONS

- 7.1 None at this time.

8.0 APPENDICES

- 8.1 Appendix 1 – Local Sustainable Transport Fund Data Monitoring Report
- 8.2 Appendix 2 – Bike It Peterborough Annual Report 2018/19
- 8.3 Appendix 3 – Financial and Output Table 2020-21

<u>Background Papers</u>	<u>Location</u>
Combined Authority Board reports 28 March 2018	CA Board 28 March 2018

LSTF Data Monitoring Report

Peterborough City Council

24 February 2016

Notice

This document and its contents have been prepared and are intended solely for Peterborough City Council's information and use in relation to LSTF Data Monitoring Report.

Atkins assumes no responsibility to any other party in respect of or arising out of or in connection with this document and/or its contents.

This document has 33 pages including the cover.

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Rev 1.0	For client review	KS	CHan	JW	CHan	29/01/16
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Client signoff

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1. Context & Background

Over the past three years Atkins has been working on behalf of Peterborough City Council's (PCC) Travelchoice team to deliver behavioural change across the city. As part of evaluating PCC's Local Sustainable Transport Fund (LSTF) programme for 2015/16, Atkins has been asked to prepare a summary report on how LSTF has impacted Peterborough. The information presented will support future bids, inform future thinking and set the direction for sustainable travel in Peterborough after the current LSTF funding period has finished.

The objectives of this report are as follows:

- To review mode share, mode shift and commuting patterns;
- To provide summary evidence relating to the impacts of smarter choices on air quality, public health and the environment;
- To provide a value for money assessment of local smarter choices measures;
- To gain an understanding of the impact of growth in Peterborough and the role smarter choices can play in delaying or deferring major spending in road building infrastructure; and,
- To provide recommendations on future priority areas and schemes in the city for smarter choices delivery.

The remainder of this section of the report presents the impact that smarter choices have had on air quality, public health and the environment. Reference is also made to the PCC Environment Capital programme.

1.1. Air Quality

Air quality in a city can provide an insight into the travel choices its inhabitants are making and whether or not there is a high level of sustainable transport use, although background air quality levels from transport may be affected by the amount of freight traffic passing through an area. Standing vehicles also generate significant emissions and therefore air quality levels are influenced much more by congestion levels, rather than vehicle volumes alone.

In the past year a number of test tube locations, used to test levels of air quality have been relocated to more city centre locations due to the increase in the number of developments close to the centre. All results received have been at an acceptable level for the main pollutant tested, Nitrogen Dioxide (NO₂). There are currently no Air Quality Management Areas (AQMAs) in Peterborough related to traffic; but there is one related to emissions from brickworks to the east of the City. This is an encouraging sign and does potentially show that smarter choices are being made in Peterborough resulting in improved air quality.

Nevertheless, Taverners Road is an area of concern, it is close to being declared as an AQMA and is under constant monitoring. The air quality is below acceptable standards in this area due to excessive traffic and properties located close to the kerbline, meaning residents are exposed to high level of pollutants.

1.2. Public Health

There is an abundance of academic evidence that highlights the relationship between public health and active travel. It is not only good for personal health; moving to moderate exercise can reduce the risk of coronary heart disease by up to 10 percent, while active adults have a 35 to 50 percent lower risk of developing Type 2 Diabetes than non-active adults. It also has wide spread economic benefits, Jarrett (2012) states how increased walking and cycling in urban areas and reduced use of private cars could lead to savings of roughly £17 billion for the NHS.

Physical inactivity costs Primary Care Trusts (PCTs) (now known as Clinical Commissioning Groups) in England more than £900 million (2009/10 data). Table 1-1 is a useful indication of the potential costs of physical inactivity in Peterborough.

Table 1-1 Estimated Cost: Physical Inactivity for the Peterborough PCT area, 2013

	Cancer Lower GI	Breast Cancer	Diabetes	CHD	Cerebrovascular Disease	Total Expenditure
Peterborough PCT	£133,227	£94,798	£787,339	£1,463,791	£267,574	£2,746,729

The percentage of adults physically active in Peterborough is statistically similar to the England average, 55 percent of adults achieved at least 150 equivalent minutes of at least moderate intensity physical activity per week in 2013. In Peterborough in 2012, 24.1 percent of adults were estimated to be obese and 65.5 percent either overweight or obese. The UK average for obesity is 24.9 percent of the population and 62.2 percent for overweight or obese.

The fraction of mortality attributable to particulate air pollution in Peterborough is 5.7 percent. This is not significantly different to the national average of 5.6 percent.

1.3. Environment Capital

Peterborough has the potential to be a truly sustainable city. A city which has a thriving local economy, strong communities and a sustainable way of life. A city where residents are healthy, happy and prosperous. A city regarded as the UK's Environment Capital, which is why in 2008 the city adopted the target of 'Creating the UK's Environment Capital'. As part of this aim a number of targets were set.

The 2050 vision for sustainable transport is to be a 'pedestrian, public transport and cycle city first, and 90 percent of all journeys will be zero emissions.' More immediately the 2016 targets include:

- Increasing the number of businesses with travel plans from 30 in 2012/13 to 60;
- Increasing the number of pupils receiving Bikeability training from 951 to 1300 annually; and
- To further develop a robust monitoring network to enable in depth transport modal data to be collected.

An interim target was set for March 2015, of increasing the number of businesses with travel plans to 42. This was achieved. Furthermore, the target for pupils receiving Bikeability training was also achieved in 2015. Progress against these targets was assessed in November 2015 with the results presented in Table 1-2.

Table 1-2 Environment Capital Monitoring (November 2015)

Target	Status	Comment
Increase the number of businesses with travel plans from 30 in 2012/13 to 60	Green	In order to achieve this target by the end of 2016 an interim target of 42 was set to be achieved by the end of March 2015. This has been achieved. Travelchoice are currently targeting a large number of SME's in Fengate which should mean that this target continues successfully
Increase the number of pupils receiving Bikeability training from 951 to 1300 annually	Green	Bikeability training is delivered in schools across the city. The number of pupils that have received training are: Up to the end of June 2014 - 1,339 Up to the end of June 2015 – 1,550
To further develop a robust monitoring network to enable in depth transport modal data to be collected	Amber	The council currently use data produced by the Department for Transport to understand modal shift across the city and to make comparisons at a national level. Advancements have been made using data obtained from TomTom to understand more about vehicle journey times and opportunities for innovative solutions to obtain further data on an ongoing basis will continue to be explored

As presented in Table 1-2 good progress has been made against the targets relating to the number of travel plans and level of Bikeability training, however PCC is still working to develop a monitoring network. Data

made available by TomTom, a provider of navigation and mapping products, are currently being explored to see if they can assist with monitoring data.

1.4. Growth in Peterborough

Table 1-3 to Table 1-6 present anticipated population, housing, workforce and employment growth in Peterborough, as referenced in PCC Local Plan Preliminary Draft (January 2016). These figures are used to assess likely future increase in trip numbers and the amount of additional investment needed to achieve a 12 percent increase in cycling and a 14 percent increase in walking up to 2020.

Table 1-3 Population Growth in Peterborough

Area	Population 2011	Population 2036	Change in Population	% Change
Peterborough HMA	444,553	536,586	92,033	20.70
England	53,107,169	61,886,100	8,778,931	16.50

Table 1-4 Workforce Change in Peterborough

Area	Change in jobs	Adjustment factor	Change in resident workforce
Peterborough HMA	39,488	n/a	37,117

Table 1-5 Forecast Employment Growth in Peterborough

Area	Jobs 2011	Jobs 2036	Change	% Change
Peterborough HMA	224,830	264,318	39,488	17.60%

Table 1-6 Housing Growth in Peterborough

Dwelling provision for 2011 to 2036	Number of Dwellings
Objectively assessed need 2011 to 2036	25,125
Memorandum of co-operation additional dwellings 2011 to 2036	2,500
Local Plan requirements 2011 to 2036	27,625
Dwellings provision 2015 to 2036	Number of Dwellings
Net additional dwellings completed 2011 to 2015	3,718
Local Plan requirement 2015 to 2036	23,907

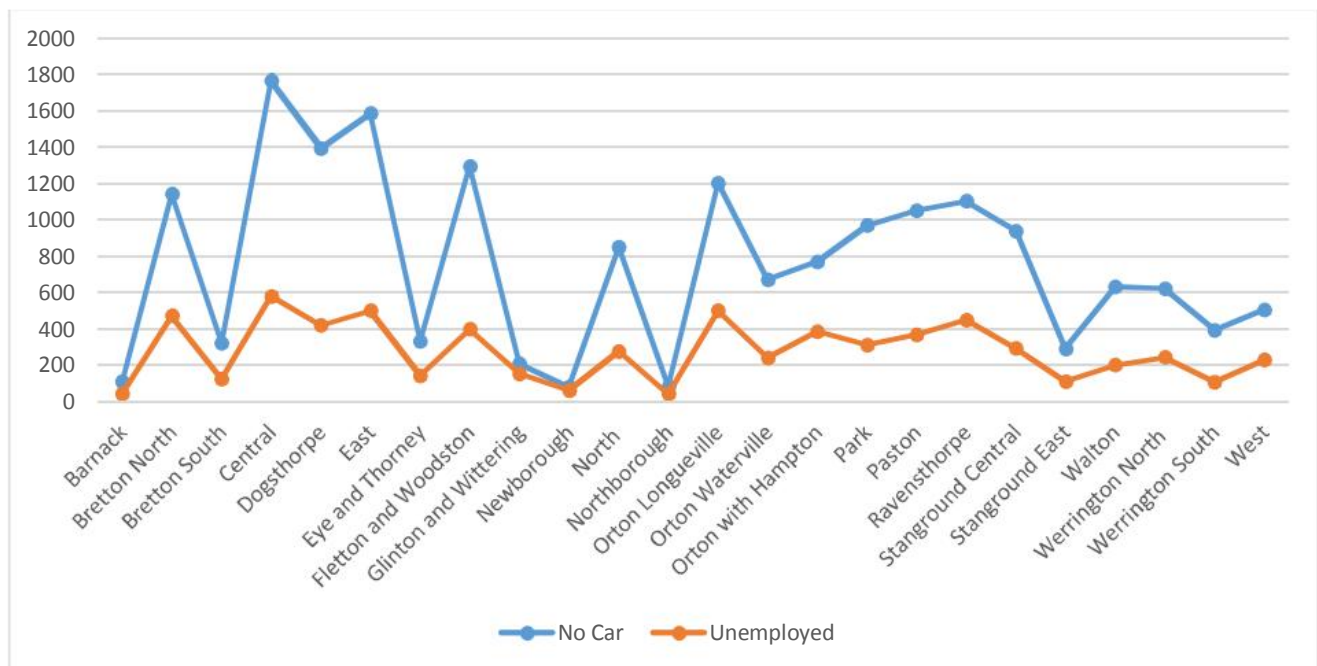
1.5. Local Data Trends

2011 Census Data, as well as Local Health data from Public Health England has been summarised to aid the analysis of the impacts of the LSTF programme in Peterborough.

This data includes car / van ownership within Peterborough and employment levels in Peterborough. This data has been analysed to establish if a relationship between unemployment levels and households with no car / vans exists. A correlation coefficient of 0.96 was calculated which indicates a positive correlation between employment and car ownership. This positive correlation can be seen in

Figure 1-1.

Figure 1-1 Correlation between employment and car ownership in Peterborough (Census Data 2011)



Four indicator maps have been downloaded from the Public Health England website (<http://localhealth.org.uk/>) to provide an indication of the levels of obesity, hospital admissions due to heart disease, income deprived homes and the number of adults claiming benefits on a ward by ward basis in Peterborough, as presented in Appendix A. The maps indicate that:

- The more central Peterborough wards such as Central, Park, East and Ravensthorpe have high percentages in income deprivation, unemployment, obesity and coronary heart disease;
- The wards to the west of Peterborough such as Barnack and Glington and Wittering have very low percentages of the same factors; and
- It should be noted that the central wards of Peterborough are much more densely populated than the outer wards, this may impact upon the data.

2. LSTF Impacts

For the last four years, £5.9 million has been invested from the LSTF to improve the sustainable travel in Peterborough. This section of the report highlight the impacts that have been made by this investment.

2.1. Workplace Data

Data from seven workplace travel surveys in the city has been analysed to determine the distance employees are travelling to work and the mode of travel they are using. The seven workplaces in question are PCH, Mastercard, Cross Key Homes, Atkins, Vivacity, Queensgate and SMEs in the Fengate area. The results show that 64 percent of employees are travelling to work by car, with only 12 percent of employees walking or cycling. It can be determined from the distance travelled results that the majority of the workplace population travel over 5 miles to get to work. This is a large distance and therefore it is not realistic for these individuals to walk or cycle to work on a daily basis. However, the number of employees utilising public transport for their commute was 12 percent, which is relatively low.

2.2. myPTP Data

The aim of the workplace myPTP project in Peterborough was to deliver personalised travel plans (PTP) to employees in the city which in turn promoted alternative, more sustainable journey choices to the workforce. Plans are delivered electronically to employees and are often supported by Travelchoice engagement events at workplaces. To date 8,000 myPTPs have been delivered.

As part of the delivery of myPTPs in Peterborough, follow up travel surveys have been undertaken with 659 respondents to determine the impact of the PTPs on mode share. The results of these follow up surveys are presented in Table 2-1.

Table 2-1 myPTP Mode Share Results

Mode	Before myPTP	% of total	After myPTP	% of total	Overall Change	% Mode share change	% Change in trips
Single Occupancy Vehicle	451	68.44	425	64.49	-26	-3.95	-5.8
Carshare	63	9.56	65	9.86	2	0.30	3.2
Walk	40	6.07	44	6.68	4	0.61	10.0
Cycle	71	10.77	86	13.05	15	2.28	21.1
Train	5	0.76	6	0.91	1	0.15	20.0
Bus	9	1.37	11	1.67	2	0.30	22.2
Taxi	18	2.73	20	3.03	2	0.30	11.1
Motor Cycle	3	0.46	3	0.46	0	0.00	0.0

The results presented in Table 2-1 show that after myPTPs were delivered to employees there was a decrease in the number of Single Occupancy Vehicles (SOV) trips by 5.8 percent. All other modes increased or stayed the same, which is a positive result as these are all more sustainable modes of travel. The bus, cycle and train modes all had significant increases in the number of trips with a change of between 20 percent and 22 percent.

2.3. Mode Share

2001 and 2011 Census Data has been analysed to establish the methods the Peterborough population used to travel to work. The results are shown in Table 2-2.

Table 2-2 Mode Share Data 2001 and 2011 Method of Travel to Work Census Data

Method of Travel to Work (Peterborough)	2001		2011	
	Number	Percentage	Number	Percentage
Work mainly at or from home	5,524	6%	7,158	8%
Train, underground, metro or light rail	5,739	6.5%	2,172	2%
Bus, minibus or coach	747	0.5%	6,434	8%
Driving a car or van	58,092	64%	50,718	58%
Passenger in a car or van	7,087	8%	7,489	9%
Bicycle	5,664	6%	4,990	6%
On foot	6,246	7%	7,506	8%
Other	1,522	2%	1,577	1%

Table 2-2 shows positive results with a 6 percent decrease in SOV mode share between 2001 and 2011, and an increase in nearly all sustainable methods of travelling. There is a 4.5 percent decrease in rail use. However, this is not surprising, as rail is the only method out of these options available in Peterborough which does not serve the immediate area around Peterborough. There is a 7.5 percent increase in bus, minibus or coach mode utilisation. When compared to the national 2001 and 2011 method of travel to work census data results, Peterborough compares well, nationally there is no increase in bus, minibus or coach utilisation over the 10 year period and there is only a 1 percent decrease in SOVs. Furthermore, Peterborough and the national results are the same for cycling levels staying the same, however Peterborough has a 1 percent increase in walking whereas nationally there was no change.

2.4. PTP Data

Peterborough's Residential PTP project sought to approach households across several targeted areas of the city, and provide more than half with travel information tailored to their specific personal needs and circumstances, with a view to increasing the community capacity to choose walking, cycling and active travel. There were three phases of the PTP programme:

- Phase 1 - focused on households within Werrington and Gunthorpe;
- Phase 2 - focused on the Ortons; and
- Phase 3 - focused on Eastern Peterborough.

For all phases, the number of trips were baselined and then a follow-up survey was carried out three months after the PTP interventions took place. Table 2-3 shows the total weekly change in trips under 5 miles for all three phases of the project by mode. It should be noted that the Phase 2 follow up surveys were undertaken in the colder months when conditions can discourage people from travelling sustainably. This has impacted on the results of the programme.

Table 2-3 Estimation of the total weekly change in trips under 5 miles subsequent of PTP

Phase	Travel Mode	Baseline	Follow-Up	Change in Trips
1	Walk	952	1192	240
	Bike	305	491	186
	Car/Van (alone)	1220	997	-223
	Car/Van (shared)	420	329	-91
	Bus	125	139	14
2	Walk	701	625	-76
	Bike	356	224	-132
	Car/Van (alone)	516	285	-231
	Car/Van (shared)	159	150	-9
	Bus	169	119	-50
3	Walk	1939	2059	120
	Bike	649	669	20
	Car/Van (alone)	1630	1382	-248
	Car/Van (shared)	920	585	-335
	Bus	507	484	-23

The results presented in Table 2-3 generally show a decrease in SOVs and an increase in sustainable and active travel modes. Phase 1 and Phase 3 show an increase in both walking and cycling in the follow-up surveys. However, Phase 2 shows a decrease. Despite there being a decrease in sustainable and active travel modes, there was also a large decrease in the number of SOVs. However, there was an overall reduction in trips. Moreover, when the mode share is analysed for the phases, Phase 2 presents an increase in walking as a mode share (7.67 percent) and a small decrease in cycling (-2.76 percent). In regards to the cycling mode share, the reasoning for this is that the Phase 2 follow up surveys were undertaken in the colder months which are less favourable for cycling.

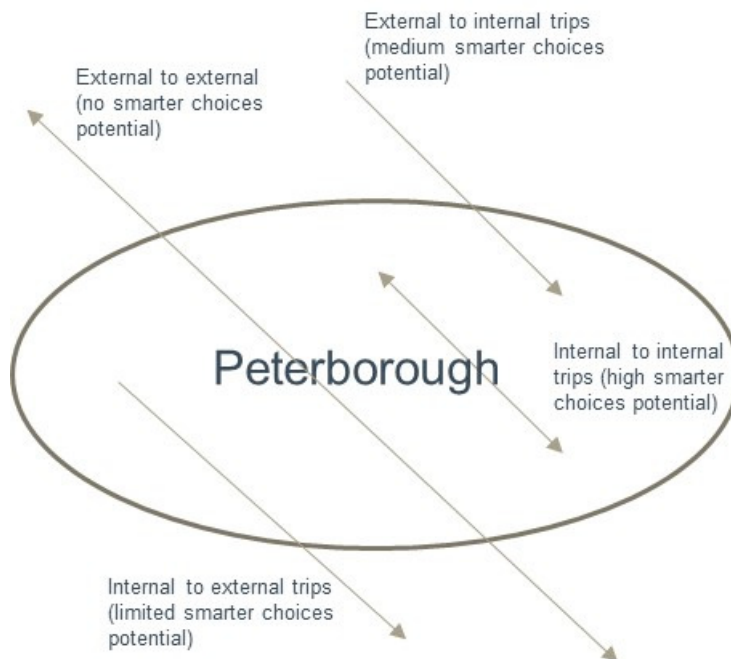
Overall having made contact with over 10000 households and delivering more than 5500 packages to interested households, the evidence presented shows the PTP programme to have delivered positive results.

2.5. Vehicle Usage

Some publicly available datasets suggest vehicle use in Peterborough has risen in recent years. However, there are several explanations why this may not be reflective of the general population:

- The majority of Peterborough's Automatic Traffic Counters are located on strategic road network routes, which do not enter Peterborough city centre itself and serve the rapidly expanding industrial hubs;
- Significantly high external to external trips (vehicles which are not entering Peterborough itself) would have therefore been collected in this data. Such journeys would include HGVs travelling from A1(M) towards Spalding / Boston; and
- These additional freight trips to and from the growing industrial sites around Peterborough are likely to form more than two thirds of all freight movements in Peterborough.

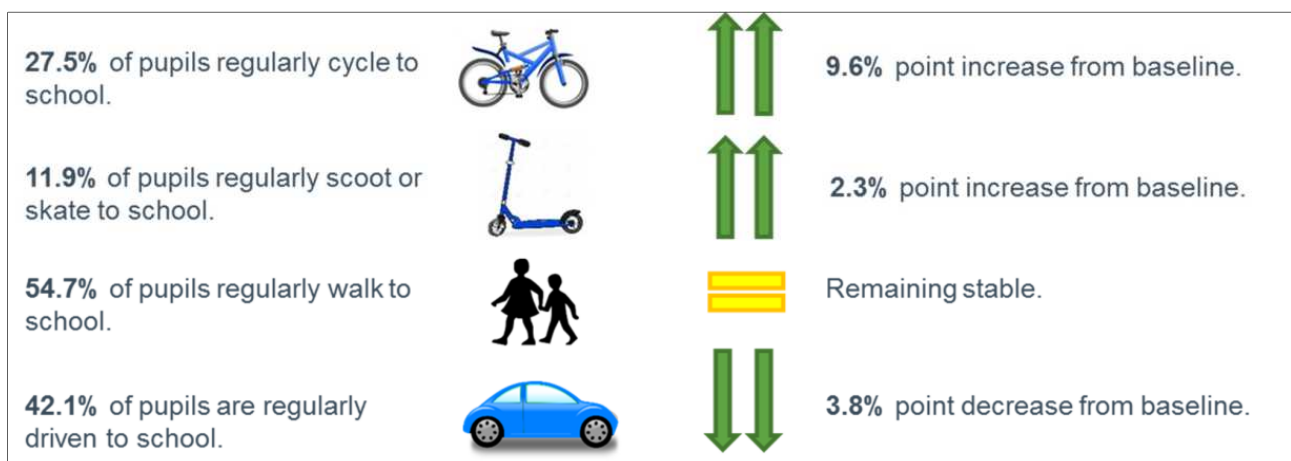
Figure 2-1 Vehicular Trips in Peterborough



2.6. School Data

PCC has the Bike It Programme for schools which is working alongside schools to increase the number of young people travelling to school actively and / or sustainably with an emphasis on increasing cycling levels, reducing car travel and creating a culture of active travel within school which can be sustained. Between 2014 and 2015, the Bike It officers in Peterborough have delivered approximately 200 activities across all schools in city, resulting in them engaging with 14,907 attendees. Figure 2-2 shows the key outcomes of the Bike It programme.

Figure 2-2 Key Outcomes of PCC Bike It Programme



Data from a number of schools which have submitted Travel Plans to PCC between 2006 and 2015 has also been analysed to obtain average mode share change across schools in the city. The results of this analysis are presented in Table 2-4.

Table 2-4 School Travel Plan Mode Data

Mode	Average Mode Share Change (%)
Cycling	7.5
Walking	-10.8
Scoot / Skate	7.7
Park & Stride	4.5
Bus	-1.0
Train	0.1
Car	-7.6

The average mode share for walking has decreased during this time although scoot / skate and park and stride modes have increased. Car travel to schools has decreased during this period, as has bus travel.

Obesity data was also analysed for school children in Peterborough. 25 percent of 4-5 year olds are obese, this is above the 22 percent national average. 30 percent of 10-11 year olds are obese, which is 3 percent below the national average, perhaps reflecting that once children reach school age they become more active.

3. Analysis

This section provides an assessment of local smarter choices measures using the Department for Transport (DfT) Cost Calculator, the WHO HEAT Assessment tool and TRACC Modelling. It also looks at the barriers to travel in Peterborough at both a local and national level.

3.1. DfT Tool

The DfT Tool is an active mode appraisal toolkit, which can calculate the costs and benefits of delivering target interventions such as workplace travel planning over a number of years. Benefits are assigned to the uptake of walking and cycling away from car trips. The tool takes into account the following main parameters:

- Scheme costs;
- Change in walking and cycling trips over the duration of the project;
- Population growth; and
- Decay rate (the drop-out rate of not carrying out the intervention).

The tool was been run to assess the following scenarios:

- 1a. Existing workplace programme under current LSTF maintained over 2016-20;
- 1b. Future workplace delivery using LSTF Focus targets for 2016-20;
- 2a. Existing residential personal travel planning under current LSTF maintained over 2016-20;
- 2b. Future resident personal travel planning using LSTF Focus targets for 2016-20;
- 3a. Existing schools programme under current LSTF maintained over 2016-20; and
- 3b. Future schools programme using LSTF Focus targets for 2016-20.

The costs presented in Table 3-1 have been assigned to the programmes listed above. Costs included all staff resources, marketing costs and complementary initiatives such as Bikeability. The outputs of the cost calculator are presented in Table 3-2.

Table 3-1 Scheme costs 2016-20

Spend	Workplace	Schools	PTP
Year 1	£350,000	£200,000	£300,000
Year 2	£200,000	£100,000	£200,000
Year 3	£200,000	£100,000	£200,000
Year 4	£200,000	£100,000	£200,000
Year 5	£200,000	£100,000	£200,000

Table 3-2 DfT Cost Calculator Outputs

Scenario	BCRs		
	Workplace	PTP	Schools
Current evidence	9.87	8.19	12.37
Travelchoice Focus targets, i.e. 12 % increase in cycling, 14 % increase in walking trips	7.98	8.83	9.32

The main conclusions from this analysis are as follows:

- The schools programmes offer the best value for money, then workplaces and then residential PTP based on current evidence;
- All programmes have positive BCRs;

- Workplace and schools programmes are ahead of the curve in terms of the current programmes and are actually delivering a greater mode shift than outlined in the Travelchoice Focus bid (what Peterborough needs to do to accommodate growth). Residential PTP is slightly behind;
- Current investment is about right in terms of maintaining future mode shift needed, although could potentially be maintained at a reduced cost of around 80 percent of current LSTF funding.

3.2. HEAT Assessment

The World Health Organization (WHO) HEAT assessment tool can be used to value the reduced mortality from past and / or current levels of cycling or walking, such as to a specific workplace or organisations (such as school). This tool can therefore be used to assess the impacts of the various engagement programme in Peterborough on mortality rate. Mortality rate is defined as the number of deaths (in general, or due to a specific cause) in a particular population, scaled to the size of that population, per unit of time. The tool has been used to determine the impact of employees in the city receiving personalised travel plans (myPTP), the school travel planning programme and the Residential Travel Planning programme led by Sustrans. For each programme the number of individuals changing their normal mode of travel by cycling only has been assessed.

The results of this analysis are shown in Table 3-3. The results show how the recorded levels of cycling reduce the mortality risk of individuals compared to those who would not regularly cycle.

Table 3-3 HEAT Assessment Results

Programme	Reduced Risk of Mortality through Cycling (%)
Workplace myPTP	2
School Travel Planning	8
Residential Travel Planning	10

Follow up survey data collected following personalised travel plans (myPTPs) being issued to employees have been used to assess the health impact of the workplace travel planning programme only. This represents the impact that myPTPs had on 659 local employees. If all employees had been included as part of the monitored HEAT impacts, the results would have been more comparable with the school and residential travel planning programmes.

All three programmes have increased the number of recorded walking trips in the city, however the recorded data does not generate enough information for the HEAT Assessment tool to calculate the reduced mortality risk of participants. However the tool does state that individuals who work on a daily basis have a reduced mortality risk of 11 percent compared to individuals who do not walk daily.

3.3. TRACC Modelling

In order to determine the accessibility of Peterborough, TRACC modelling of the city centre has been undertaken. TRACC is the DfT approved accessibility analysis modelling tool and has been used to determine the travel times of residents of the city by foot, bicycle or public transport to the city centre. The Cathedral Square was used as the centre point of the city.

The TRACC modelling results can be summarised as follows:

- Approximately 50 percent of those residents who live within a reasonable public transport commute of the city centre, can complete their inbound and outbound journeys in 30 minutes or less. As there are limited local rail services in Peterborough it can be assumed that the most journeys would be made by bus;
- 35,000 residents live within a 30 minute walk time of the city centre; and,
- 167,000 residents live within a 30 minute cycle time of the city centre.

These results show the potential number of people that could be undertaking active travel in Peterborough. The mapping outputs of the TRACC modelling exercise are presented in Appendix B of this report.

3.4. Barriers to Travel

There are a number of barriers to travel in Peterborough that prevent individuals from travelling sustainably. This section of the report focuses on the barriers which need to be overcome in order to promote sustainable travel. Walk and Cyclefriendly mapping outputs were analysed to assess the quality of on-road cycling and walking routes in Peterborough, as shown in Appendix C. The Walk and Cyclefriendly projects were carried out to consider specifically the level of service quality along key commuting corridors into and out of the city. The studies evaluated particular physical barriers to walking and cycling modes and developed practical action plans to prioritise future capital spending on infrastructure.

In summary the outputs showed that:

- Approximately one third of all walking routes assessed are deemed to be poor. The three with the poorest score are Fengate, A15 between Thorpe Road and Bishop's Road and St John's Street;
- Only one cycle route in the city is listed as excellent – London Road between Fletton Parkway and Cook Avenue; and
- Several are listed as poor – Thorpe Road, Fengate and Lincoln Road.

The areas with the most barriers from this analysis broadly correlate with PCC's proposed areas for investment for future Travelchoice programmes. These include Fengate and Lynchwood.

Barriers to travel that could be alleviated in the future were also included in PCC's Draft Local Plan 4. There are barriers impacting all modes of travel walking, cycling, public transport and cars. The key barriers in Peterborough are;

- Barriers to Walking – physical features restricting the permeability of the walking routes in Peterborough, individuals face health related problems due to inactivity restricting their mobility;
- Barriers to Cycling – cycling network disjointed and focused on radial routes, individuals face health related problems due to inactivity restricting their mobility;
- Barriers to Public Transport – limited public transport information, poor interchanges and integration between different modes of public transport, poor bus punctuality and frequency, congestion impacting on bus reliability; and,
- Barriers to Car Use – congestion impacting on journey times and reliability, air pollution and noise issues, safety concerns, parkway reaching capacity, growth agenda will further accelerate traffic growth into the city.

To further understand the barriers to travel for Peterborough, analysis of the National Highways and Transport (NHT) survey carried out in Peterborough in 2015 was undertaken. There are many questions in the survey with a broad number of areas covered. Outputs are shown in levels of satisfaction / dissatisfaction and results are also compared to the national averages. The results of questions relating to walking and cycling are shown in Figures 3-1 and 3-2.

The data shows the overall level of satisfaction relating to transport is above national average for cycling, however for the question associated with walking all results are below national average. Despite the cycling level of satisfaction showing above national average results, the average level of satisfaction for both walking and cycling was 57 percent, showing that more needs to be done in Peterborough to improve public satisfaction and then in turn potentially increase active travel.

The UKRC Centre for Diet and Activity Research (CEDAR) and the Behaviour and Health Research Unit (BHRU), Institute of Public Health and the University of Cambridge submitted a summary of evidence around travel-mode choice interventions to the Science and Technology Select Committee in 2011 and the key outcome was that it was most likely that multifaceted approaches involving changes to the cycling and walking environment coupled with individual advice and support may be the most effective in more people partaking in active travel. PCC have in some ways used this approach in terms of individual advice and support through the PTP projects complemented by the Walk and Cyclefriendly work. However, further changes to the cycling and walking environment will increase the level of active travel undertaken even further.

Figure 3-1 NHT Public Satisfaction Results (Cycling)

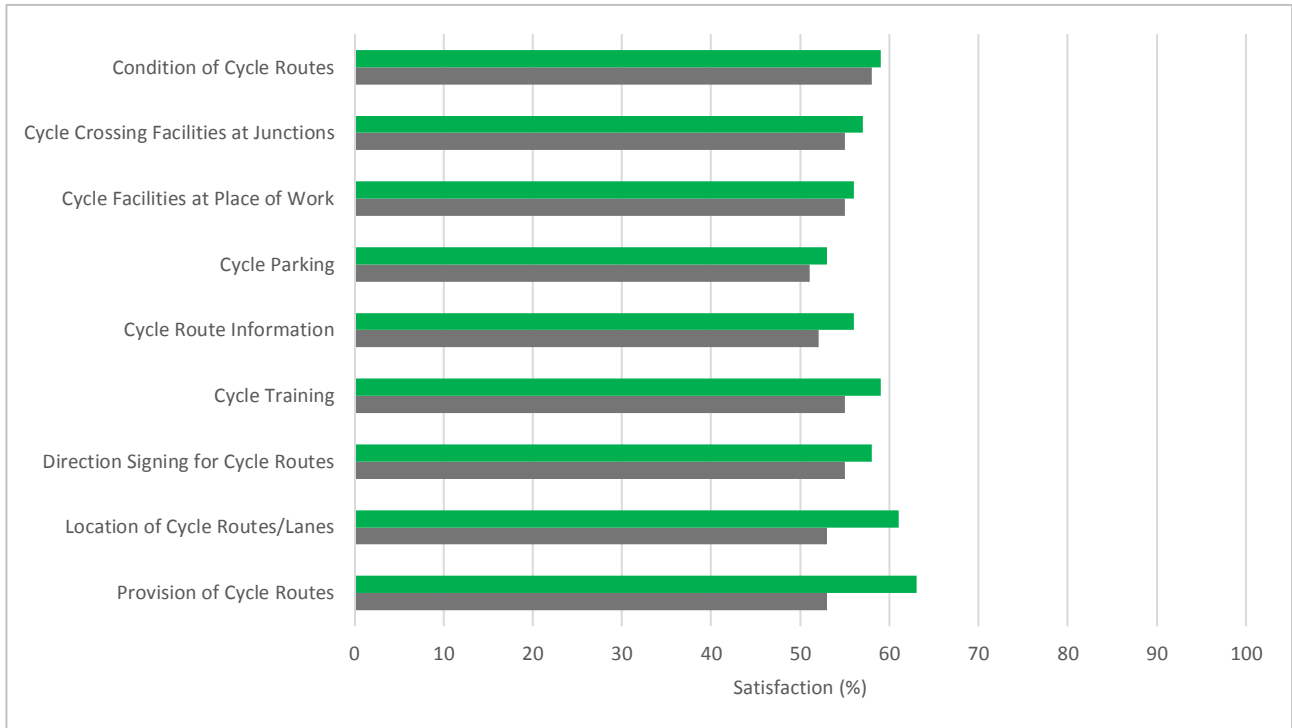
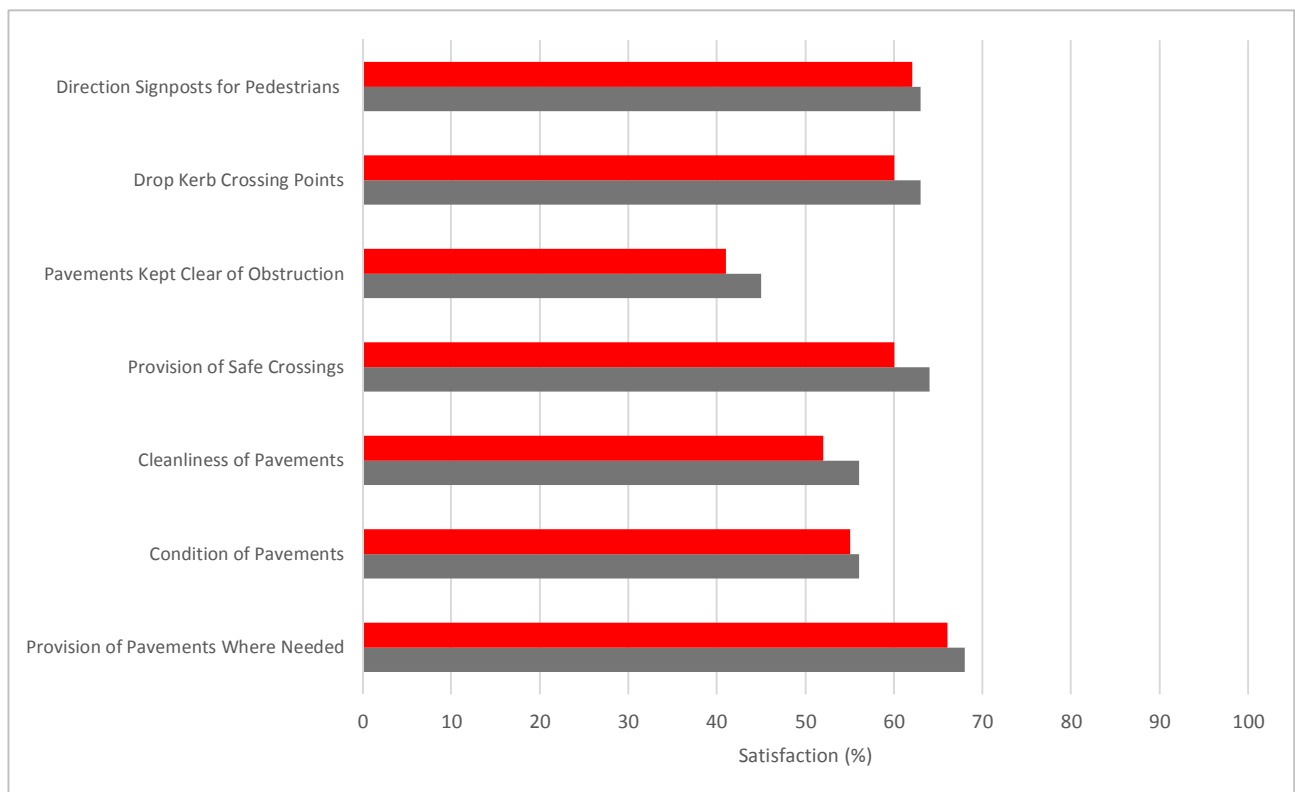


Figure 3-2 NHT Public Satisfaction Results (Walking)



Key : + Below National Average Green + Above National Average + National Average

4. Summary

This report has combined a range of transport, environment and public health data sources to review the current performance of smarter choices in Peterborough and identify where future funding investment should be targeted. Furthermore, the data has been gathered in collaboration with relevant officers at Peterborough City Council and the local Clinical Commissioning Group.

The most significant background factors which strengthen the case for smarter choices delivery 2016-20 include:

- Above average obesity particularly amongst young children and adults in Peterborough. This should mean more priority schemes and joint projects between Public Health and local stakeholders to promote and incentivise the uptake of active modes; and
- Population growth rates for Peterborough are above the UK average; with over a 20 percent population increase over the next 20 years, additional capacity on the local road network will be needed and should be offset by increases in walking, cycling, public transport, car sharing and the promotion of video / tele conferencing.

There is also clear national evidence that a local programme that targets increases in walking and cycling would help to reduce coronary heart disease and type 2 diabetes as well as reduce mortality rates.

In terms of current LSTF programmes (2012-16), where specific workplace interventions have been deployed (for example myPTP), employees have reduced their overall SOV car mode share by nearly 6 percent. This has also potentially helped to reduce the overall mortality rate by 2 percent attributed to increased cycling.

The residential personalised travel planning and schools projects have also had a positive impact on mode share.

The schools project has seen an increase in cycling mode share across all schools surveyed (2012-16) by 7.5 percent while walking based modes (including scooters and park and stride) have increased by 2.3 percent.

For the residential PTP programme there was a 6.5 percent increase in walking and a 0.5 percent increase in cycling mode share.

Existing LSTF programmes that have been the best value for money are workplaces and schools, although the residential PTP programme also had a positive BCR.

In order for Peterborough to meet the targets outlined in the Travelchoice Focus bid for 2016-20 (12 percent increase in cycling trips, 14 percent increase in walking), there needs to be at least 80 percent of a similar financial commitment to current LSTF spend. This will predominantly need to be revenue funding although supporting capital will also help to support upgrades to key walking and cycling corridors.

If Travelchoice is not continued and current traffic levels grow unchecked there would need to be an additional £200 million investment in Peterborough's road infrastructure over the next 10 years. If the 9% reduction in car trips was not achieved, it can be assumed that for every 1% in car trips that are not transferred to other modes, an extra £20-25 million would have to be spent on highway infrastructure costs. This includes capital and revenue costs, based on the Travelchoice Focus bid, which had costs of £2.2 million for the first year and then £1.8 million for subsequent years.

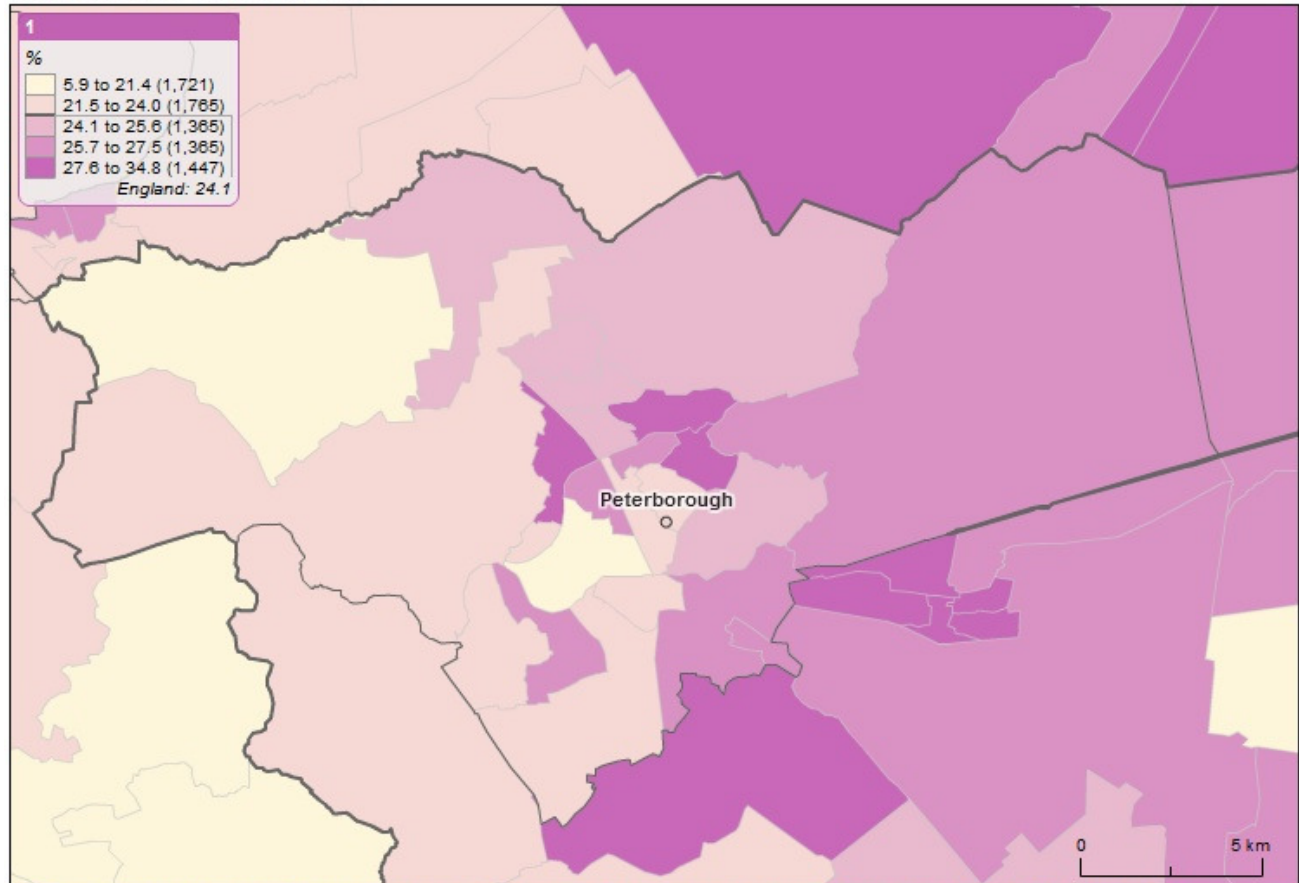
The savings on highway infrastructure costs outlined are similar to the DfT cost calculator BCR scores, particularly for the workplace and schools programmes, although the BCRs would increase slightly if the additional benefits of car sharing and public transport mode shift were considered, alongside the shift in walking and cycling.

Appendices

Appendix A. Local Health Outputs

Figure A-1 Percentage of Obese Adults

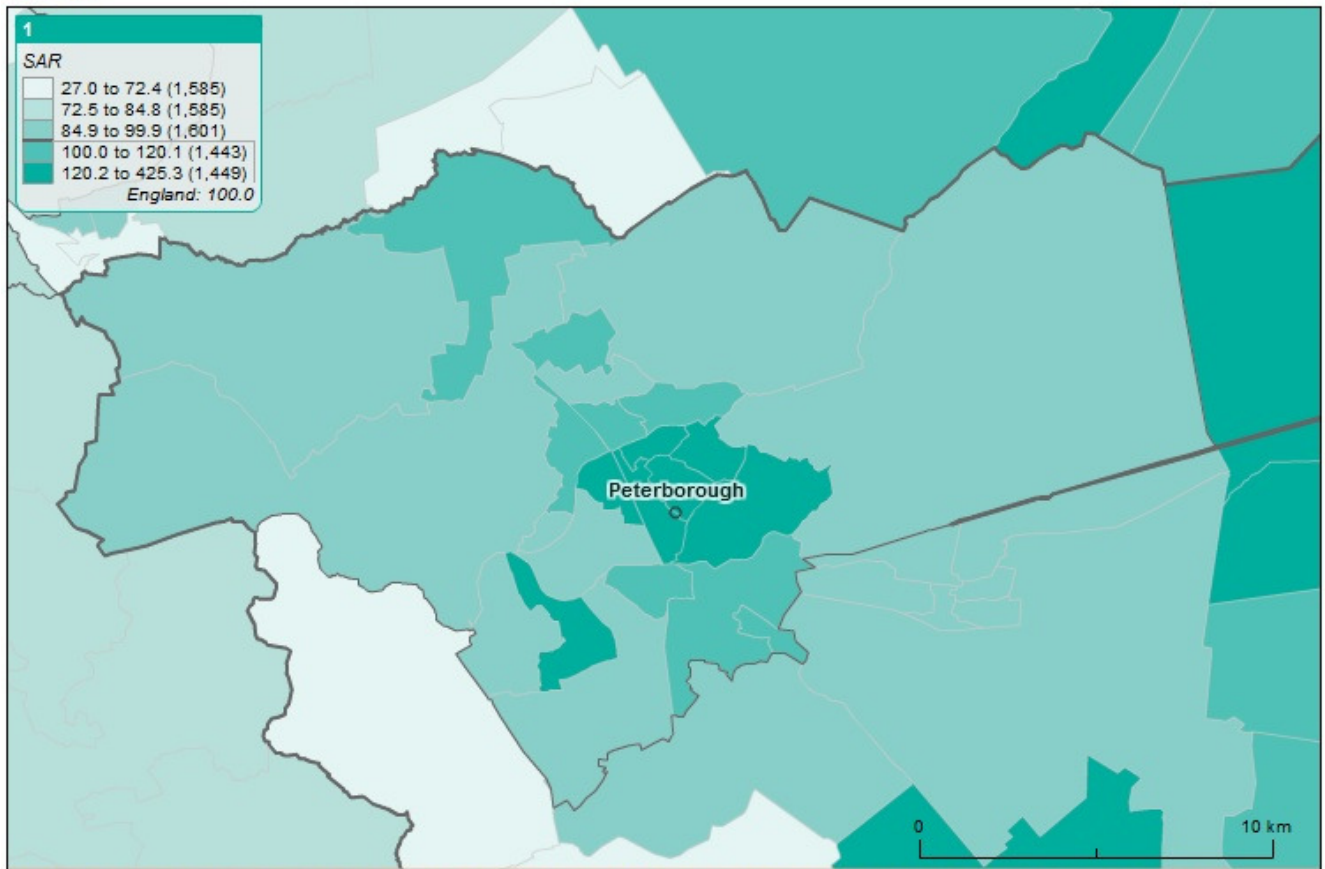
Percentage of the population aged 16+ with a BMI of 30+, modelled estimate, 2006-2008 - source: Public Health England, NHS IC © Copyright 2010



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Figure A-2 Emergency Hospital Admissions for Coronary Heart Disease

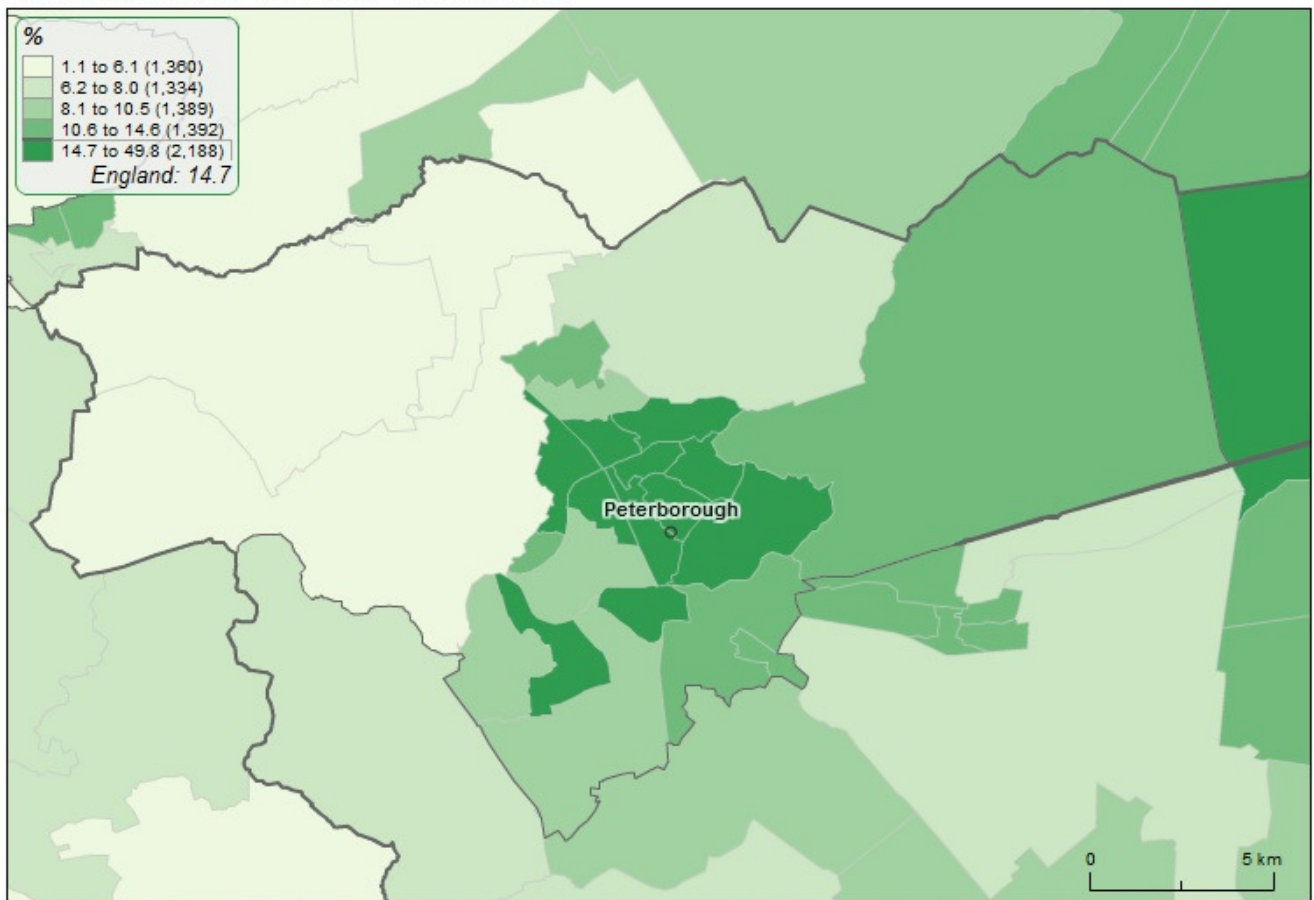
Emergency hospital admissions for coronary heart disease, standardised admission ratio, 2008/9 - 2012/13 -
source: Hospital Episodes Statistics (HES). Copyright © 2014. The Health and Social Care Information Centre. All rights reserved.



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Figure A-3 Income Deprivation

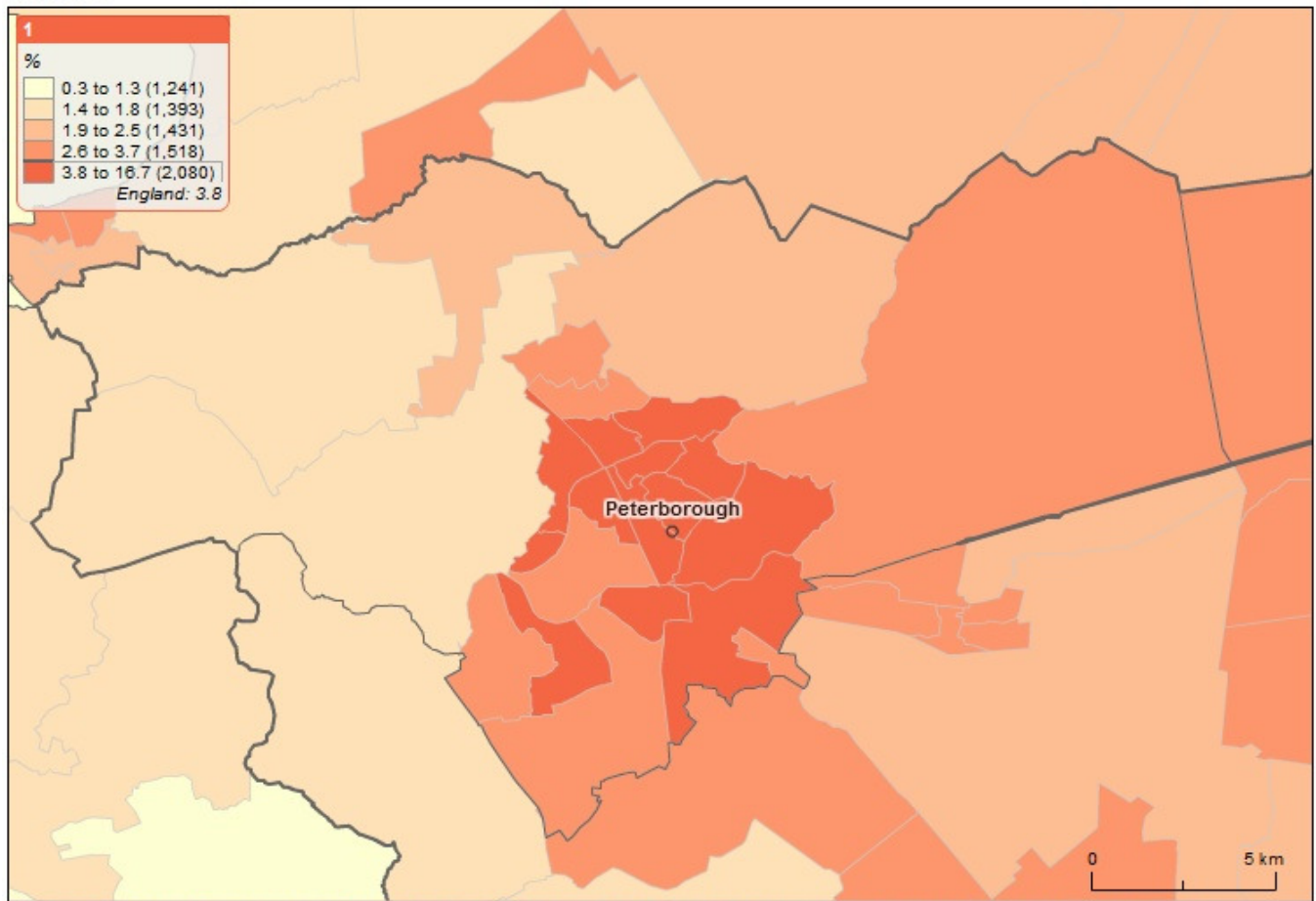
% living in income deprived households reliant on means tested benefit, Income domain score from the Indices of Deprivation, 2010 - source: CLG © Copyright 2010



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Figure A-4 Unemployment Percentage

% of the working age population who are claiming out of work benefit, 2012/13 - source: NOMIS Labour Market Statistics



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Appendix B. TRACC Modelling Outputs

Figure B1 Walking Journey Times

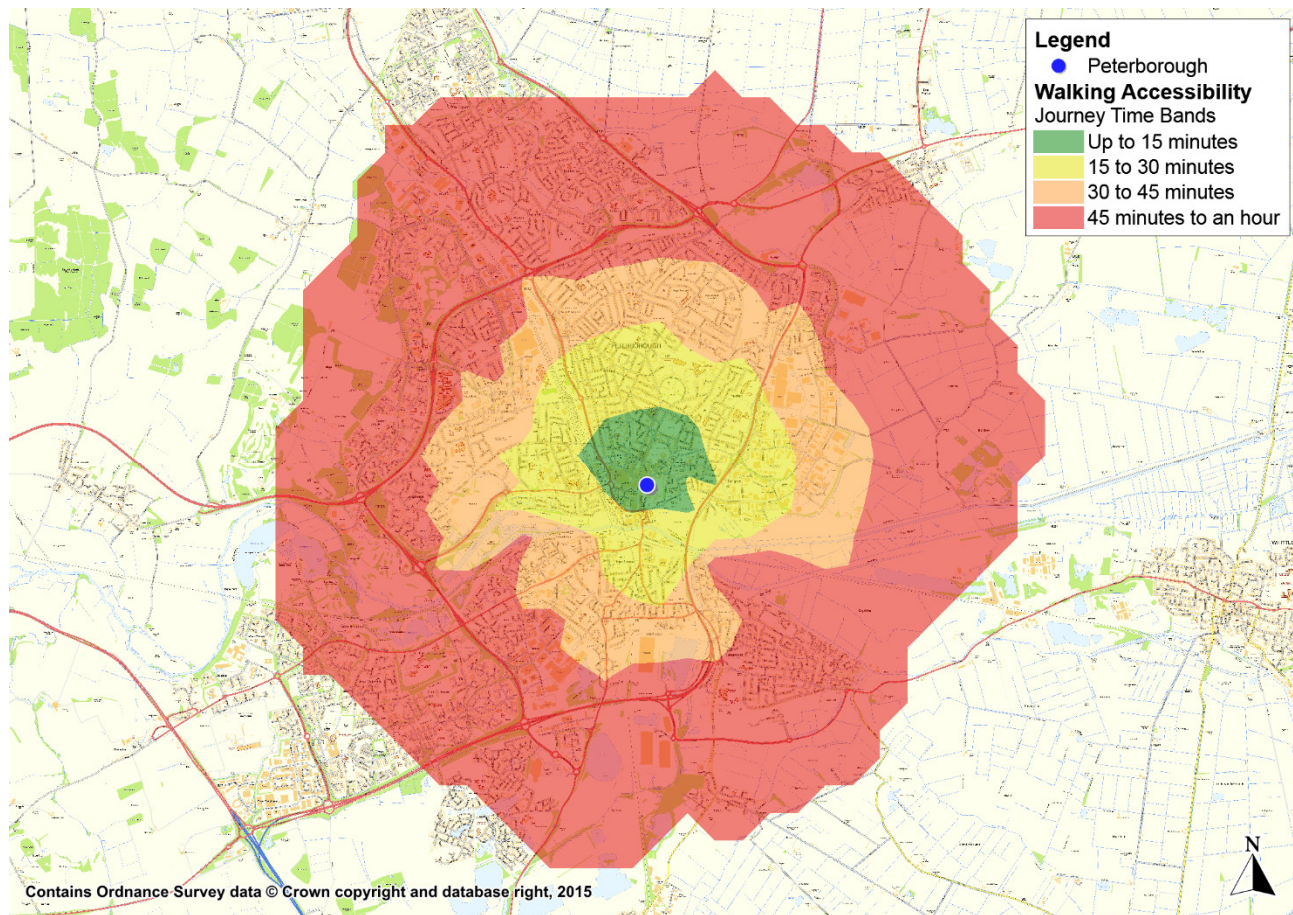


Figure B-2 Cycling Journey Times

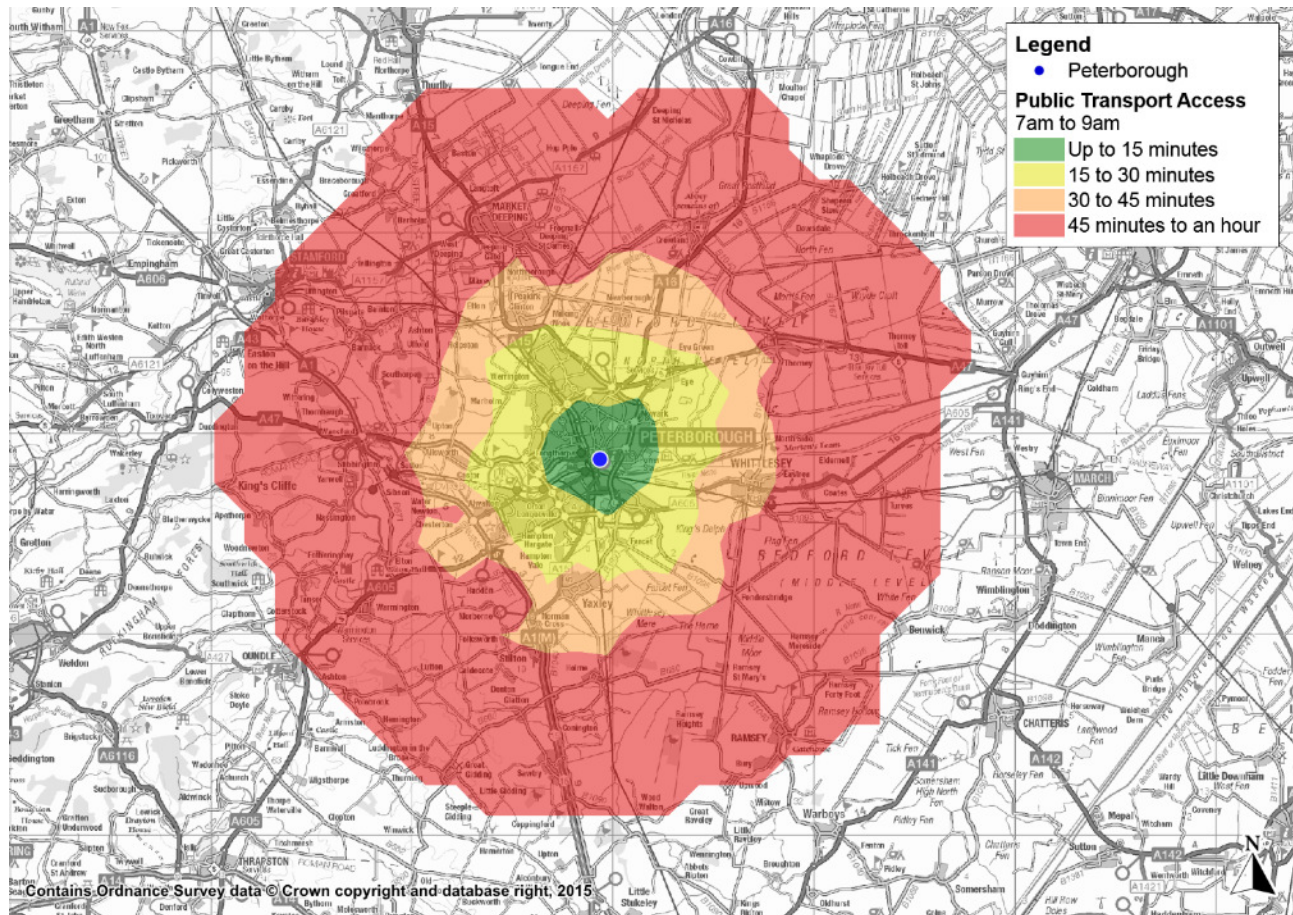


Figure B-3 Public Transport Journey Times (0600 to 0800 hours)

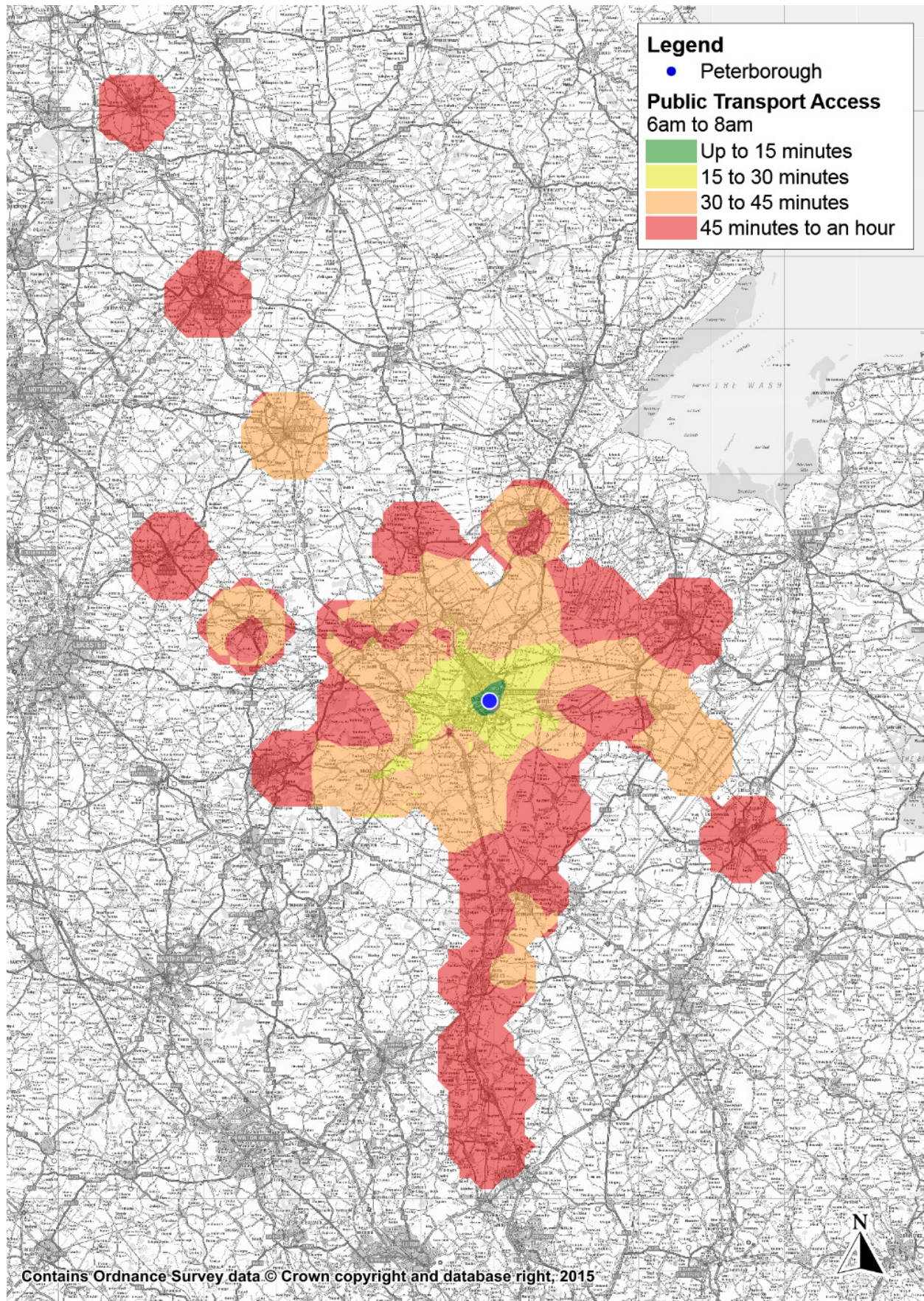


Figure B-4 Public Transport Journey Times (0700 to 0900 hours)

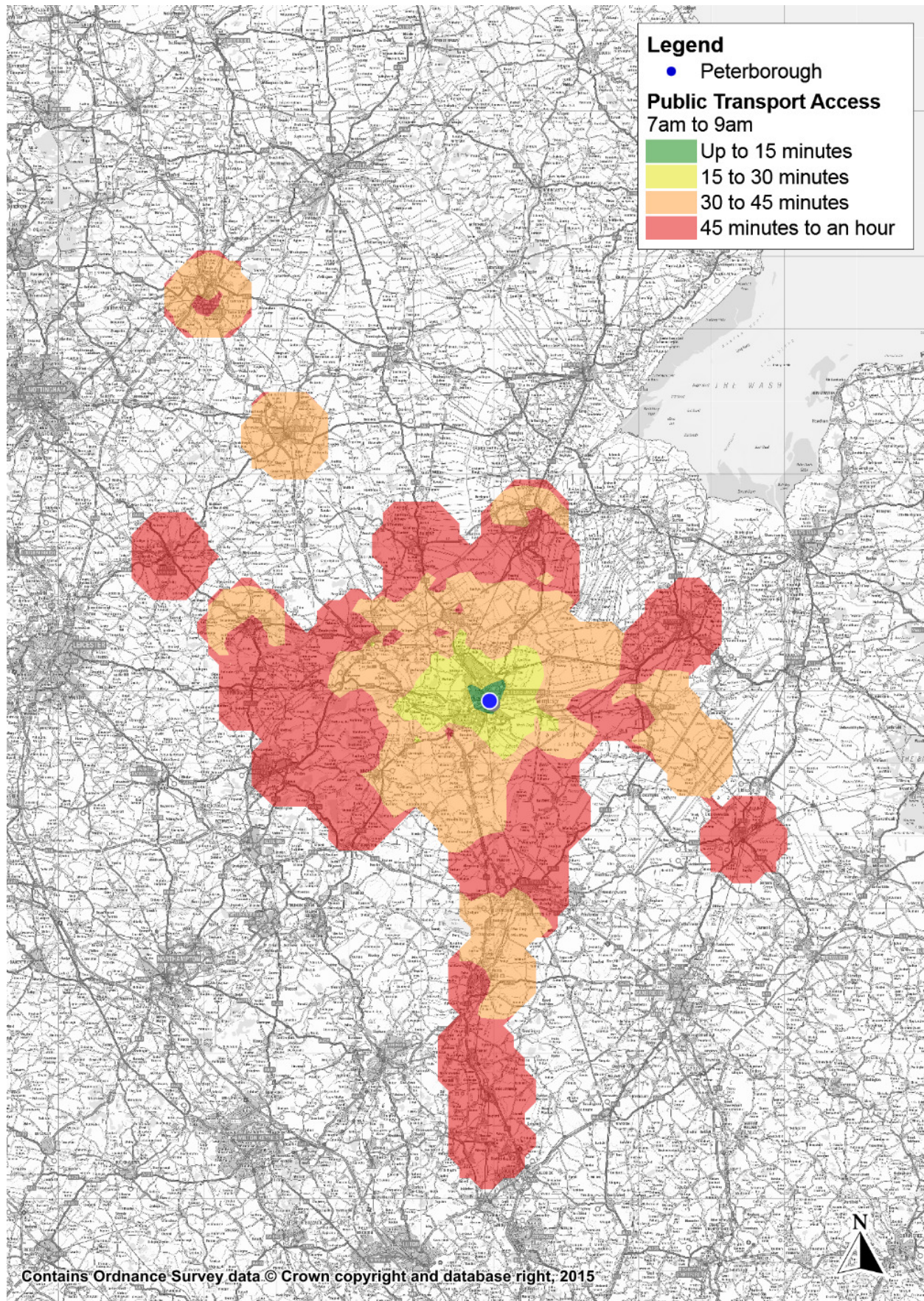


Figure B-5 Public Transport Journey Times (1600 to 1800 hours)

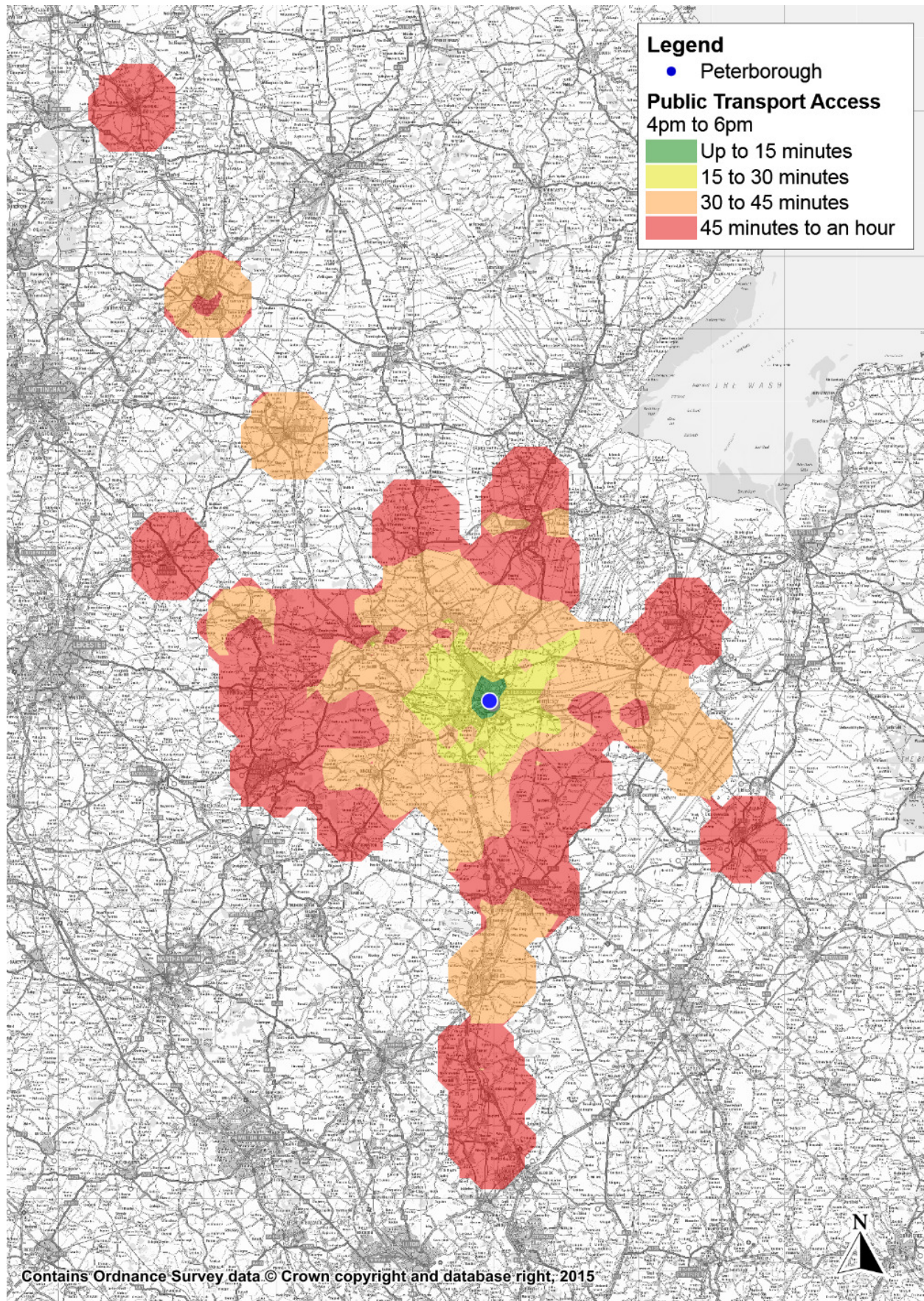
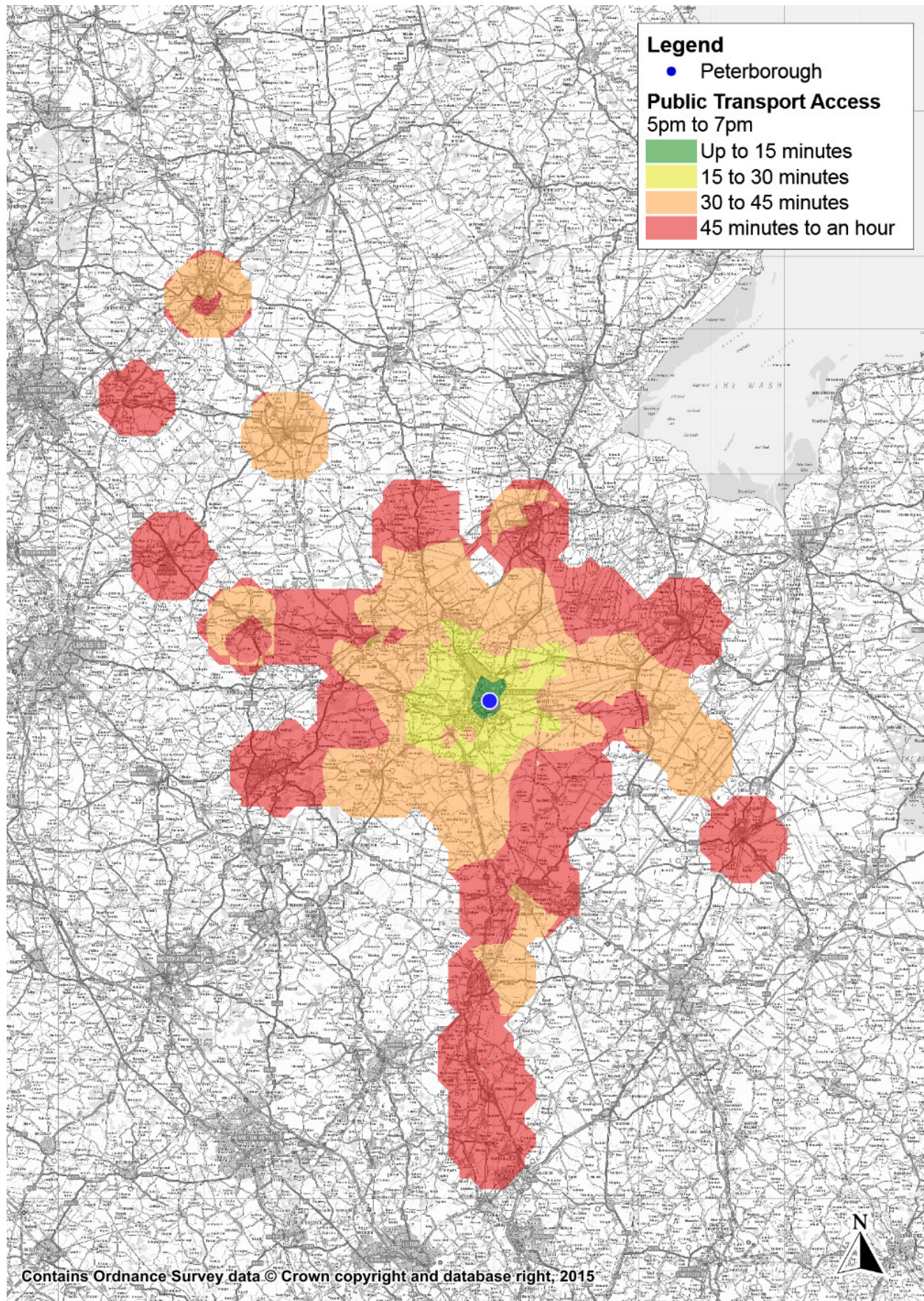


Figure B-6 Public Transport Journey Times (1700 to 1900 hours)



Appendix C. Walk and Cyclefriendly Outputs

Figure C-1 Walkfriendly Mapping Output

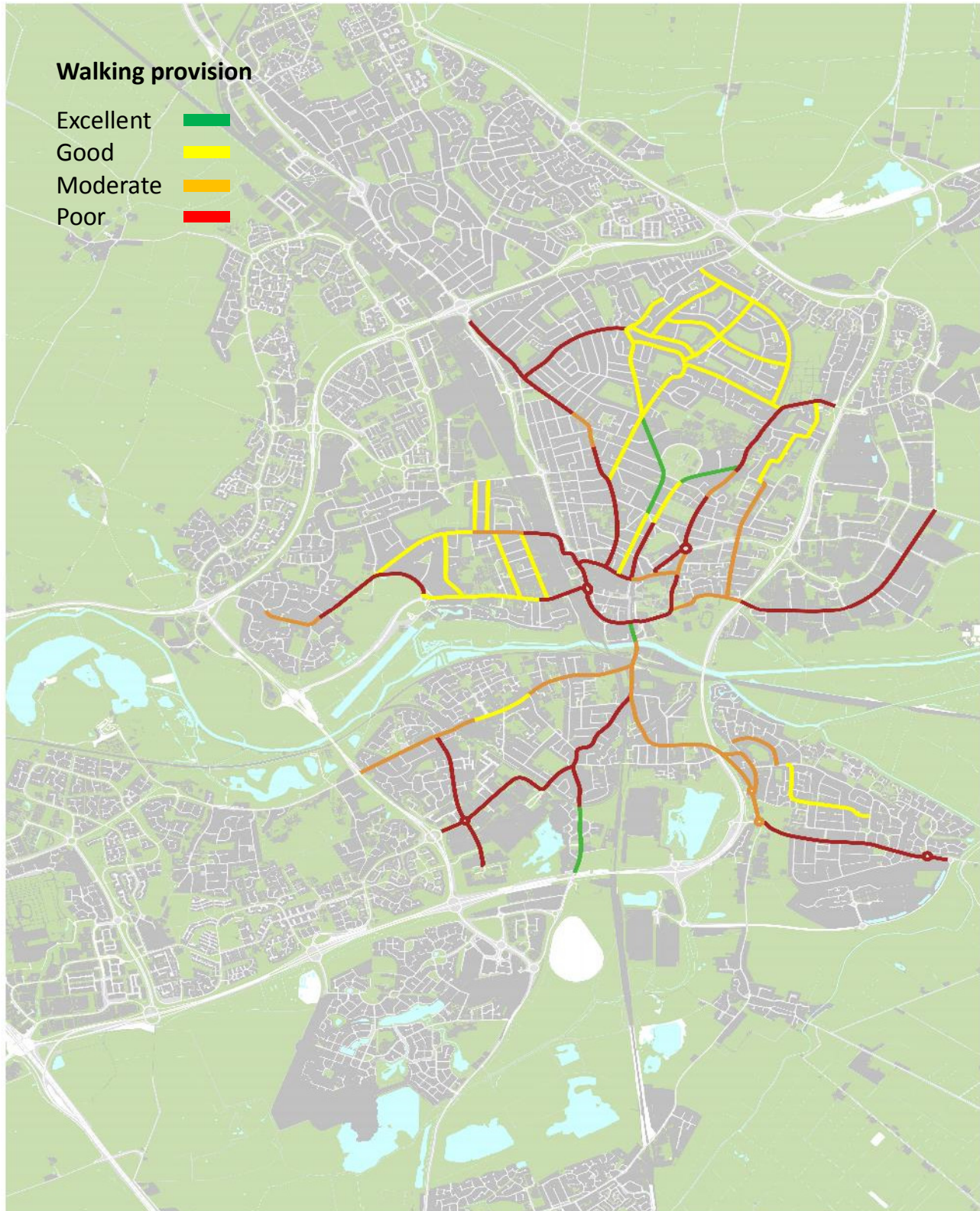
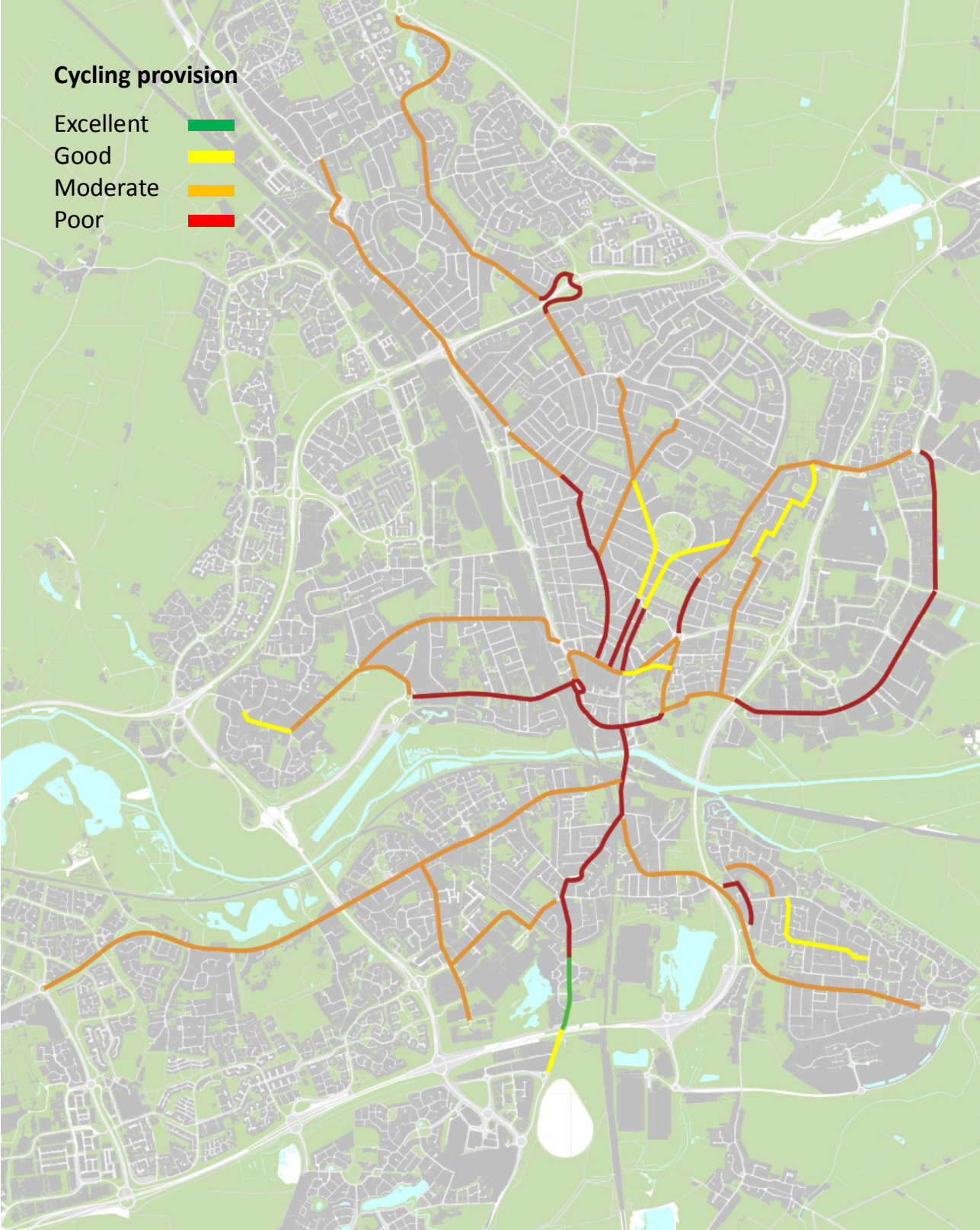


Figure C-2 Cyclefriendly Mapping Output



Chris Hanley
Atkins
Euston Tower
286 Euston Road
London
NW1 3AT

Email: chris.hanley@atkinsglobal.com
Telephone: 0207 121 2189

Bike It Peterborough

Annual Report 2018/19



December 2019






To find out more, please contact: Rowan Wilson
rowan.wilson@sustrans.org.uk

Summary

The Bike It Peterborough project commenced in 2011 and is now in its eighth year, with 35 schools engaged since the project began. The Sustrans Schools Officers delivered a planned programme of activities with 16 of these schools in the 2018/19 academic year, designed to encourage more young people of primary and secondary school age to cycle, walk and scoot. A new officer, Gail Lydall, joined the team in May 2019 to cover for Gemma Hughes' maternity leave.

This end of year summary report uses Hands Up Survey data, Activity Logs, Teacher Surveys, case studies and Big Pedal results to demonstrate the project's impact. Hands Up Survey results for schools joining the project in different years are combined to show the average impact the project has on pupils' travel behaviours as a whole¹. More information on the Hands Up Survey analysis approach is detailed in the Methodology section in the Appendix of this report.

Headline Results

 148 school activities delivered² in 2018-19 academic year	 10,885 pupil attendances to activities during the 2018-19 academic year
	6.0 percentage point increase in pupils using cycling as their usual mode of travel to school following four years of engagement
	7.6 percentage point increase in pupils using active travel ³ as their usual mode of travel to school following four years of engagement
	5.7 percentage point decrease in pupils using car travel as their usual mode of travel to school following four years of engagement

¹ This report only includes Hands Up Survey data from Primary and Infant Schools and does not include the data provided from two secondary schools. Only one of these schools received a planned programme of activities and the data was therefore considered incomparable to the data received from primary and infant schools.

² Total attendance and activity figures do include secondary school data.

³ Active travel includes walking, cycling, scooting and skating.

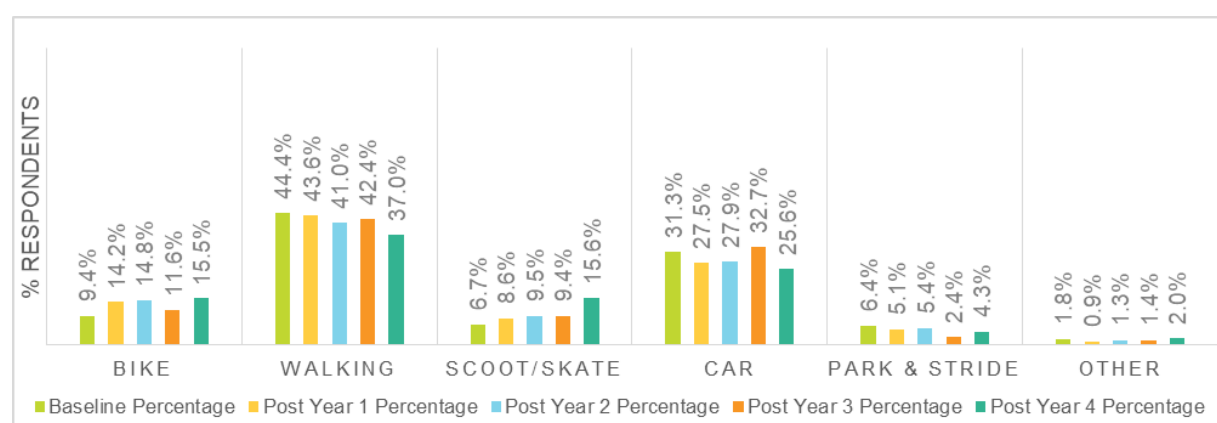
Aim 1: To increase the level of cycling to school to 20% of all young people, or to double regular cycling levels where the baseline is lower than 10% of pupils

Hands Up Survey Results

Progress has been made towards achieving aim one. Cycling as the usual mode of transport has shown a 6 percentage point overall increase from baseline (9.4%) to post year four (15.5%), (Chart 1). A percentage point increase of 3.9 occurred between post years three and four, showing the progress towards meeting aim one has continued into the later years of school engagement.

Supporting these results, the percentage of pupils who report cycling to school weekly increased from baseline (15.1%) by 5.8 percentage points to post year one (20.9%), and despite a decrease in post year three, has remained above baseline with a post year four result of 20.4% (Chart 2). The percentage of pupils who sometimes cycle to school has risen steadily from 23.8% at baseline to 39.2% at post year four (Chart 2).

Chart 1: How do you usually (most often) travel to school?



Results taken from 5,319 pupils at baseline, 4,667 at post year one, 4,264 at post year two, 3,284 at post year three, and 2,522 at post year four.

Table 1: Change in Hands Up Survey Results shown in Chart 1 between baseline and post year four







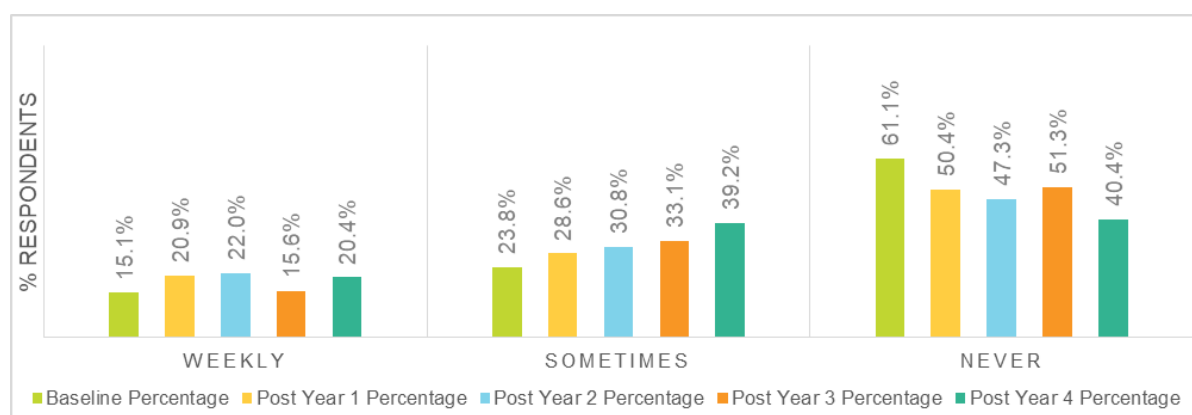

Mode	Change		Baseline %	Post Year 4 %
	7.6 percentage points	↑	60.5%	68.1%
	6.0 percentage points	↑	9.4%	15.5%
	7.4 percentage points	↓	44.4%	37.0%
	8.9 percentage points	↑	6.7%	15.6%
	5.7 percentage points	↓	31.3%	25.6%
	2.1 percentage points	↓	6.4%	4.3%

Chart 2: How often do you cycle to school?



Results taken from 5,018 pupils at baseline, 4,554 at post year one, 4,097 at post year two, 3,174 at post year three, and 2,513 at post year four.

Table 2: Change in Hands Up Survey Results shown in Chart 2 between baseline and post year four

	Change		Baseline %	Post Year 4 %
Weekly	5.3 percentage points	↑	15.1%	20.4%
Sometimes	15.4 percentage points	↑	23.8%	39.2%
Never	20.7 percentage points	↓	61.1%	40.4%

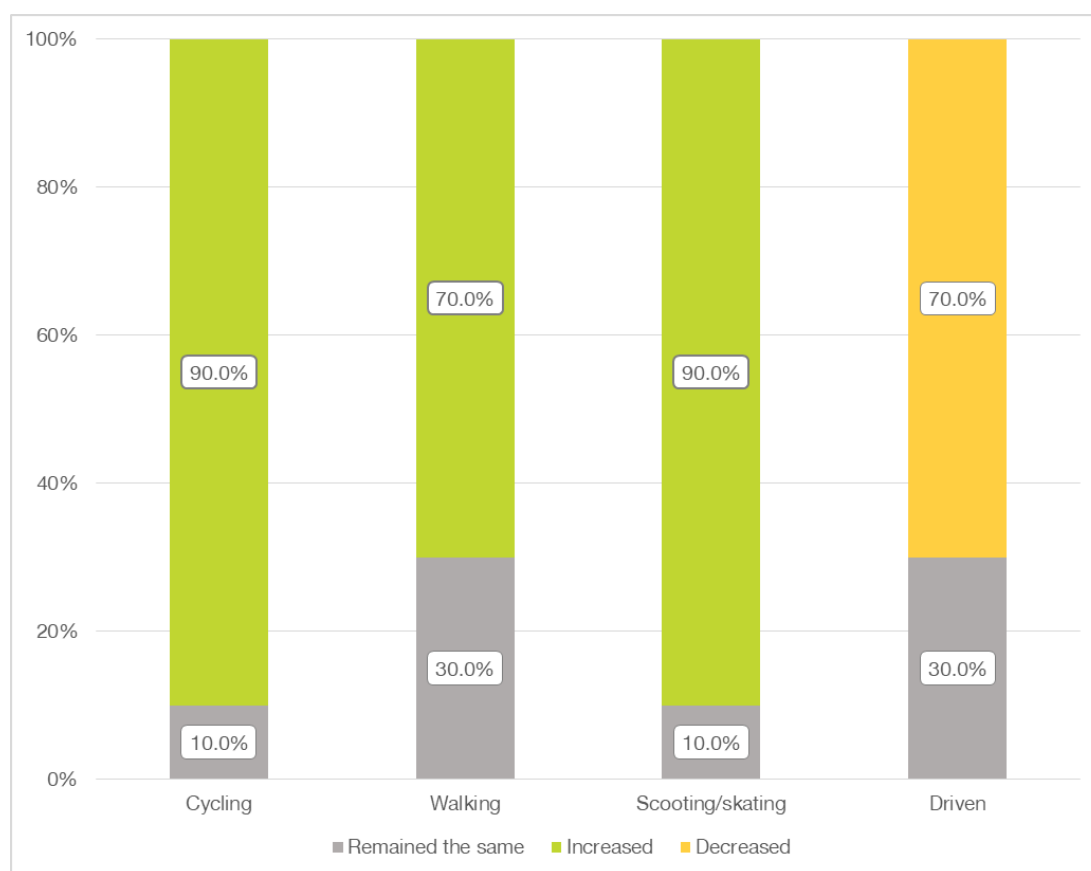
Teacher Survey Results

The results show that teachers have noticed an increase in use of active travel modes. Ninety percent of teachers said they had noticed an increase in cycling and scooting respectively, and close to three quarters had noticed an increase in walking (Chart 3). Alongside this, 70% of teachers said they had noticed a decrease in pupils being driven to school. They further reinforced these figures with the comments they provided:

"[THE SINGLE MOST IMPORTANT CHANGE SINCE THE START OF THE SUSTRANS PROJECT IS] MORE CHILDREN WALKING, CYCLING AND SCOOTING TO SCHOOL WITH THEIR SIBLINGS AND PARENTS."

Anonymous respondent

Chart 3: How do teachers think the number of pupils travelling to school has changed since their school became engaged with Sustrans



Results based on 10 responses by teachers and school staff

"OUR BIKE AND SCOOTER STORAGE IS NOW FULL ALL YEAR AROUND AND NOT JUST DURING THE BIG PEDAL COMPETITION!"

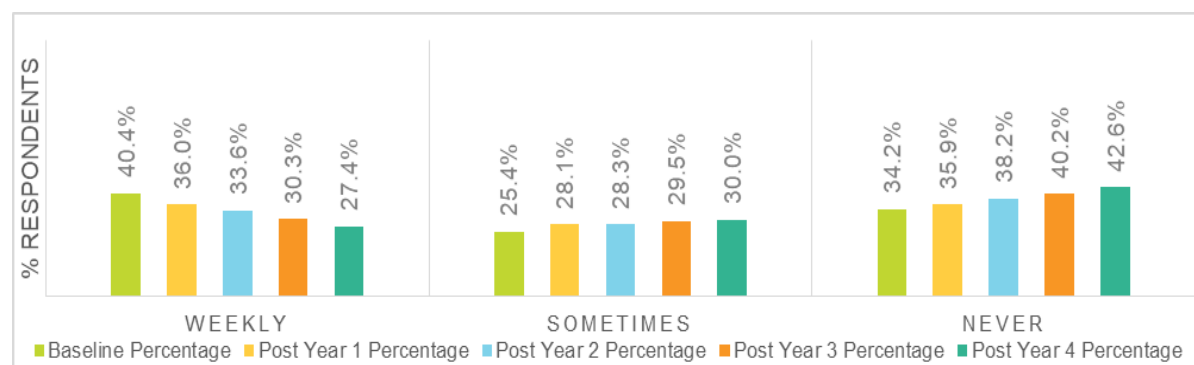
Anne-Marie McElhinney, Headteacher, St Thomas More Catholic Primary School

Aim 2: To reduce the number of young people travelling to school by car – with a shift to active travel modes or use of public transport

Hands Up Survey Results


Aim 2 of the project has been achieved, with the Hands Up Survey results showing a decrease in weekly car use for each subsequent year of engagement (Chart 4). Weekly car travel has shown a 13.0 percentage point decrease since baseline (40.4%) to 27.4% at post year four (Table 3).

Chart 4: How often are you driven to school (in car or taxi)?



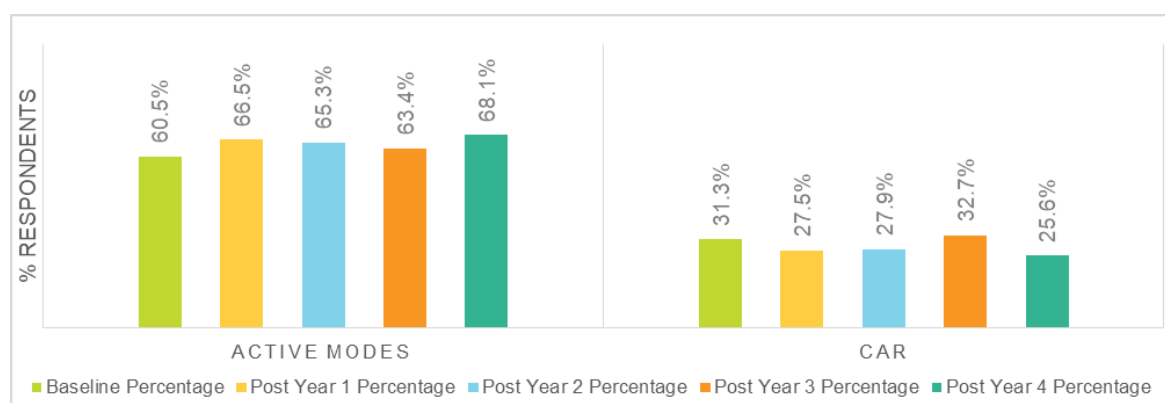
Results taken from 5,116 pupils at baseline, 4,652 at post year one, 4,077 at post year two, 3,316 at post year three, and 2,503 at post year four.

Table 3: Change in Hands Up Survey Results shown in chart 4 between baseline and post year four

	Change		Baseline %	Post Year 4 %
Weekly	13.0 percentage points	↓	40.4%	27.4%
Sometimes	4.5 percentage points	↑	25.4%	30.0%
Never	8.4 percentage points	↑	34.2%	42.6%



Alongside this, the percentage of pupils who usually travel via active modes has seen a 7.6 percentage point increase since baseline to 68.1% in post year four.

Chart 5: How do you usually (most often) travel to school



Results taken from 5,319 pupils at baseline, 4,667 at post year one, 4,264 at post year two, 3,284 at post year three, and 2,522 at post year four.

Table 4: Change in Hands Up Survey Results shown in chart 5 between baseline and post year four

Mode	Change		Baseline %	Post Year 4 %
	7.6 percentage points	↑	60.5%	68.1%
	5.7 percentage points	↓	31.3%	25.6%

Teacher Survey Results

The majority of teachers also noticed an increase in the use of all active modes and a decrease in pupils being driven to school (chart 3) and provided comments to support the importance of reducing congestion and encouraging students to travel actively.

"WE HAVE A VERY CONGESTED DRIVEWAY LEADING UP TO OUR SCHOOL, WHEN IT IS BIG PEDAL THERE IS A SIGNIFICANT DIFFERENCE TO THE NUMBER OF CARS."

Sarah Grange, Champion, St Augustine's C of E

"CHILDREN WHO COME TO SCHOOL WALKING, CYCLING OR SCOOTING ARE MORE ALERT AND ARE WILLING TO TAKE PART IN ALL THE SUSTRANS ACTIVITIES. THE CHILDREN WHO COME IN CARS PUT UP BARRIERS THAT ARE NOT NECESSARILY THERE."

Jessica Wilson, Champion, The Beeches Primary School





Aim 3: To raise awareness of the benefits of active travel

Bike It Peterborough engages with many enthusiastic schools, some of which have been engaged with the project for seven years or more. In this time the project has had success in raising awareness of the benefits of active travel. Table 8 and chart 7 in the appendix demonstrate the variety of activities delivered and their attendance figures, and show that interest and enthusiasm activities have been popular. Teacher Survey results indicate that teachers are confident the project has impacted pupils' awareness of the benefits of active travel and they have provided various comments to reiterate this.

Teacher Survey Results

The majority of teachers thought that the project had helped to raise awareness of the benefits of active travel.

Table 5: "Please consider the level of impact your Sustrans project has had on increasing awareness of the following [benefits of active travel] among pupils"

% of teachers	Level of impact on...
 100%	increasing awareness of the health benefits of active travel
 100%	increasing awareness of the environmental benefits of active travel
 70%	increasing awareness of the air quality benefits of active travel
 60%	increasing awareness of the economic benefits of active travel

Results based on 10 responses by teachers and school staff

"THE SUSTRANS PROJECT IS A WONDERFUL THING TO BE PART OF, IT IS POSITIVE, INCLUSIVE, IT HELPS THE ENVIRONMENT AND IT TEACHES OUR CHILDREN HOW TO BE FIT AND HEALTHY. THE IMPACT OF THIS THEN AFFECTS THE WIDER COMMUNITY."

Sarah Grange, Champion, St Augustine's C of E

"A GREAT WAY TO ENCOURAGE A HEALTHIER LIFESTYLE AND TO EDUCATE ABOUT THE BENEFITS FOR THE ENVIRONMENT, AS WELL AS BRINGING THE WHOLE SCHOOL COMMUNITY TOGETHER."

Anne-Marie McElhinney, Headteacher, St Thomas More Catholic Primary School

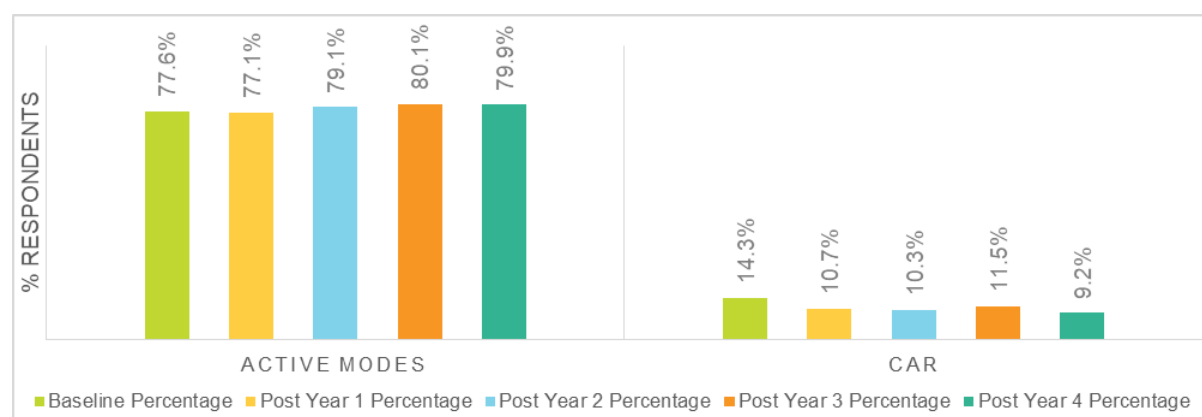
Aim 4: To create a culture of active travel within project schools that can be sustained once the Project Officer has left

Bike It Peterborough has been successful in creating a culture of active travel in project schools that can be sustained once the officer has moved on to other schools. The success of the School Streets event at Ravensthorpe Primary, a school which was placed “at distance”⁴ from the project in 2017, demonstrates how a culture of active travel and enthusiasm for walking, cycling and scooting can be sustained even years after the project officer has left. Furthermore, the support provided by the Bike It officer to Bikeability students at St Augustine’s Junior School provided students with the skills and knowledge to continue cycling even after they were no longer engaged with the project. Hands Up Survey results demonstrate an increase in preference towards active travel amongst pupils, providing the motivation for pupils to continue walking, cycling and scooting even after the officer has left. Teachers responding to the survey highlighted how the project had helped them to make lasting changes within their school. This highlights how the work the officers do creates a culture of active travel within the schools that is sustained as the school becomes less intensively engaged and provides the skills, groundwork and motivation for the increase in active travel to continue long after the project officer has moved on.

Hands Up Survey Results

Results show that the number of pupils who would most like to travel to school by active modes has risen steadily across all years of engagement and was at 79.9% at the end of year four. This shows an increase in enthusiasm for active travel among pupils in Bike It schools, thereby contributing to the creation of an active travel culture within the school. This coincides with a decrease in pupils who would most like to be driven to school.





Chart 6: How would you most like to travel to school?



Results taken from 5,059 pupils at baseline, 4,716 at post year one, 4,152 at post year two, 3,248 at post year three, and 2,521 at post year four.

⁴ This refers to the school's engagement level. The engagement level determines the number of activities and level of attention the officer provides to the school and is usually one of intensively engaged, supported, or at distance. Schools which have been involved in the project a while are usually placed at distance.

Table 6: Change in Hands Up Survey Results shown in Chart 6 between baseline and post year four

Preferred Mode	Change		Baseline %	Post Year 4 %
	2.3 percentage points		77.6%	79.9%
	5.1 percentage points		14.3%	9.2%

Teacher Survey Results

Teachers were positive about Bike It Peterborough's success at creating an enduring culture of active travel. One teacher mentioned the project's impact on the wider community, whilst another school talked of promoting Bike It to teachers they meet from other schools. Furthermore, 89% of teachers believed that the project had had a positive impact on involving pupils in the ownership of project activities, enabling them to continue engaging in cycling, walking and scooting even after the officer has left.

"I THINK WE ARE SLOWLY BEGINNING TO MAKE AN IMPACT ON THE CHILDREN AND HOPEFULLY THIS IS PASSING DOWN TO YOUNGER SIBLINGS AND PARENTS."

Margaret Massey, Other School Staff, St Augustine's Junior School

"I ALWAYS ASK TEACHERS THAT I MEET FROM OTHER SCHOOLS IF THEY ARE A BIKE IT SCHOOL, IT IS ALWAYS A POSITIVE EXPERIENCE WITH ERIC AND GEMMA, I COULDN'T RECOMMEND IT ENOUGH."

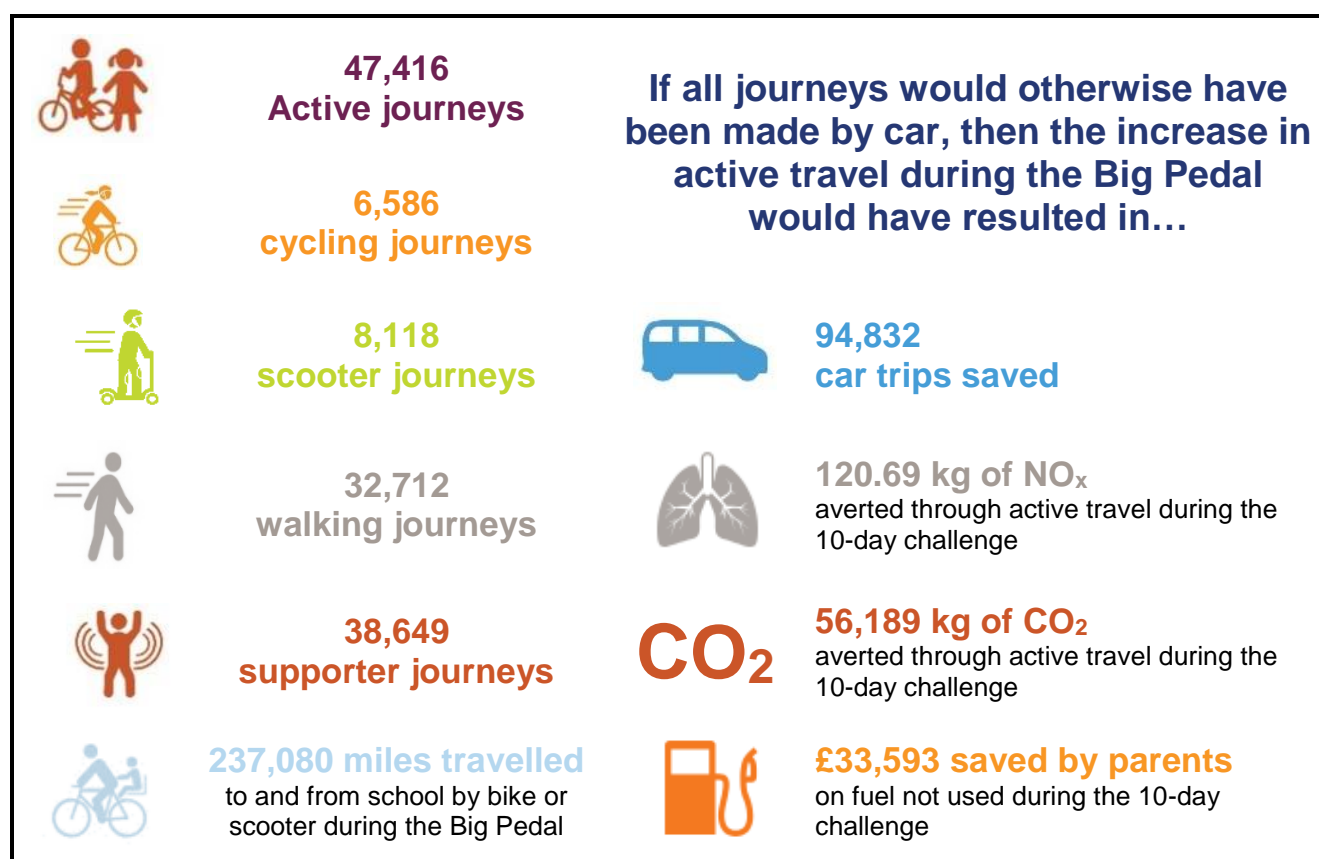
Sarah Grange, Champion, St Augustine's C of E

Big Pedal Results

Sustrans' Big Pedal is the UK's largest inter-school cycling, walking and scooting challenge inspiring pupils, staff and parents to choose human power for their journey to school. In 2019 the challenge ran for 10 days, from 25 March to 5 April 2019. It was open to all primary and secondary schools in the UK, including Special Educational Needs (SEN) schools.

In Peterborough, 19 Bike It schools took part in the Big Pedal with 47,416 active journeys being made during the school run. The best performing Bike It schools in Peterborough were:

- St Thomas More Catholic Primary School – 94% of pupils used active modes (9th nationally in the Big Primary category)
- Orton Wistow – 23% of pupils cycling
- Middleton Primary – 71% of pupils walked to school



9.5 trips around the world
cycled, walked or scooted during the
Big Pedal 2019



Case Study: School Streets at Ravensthorpe Primary

Written by Eric Schneider, Sustrans Schools Officer

Ravensthorpe Primary School has been a Bike It school in Peterborough since September 2012 and was one of the first schools to sign up to the project. The school was put at a distance in the beginning of 2017 after the school champion retired so the school had had minimal involvement with Bike It since February 2017.

In December 2018, Peterborough City Council decided to take part in the new School Streets initiative being run during the 2019 Big Pedal and chose Ravensthorpe Primary as the target school. The school was chosen due to the head teacher's concern about traffic volume and speed, and the fact that the school is located on a short cul-de-sac. Closing the road would lead to minimal disruption to traffic flow and the council wanted to start with a less challenging road closure.



There followed an intense period of re-engaging the school and trying to plan for the day. At the council's urging it was decided to go for an entire day's closure with activities planned throughout the day. In total it is estimated that the 1.5 Peterborough officers spent a combined total of 130+ hours on planning organising and delivering the day. In part this was due to the time taken to recruit new champions and re-engage with the school and with trying to liaise with several external partners such as Ravensthorpe Big Local (community group), PECT (Peterborough Environment City Trust), Jim's Silly Bikes (external activity provider) and the PCC Travelchoice and road safety team.

On the day, six Sustrans staff members (from other departments), two Sustrans volunteers, one member of Travelchoice, one road safety officer and two traffic enforcement officers were involved. This was a large commitment in staff time and resources but the day went exceptionally well.



The day started with a whole school assembly on the closed road followed by Balance bike, Spin Art, Cycle skills and Circus bike try out sessions running throughout the school day.

The day finished with traditional street games and a PTA (Parent Teacher Association) bake sale. Every child at the school was able to take part in at least one activity and the school really embraced the day. The school came third in Peterborough during Big Pedal at 88% taking part and was 30th nationally in the Big Primary category, by far their best finish ever.



Case Study 2: Bike It support for Bikeability

Written by Eric Schneider, Sustrans Schools Officer



In schools within Peterborough Local Authority, Bikeability training is provided by the external company Outspoken Training. As in many authorities, the uptake of Bikeability is in decline and some schools are struggling to get pupils to sign up to the training and there are sometimes issues with the roadworthiness of bikes for the sessions. Bike It in Peterborough has a deliberate policy of supporting and promoting the uptake of Bikeability.

Whenever possible, Bike It will book a Dr Bike session shortly before a school is scheduled to take part in Bikeability. In 2019 the project officers provided a pre-Bikeability Dr Bike session at six of the Bike It schools including all newly recruited primary schools. The schools involved were Middleton Primary, Longthorpe Primary School, Thorpe Primary School, West Town Primary Academy, Saint Michaels Church School and St Augustine's CofE (Voluntary Aided) Junior School.

The School Champion at St Augustine's Junior school had a particular concern this year as the previous Bikeability session had not gone well with four trainees not being able to progress to the level two on-road portion of the Bikeability training and a low pass rate among those that did complete level two. The school is located in an area that has few suitable roads for teaching Bikeability and the roads are generally more challenging than for around many other schools.



"BIKEABILITY PROVIDES A CAREFULLY PLANNED AND POSITIVELY DELIVERED PROGRAMME FOR THESE YOUNG CYCLISTS. BUT IN THIS CASE THERE WAS MORE TO IT THAN THAT. WE WERE SOWING THE SEEDS ON GROUND THAT HAD ALREADY BEEN PREPARED BY BIKE IT."

Andy Howe - Bikeability Instructor (Outspoken Training)



In light of these concerns, the project officers not only had a Dr Bike session the week before Bikeability, but also ran a cycle skill session specifically for the Bikeability trainees. Although the session was billed as a cycle skills/cycle games session it was run essentially as a Bikeability Level 1 course. As an experienced NSIQ, Eric was able to assess the riders and give advice on any areas that they could practise over the weekend before starting Bikeability the following Monday.

All of the trainees passed Level 1 and progressed to Level 2 where all but two passed. In addition to the Dr Bike and practice sessions, Bike It has also supplied and maintained a couple of pool bikes for the school. One of the Bikeability trainees forgot to bring their bike on the Monday and if not for the pool bike they would not have been able to take part.

"CHILDREN HAD BEEN EXCITED BY THE BIG PEDAL INITIATIVE WHICH BOOSTS INTEREST IN CYCLING TO SCHOOL EACH YEAR. BIKE IT PLAYS A HUGE PART IN CHANGING THE SCHOOL CULTURE, MAKING CYCLING MORE WIDELY ACCEPTED AS THE BEST AND MOST ENJOYABLE WAY TO TRAVEL IN PETERBOROUGH. WELL DONE TO SUSTRANS!"

*Andy Howe - Bikeability Instructor
(Outspoken Training)*

"THE SCHOOL HAD HAD A PREVIOUS VISIT FROM DR BIKE SO CYCLES WERE READY TO RIDE, WHICH IS NOT ALWAYS THE CASE! ENTHUSIASM AND INTEREST WERE HIGH - THE SCHOOL STAFF EXPLAINED HOW TAKE UP FOR BIKEABILITY HAD NEVER BEEN HIGHER. THE BIKE IT INPUT - COMPETITIONS, LITTLE PRIZES OF CYCLING GEAR, THE PROMOTION OF CYCLING - FOR EXAMPLE AT THE SCHOOL SUMMER FAIR AS WELL AS IN ASSEMBLY - ALL THIS HAD HELPED TO SWITCH THE CHILDREN ON TO THE FUN AND THE HEALTH AND ENVIRONMENTAL BENEFITS THAT GO WITH CYCLING."

Andy Howe - Bikeability Instructor (Outspoken Training)

Appendix

Methodology

Sustrans' Teacher and Partner survey provides the opportunity for teachers, school staff and project funders and partners to provide open feedback on the success of the Bike It Project. Some of these illustrate the impact that the project has on the levels of cycling culture in schools.

Sustrans' Hands up Survey gathers school modeshift data from pupils by asking how they usually travel to school and how they would prefer to travel to school. The data demonstrates the impact the Bike It Project has on increasing levels of active travel and decreasing car usage in journeys to school.

In this report, the Hands Up Survey data for Bike It Peterborough are analysed regardless of the year in which the school first engaged. This is to create a profile of results based on length of engagement and to concisely evidence the impact of the project. This report only includes Hands Up Survey data from Primary and Infant Schools as the method of engagement for Secondary schools was deemed different and thus incomparable with Primary and Infant schools.

There are comparable data from 20 schools at baseline, 18 at the end of year one, 16 at the end of year two, 12 at the end of year three, and 10 at the end of year four. From the fifth year of engagement, there are not enough schools with post survey data to allow for reliable comparison with the baseline. This is visualised in Table 7 below:

Table 7: Number of schools returning Hands Up Survey data at each survey point

	Baseline	Post Year 1	Post Year 2	Post Year 3	Post Year 4	Post Year 5	Post Year 6	Post Year 7
Number of schools	20	18	16	12	10	6	4	3
Number of schools with surveys from 2018/19	4	4	1	3	1	3	1	2
Included in report	✓	✓	✓	✓	✓	✗	✗	✗

Please note that due to rounding, percentage change calculations may not always correspond exactly with percentage values displayed in charts and tables throughout this report.

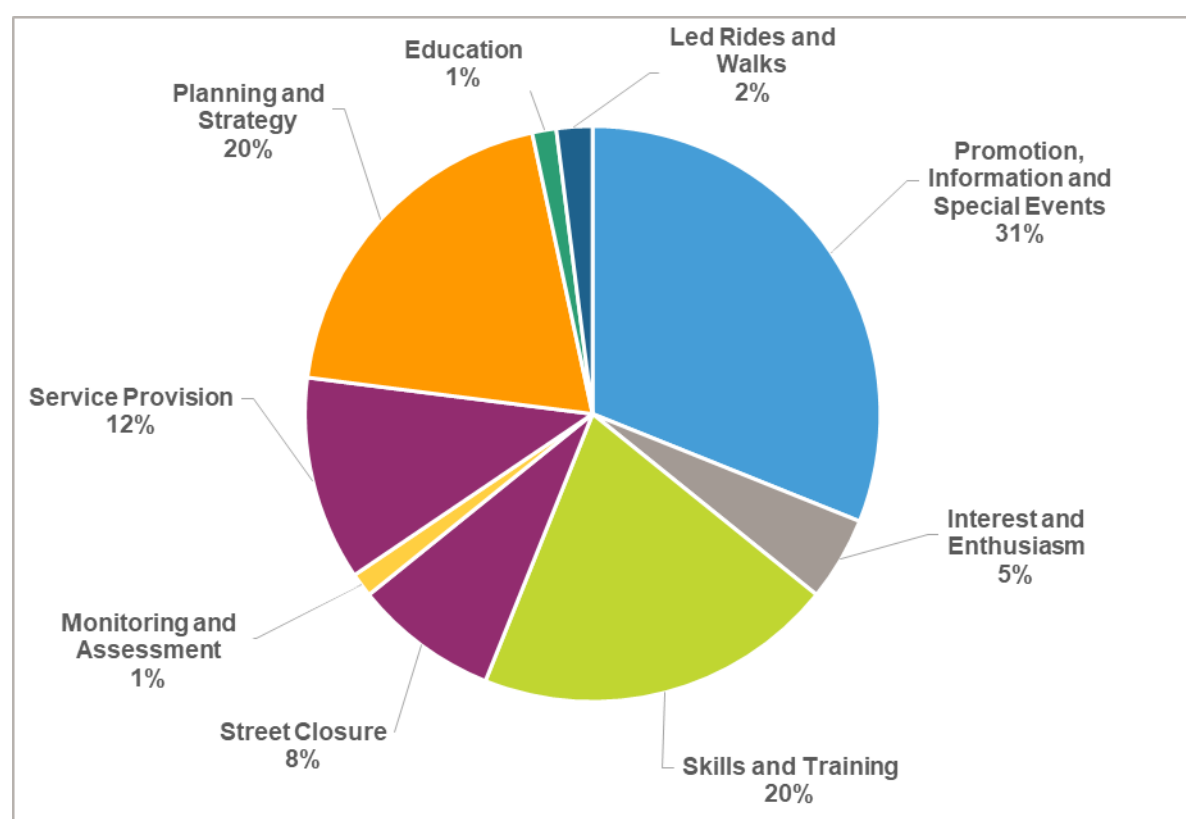
Further detail about the way Sustrans monitor and report on schools work can be made available through your Sustrans contact.

Activity Logs

Table 8: Total attendances to activities delivered in Peterborough schools in 2018/2019 academic year

Activity Type	Total Activities	Total Attendances (including parents, staff and other adults)
Promotion, Information and Special Events	46	7,737
Interest and Enthusiasm	7	1,141
Skills and Training	30	992
Street Closure	12	640
Monitoring and Assessment	2	436
Service Provision	17	388
Planning and Strategy	29	85
Education	2	65
Led Rides and Walks	3	40
Total	148	11,524

Chart 7: Proportion of activities delivered by type during 2018-19 academic year



Schools list

The 2018/19 schools list includes data for all schools that have received an activity this year, regardless of the latest post survey they have provided. Schools included in the Hands Up Survey data that in the 2018/19 academic year didn't return a post survey and didn't have any activities delivered are not included in the schools list below.

Table 9: All Peterborough schools engaged in the project during 2018/19 academic year – with activity logs and bike counts for 2018/19

School name ⁵	School roll	Academic year of engagement	Number of activities received ⁵	Number of attendances to activities	Max bike count (as % school roll ⁶)	Max scooter count (as % school roll ⁶)
Beeches**	630	2016	13	1,184	4%+	4%+
Brewster Avenue Infants**	219	2018	5	95	21%	6%
Hampton Gardens	480	2018	17‡	297	23%	6%+
Hampton Hargate Primary School	630	2012	1	11	-	-
Longthorpe Primary School**	415	2016	4	56	10%	3%
Middleton Primary**	401	2016	10	1,024	10%	6%+
Nene Valley Primary	315	2014	3	292	18%	13%
Orton Wistow Primary	405	2015	4	152	15%	9%
Queen's Drive Infant School	265	2013	4	517	12%+	17%+
Ravensthorpe Primary School	319	2012	15	918	34%+	31%+
Saint Michaels Church School**	349	2018	19	2,013	5%	5%+
St Augustine's CofE (Voluntary Aided) Junior School**	238	2015	10	681	8%+	11%+
St Thomas More RC Primary	417	2012	5	873	9%+	9%+
Thorpe Primary School**	558	2018	16	1,310	-	-
West Town Primary Academy**	385	2018	14	1,048	3%	2%
Woodston Primary School**	476	2012	8	1,053	11%	6%

⁵ (**) indicates that a school had a post survey in 2018/19, which is included in this report

⁵ (‡) indicates the school has school-led activities

⁶ (+) indicates the max bike or scooter count occurred on a day when there was no activity occurring at the school.

Agenda Item 3.2 - Appendix 3

Financial and Output Table for 2020/21

Sector	Activity	Cost	Output
Schools	Travel Planning (Travel Plans, Surveys, administration etc.)	£8,000	Engage with 18 new schools (including the recently opened Hampton Gardens and the soon to be opened Hampton Beach school). Collect travel survey data from in excess of 1000 pupils to measure progress and inform future delivery. Support 20 new or updated School Travel Plans to ensure commitment and a legacy for the future.
	Modeshift STARS	£3,000	Ensure all 78 primary schools are signed up to Modeshift STARS. (Evidence collected by East Riding of Yorkshire Council using the Modeshift STARS system has demonstrated that between 2009 and 2013 a reduction of 1,700 car journeys per day on the school run had been recorded. 1000 of these journeys now use active and sustainable travel of which the HEAT tool calculates that the total economic benefit over a period of 7 years would be £1.5million)
	Bike It / School Streets (Sustrans) / Community Street Design	£90,000	Deliver Bike It in 20 schools. Deliver 2 'School Streets' projects. Engagement with in excess of 4000 pupils, staff and parents.
	Engagement events and campaigns	£5,000	Anti – idling, safer parking, Park and Stride, Walking Bus initiatives as required to reduce congestion and increase safety outside of the school gates. The economic benefits of reducing school run congestion, based on average national trip distance of 2km, and a 15p decongestion value of active travel options, each extra child walking and cycling saves £48 in congestion costs each year.
Businesses	City Centre Travel Plan supporting the establishment of a Business Improvement District	£7,000	Support 10 businesses to encourage in excess of 400 staff to commute sustainably. Engagement event at Queensgate to reach in excess of 500 visitors.

	Travel Planning (Travel Plans, Surveys, administration etc)	£10,000	Work with 15 new businesses to develop and update a Workplace Travel Plan to ensure commitment and legacy for the future. Conduct workplace travel surveys with approximately 500+ staff members to ascertain travel behaviour to inform future delivery and measure progress.
	Engagement events and campaigns (including the Business Travel Challenge)	£7,000	Employee engagement campaigns, personalised travel planning to 1000 members of staff. In 2018 1013 people signed up to the Business Challenge resulting in 5533Kg carbon emissions saved and 14k less car miles. Increase the number of participants to 1500 in 2020/21.
Residents			
	LCWIP	£8,000	Continue to develop the LCWIP to secure future funding anticipated to be released by the DfT in 2021/22.
	Social media campaigns and marketing	£5,000	Increase awareness and number of users on social media to ensure wider exposure. (Currently we have 1142 Twitter followers and approximately 1500 Facebook followers).
	Engagement events and campaigns	£7,000	Participation in large events and campaigns (including a Travelchoice dedicated event) to raise awareness and engage with in excess of 2500 residents and visitors.



CAMBRIDGESHIRE AND PETERBOROUGH COMBINED AUTHORITY BOARD	AGENDA ITEM No: 3.3
29 APRIL 2020	PUBLIC REPORT

LOCAL TRANSPORT PLAN SUB STRATEGY: CAMBRIDGESHIRE AUTONOMOUS METRO

1.0 PURPOSE

- 1.1. To review and agree for the Local Transport Plan (LTP) sub-strategy setting out the vision for the Cambridgeshire Autonomous Metro (CAM) as a whole to go to public consultation.

<u>DECISION REQUIRED</u>	
Lead Member:	Mayor James Palmer
Lead Officer:	Paul Raynes
Forward Plan Ref:	Key Decision: No
<p>The Combined Authority Board is recommended to:</p> <p>(a) Note the draft Cambridgeshire Autonomous Metro (CAM) Local Transport Plan Sub-Strategy that sets out the vision for the CAM metro as a whole, against which schemes contributing to the CAM will be considered; and</p> <p>(b) Agree for a public consultation exercise to be conducted in relation to the proposed Sub-Strategy with the results of that consultation being brought back to a further meeting of the Combined Authority Board.</p>	<p>Voting arrangements</p> <p>A vote in favour by at least two thirds of all Members (or the 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>

2.0 BACKGROUND

- 2.1. The Combined Authority's first Local Transport Plan (LTP) for Cambridgeshire and Peterborough was approved by the Board in January 2020. It was

envisaged and stated in the LTP that the Plan will be supported by specific sub-strategies and policies that will continue to be developed and reviewed over a course of the LTP.

- 2.2. At the meeting of the Transport and Infrastructure Committee on 6 March 2020 it was agreed that a LTP sub-strategy should be developed setting out in more detail the LTP policy foundation for the Cambridgeshire Autonomous Metro (CAM) metro as a whole network.
- 2.3. The LTP sets out a plan to tackle Cambridgeshire and Peterborough's transport challenges. The Authority's overarching vision is to create a transport system in which walking, cycling and public transport (including CAM) can be natural choices of travel for the majority of journeys because they are affordable, healthy, convenient and safe alternatives to the private car.
- 2.4. This CAM sub-strategy, which is consistent with the LTP, will ensure that individual components of the CAM metro network are fully compliant with a coherent and consistent overall vision for the network.
- 2.5. CAM is an essential component of the overarching LTP vision and the Authority's overarching transport strategy as it will provide high quality, high frequency metro services, delivering a step change in connectivity and helping to deliver 'agglomeration benefits'.
- 2.6. Individual schemes which are intended to contribute to the CAM, other public transport proposals within the CA area, and CA positions on partners' schemes such as East West Rail, should be evaluated against the strategy.
- 2.7. Once agreed by the Board, the sub-strategy needs to be subject to public consultation before its final adoption by the Board because, as outlined in the Transport Act 2000 when reviewing and developing LTP sub-strategies, an Integrated Transport Authority or Combined Authority must consult. This consultation needs to last for 12 weeks, and will take account of the constraints and any necessary change in usual consultation practice as a result of COVID 19. The public consultation will enable the Authority to better understand the views of key stakeholders on the overarching strategic vision, aims, objectives of the CAM strategy.

SIGNIFICANT IMPLICATIONS

3.0 FINANCIAL IMPLICATIONS

- 3.1. None at this stage directly in relation to the development and agreement; however, there will be a financial implication that will be accounted for when developing the CAM schemes.

4.0 LEGAL IMPLICATIONS

- 4.1. The Local Transport Plan adopted by the Combined Authority Board at its meeting on 29 January 2020 met the statutory requirement to set out its

policies for the promotion and encouragement of safe, integrated, efficient and economic transport and its proposals for the implementation of those policies.

- 4.2. The Transport Act 2000 requires the Combined Authority to keep its Local Transport Plan under review and to alter it if it considers it appropriate to do so. As the policies in the Plan are developed it will become necessary to review the Plan and to consider whether the Plan should be expanded to provide more detailed proposals for the implementation of the policies. Any proposed alteration to the Plan would be subject to statutory consultation.
- 4.3. The Act also requires the Combined Authority's functions to be carried out so as to implement the policies set out in its Local Transport Plan.

5.0 OTHER SIGNIFICANT IMPLICATIONS

- 5.1. None.

6.0 APPENDICES

- 6.1. Appendix 1: Local Transport Plan Sub-Strategy – Cambridgeshire Autonomous Metro.

<u>Background Papers</u>	<u>Location</u>
Combined Authority Board reports 29 January 2020	<u>Combined Authority Board 29 January 2020</u>
Transport and Infrastructure Committee reports 6 March 2020	<u>Transport and Infrastructure Committee 6 March 2020</u>

Cambridgeshire and Peterborough Local Transport Plan: Cambridgeshire Autonomous Metro (CAM) Sub-Strategy

Local Transport Plan

Background

The Local Transport Plan (LTP) was published in March 2020 and was the first for Cambridgeshire and Peterborough. The Plan describes how transport interventions will help to address current and future challenges and opportunities for Cambridgeshire and Peterborough. It sets out the overarching policies and strategies needed to secure growth and ensure that planned large-scale development can take place in the county in a sustainable way.

The LTP provides a robust platform for the planning and delivery of the Authority's ambitious programme of priority transport schemes. The Authority continues to work closely with its partners in spatial planning and the delivery of transport priorities to identify the most appropriate time to refresh the LTP and/or its supporting daughter documents.

This document outlines the CAM draft sub-strategy, which is a daughter document of the LTP. It describes the policy framework for the CAM metro. Schemes which form part of the CAM metro will be compliant with the policies in this document.

Vision, Goals and Objectives

The overarching vision for the Local Transport Plan is:

To deliver a world-class transport network for Cambridgeshire and Peterborough that supports sustainable growth and opportunity for all











This vision guides the Authority's overall direction of this sub-strategy and the underpinning sub-strategies. From the vision the Authority developed a number of key goals. These three goals are intended to outline what wider outcomes we want the transport network in Cambridgeshire and Peterborough to achieve.

- **Economy:** Deliver economic growth and opportunity for all our communities.
- **Society:** Provide an accessible transport system to ensure everyone can thrive and be healthy.
- **Environment:** Protect and enhance our environment and implement measures to achieve net zero carbon.

The LTP's overarching vision to deliver a world-class transport network for Cambridgeshire and Peterborough that supports sustainable growth and opportunity for all can only be realised if a public transport system that offers a genuine alternative to the car is implemented.

The LTP's ten objectives are strongly aligned to the goals outlined above. These form the basis against which transport schemes (such as CAM) should be and are assessed.

Local Transport Plan objectives

Goal	Objective	
Economy		Support new housing and development to accommodate a growing population and workforce, and address housing affordability issues
		Connect all new and existing communities sustainably so residents can easily access a good job within 30 minutes, spreading the region's prosperity
		Ensure all of our region's businesses and tourist attractions are connected sustainably to our main transport hubs, ports and airports
		Build a transport network that is resilient and adaptive to human and environmental disruption, improving journey time reliability
Society		Embed a safe systems approach into all planning and transport operations to achieve Vision Zero – zero fatalities or serious injuries
		Promote social inclusion through the provision of a sustainable transport network that is affordable and accessible for all
		Provide 'healthy streets' and high-quality public realm that puts people first and promotes active lifestyles
		Ensure transport initiatives improve air quality across the region to meet good practice standards
Environment		Deliver a transport network that protects and enhances our natural, historic and built environments
		Reduce emissions to 'net zero' by 2050 to minimise the impact of transport and travel on climate change

Supporting Sub-Strategies

The LTP sets out a plan to tackle Cambridgeshire and Peterborough's transport challenges. The Authority's overarching vision is to create a transport system in which walking, cycling and public transport (including CAM) are natural choices for the majority of journeys because they are affordable, healthy, convenient and safe alternatives to the private car.

The Authority continues to develop and iterate the supporting strategies for each specific area of transport planning that complement the LTP and will ensure its delivery. In addition, locational transport plans and strategies will evolve that focus

on the transport improvements within a specific area and therefore will be updated in a timely manner.

One of the strategies underpinning the LTP is this draft sub-strategy for CAM.

The Cambridgeshire Autonomous Metro – Policy Alignment

The need for CAM

To date, economic growth in the region has not been matched by basic infrastructure, particularly transport. New infrastructure is needed to support the delivery of new jobs and new homes, and enable existing communities to benefit from greater access to transport options, jobs and opportunities. CAM will connect key regional centres of employment, existing settlements, key railway stations, new homes and planned growth, to create a platform for sustainable and inclusive growth across the region.

Introduction to CAM

One of the LTP's key objectives is to connect all new and existing communities sustainably so residents can easily access a good job within 30 minutes, spreading the region's prosperity. In order to achieve this objective, the LTP outlines how large-scale investment in public transport must provide extra capacity for people to travel sustainably across the region.

To nurture and sustain growth, new infrastructure is needed to support the delivery of new jobs and new homes. The CAM vision is for an expansive high-quality, fast and reliable metro-style network that seamlessly connects regional settlements, major city fringe employment sites and key satellite growth areas across the region with key railway stations and urban centres.

Alignment to Local Transport Plan

Better connecting people, markets and businesses, and future transport provision will help to improve regional productivity. This will help the Authority to deliver its economic vision and improve quality of life for all. Public transport such as CAM will play a key part in achieving those outcomes.

CAM is an essential component of the overarching LTP vision and transport strategy as it will deliver a step change in connectivity, helping to deliver agglomeration benefits, and encouraging modal shift to low-carbon modes.

Alignment with the CPIER statements

The Cambridgeshire and Peterborough Independent Economic Review (CPIER) published its final report in September 2018. The report was developed by the Cambridgeshire and Peterborough Independent Economic Commission, chaired by Dame Kate Barker.

The report evidences the fast rate of economic and employment growth in the region and highlights the importance of planning now to ensure that strong growth will be sustainable and more inclusive. The report fully supported the development and

implementation of CAM and stated that *“in areas of more dense population, ambitious new projects such as the introduction of a form of rapid transit through the Cambridge Autonomous Metro (CAM) could transform the economy and many people’s day-to-day lives. These can provide for continued sustainable growth”*.



The CPIER report demonstrated that economic growth in the region has not been matched by investment in basic infrastructure, particularly transport. It recommended that:



“A package of transport, and other infrastructure projects to alleviate the growing pains of Greater Cambridge, should be considered the single most important infrastructure priority facing the Combined Authority in the short to medium term.”



A key conclusion to the report is that closer alignment between spatial and transport planning can allow economic growth without driving increased travel. It is essential that transport services are designed to support historic settlement patterns, particularly for residents and businesses located in rural areas. Another key contribution to the Authority’s efforts in this area is the work of the Bus Reform Task Force that will report in late 2020 and will subsequently impact on the overarching transport strategy for the Authority area, including that for CAM.




Alignment between CAM objectives and the Local Transport Plan objectives


The table below sets out the Authority’s objectives for the CAM and how they support the Authority’s overall aims and objectives.

Goal	Objective	CAM Objective	CAM sub-objective	Desirable
Economy	 <p>Support new housing and development to accommodate a growing population and workforce, and address housing affordability issues</p>	<p>CAM 1: Promote economic growth and opportunity</p> <p>CAM 2: Support the acceleration of housing delivery</p>	<ul style="list-style-type: none"> • CAM-E1: Promote agglomeration • CAM-E2: Support new employment by enhancing access to and attractiveness of key designated employment areas by specifically enabling, serving and supporting: <ul style="list-style-type: none"> - New settlements and enterprise zones already included in existing adopted Local Plans - New Garden Village settlements <p>Supporting the development of</p> <ul style="list-style-type: none"> - New settlements being brought forward by any future development corporations created in the Oxford-Cambridge corridor. <ul style="list-style-type: none"> • CAM-E3: Increase labour market catchment • CAM-E4: Serve and support new areas for sustainable housing development • CAM-E5: Provide overall transport capacity to enable and accommodate future growth 	<ul style="list-style-type: none"> • 24/7 operation • Possibility for a freight capacity • Utilisation of smart infrastructure
	 <p>Connect all new and existing communities sustainably so residents can easily access a good job within 30</p>		<ul style="list-style-type: none"> • CAM-E6: Improve transport connectivity • CAM-E7: Improve journey time reliability 	

Goal	Objective	CAM Objective	CAM sub-objective	Desirable
	minutes, spreading the region's prosperity		<ul style="list-style-type: none"> CAM-E8: Direct high-quality public transport access to key housing sites (existing designations) 	
	 <p>Ensure all of our region's businesses and tourist attractions are connected sustainably to our main transport hubs, ports and airports</p>		<ul style="list-style-type: none"> CAM-E9: Directly serve and link into transport hubs including existing and planned rail stations CAM-E10: At transport hubs, support easy and rapid mode changes and transfers CAM-E11: At transport hubs facilitate first and last mile connectivity to the local area CAM-E12: Support the development of demand responsive modes CAM-E13: Integration with other modes, including bus. 	
	 <p>Build a transport network that is resilient and adaptive to human and environmental disruption, improving journey time reliability</p>		<ul style="list-style-type: none"> CAM-E14: Integrated with main arterial corridors, including the projected East West Rail route and the upgraded A428, and key LTP infrastructure projects CAM-E15: Dedicated segregated routes as default assumption. CAM-E16: CAM will use technology, infrastructure and concepts of operations that deliver safe, reliable, regular, resilient and inclusive transport 	

Goal	Objective	CAM Objective	CAM sub-objective	Desirable
			<ul style="list-style-type: none"> • CAM-E17: CAM must be deliverable within the current decade • CAM-E18: CAM must be future proofed and flexible in terms of capacity and technology. • CAM-E19: CAM will utilise sustainable, highly flexible, zero emission vehicles • CAM-E20: CAM will be designed to maximise passenger trips in both directions and across the whole day. 	
Society	 Embed a safe systems approach into all planning and transport operations to achieve Vision Zero – zero fatalities or serious injuries	CAM 3: Promote Equity	<ul style="list-style-type: none"> • CAM-S1: Provision of safe and secure CAM network – safe by design, safe in construction and safe in operation – to meet all standards and global best practice • CAM-S2: CAM will meet all planning and environmental requirements 	
	 Promote social inclusion through the provision of a sustainable transport network that is affordable and accessible for all		<ul style="list-style-type: none"> • CAM-S3: Affordable and fair fare structure. • CAM-S4: Compatible with county wide future integrated ticketing • CAM-S5: Promotes seamless connectivity between regional settlements, major city fringe employment sites and key satellite 	

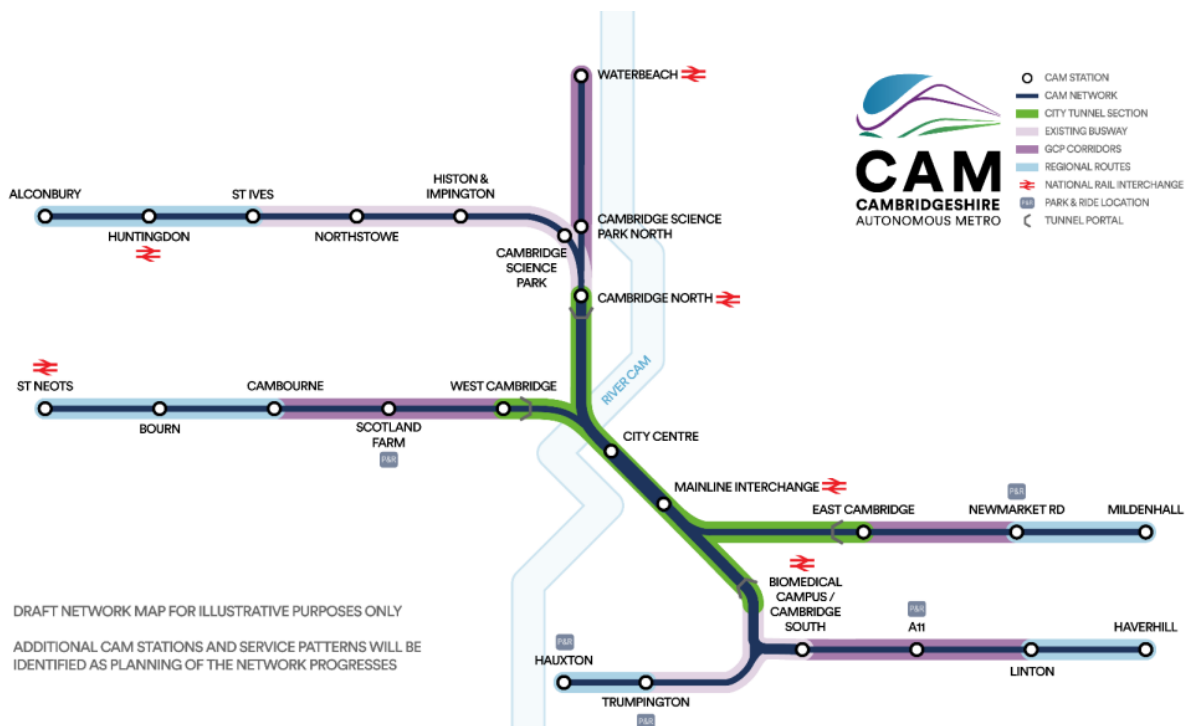
Goal	Objective	CAM Objective	CAM sub-objective	Desirable
			<p>growth areas across Cambridgeshire and Peterborough</p> <ul style="list-style-type: none"> • CAM-S6: Facilitates seamless cross country and city journeys to outlying regional settlements, urban fringe employment sites and key satellite growth areas • CAM-S7: Improve opportunities for all residents and communities • CAM-S8: Promotes high quality public realm at stations • CAM-S9: Reduces adverse impacts of public transport provision on city, urban and village centre mobility for pedestrians and cyclists 	
	 <p>Provide 'healthy streets' and high-quality public realm that puts people first and promotes active lifestyles</p>		<ul style="list-style-type: none"> • CAM-S10: Support and be complimentary to walking and cycling. 	
	 <p>Ensure transport initiatives improve air quality across the region to meet good practice standards</p>		<ul style="list-style-type: none"> • CAM-S11: Improve air quality • CAM-S12: Promote low carbon economy 	
Environment	 <p>Deliver a transport network that protects and enhances our</p>	CAM 4: Promote sustainable growth and development	<ul style="list-style-type: none"> • CAM-EV1: Support environmental sustainability <ul style="list-style-type: none"> - Minimises adverse impacts on conservation areas, heritage 	

Goal	Objective		CAM Objective	CAM sub-objective	Desirable
		natural, historic and built environments		<p>and natural community assets, including protecting the character of villages and avoiding encouraging unsustainable village fringe development.</p> <ul style="list-style-type: none"> - Meets net gain requirements and where possible offers additional visual and environmental enhancements. 	
		Reduce emissions to 'net zero' by 2050 to minimise the impact of transport and travel on climate change		<ul style="list-style-type: none"> • CAM-EV2: CAM infrastructure will utilise zero emission vehicles; other public transport zero emissions vehicles should be able to use sections of the CAM infrastructure if they are CAM compatible • CAM-S11: Improve air quality • CAM-S12: Promote low carbon economy 	

CAM sub-strategy

The CAM programme is comprised of several main elements to be delivered over time:

- The City Tunnel Section, including underground tunnels and planned major interchange hubs at the city centre and at the mainline railway station, under the city of Cambridge;
- Inner Corridors, often referred to as the 'GCP Corridors'; and
- Regional Routes to extend the system to reach Garden Villages, employment sites, etc.



Opportunities to expand the CAM network beyond the currently planned network will continue to be explored by the Authority, and as such, all planned network components must be designed to properly link with one another and not preclude future linkages.

In line with policies E9 and E14, these projected routes will need to complement and be integrated with other major transport infrastructure developments along the corridors they serve. National government's commitment to an East-West Rail route and proposed new heavy rail improvements and/or station developments at St Neots, West of Cambourne, Cambridge South, and Waterbeach will need to be taken into account in developing business cases. At the time of developing this document, this indicates the need for an interim review of emerging business cases for the Cambourne to Cambridge and Cambridge to Waterbeach routes.

Subject to planning permission, other approvals and funding, the Regional Routes are planned to become operational from 2024 onwards with the City Tunnel Section to follow by 2029.

CAM is designed to provide a best-in-class passenger experience in terms of journey time reliability, smoothness of ride, vehicle and stop quality, level boarding, fully electric operation and off-vehicle ticketing. CAM is currently anticipated to be segregated as a default assumption.

To enhance safety and reduce operating costs it is desirable for CAM to become driverless once autonomous vehicles have been approved for use in the UK and the appropriate safety regulations have been established.

The CAM scheme is scalable and has the potential to further increase carrying capacity in line with the future demands as it is anticipated that there may be a greater shift from the private car to CAM following the scheme's introduction.

The LTP ambition

The Authority's core transport strategies aim to encourage the shift to walking, cycling and public transport: from providing sustainable connectivity to and within new developments, to delivering world-class walking and cycling infrastructure, and a new, more integrated and accessible, public transport network. Major projects, such as CAM and East West Rail (EWR), will provide new journey opportunities, with fast, frequent services and competitive journey times, designed to act as a genuine alternative to the private car.

Complementing CAM will be a comprehensive, better integrated network of local bus services, connecting the suburbs of the major conurbations and smaller towns and villages to employment centres across the area and the CAM network. Existing and new transport hubs, interchanges and Park & Ride sites will provide sustainable travel options. These will be better integrated into surrounding local transport networks, acting as travel hubs with high-quality interchange between CAM and local bus and demand-responsive services, together with the walking and cycling network. Local buses – and demand-responsive transport – will be designed to ensure that no one is outside of the reach of safe, reliable public transport, and hence helping to maximise social inclusion for those who lack access to a car.

For CAM to be successful, high-quality interchanges will be needed. This means they will be attractive, safe, inclusive and secure with excellent information and integrated feeder transport arrangements – walking, cycling, bus, taxi and other modes.

To ensure that the CAM system is accessible to our customers and communities, we propose involving our communities, including older people, disabled people and young people in the design and delivery of the CAM system.

CAM 1: Promote economic growth and opportunity

The CPIER highlighted the incredible economic success story of the Cambridge-focused science and tech industries over the last 50 years, underpinned by the presence of the Universities and science parks in and around Cambridge. The area is a global leader in innovation and commercialisation of ideas, and a magnet for companies across the globe. In the last few years this has delivered employment and business growth far above average. However, CPIER also found that this

growth was uneven, with surrounding parts of Cambridgeshire not necessarily sharing in that same level of success. The CPIER also noted the clusters of activity in other towns, for example advanced materials (composites) in Huntingdon.

The Local Industrial Strategy has a priority to improve the long-term capacity of the area by supporting the foundations of productivity. It also has a priority to broaden the base of economic growth, including by spreading the benefits of high growth beyond the Cambridge area. There are, however, signs that constraints on growth are starting to bite. In particular, transport issues will significantly reduce this success if not dealt with.

The CAM, in providing an integrated network through its Regional Routes, will connect many towns and key locations, including science parks. This will help deliver the Local Industrial Strategy priorities. Firstly, the CAM will improve employment opportunities as more residents will have 30 minutes or better access by high quality sustainable travel to key employment locations. Secondly, it will increase the attractiveness of surrounding towns to businesses to establish and expand their operations, thus spreading the growth benefits of the science and tech economy across the wider region.

CAM 2: Support the acceleration of housing delivery

As a result of its strong economy, the world-class education offer and good living environment, this part of Cambridgeshire has seen rapid growth in both employment and households (but also increases in house prices as supply has not kept up with demand). To cater for that growth, local councils in the area have plans in place for an additional 61,000 homes by 2031. The CAM is critical to delivering sustainable transport to support that growth.

Much of the new development is on the edge or outside of Cambridge in large-scale developments. These include new settlements on proposed CAM routes at places such as Northstowe, Bourn Airfield, north of Waterbeach, and Alconbury Weald, Huntingdon. Some of these locations will continue to provide housing beyond 2031. The plans for the Greater Cambridge area are also under review to extend them cover the period to 2040.

As highlighted in the Combined Authority's Growth Ambition Statement, the CAM enables the development of new sustainable settlements along its route. They can be designed from the ground-up to be integral with the CAM, including walking and cycling access, maximising the sustainable travel benefits. As Garden Villages these communities will be exemplars in sustainable ways of living and working, with local community infrastructure, job opportunities and attractive green space and public realm areas. Long-term stewardship of community assets is a feature of Garden Villages. Locations of Garden Villages will be examined through the planning process.

In the March 2020 budget, the Government announced that it was going to examine and develop the case for new Development Corporations in the Oxford-Cambridge Arc with a focus on St Neots/Sandy, Cambourne and Cambridge. This included plans to explore the case for a New Town at Cambridge. It is therefore important

that the CAM scheme is adaptable and helps to meet the travel demands emerging from these new developments through its integration into the fabric of the development with appropriate interchange and services.

CAM 3: Promote Equity

Integration with the wider passenger transport network

The public transport strategies for Cambridge and Peterborough (previously developed by the County and City Councils) set out the long-term strategy and short-term delivery plan for public transport. As with the other all the underpinning daughter documents to the LTP, these strategies will be reviewed and refreshed in a timely manner. It is essential that the CAM scheme is fully integrated with the wider public transport network to enhance the opportunities for all. Therefore, it is imperative that CAM delivers the following:

- CAM will be fully integrated and embedded within the public transport provision to ensure a high-quality network with appropriate interchange opportunities are provided;
- The scheme provides services and develop infrastructure that meets the needs of customers; the residents of, employees based within, and visitors to Cambridgeshire and Peterborough, whilst at the same time having regard to economy, efficiency, and effectiveness; and
- CAM will provide a high-quality, integrated passenger transport network to provide people, in both the urban and rural areas, with access to the opportunities and benefits that contribute to the enjoyment of a better quality of life.

Alignment to the Bus Reform Task Force

The Bus Reform Task Force (BRTF) was launched in early 2019 and is exploring the best operating and delivery model for our public transport network. It has three main workstreams: to establish an integrated framework to assess subsidy requirements, to identify and implement tangible short-term improvements to bus services, and to develop and examine the business case for a number of alternative delivery options for bus services in Cambridgeshire and Peterborough. CAM will be aligned with the conclusions from the BRTF that are due to be published in late 2020.

Alignment to emerging public transport schemes (such as East-West Rail and Cambridge South Station)

The Authority continues to explore opportunities to enhance strategic public transport accessibility and support growth through new infrastructure and the connectivity between the CAM and other public transport schemes and networks. The developments in the transport network need to be successfully planned to integrate with the CAM network and the EWR proposals. The interchange and connectivity between the two networks and the traditional bus network needs to be seamless to maximise the benefits of these complimentary modes to reduce the dependency on the private car by offering a real alternative and opportunity to the people of the region. This integration of modes will significantly reduce journey times to major

cities elsewhere, creating new opportunities for work and leisure for our residents while supporting expanding the labour market and Cambridgeshire and Peterborough's productivity.

East-West Rail

CAM should complement the new EWR link, serving the smaller communities that the heavy rail line will pass without stopping. It is important to consider how the EWR route relates to the CAM network, to maximise integration between modes and how they will interact. This interaction needs to be understood to ensure that the schemes genuinely complement each other thereby maximising the benefits for all. Providing appropriate and effective interchanges between CAM and EWR that are safe, accessible, sustainable and seamless to provide a fully integrated public transport network that maximises the "offer" between St Neots and Cambridge.

Cambridge South Station

A key element in the development of Cambridge South Station as a multi-modal interchange is understanding the requirements of the users, both existing and potential travellers and how this scheme will seamlessly interact with CAM.

Integration with emerging highways schemes (A428, A10, A505)

The Authority is currently developing schemes within the A428, A10 and A505 corridors and examining how connectivity can be improved along and through the corridor, with a particular focus on improving the "offer" to the people of Cambridgeshire and Peterborough. Any developments and/or improvements to the highway network needs to fully integrate with CAM to ensure a truly seamless network is delivered with adverse impacts minimised wherever possible. Therefore, as and when these schemes and others being developed by the Authority and the Greater Cambridge Partnership, it is essential that due consideration is given to CAM's requirements.

CAM 4: Promote sustainable growth and development

Integration with walking and cycling

- CAM interchanges with easy step free access will ideally located at either major attractors or generators of passengers and within 10 to 15 minutes' walk to key locations ensuring ease of access to major attractors;
- Pedestrian and cycling access should be designed to radiate from CAM stops; and
- Locating the CAM stops at the optimum location for accessibility helps to reinforce the sustainable transport message.

Programme

During 2018, the CPCA and the GCP delivered a Green Book compliant Strategic Outline Business Case (SOBC) for the CAM Network. The SOBC was approved by the CPCA Boards in March 2019. The organisations approved proceeding to an OBC to strengthen and clarify further the strategic rationale for the initiative, the expected economic benefits and costs, the approach to funding and financing the project, an analysis of how the programme could be taken to the market, and the approach to managing the scheme. This also included advancing the design and engineering feasibility of the scheme. The key project milestone to date are as follows:

Milestone (Draft)	Date
Cambridge Rapid Mass Transport Options Appraisal published	Dec 17
The Vision for Transport Report published	May 18
Strategic Outline Business Case (SOBC) published	Mar 19
Approval to develop Outline Business Case (OBC)	Aug 19
Public consultation on OBC	Feb – Mar 20

It is the intention that the Outline Business Case (OBC) for the CAM City Tunnel Section will be finalised during 2020.

Milestone (Draft)	Date
Findings from consultation and draft OBC report to the CAMs Board	Jul 20
Commence Environmental Impact Assessment (EIA) Activities	Mid – Late 20
Ongoing Consultation Activity	Aug 20 – Feb 21
Submission of Final OBC to DfT for review / approval	Late 20
Commence Financial Business Case (FBC)	March 21
Commence development of Transport Works Act (TWA) application	March 21
Submit Transport Works Act (TWA) application to the Secretary of State	Late 21 / Early 22

Findings from further consultation and draft FBC report to the CAMs Board	Early 23
Commence Procurement of Design and Construction Consortia	Jan 24
Determination stage commences	Late 21 / Early 22
Decision on the TWA application (24 Months assumed)	Late 23 / Early 24
Design and Construction starts	Late 24
Construction completed	End 29



CAMBRIDGESHIRE AND PETERBOROUGH COMBINED AUTHORITY BOARD	AGENDA ITEM No: 4.1
29 APRIL 2020	PUBLIC REPORT

LANCASTER WAY A142/ A10 ROUNDABOUT IMPROVEMENTS

1.0 PURPOSE

- 1.1. To present a summary of the position on the A142/A10 roundabout scheme to date. This scheme is being managed by Cambridgeshire County Council and funded through developer contributions supported by Business Board funding.
- 1.2. The Transport and Infrastructure Committee was asked to consider whether to recommend a further Combined Authority financial contribution to enable the scheme to proceed and to recommend flexibility about project scope in order to manage remaining budget risks.
- 1.3. The proposals were discussed at the Transport and Infrastructure Committee meeting on 6 March 2020 where they were unanimously endorsed by those present.
- 1.4. This report was deferred from consideration at the Mayor's decision-making meeting on 25 March 2020 following the Interim Monitoring Officer's advice that this was not a decision which the Mayor could make using his general power of competence.
- 1.5. The report to the Transport and Infrastructure Committee can be viewed at:

<https://cambridgeshirepeterboroughcagov.cmis.uk.com/Meetings/tabid/70/ctl/ViewMeetingPublic/mid/397/Meeting/890/Committee/67/SelectedTab/Documents/Default.aspx>

Item 10 refers.

<u>DECISION REQUIRED</u>	
Lead Member:	Mayor James Palmer
Lead Officer:	Paul Raynes, Director of Delivery and Strategy
Forward Plan Ref: KD2020/028	Key Decision: Yes

<p>The Combined Authority Board is recommended to:</p> <p>(a) Approve a new additional budget of £1,168,243.20 from the 2020/21 single pot allocation to reflect current cost estimate, including a 20% risk allowance.</p> <p>(b) Grant the Director of Delivery and Strategy, in consultation with the Mayor, delegated authority to approve a reduction in the scope of the scheme to enable delivery of the BP Roundabout alone in the event of the risks set out at paragraph 2.7 of the report materialising.</p>	<p>Voting arrangements</p> <p>A vote in favour, by 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>
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2.0 CONSIDERATIONS

- 2.1 Please note, a revised table for item 2.6 for the Transport and Infrastructure Committee paper (6 March) is below:

Current funding contributions

Scheme Elements	Contributor	Amount
BP Roundabout	Grovemere and approved LGF funds	£930,000.00
BP roundabout total		£930,000.00
Lancaster Way	Cambridgeshire County Council Scheme development Fund Loan	£60,000.00
Lancaster Way	ECDC (CIL)	£150,000.00
Lancaster Way Total		£210,000.00
Combined Total	£1,140,000.00 minus £60,000.00 (CCC Loan)	£1,080,000.00

3.0 APPENDICES

- 3.1 None

<u>Background Papers</u>	<u>Location</u>
n/a	



CAMBRIDGESHIRE AND PETERBOROUGH COMBINED AUTHORITY BOARD	AGENDA ITEM No: 4.2
29 APRIL 2020	PUBLIC REPORT

ST NEOTS RIVER GREAT OUSE NORTHERN CROSSING CYCLE BRIDGE

1.0 PURPOSE

- 1.1. To summarise work to date on the St Neots Foot and Cycle Bridge and Regatta Meadows, confirm that the projected construction costs for the project now exceed the allocated budget and seek the agreement of the Combined Authority Board that the scheme should not proceed as it no longer meets the requirements for Value for Money set out in the Combined Authority's Assurance Framework.
- 1.2. To propose that the £3.1m of capital funding allocated to the project by the Combined Authority Board be re-allocated to projects in delivery of the St Neots Market Town Masterplan.
- 1.3. The above proposal was discussed by the Transport and Infrastructure Committee on 6 March 2020 where it was unanimously endorsed by those present.
- 1.4. A report to the Combined Authority Board on 27 June 2018 on the St Neots Masterplan can be viewed via the link below. Item 2.1 refers:

<https://cambridgeshirepeterboroughcagov.cmis.uk.com/Meetings/tabid/70/ctl/ViewMeetingPublic/mid/397/Meeting/911/Committee/63/SelectedTab/Documents/Default.aspx>
- 1.5. This report was deferred from consideration at the Mayor's decision-making meeting on 25 March 2020 following the Interim Monitoring Officer's advice that it was not a decision which the Mayor could make using his general power of competence.
- 1.6. The report (agenda item 7) to the Transport and Infrastructure Committee on 6 March 2020 can be viewed at:

<https://cambridgeshirepeterboroughcagov.cmis.uk.com/Meetings/tabid/70/ctl/ViewMeetingPublic/mid/397/Meeting/890/Committee/67/SelectedTab/Documents/Default.aspx>

<u>DECISION REQUIRED</u>	
Lead Member:	Mayor James Palmer
Lead Officer:	John T Hill, Director of Business and Skills
Forward Plan Ref: KD2020/032	Key Decision: Yes
<p>The Combined Authority Board is recommended to:</p> <p>(a) Agree that work on the St Neots Foot and Cycle Bridge should cease and the project be removed from the Combined Authority's Business Plan; and</p> <p>(b) Agree that the £3.1m CPCA funding allocated to the project be re-allocated to projects within the St Neots Masterplan.</p>	<p>Voting arrangements</p> <p>A vote in favour, by 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>

2.0 CONSIDERATIONS

- 2.1 The report was added to the Forward Plan as a key decision on 13 March 2020 under the General Exception Rules after notice was given to Chair of the Overview and Scrutiny Committee and published on the Combined Authority's website. A copy of the General Exception notice is attached at Appendix 1.

3.0 APPENDICES

- 3.1 Appendix 1 - General Exception Notice: Published 13 March 2020

<u>Background Papers</u>	<u>Location</u>
n/a	

TO THE CHAIR OF THE CAMBRIDGESHIRE AND PETERBOROUGH COMBINED AUTHORITY'S OVERVIEW AND SCRUTINY COMMITTEE

THE COMBINED AUTHORITIES (OVERVIEW AND SCRUTINY COMMITTEES, ACCESS TO INFORMATION AND AUDIT COMMITTEES) ORDER 2017

GENERAL EXCEPTION PROCEDURE

ST NEOTS RIVER GREAT OUSE NORTHERN CROSSING CYCLE BRIDGE

The Combined Authority intends to make a Key Decision for which 28 days' notice has not been given and which has not previously been published on the Combined Authority's Forward Plan of Key Decisions as required by Article 11 of the Combined Authorities (Overview and Scrutiny Committees, Access to Information and Audit Committees) Order 2017. In those circumstances, the Key Decision may only be made after the Combined Authority's Monitoring Officer has informed the Chair of the Combined Authority's Overview & Scrutiny Committee by notice in writing of the matter about which the Key Decision is to be made and the Key Decision may only then be made after 5 clear days have elapsed following the publication of this Notice.

The Key Decision relates to St Neots River Great Ouse Northern Crossing Cycle Bridge and recommendations from the Transport & Infrastructure Committee to the Combined Authority Board, made at its meeting on 6 March 2020, that work on the St Neots Foot and Cycle Bridge should cease and the project be removed from the Combined Authority's Business Plan for 2020-21 and that the remaining funding allocated to the project be re-allocated to projects within the St Neots Masterplan.

These recommendations will be considered by the Combined Authority Board at its meeting on 25 March 2020.

It has not been practical to comply with Article 11 and provide 28 days notice of the Key Decision in the Forward Plan because until Cambridgeshire County Council provided the Combined Authority's officers with a feasibility report from its contractor which indicated that the overall construction cost for the bridge would be £7.4m it was not known that a Key Decision would be required. The allocated budget for the project is £3.7m.

If the making of the Key Decision were to be postponed beyond the Combined Authority Board's Meeting on 25 March 2020 to a later meeting it would prejudice Huntingdonshire District Council's ability to seek the reallocation of the funding. Huntingdonshire District Council wish to use the funding as match funding for a bid to the government's Future High Streets Fund [FHSF]. In order for that bid to proceed the budget from the bridge would have to be transferred to the Combined Authority's Gainshare budget which requires a decision from the Combined Authority Board. Unless the Key Decision is made promptly Huntingdonshire District Council will not be able to deal with any queries about match funding from the Ministry of Housing, Communities and Local Government about the bid in a timely manner. For these reasons it is not practical to give 28 days notice of the Key Decision in the Forward Plan.

Dermot Pearson

Interim Monitoring Office

Cambridgeshire and Peterborough Combined Authority

12 March 2020



CAMBRIDGESHIRE AND PETERBOROUGH COMBINED AUTHORITY BOARD	AGENDA ITEM No: 5.1
29 APRIL 2020	PUBLIC REPORT

ADULT EDUCATION BUDGET INNOVATION FUND

1.0 PURPOSE

- 1.1. To recommend the establishment of an Adult Education Budget (AEB) Innovation Fund that supports Providers to deliver education and training that addresses the Adult Education Budget (AEB) Commissioning Strategy priorities that reduces skills and employment gaps of Cambridgeshire and Peterborough learners disproportionately underrepresented in the labour market. These groups include the unemployed, English for Speakers of Other Languages (ESOL), health volunteers, special educational needs and disabilities (SEND) learners and ex-offenders.
- 1.2. It details how the Cambridgeshire and Peterborough Combined Authority (CPCA) Innovation Fund will be managed for funded delivery with immediate effect and during the 2020/21 academic year. The Fund will support all CPCA grant funded provision and contract services Providers to apply for additional funding to deliver innovative provision that meets the CPCA priorities for skills and training. It will also give special priority to the COVID-19 pandemic and the impact it is having on the delivery of learning for residents.
- 1.3. These proposals will be discussed at the Skills Committee meeting on 27 April 2020 and the Committee's recommendation will be reported to the Combined Authority Board on 29 April 2020.
- 1.4. The report to the Skills Committee can be viewed at:

<https://cambridgeshirepeterboroughcagov.cmis.uk.com/Meetings/tabid/70/ctl/ViewMeetingPublic/mid/397/Meeting/1956/Committee/66/SelectedTab/Documents/Default.aspx>

Item 2.1 refers.

<u>DECISION REQUIRED</u>	
Lead Member:	Councillor John Holdich, Lead Member for Skills

Lead Officer: John T Hill, Director – Business and Skills	
Forward Plan Ref: n/a Key Decision: No	
<p>The Combined Authority Board is recommended to:</p> <p>(a) approve the carry forward of 50% of the 2019-20 underspend on the “AEB Devolution Programme – ITP and grant ” funding lines and ring-fence this for the Innovation Fund in the 2020-21 Budget, up to a maximum of £500k.</p>	<p>Voting arrangements</p> <p>Simple majority of members</p>

3.0 APPENDICES

3.1 Appendices to the Skills Committee report:

Appendix 1: Type of activity anticipated and the expected rationale, aims and outcomes from innovative projects.

Available to view at:

<https://cambridgeshirepeterboroughcagov.cmis.uk.com/Meetings/tabid/70/ctl/ViewMeetingPublic/mid/397/Meeting/1956/Committee/66/SelectedTab/Documents/Default.aspx>

Item 2.1 refers.

<u>Background Papers</u>	<u>Location</u>
None	



CAMBRIDGESHIRE AND PETERBOROUGH COMBINED AUTHORITY BOARD	AGENDA ITEM No: 6.1
29 APRIL 2020	PUBLIC REPORT

£100M AFFORDABLE HOUSING PROGRAMME:

**CONSENT TO THE ADOPTION OF A REVISED BUSINESS PLAN FOR ANGLE
DEVELOPMENTS (EAST) LIMITED.**

1.0 PURPOSE

- 1.1. At its meeting on 27 March 2019 the Combined Authority Board approved the business plan for the Housing Development Company (now Angle Developments (East) Limited). The business plan has now been considered at the meetings of the Boards of Directors of Angle Developments (East) Limited and Angle Holdings Limited and a revised business plan has been approved. Under the Shareholder Agreement approved by the Combined Authority Board at its meeting on 31 July 2019 the adoption or amendment of a business plan requires the consent of the Combined Authority. The report invites the Combined Authority Board to give its consent to the adoption of the revised business plan.

<u>DECISION REQUIRED</u>	
Lead Member:	Councillor Chris Boden, Lead Member for Housing
Lead Officer:	Nick Sweeney – Development Manager
Forward Plan Ref: n/a	Key Decision: No
The Combined Authority Board is recommended to: (a) Consent to the adoption of the revised business plan for Angle Development (East) Limited at Appendix 3.	Voting arrangements Simple majority of all Members

2.0 BACKGROUND

- 2.1. On 27 March 2019 the Board of the Combined Authority approved a business plan for the Housing Development Company (DevCo). A copy of the approved business plan can be found at Appendix 1.
- 2.2. The DevCo was incorporated as Angle Developments (East) Limited on 6 September 2019 and an independent Chair has been appointed.
- 2.3. On 27 March 2019 the Combined Authority Board agreed to fund a loan of £600,000 to the Combined Authority Trading Company and the DevCo for an initial period of two years. A copy of the report that was approved by the Combined Authority's Board can be found at Appendix 2.
- 2.4. The Board of Angle Developments (East) Limited met on 18th March 2020 to consider the company's position going forward. The company's Board approved the revised business plan that adopts clear strategic objectives and reduces risk over an initial 12-month period.
- 2.5. These revised objectives include joint venture, identifying development opportunities from constituent Council owned assets, identifying a pipeline of future development projects, and establishing the Company.
- 2.6. The Board of Angle Holdings Limited met on 18 March 2020 and considered the revised business plan for Angle Holdings (East) Limited and approved it with minor amendments. The revised business plan as amended forms Appendix 3 to this report. The Shareholder Agreement approved by the Combined Authority Board at its meeting on 31 July 2019 requires subsidiaries such as Angle Developments (East) Limited to submit their first business plans to Angle Holdings Limited for approval.
- 2.7. Under the Shareholder Agreement the adoption or amendment of a business plan requires the consent of the Combined Authority.

3.0 FINANCIAL IMPLICATIONS

- 3.1. There are no further financial implications than those identified when the previous DevCo Business Plan was approved in March 2019.

4.0 LEGAL IMPLICATIONS

- 4.1. The legal implications are set out in the body of the report.

5.0 CONTRACT PROCEDURE RULES IMPLICATIONS

- 5.1. There are no further contract procedure implications.

6.0 RISK IMPLICATIONS

- 6.1. Initial objectives set out in the revised business plan expose Angle Developments (East) Limited to less risk than objectives set out in the business plan approved by the Combined Authority Board in March 2019.

7.0 OTHER SIGNIFICANT IMPLICATIONS

- 7.1. The revised business plan accommodates the flexibility for Angle Developments (East) Limited to assist and offer support as the development industry recovers from inactivity and market slowdown caused by the Coronavirus pandemic.

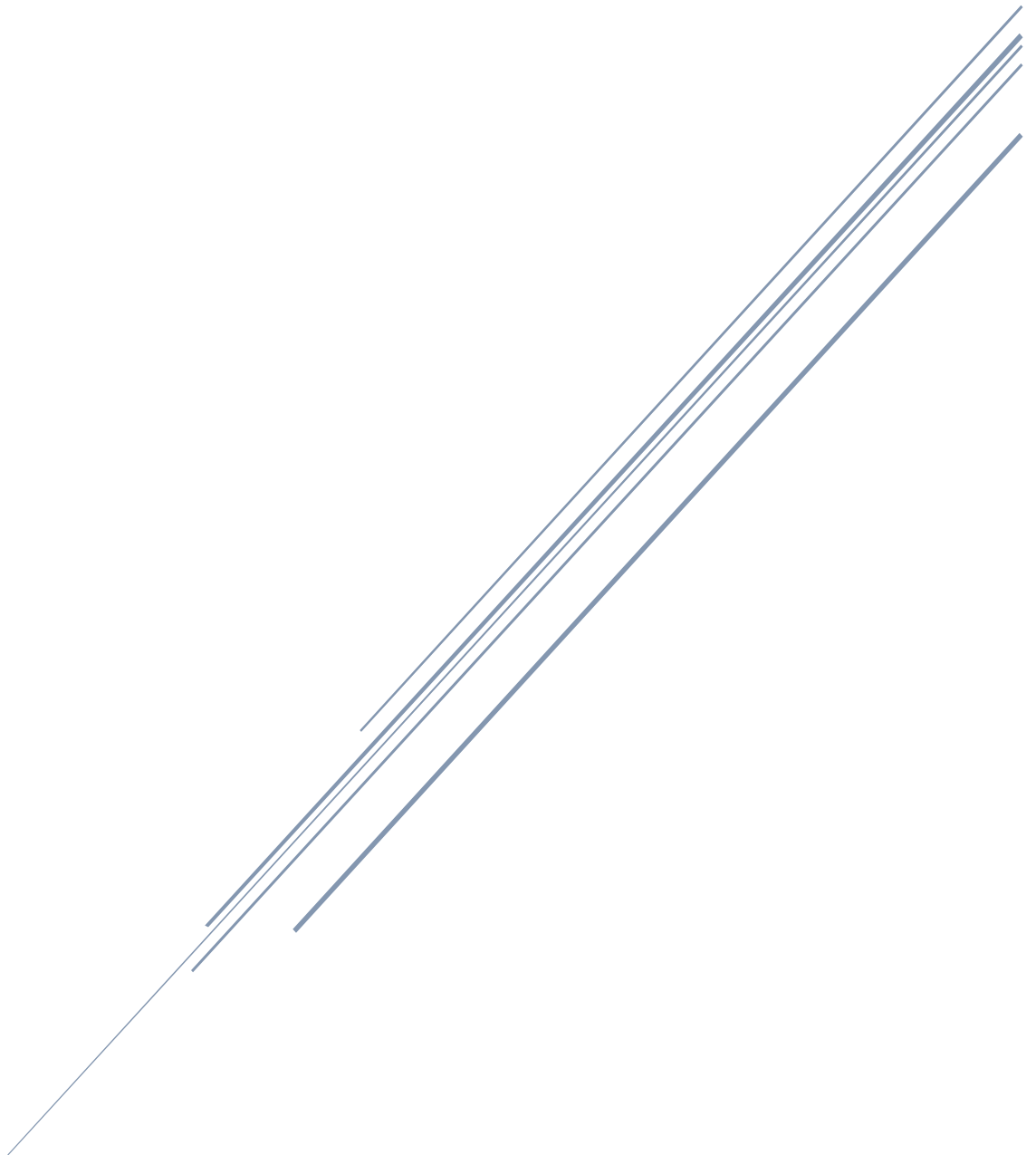
8.0 APPENDICES

- 8.1. Appendix 1: DevCo Business Plan of March 2019.
8.2. Appendix 2: Report to Combined Authority Board of 27 March 2019.
8.3. Appendix 3: Angle Developments (East) Limited Business Plan March 2020

<u>Background Papers</u>	<u>Location</u>
None	

DEVELOPMENT COMPANY

Business Plan

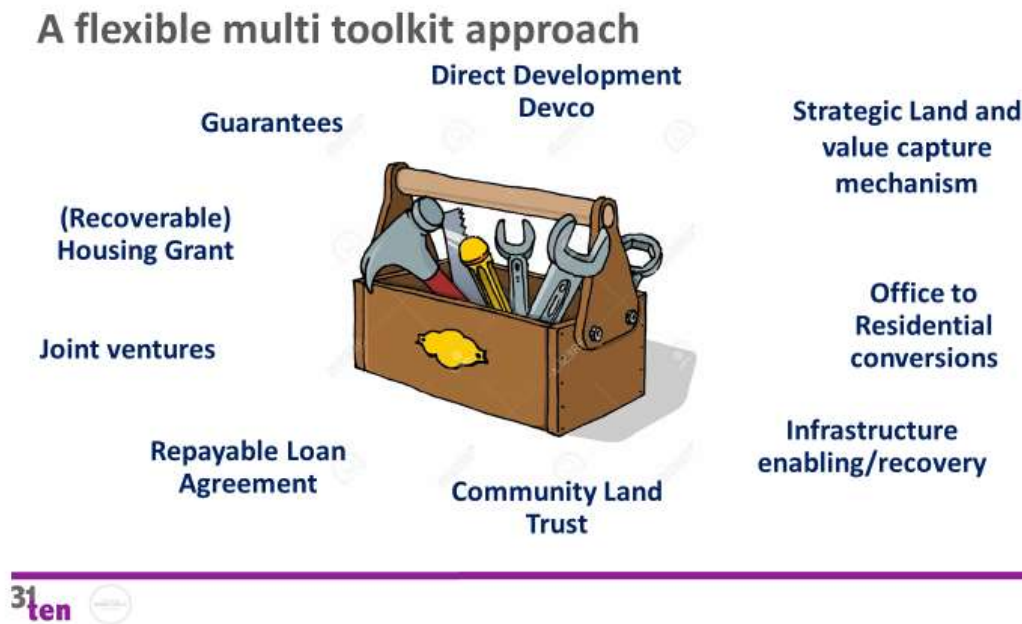


March 2019

1 EXECUTIVE SUMMARY

DevCo will be a subsidiary company of the Combined Authority Trading Company (CATC). DevCo will be a vehicle set up to enable the Cambridgeshire and Peterborough Combined Authority (CPCA) to deliver (directly or indirectly) more affordable houses (but not exclusively affordable houses), in the CPCA area.

In the Housing Strategy approved at Board in September 2018 the board approved a series of potential 'toolbox' interventions:



In order to progress some of these alternatives, like joint ventures, direct development, office to residential conversions and some strategic land initiatives, we need a vehicle to manage any risks and also the costs and returns.

DevCo will harness both in-house and out-house expert property development knowledge alongside community experience and local knowledge to deliver successful well-designed property developments with affordable housing, which will bring community benefit and respond to the needs of the local market.

In doing so, in the first 5 years it will:

- Facilitate the delivery (directly or indirectly) of more affordable housing in the CPCA area,
- Make the CPCA area an even better place to live and work by building good quality homes
- Improve local infrastructure by delivering or enabling appropriate, well-designed property developments.

The CATC will engage directly in commercial markets to undertake property development across the CPCA region.

Financial Projections Years 1-5

The projections below are based on the compilation of the financial modelling of 5 illustrative generic schemes in the CPCA area. These were: 1) a new residential development of

approximately 15 units as a direct development, 2) an office to residential conversion delivering 20 units, 3) a new direct development of 5 units 4) a new direct development of 39 units and 5) a new direct development of 29 units. In total across the 5 year cashflow, the illustrative schemes would deliver 108 units. This is considered by us to be a very 'safe' projection and the schemes are indicative of the sort of schemes that we might initially to take on and commence delivery of in the first year or two of operation. However our ambition for Devco is far more significant and we would hope to be able to get involved in some form, in opportunities that would deliver hundreds of units over the 5 year period.

The detailed cashflows for the illustrative schemes are provided as an appendix to this Business Plan.

The table below shows the cumulative cost and revenue profile of the 5 schemes.

	Year 1	Year 2	Year 3	Year 4	Year 5	Total
Revenue from illustrative schemes		£1,000,000	£6,595,346	£8,501,798	£7,564,944	£23,662,088
Cost of illustrative schemes	£3,347,153	£5,404,422	£6,787,861	£5,970,487	£520,037	£22,029,960
Surplus/(Loss)	(£3,347,153)	(£4,404,422)	(£192,515)	£2,531,311	£7,044,907	£1,632,128

2 INTRODUCTION

2.1 Background

On 26 September 2018 (Agenda Item 2.1) the Cambridgeshire and Peterborough Combined Authority (CPCA) Board adopted the 'CPCA Housing Strategy'. The strategy identified the need to accelerate the delivery of housing in order to meet the aims of the CPCA. One of the housing strategy recommendations is:

STRATEGIC FIT

CPCA Housing Strategy (September 2018)

'Direct Action: The CPCA should establish a wholly owned company to undertake the development and management of new homes in the region.'

The Local Government Act 2003 restricts local authorities from making a profit from its services, although they are able to offset on-costs. The Localism Act 2011 enables local authorities to undertake activities to make a profit but only if delivered within a company.

The CPCA is legally able to establish a wholly owned trading company where the CPCA retains full control over the direction of the Combined Authority Trading Company (CATC), manages its risks and receives the benefits in full. The CPCA will be the sole shareholder.

The purpose of this document is to set out the business case for the DevCo subsidiary of the CATC.

2.2 Strategic Fit

The CPCA has an ambition to facilitate the delivery of 100,000 more homes in the region by 2036 (including at least 40% new affordable homes).

In order to achieve this, the Mayor, together with the partner organisations within the CPCA area, has agreed the following key strategic objectives for housing:

- To accelerate housing delivery to support economic growth
- To create prosperous places where people want to live
- To expand housing choices to meet a range of housing needs

Across each of these objectives, the CPCA's programme of intervention falls into three broad areas:

- i) Direct Action, where the CPCA will take an active strategic investment approach to deliver new homes
- ii) Enabling Action, where the CPCA will distribute funds including loans and recoverable enabling finance for the delivery of new homes by others
- iii) Collaborative Action, where the CPCA will work with its partner authorities, housing agencies and the private sector to support increased and accelerated delivery by others.

2.3 Purpose & Possible Tools

DevCo is a key part of achieving these objectives in the long term. DevCo will provide the CPCA with the ability to do things it cannot currently do, specifically:

PURPOSE

To assist with delivering the aims of the housing strategy by:

- Accelerating the delivery of all housing
 - Providing the ability and vehicles to JV with other LA's and/or private sector
 - Making a profit which could be used to:
 - Invest in more housing
 - Return a dividend to the CPCA
-

In addition it can:

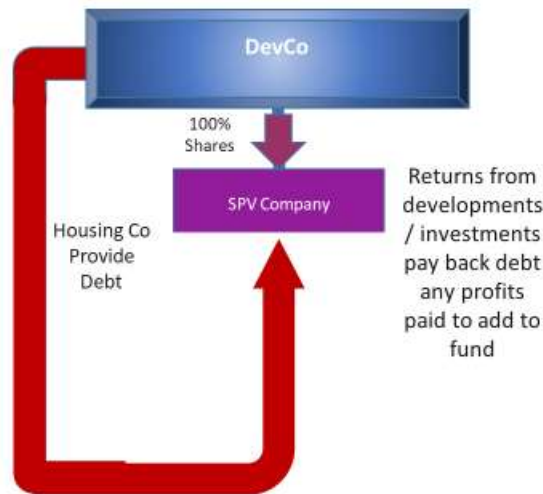
- Procure goods and services locally
- Use any profits to re-invest into more affordable housing schemes.

Initially we anticipate that DevCo will focus on opportunities to accelerate the delivery through smaller scale direct development or joint ventures with constituent Council's and third parties, both in the public and private sector.

Tool - Direct Development

Types of schemes / Areas

- Viable schemes
- Affordable only or mix of private sale / rent and affordable
- Land needs to be acquired
- End sale or handover to an Affordable provider, unless establishment of management / rent co.



Advantages

- Control – Direct development not reliant upon others
- Ability to increase pace of development
- Utilise Equity and JV or debt funding
- Potential for some profit
- Enables cross subsidy, grant could still be offered to affordable providers to acquire completed units

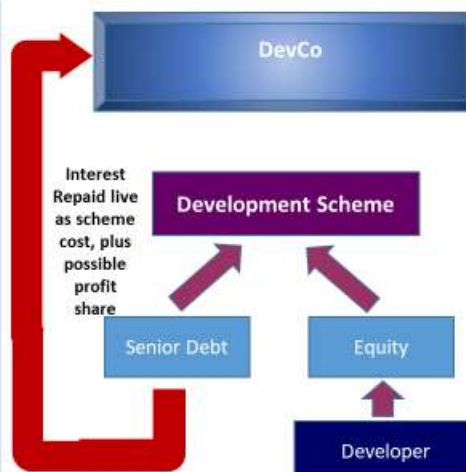
Disadvantages

- Relies on broadly viable schemes
- Higher risk – exposed to construction sales / market risk
- Need to establish supply chain

Tool – Repayable Loan Agreement

Types of schemes / Areas

- Innately viable schemes but not at a level of profit to get the private sector to develop
- Debt required on different basis to commercial debt
 - Phasing
 - Timing of payback
- More sophisticated approach to senior debt



Advantages

- Return on investment @ interest rate
- Secured investment (first charge)
- Predictable timing of returns
- Sophisticated approach – risk based investment, opportunity for profit share

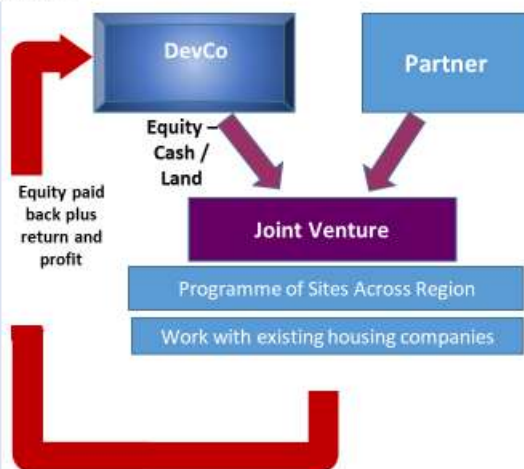
Disadvantages

- Relies on broadly viable schemes
- Ongoing monitoring requirement

Tool - Joint Venture

Types of schemes / Areas

- Collaborative approach
- Other public sector bodies can put sites in / investment in / utilise their land or trading companies
- Expertise and funding through JV partner
- Programme possibilities after pilot schemes – not just scheme by scheme



Advantages

- Return on investment @ interest rate plus profit
- More 'Units for Bucks'
- Cross regional approach
- Procurement savings
- Private sector expertise
- Share in development risk

Disadvantages

- Up front investment to establish partnership
- Partners need alignment of objectives, need for land commitments
- Share in profit

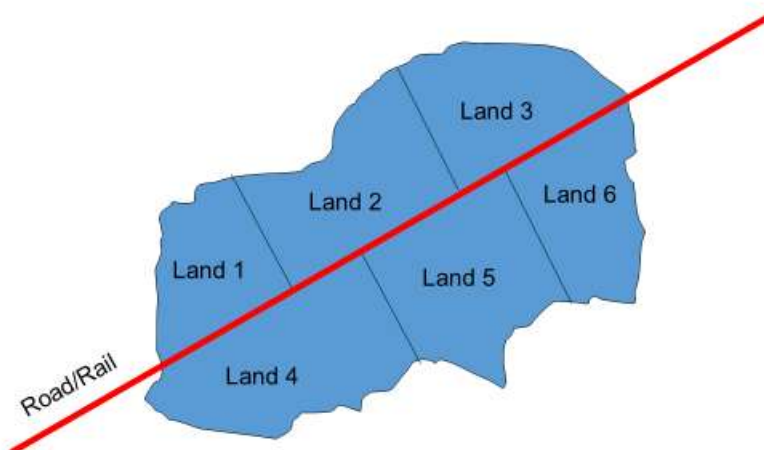
Tool - Value Capture Mechanism

Example

- Multiple land holdings
- Agricultural values, with limited 'hope' value
- Link road/rail – Infrastructure opens opportunity residential devt

Approach

- Infrastructure Co provides loan to deliver Road/Rail
- Direct Acquisition or security taken over land
- Plots / units cannot be sold until charge is released
- Uplift in value helps funds loan – BEWARE CASHFLOW & DELAYED RECEIPTS



3 VISION

We believe in improving the quality of life of the taxpayer of the Cambridgeshire and Peterborough area and intend to deliver the objectives which are set out in the 'CPCA Housing Strategy' (September 2018). The Combined Authority Trading Company and through it the creation of Devco will support the Cambridgeshire and Peterborough Combined Authority in achieving these objectives.

4 MISSION STATEMENT

DevCo will harness development and community experience with local knowledge to deliver successful well-designed property development which bring community benefit, are right for their place and respond to the needs of the local market.

5 STRATEGIC OBJECTIVES

- To make a positive contribution to the delivery of more affordable housing across the CPCA area and to contribute to meeting housing need in all segments of the market
- To make the best use of every commercial opportunity that might become available
- To trade in a manner that, wherever possible, acts in the best interest of the CPCA
- To recycle any surplus funds generated from these projects to support the aims of the CPCA, specifically re-investment into more housing schemes and additional affordable housing.

6 OPERATING MODEL

DevCo will operate in the local residential property markets across the CPCA area either through joint ventures with constituent council's/third parties or independently; i.e. secure an interest and develop land.

Every opportunity that arises will have its own business case which will have to be approved through the necessary governance process by the DevCo Board of Directors. If funding is required from the CPCA for any DevCo's activities, approval will also need to be sought from the CPCA Board.

7 YEAR 1 OBJECTIVES

This business plan sets out the following specific targets for DevCo Year 1 (2019/20).

- Enter into direct development or joint ventures for the development of two sites in the CPCA area,
- Identify new development opportunities from constituent council-owned land and facilitate the delivery of these sites potentially in partnership, and
- Identify a pipeline of future development projects that will deliver more homes in the CPCA area by starting on site by no later than 31st March 2022.

8 STAFFING

DevCo will be established in the first instance to deliver the outcomes of the CPCA Housing Strategy (September 2018). In its early stages DevCo will be supported by the Director Housing (seconded from the CPCA) and a development manager (also seconded from the CPCA).

Where DevCo decides to participate more significantly in the property market there may be a need to employ additional personnel. This will be subject to the approval of the DevCo Board of Directors; such approval will be based on a robust business case which will clearly identify the rationale, need and costs of the resources required to enhance Devco's operations in the housing market.

Such key personnel may over time include:

Land Manager

The Land Manager will be responsible for identification, assessment, negotiation and acquisition of new development opportunities, as well as assisting with the promotion of projects by managing external consultants through the design and planning stages to maximise return.

Development Manager

The Development Manager is responsible for the management of projects from completion of the planning stage through the pre-design and pre-construction phases; overseeing all design issues and coordinating with the external consultants and contractors that will progress the build process to completion.

Sales Manager

The Sales Manager will create marketing strategies and materials, and manage new site set ups, sales releases and pricing. The Sales Manager will manage and motivate an external Sales and Legal team that is capable of achieving the Company's objectives through support, control and development whilst at all times ensuring the team enhance the Company's reputation to prospective and existing customers and deliver high standards of customer service.

9 SUPPLIES, SYSTEMS AND INFRASTRUCTURE

CPCA will continue to provide support services to DevCo through a managed Service Level Agreement (SLA).

DevCo will establish contractual SLAs with each support service. This will include measurable performance indicators, break clauses and remedies for non-performance.

Once DevCo is operational there will be an annual review process whereby SLAs are refined to more accurately reflect the support DevCo needs.

Support services include:

- Finance- transactional finance functions and financial control activities
- IT- provision of IT equipment and services- including helpdesk support
- Insurance provision (buildings, vehicles, employers and public liability)
- HR support, including systems, recruitment and training
- Payroll

10 USE OF EXTERNAL SUPPLIERS

DevCo will seek to use local external suppliers where the appropriate service can be competitively sourced. For larger construction works contracts exceeding the EC threshold of £4.3 million, OJEU procurement principles will apply.

11 PROPERTY AND ASSETS

DevCo will operate from The Incubator 2, First Floor, Alconbury Weald Enterprise Campus, Alconbury Weald, Huntingdon, PE28 4WX and a reasonable rent will be charged by the CPCA to DevCo for space it occupies. In order to be flexible, office accommodation arrangements will be reviewed annually.

12 INFORMATION SHARING

An information sharing protocol will be developed during implementation.

13 DATA PROTECTION

DevCo will comply with the relevant legislation and guidance concerning Data Protection, including adopting suitable policies and procedures to ensure data is adequately safeguarded.

14 FREEDOM OF INFORMATION

As a company wholly owned by CPCA, DevCo will be subject to requests for the disclosure of information under the Freedom of Information Act 2000 (FOI) in its own right. As such, DevCo will maintain a record management system that complies with the relevant guidance concerning the maintenance and management of records.

DevCo will liaise with CPCA as appropriate to ensure consistency in answering FOI requests and provide such information to CPCA as it may require to answer requests it has received.

15 MARKETING STRATEGY

In line with our Vision and Values, DevCo will develop its Brand and Marketing Strategy with a view to clearly articulating its Proposition to the Residential Development market and potential customers.

16 BUSINESS DEVELOPMENT

DevCo will build key customer relationships from a network of potential clients that will include local land and property owners and Local Authorities. The future of the Company will depend on its ability to unite this divergent set of clients around a common aim; to enable and build good quality, well-designed new housing developments that are both commercially successful and right for their place.

17 SWOT AND RISK ANALYSIS

17.1 Strengths

- Opportunity for DevCo to create a brand alongside enhancing the CPCA brand and develop the business as a trustworthy and well-funded development partner
- DevCo might be able to access (if willing) constituent councils' portfolios of land and property with potential to create a strong pipeline of future development projects that would underpin the business
- DevCo is not purely driven by commercial profit, but by a need to see more affordable housing being delivered without making financial losses.

17.2 Weaknesses

- Decisions will need to be taken quickly if DevCo is able to respond to market opportunities when they arise
- DevCo will be a new 'player' in the market
- There is the potential for perceived bias in the way that the Company operates.

17.3 Opportunities

- High demand for new housing at all levels of the market and low level of current supply so investment risk is reduced

- Producing design-led, good quality housing will give DevCo an opportunity to position itself as a developer of choice for landowners.

17.4 Threats

- Property market can be subject to volatility in cost and sales
- In a market when house prices strengthen, other local developers may up their game in terms of design quality, presence and competition in the local market
- Housing and planning are key policy areas for all political parties and future changes to legislation could have the potential to create adverse conditions for DevCo

17.5 Commercial Risk

The key risk is around CPCA's inexperience as an organisation in delivering housing activity through a company. It is, however, a shift in approach taking place throughout Local Authorities. The use of the existing CPCA director of housing and development and development manager, along with ensuring that any appointment of future key personnel will have strong market experience, will allow the risk to be managed. This, alongside managing the size and scale of early projects and engaging in joint ventures with appropriate partners, will sensibly manage this issue.

The level of risk exposure should be deliberately small in the formative years of DevCo, with risk limited to specific projects for which there is a clear and understood risk profile and route to delivery.

5 Unit New Build v 13.01.19
Peterborough

Detailed Cash flow																					
		Mar 2019	Apr 2019	May 2019	Jun 2019	Jul 2019	Aug 2019	Sep 2019	Oct 2019	Nov 2019	Dec 2019	Jan 2020	Feb 2020	Mar 2020	Apr 2020	May 2020	Jun 2020	Jul 2020	Aug 2020	Sep 2020	Oct 2020
Monthly B/F		0	-233,500	-234,008	-234,516	-235,026	-235,536	-236,046	-236,559	-237,073	-237,586	-261,600	-318,085	-398,546	-494,474	-597,332	-698,569	-789,625	-861,903	-906,797	-908,769
Revenue																					
Sale - Residential units 5 No		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1,000,000
Disposal Costs																					
Sales Legal Fee		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	-5,000
Unit Information																					
Residential units 5 No																					
Acquisition Costs																					
Fixed Price		-200,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Stamp Duty		-7,500	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Legal Fee		-4,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Town Planning & fees		-10,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Building regulations fees		-5,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
topographical Survey		-2,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Ground conditions Survey		-5,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Construction Costs																					
Con. - Residential units 5 No		0	0	0	0	0	0	0	0	0	-19,608	-46,661	-66,567	-79,325	-84,936	-83,399	-74,715	-58,883	-35,904	0	0
Demolition		0	0	0	0	0	0	0	0	0	-357	-848	-1,210	-1,442	-1,544	-1,516	-1,358	-1,071	-653	0	0
Asbestos removal allowance		0	0	0	0	0	0	0	0	0	-357	-848	-1,210	-1,442	-1,544	-1,516	-1,358	-1,071	-653	0	0
Professional Fees																					
Architect		0	0	0	0	0	0	0	0	0	-998	-2,375	-3,389	-4,038	-4,324	-4,246	-3,804	-2,998	-1,828	0	0
Project Man, QS & PD fees		0	0	0	0	0	0	0	0	0	-1,198	-2,851	-4,067	-4,846	-5,189	-5,095	-4,564	-3,597	-2,193	0	0
Miscellaneous Costs																					
Developers Contingency		0	0	0	0	0	0	0	0	0	-980	-2,333	-3,328	-3,966	-4,247	-4,170	-3,736	-2,944	-1,795	0	0
Net Cash Flow Before Finance		-233,500	0	0	0	0	0	0	0	0	-23,497	-55,917	-79,772	-95,061	-101,784	-99,943	-89,536	-70,564	-43,026	0	995,000
Debit Rate 2.610%		2.610%	2.610%	2.610%	2.610%	2.610%	2.610%	2.610%	2.610%	2.610%	2.610%	2.610%	2.610%	2.610%	2.610%	2.610%	2.610%	2.610%	2.610%	2.610%	2.610%
Credit Rate 0.000%		0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
Finance Costs (All Sets)		0	-508	-508	-510	-510	-510	-513	-513	-513	-517	-568	-689	-867	-1,074	-1,295	-1,519	-1,714	-1,868	-1,972	0
Net Cash Flow After Finance		-233,500	-508	-508	-510	-510	-510	-513	-513	-513	-24,014	-56,485	-80,461	-95,927	-102,858	-101,238	-91,055	-72,278	-44,894	-1,972	995,000
Cumulative Net Cash Flow Monthly		-233,500	-234,008	-234,516	-235,026	-235,536	-236,046	-236,559	-237,073	-237,586	-261,600	-318,085	-398,546	-494,474	-597,332	-698,569	-789,625	-861,903	-906,797	-908,769	86,231

Peterborough

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20 Unit Office to Residential Conversion

Detailed Cash flow																															
		Feb 2019	Mar 2019	Apr 2019	May 2019	Jun 2019	Jul 2019	Aug 2019	Sep 2019	Oct 2019	Nov 2019	Dec 2019	Jan 2020	Feb 2020	Mar 2020	Apr 2020	May 2020	Jun 2020	Jul 2020	Aug 2020	Sep 2020	Oct 2020	Nov 2020	Dec 2020	Jan 2021	Feb 2021	Mar 2021	Apr 2021	May 2021	Jun 2021	
Monthly B/F		0	-862,500	-864,376	-866,252	-868,136	-870,020	-871,904	-873,801	-875,697	-877,593	-879,502	-881,411	-883,320	-885,241	-887,162	-889,083	-943,095	-1,068,270	-1,251,558	-1,479,891	-1,740,146	-2,019,186	-2,303,863	-2,580,962	-2,837,259	-3,059,532	-3,234,468	-3,348,756	-3,356,039	
Revenue																															
Cap - Grd flor retail unit 1		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	95,346	
Sale - Residential units 20 No		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	3,500,000	
Disposal Costs																															
Sales Legal Fee		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	-17,977	
Unit Information																															
Residential units 20 No																															
Acquisition Costs																															
Fixed Price		-750,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Stamp Duty		-37,500	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Legal Fee		-15,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Town Planning & fees		-20,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Building regulations fees		-5,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Asbestos Survey		-5,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Damp & wood Survey		-5,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Structural Survey		-10,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Party wall Survey & agreement		-15,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Construction Costs																															
Con. - Residential units 20 No		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	-42,546	-100,592	-147,849	-184,317	-209,995	-224,885	-228,985	-222,295	-204,817	-176,549	-137,491	-87,645	0	0	
Building/fabric repairs incl Roof		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	-2,162	-5,111	-7,513	-9,366	-10,671	-11,427	-11,636	-11,296	-10,408	-8,971	-6,986	-4,454	0	0	
Asbestos removal allowance		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	-1,081	-2,556	-3,756	-4,683	-5,335	-5,714	-5,818	-5,648	-5,204	-4,486	-3,493	-2,227	0	0	
Professional Fees																															
Architect		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	-1,297	-3,067	-4,508	-5,620	-6,402	-6,856	-6,981	-6,777	-6,245	-5,383	-4,192	-2,672	0	0	
Project Man,QS & PD fees		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	-2,865	-6,773	-9,954	-12,410	-14,139	-15,141	-15,417	-14,967	-13,790	-11,887	-9,257	-5,901	0	0	
Miscellaneous Costs																															
Developers Contingency		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	-2,127	-5,030	-7,392	-9,216	-10,500	-11,244	-11,449	-11,115	-10,241	-8,827	-6,875	-4,382	0	0	
Net Cash Flow Before Finance		-862,500	0	0	0	0	0	0	0	0	0	0	0	0	0	0	-52,078	-123,129	-180,973	-225,611	-257,042	-275,267	-280,286	-272,098	-250,703	-216,102	-168,295	-107,281	0	3,577,370	
Debit Rate 2.610%		2.610%	2.610%	2.610%	2.610%	2.610%	2.610%	2.610%	2.610%	2.610%	2.610%	2.610%	2.610%	2.610%	2.610%	2.610%	2.610%	2.610%	2.610%	2.610%	2.610%	2.610%	2.610%	2.610%	2.610%	2.610%	2.610%	2.610%	2.610%	2.610%	
Credit Rate 0.000%		0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	
Finance Costs (All Sets)		0	-1,876	-1,876	-1,884	-1,884	-1,884	-1,896	-1,896	-1,896	-1,909	-1,909	-1,909	-1,921	-1,921	-1,921	-1,934	-2,047	-2,315	-2,722	-3,213	-3,772	-4,392	-5,001	-5,593	-6,171	-6,641	-7,007	-7,284	0	
Net Cash Flow After Finance		-862,500	-1,876	-1,876	-1,884	-1,884	-1,884	-1,896	-1,896	-1,896	-1,909	-1,909	-1,909	-1,921	-1,921	-1,921	-54,011	-125,176	-183,288	-228,333	-260,255	-279,039	-284,678	-277,099	-256,296	-222,273	-174,936	-114,288	-7,284	3,577,370	
Cumulative Net Cash Flow Monthly		-862,500	-864,376	-866,252	-868,136	-870,020	-871,904	-873,801	-875,697	-877,593	-879,502	-881,411	-883,320	-885,241	-887,162	-889,083	-943,095	-1,068,270	-1,251,558	-1,479,891	-1,740,146	-2,019,186	-2,303,863	-2,580,962	-2,837,259	-3,059,532	-3,234,468	-3,348,756	-3,356,039	221,330	

29 units, Fenland DC

[illegible]

36 Unit Residential Scheme 07.03.19

Peterborough CC

[illegible]



CAMBRIDGESHIRE AND PETERBOROUGH COMBINED AUTHORITY BOARD	AGENDA ITEM No: 4.1
27th MARCH 2019	PUBLIC REPORT <i>This report has a confidential appendix at item x.x of the Agenda (Delete if not applicable) – See Appendix 3 for guidance</i>

HOUSING DEVELOPMENT COMPANY

1. PURPOSE

- 1.1. The Combined Authority received a commitment from central government for the receipt of £170m to bring forward 2,500 homes by March 2022. To deliver this there are effectively two sub-programmes running; £70m is allocated to Cambridge City to deliver 500 additional homes and the balance of £100m is allocated to the rest of the Combined Authority area to deliver an additional 2,000 affordable homes.
- 1.2. On 26 September 2018 (Agenda Item 2.1) the Combined Authority Board approved the Housing Strategy.
- 1.3. The Housing Strategy seeks to address current and potential future housing challenges facing the area, both in the next few years and the longer term through a selection of different development tools in addition to traditional grant funding.
- 1.4. The Housing Strategy recommended the Combined Authority accelerate housing delivery by establishing a wholly owned company to enable direct intervention in the housing market, which would enable the development of new homes and affordable homes in the region.
- 1.5. Creating the structure for a trading company with a housing development company now will enable us to quickly action when project specific opportunities to engage in housing delivery are identified and reported.
- 1.6. Responsibility and control of the use of the £170m of monies provided under the Devo deal to support the delivery of 2,500 affordable housing units in the CPCA area will remain under the direct control of the CPCA Board. If the proposed CATC or DevCo have a housing delivery opportunity that is seeking

funding from that money, a paper will need to be presented to the CPCA board for consideration.

<u>DECISION REQUIRED</u>	
Lead Member:	Cllr Roberts (housing portfolio)
Lead Officer:	Roger Thompson, Director of Housing
Forward Plan Ref: Insert ref no on FP	Key Decision: No/Yes
<p>The Combined Authority Board is recommended to:</p> <ul style="list-style-type: none"> (a) Approve the Business Case for establishing a Combined Authority Trading Company (CATC) as detailed in Appendix 1; (b) Approve the Combined Authority Trading Company Business Plan and as detailed in Appendix 2; (c) Approve the Housing Development Company (DevCo) business plan as detailed in Appendix 3 (d) Approve the funding strategy for the Housing Development Company (paragraph 6); (e) Approve the composition of the CATC Board as set out in Appendix 2 (ref: P8 para 4.1.1 and P9 para 4.1.2); <p>Furthermore, in order to implement a)-c), authorise and approve:</p>	<p>Voting arrangements</p> <p>Simple majority of all Members</p>

<p>(f) The Chief Executive to enter into a loan agreement with CATC as detailed in paragraph 6;</p> <p>(g) The Chief Executive and the Corporate Services Director to complete the necessary legal documentation to implement the above.</p>	
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2. BACKGROUND

2.1. To address current and future housing challenges the Combined Authority has an aspiration to deliver 100,000 new homes, including 40,000 affordable homes over the next 20 years. In order to do this the Combined Authority established key objectives and principles when creating the Housing Strategy:

- a) To accelerate housing delivery to support economic growth
- b) To create prosperous places where people want to live
- c) To expand housing choices and opportunity through promotion of steps to promote home ownership using alternative structures, potential starter homes and more shared ownership scheme
- d) Promoting all housing (not just affordable housing) that is in addition to the existing development pipeline and encourage accelerated delivery within adopted local plans
- e) Be creative, in using a range of financial delivery mechanisms that have not traditionally been a method through which the public sector; organisations have supported and delivered housing. This aims to create a revolving fund that will outlast the £170m programme that will help to meet the longer-term target of an additional 100,000 homes by 2037
- f) An ambition to deliver 40,000 affordable homes within the same time period, to help address the affordability of housing, particularly for key workers, first time buyers and those in low and medium paid employment who cannot easily access the home ownership market without family or other third-party support. This will support more sustainable communities

- g) To support the spread of Community Land Trusts (CLTs) which support their local communities;
 - h) Ensuring that housing supports the most vulnerable by offering increased choice and affordability for those requiring specialist care
 - i) Supporting infrastructure to enable new housing schemes through a co-ordinated approach, particularly regarding transport by making strong links across strategies and projects within the Combined Authority
 - j) Encouraging best use of all property assets, bringing homes that are currently excluded from the market back into market use and supporting the creation of new homes from existing built assets not currently in residential use.
 - k) To consider using the Combined Authorities borrowing powers to help to accelerate schemes using financial mechanisms, over and above the money available in the revolving fund.
- 2.2. The Housing Strategy provides a flexible multi toolkit approach that will assist the Combined Authority to deliver on its ambition to build 100,000 new homes (including 40,000 affordable homes) Tools included Direct Development allowing for direct intervention and development in the housing market, a Strategic Land and value capture mechanism, office to residential conversions, infrastructure enabling/recovery, community land trusts, repayable loan agreements, joint ventures, provision of housing grant to registered providers and guarantees.
- 2.3. In order to progress the Housing Strategy a number of actions are recommended. One such action is for the Combined Authority to establish a wholly owned company to undertake the development and management of new homes in the region.

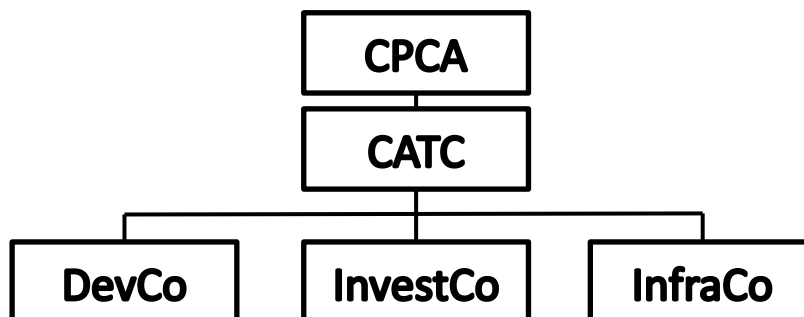
3. ESTABLISHING A COMBINED AUTHORITY TRADING COMPANY

- 3.1. The purpose for developing a housing delivery structure is to have a vehicle that enables the Combined Authority to take direct action and intervention, to create additional or accelerated affordable housing. This might be potentially combined and cross subsidised with market housing or other uses, to generate revenue and capital to support additional housing schemes in the CPCA area. The CPCA is seeking to undertake the development of housing, through both direct delivery (joint ventures/independently) and potentially in the longer term through land value capture (acquiring strategic land and obtaining planning permission that enhances its value).
- 3.2. The business case for establishing the Combined Authority Trading Company is provided at Appendix 1.
- 3.3. **Reasons for establishing a wholly owned company**

- a) Single focused vehicles: The vehicles would have a single focus on delivering additional residential development and would be less likely to be distracted by extraneous activities.
- b) More attractive to potential joint venture partners: Potential partners may be more inclined to partner with an independent entity vehicle which is separate from the CPCA itself and is able to act in a commercial manner in terms of decision making.
- c) Ring-fencing risk: The vehicles would be able to (subject to how future deals and agreements were drafted) insulate the CPCA from development risk, for each scheme to be 'isolated' in terms of risk. Each different development opportunity could be undertaken in a separate 'special vehicle', so in case an individual scheme runs into difficulty, that issue would be 'contained'.
- d) Independent Directors: The vehicles would be able to recruit directors with specific development, and other skills that may be required.
- e) Streamlining governance: The proposed structure (set out below) includes a number of different vehicles including a holding company (Trading Co) and a development company (Dev Co) to be immediately set up. Potentially in future an investment company (Invest Co) and an infrastructure company (Infra Co) could be added. By using different vehicles for each type of activity the CPCA has the ability to streamline its governance of each separate vehicle and introduce any bespoke requirements.
- f) Ability to sell for profit in the future: Having separate vehicles means that the CPCA has the flexibility to sell its ownership (wholly or partly), of any vehicle to a third party, hopefully for a profit, if it no longer wishes to engage in the activities or just realise the value that has been created within a vehicle.

4. STRUCTURE AND GOVERNANCE

- 4.1. Under the Localism Act 2011, where the CPCA seeks to do something for a commercial purpose, it must do so through a company.
- 4.2. The Combined Authority Trading Company (CATC) will be 100% owned by the CPCA, so Limited Liability Partnership and Joint Venture models are not appropriate. Given that a partial objective of the CATC is to generate a return, to create and add value to the company and if appropriate, produce dividend returns to the CPCA, the Company Limited by Guarantee is also not a viable option.
- 4.3. The recommended form is a Company Limited by Shares with the CPCA as the sole shareholder.



- 4.4. The establishment of a holding company (CATC) with a group of subsidiaries (DevCo, and potentially in future InvestCo & InfraCo) will facilitate strategically-focused decision making appropriate to the subsidiary trading arms. This approach mitigates risks associated with one company carrying out a broad range of activities which may not fall within the expertise of the directors. Liability arising in one trading company will not impact on the remaining trading arms and, subject to further specialised tax advice, any losses may be able to offset against tax payable on profits elsewhere.
- 4.5. The CATC Board of Directors will be responsible for the strategic direction and success of the company. The CATC Board will be required to manage the CATC and must be mindful of commercial and market forces. At all times they must act in the best interest of the CATC for the benefit of the CPCA as the sole shareholder.
- 4.6. It is proposed that the CATC Board will comprise the Mayor and one of the Deputy Mayors of the CPCA, the Managing Director, Corporate Services Director of the CATC, (those positions to be held by the Chief Executive and Corporate Services Director of the CPCA) and an Independent Chairman (to be recruited). Each of the five board members will have one vote each and the Chairman will not have a casting vote.
- 4.7. The CPCA Board will appoint the first Chairman of the CATC.
- 4.8. **Conflicts of interest**
- 4.9. Members or officers of the CPCA who are appointed directors of a company have a fiduciary duty to the company, **not to** the authority. They have the powers and duties of company directors while they are appointed directors, and as directors, they are answerable to the membership of the company in accordance with the company's articles of association. However any member elected as a director is still bound by relevant local authority codes of conduct, in so far as these codes do not conflict with their legal obligations under company law.
- 4.10. The interests of the company must align with the shareholder and therefore this will limit the conflict that will arise for those directors who act on the Board. However a conflicts of interest policy will be developed to assist members and officers to conduct their roles as directors. This will enable

them to identify any conflicts of interest and take action to avoid acting to the detriment of the company or the CPCA. For example, should any member of the CPCA think that their obligations to the public and their obligations as company director conflict, the guidance will provide advice on removing themselves from the company board meeting without undermining the ability of the company to proceed with its business.

4.11. Shareholder Agreement

4.12. The relationship between the Combined Authority and the CATC is regulated through a shareholder agreement. The purpose of the shareholder agreement is to regulate the boundaries within which the CATC operates. Other than where legislation and/or articles reserve decisions for shareholders, the Board of Directors of a company is its main decision-making body and is to act as it thinks is in the best interest of that company. Ordinarily this would, for instance, include issuing shares to third parties (which the CPCA would not want to control) or borrowing (which would impact on the CPCA's own prudential borrowing limit).

4.13. In this context, a shareholders agreement between the CPCA and CATC (which would then be applied to each subsidiary through a deed of adherence) must be agreed. This would consider that each business's Board of Directors is responsible for running the relevant company. The agreement will provide the CPCA with a number of reserved rights:

- a) Matters relating to the control of shares
- b) Amendments to Articles of Association
- c) Matters relating to the payment of a dividend
- d) Matters relating to the company structure of CATC
- e) Matters relating to the cessation of CATC
- f) Matters relating to the business if it is not considered to be ancillary or incidental to the approved business
- g) Any decisions that require funding from the CPCA, for example funding for a housing scheme from the £100m affordable fund
- h) Appointment/removal of a Director
- i) Remuneration of any Director
- j) Entering into service contract, terms of appointment or other agreement with a Director
- k) Remuneration of any CATC (or subsidiary company) employee exceeding £100,000
- l) Establishing or amending any profit-sharing, share option, bonus or other incentives of any nature for Directors and employees
- m) Making any bonus payment to any Director or key employee
- n) Changing the name or registered office
- o) A limit on external borrowing
- p) Approval of the annual business plan.

4.14 The shareholder agreement will be subject to further agreement by the Combined Authority at a future meeting.

5. BUSINESS PLAN

- 5.1. A high level business plan has been developed to provide a framework for the strategic operations of both the proposed CATC and DevCo, specifically:
 - a) Benefits and advantage of the CATC
 - b) Recommended governance structure
 - c) Board and management structures
 - d) Financial review of the CATC's forecast performance
 - e) Risk assessment
- 5.2. The Business Plans are attached as Appendix 2 and Appendix 3 for approval.
- 5.3. From the 27 March 2019 CPCA Board until the formal establishment of the CATC and DevCo, there will be a requirement to authorise specific officers to implement the decisions of the CPCA Board. These include the Shareholder Agreement, the Articles of Association and Service Level Agreements. There will also be a requirement to amend the Constitution during this period.

6. FINANCIAL IMPLICATIONS

- 6.1. The CATC and DevCo will require a loan of £600,000 with a drawdown facility as cash flow requirements dictate to cover its initial set up and operating costs for its first 2 years of operation. Devco staff costs are a cost to the company from day one in order to comply with EU competition law requirements. Please note that the Devco staff and a majority of the other costs within the operating costs will be incurred by the CPCA in any event, whether or not CATC and DevCo are set up. Those costs are effectively being allocated away from the CPCA overhead and into CATC as a cost. The borrowing requirement for the CATC is to provide sufficient cashflow to cover CATC/Dev Co's first 2 years of trading. Any loan requirements beyond this will be reported to the CPCA Board as part of an annual business planning exercise that will include future commitments and projections, for the Trading Company activities beyond Year 1.
- 6.2. Repayment of the loan shall commence after the first three years of trading. The CPCA shall enter into a loan agreement with the CATC, such agreement shall stipulate that borrowing will only be for the purpose stated in the business plan and set out the terms and conditions of borrowing, including interest payment.
- 6.3. The CPCA is required to charge a commercial interest rate for the loan, so as to not contravene State Aid regulations. The final agreed rate will depend on the prevailing interest rates at the time. This interest will be payable on the loan outstanding on an annual basis and will reduce as the CATC and DevCo repays the loan.
- 6.4. There will be initial set up costs, which will be incurred between the CPCA Board meeting on 27 March 2019 and the date when the CATC commences trading. It is proposed that the CPCA funds the work which includes but may

not be limited to Incorporation (£1,300), Article of Association for HoldCo and DevCo (£7,000), Shareholder Agreement for Hold Co and Dev Co (£10,250) and report on duties of directors, indemnity agreements and presentation to the directors (1,500). This totals appx £20,050.

- 6.5. Any CPCA funding required to deliver specific DevCo projects will be reported and requested from the CPCA board in the usual way.

7. LEGAL IMPLICATIONS

- 7.1. By virtue of Section 1 Local Government Act 1999 a Combined Authority is a best value authority. Best value authorities are permitted to trade, through a company, to carry out their functions for a commercial purpose. The creation of the company structure permits the Combined Authority to make a profit.
- 7.2. The creation of a wholly owned company means that certain regulatory requirements must be adhered to in creating the company, namely:
- a) A business case must be approved by the Combined Authority
 - b) A business plan must be approved by the Combined Authority
 - c) The company is subject to capital expenditure controls: Prudential Code for capital finance in local authorities
 - d) It is subject to limits on borrowing imposed by Government on the Combined Authority
- 7.3. Combined Authority employees may be seconded into the company to provide expertise where it is required. Employees will be protected by a secondment agreement with the DevCo which will ensure that the employees' rights are preserved during and after their secondment.
- 7.4. The Combined Authority may provide assistance to the companies within this structure subject to appropriate financial compensation being given by the company to the authority.
- 7.5. This proposal for a company to provide direct interventions into the housing market aligns with the Housing Strategy approved by the Board in 2018 and the Housing Business case agreed with MHCLG (approved by the Board in March 2017) which both recommended the use of Combined Authority funds to create a sustainable investment fund which could recycle investment into future schemes.

8. GOVERNANCE AND CONTROL

- 8.1. As set out in paragraph 4 of this report.

9. EQUALITIES AND HEALTH AND SAFETY IMPLICATIONS

- 9.1. Any equalities or health and safety implications will be addressed as they arise in the implementation of the strategy.

10. APPENDICES

10.1. Appendix 1- Business Case for establishing the Combined Authority Trading Company.

10.2. Appendix 2 - Combined Authority Trading Company Business Plan.

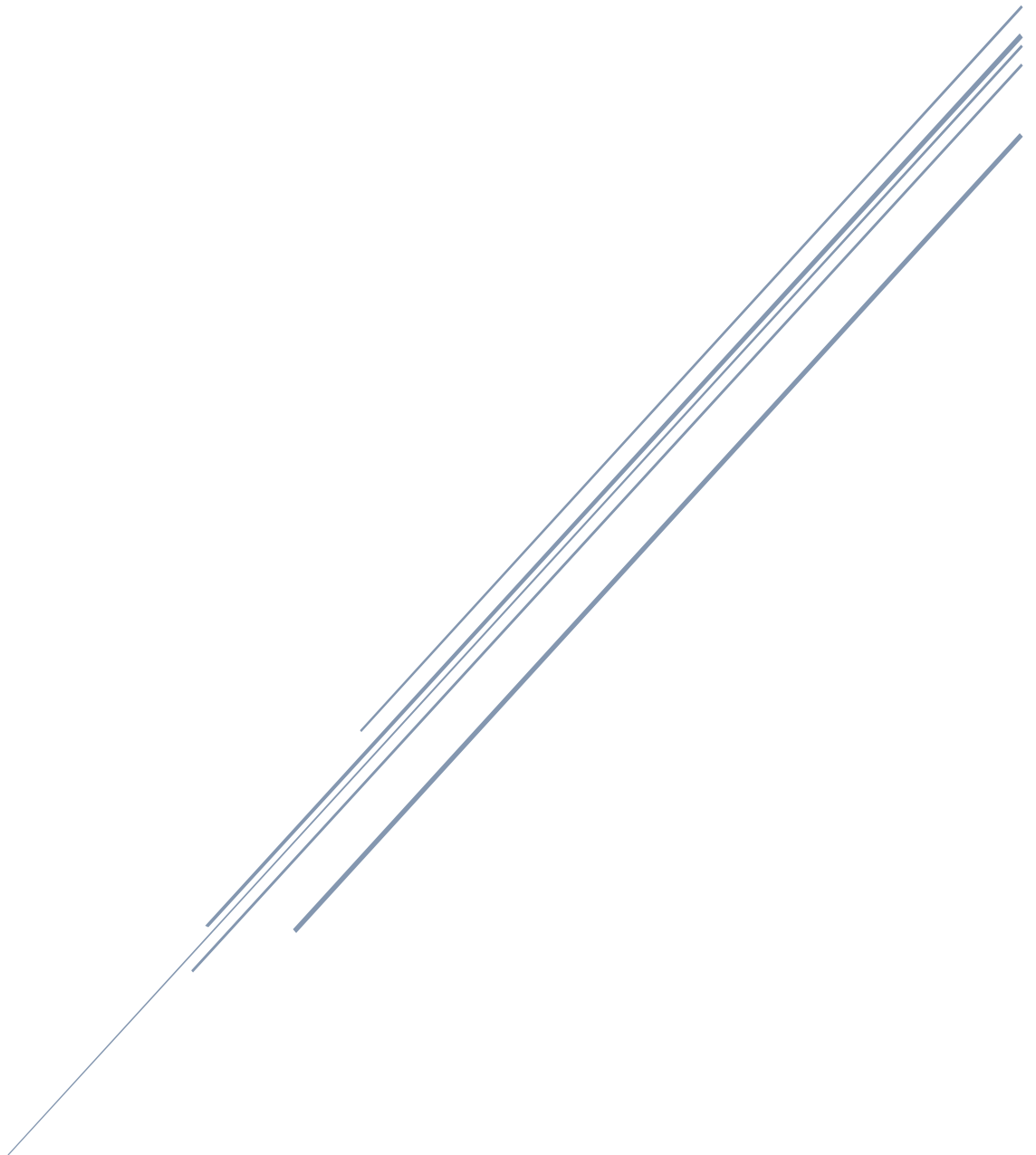
10.3. Appendix 3 - Development Company Business Plan.

10.4. Appendix 4 – Questions and Answers

<u>Source Documents</u>	<u>Location</u>
<p>List background papers: List here details of any supporting or background documents which have been relied upon to a material extent when preparing the report which are not confidential. If no supporting or background documents were used insert the word None and delete any text in the location column.</p> <p>Source documents are open for inspection by the public and must be retained for a period of 4 years (by the report author's records section) from the date of the meeting.</p> <p>Do not include published works or those which disclose exempt or confidential information and in respect of Mayoral reports, the advice of a political advisor</p>	<p>List location of background papers This should identify where these documents are held should anyone want to look at them. This will usually be the report author's location – e.g.</p> <p>Room XXX, Cambridgeshire and Peterborough Combined Authority, The Grange, Nutholt Lane, Ely CB7 4EE</p> <p>Where the document is held electronically, please provide a web link(s) if appropriate.</p>

ANGLE DEVELOPMENTS (EAST)
LTD

Initial Business Plan



March 2020

1. EXECUTIVE SUMMARY

Angle Developments (East) Ltd is a subsidiary company of the Combined Authority Trading Company, Angle Holdings Ltd. Angle Developments (East) Ltd is a vehicle set up to enable the Cambridgeshire and Peterborough Combined Authority (CPCA) to support the delivery (directly or indirectly) more affordable and market houses in the CPCA area. The objective is not to deliver development through maximizing profit for the company, but to enable and accelerate the delivery of affordable (specifically mayoral £100k homes) and market housing, that the market would not otherwise deliver.

In the housing strategy approved at board in September 2018 the board approved a series of potential 'toolbox' interventions. These have been adapted to reflect the brief for Angle Development (East):

Angle Devts (East) Ltd Toolkit



In order to progress some of these alternatives, like joint ventures, direct development and some strategic land initiatives, CPCA needed a delivery vehicle to manage risks and the costs and returns.

Angle Developments (East) Ltd will harness expert property development knowledge alongside community experience and local knowledge to support the delivery of successful well-designed property developments with affordable housing, which will bring community benefit and respond to the needs of the local market.

In doing so, in the first few years it will:

- Facilitate the delivery (directly or indirectly) of more affordable housing in the CPCA area, specifically targeting either the delivery of mayoral £100k homes in every scheme and/or additional affordable housing in lower (sub £100k for 1 bedded home) value locations.
- Look to support smaller and medium sized schemes (up to say 150 units) in its initial period in order to prove capability and concept.
- Support CPCA growth priorities and evolving future objectives, creating community value in delivering sites.

- Engage development activities with a priority objective to make enough profit from its activities to cover and service its operating costs, before then using any surpluses to deliver 100k homes and affordable housing.

Angle Developments (East) Ltd will engage directly in residential and commercial markets to support and undertake property development across the CPCA region. This plan summarizes the financial projections from three initial schemes. By year 2023/24 it is intended to have eight residential development projects at different stages of development.

It is intended to update this initial business plan in 6 months' time to further articulate the ambition for the companies activities and progress to date at that point.

Initial Financial Projections Years 1-3 (first three projects)

The projections below are based on the compilation of initial financial modelling of three illustrative schemes in the CPCA area. These were:

- A new direct development of appx forty units in Fenland.
- A joint venture on a site comprising sixty-eight units in Peterborough.
- A generic scheme of fifteen units in Peterborough These are indicative of the sort of schemes that we will initially take on and deliver, before looking for larger more ambitious projects.

Our ambitions are more significant and will be articulated by further updates of the business plan once other schemes are secured. Ideally by year 2023/24 the company will have at least eight projects at different stages of development.

The Angle Developments budget is provided as Appendix A to this Business Plan.

	Year 1 Apr 20/Mar 21	Year 2 Apr 21/Mar 22	Year 3 Apr 22/Mar 23	Year 4 Apr 23/Mar 24	Total
Profit from illustrative schemes	£0	£0	£6,000	£663,000 (£440k, £223k)	£669,000
No of units start on site (No of affordable units)	40 (10)	68 (42)	15 (6) (plus new opportunities)	TBC (new opportunities)	123 (58) (plus new opportunities)
Company operating cost	-£177,180	-£180,360	-£217,540	-£220,000	-£795,080
Surplus/(Loss) after operating costs per yr	-£177,180	-£180,360	-£211,540	£443,000	-£126,080
Cumulative Surplus (loss)	-£150,000	-£357,540	-£569,080	-£126,080	

It is intended that Angle Developments (East) Ltd will have access to a loan of £600,000 from the CPCA to cover its early years operating costs. Based upon the delivery of just the first 3 projects, at the end of yr 4 a balance of £126,080 from the £600,000 loan will still be outstanding. It is anticipated that this will be cleared with further projects that will be identified during yr 20/21 and delivered by yr 23/24.

2 INTRODUCTION

This Business Plan is designed to provide an overview and detail of the:

- Governance structure.
- Financial overview.
- Risk Management.
- Board and Management Structure.
- Housing objectives and potential activities.

Angle Developments (East) Limited is a private company limited by shares that is wholly owned by the Cambridgeshire and Peterborough Combined Authority (CPCA). Angle Developments (East) Limited is a subsidiary of the CPCA holding company, Angle Holdings Limited and operates at 'arm's length' from CPCA with an independent board for operational decision making.

Working with CPCA the following drivers were established:

- Increase the number of Affordable and Market Homes being developed from sites where the market is either failing to deliver or deliver as quickly.
- Seek to act as a delivery vehicle for the delivery of a number of mayoral £100k Homes.
- Generally, support the building of new affordable & market homes.
- Maximise Devolution Opportunities.
- Promote an Open for Business and 'Can Do' Attitude.
- Not driven by creating maximum profit above covering operating costs, but by delivery.

2.1 Background

On 26 September 2018 (Agenda Item 2.1) the CPCA Board adopted the 'CPCA Housing Strategy'. The strategy identified the need to accelerate the delivery of housing in order to meet the aims of the CPCA. One of the housing strategy recommendations is:

STRATEGIC FIT

CPCA Housing Strategy (September 2018)

'Direct Action: The CPCA should establish a wholly owned company to undertake the development and management of new homes in the region.'

The Local Government Act 2003 restricts local authorities from making a profit from its services, although they are able to offset on costs. The Localism Act 2011 enables local authorities to undertake activities to make a profit but only if delivered within a company.

The CPCA has established wholly owned holding and trading companies (Angle Holdings Ltd and Angle Developments (East) Ltd, where the CPCA retains full control, manages its risks and receives the benefits in full. The CPCA is the sole shareholder.

The purpose of this document is to set out the initial business case for Angle Developments (East) Ltd.

Angle Developments (East) Ltd was established as a 'tool' to enable CPCA to support the market with some direct housing delivery. Whilst Angle Developments (East) Ltd is a legal entity in its own right and should be free to operate commercially to create or enable additional housing and specifically more Affordable Housing and £100k homes to be developed, it is important to remember that it is a company that is wholly owned by CPCA. It is not intended to focus its activities on making full market profit, but on supporting housing delivery whilst creating enough profit and cashflow to cover and service its operating costs over a long term timescale.

As the sole shareholder CPCA has an interest to ensure, wherever practicably possible, that Angle Developments (East) Ltd does not make losses in the long term. Any profit created for CPCA will ultimately benefit the CPCA as sole shareholder as the only body capable of receiving a dividend. However, it is anticipated that any profits achieved will be reinvested in Angle Developments (East) Ltd to cover its operating costs and to achieve a greater output of £100k homes to enable CPCA to achieve the aims of increasing and accelerating the delivery of housing in the area.

2.2 Strategic Fit

The CPCA has an ambition to facilitate the delivery of 100,000 more homes in the region by 2036 (including at least 40% new affordable homes).

In order to achieve this, the Mayor, together with the partner organizations within the CPCA area, has agreed the following key strategic objectives for housing:

- To accelerate housing delivery to support economic growth.
- To create prosperous places where people want to live, and
- To expand housing choices to meet a range of housing needs.

Across each of these objectives the CPCA's programme of intervention falls into three broad areas:

- Direct Action, where the CPCA will take an active strategic investment approach to deliver new homes.
- Enabling Action, where the CPCA will distribute funds including loans and recoverable enabling finance for the delivery of new homes by others.
- Collaborative Action, where the CPCA will work with its partner authorities, housing agencies and the private sector to support increased and accelerated delivery by others.

2.3 Purpose

Angle Developments (East) Ltd is a key part of achieving these objectives in the long term through direct action. The company will provide the CPCA with the ability to do things it cannot currently do, specifically:

PURPOSE

To assist with delivering the aims of the housing strategy by:

- Accelerating the delivery of all housing
- Providing the ability and vehicles to JV with other LA's and/or private sector
- Making a profit which could be used to:
 - Invest in more housing
 - Return a dividend to the CPCA

In addition, it will:

- Enable and support the delivery of a portfolio of mayoral £100k units.
- Procure goods and services locally.
- Use any profits created to re-invest into more affordable housing units/schemes.

Initially we anticipate that Angle Developments (East) Ltd will focus on opportunities to accelerate the delivery through smaller scale direct development or joint ventures with constituent Council's and third-party bodies, both in the public and private sector.

3 VISION

We believe in improving the quality of life of the taxpayer of the Cambridgeshire and Peterborough area and intend to deliver the objectives which are set out in the 'CPCA Housing Strategy' (September 2018). Angle Developments (East) Ltd will support the Cambridgeshire and Peterborough Combined Authority in achieving these objectives.

4 MISSION STATEMENT

Angle Development (East) Ltd will harness development and community experience with local knowledge to support and deliver successful well-designed property development which bring community benefit, are right for their place and respond to the needs of the local population.

5 STRATEGIC OBJECTIVES

- To make a positive contribution to the delivery of more affordable (specifically £100k homes) and market housing across the CPCA area and to contribute to meeting housing need in all segments of the market.
- To make the best use of every opportunity that might become available.
- To trade in a manner that, wherever possible, acts in the best interest of the CPCA.
- To recycle any surplus funds generated from these projects to support the aims of the CPCA, specifically re-investment into more housing schemes.

- To support the delivery of the mayoral £100k home initiative.

6 OPERATING MODEL AND STRUCTURE

Angle Developments (East) Ltd will operate in the local residential property markets across the CPCA area. It will look to identify and deliver additional housing through an entrepreneurial approach, typically but not exclusively through direct development (securing an interest and developing land itself) where there are no significant or exceptional risks like contaminated land or joint ventures with other public sector organisations or third parties from the market.

Every opportunity that arises will have its own business case which will have to be approved through the necessary governance process by the Angle Developments (East) Ltd Board of Directors. If funding is required from the CPCA for any activities, approval will also need to be sought from the CPCA Board to secure an appropriate funding facility. Approval of the parent Holding Company, Angle Holdings Limited will also be required.

The Board of Directors of Angle Developments (East) Ltd comprises:

The Independent Chairman and 2 Directors, being one of the joint Chief Executives of CPCA and the CPCA Director of Housing and Development.

The quorum for board meetings shall be three.

At Board meetings each director shall have one vote.

Board meetings shall be held at least quarterly on such dates as they may agree (where there is failure to reach an agreement a decision will be made by the Chairman). Special Board meetings might need to be called to make decisions on specific opportunities or situations as they arise or are required, to be requested by any of the Directors and Co-ordinated by the Chairman.

- An agenda and any papers for a meeting will be prepared and distributed not less than 5 business days prior to the meeting (within 2 days for a special board meeting).
- Except where the information is commercially sensitive, minutes of Board meetings will be provided to the Shareholder Committee for noting.

7 TYPES OF ACTIVITY

The toolbox slide on page 1 articulates the sort of activities that the company will undertake. Specifically, most of its initial activity is likely to concentrate on the following:

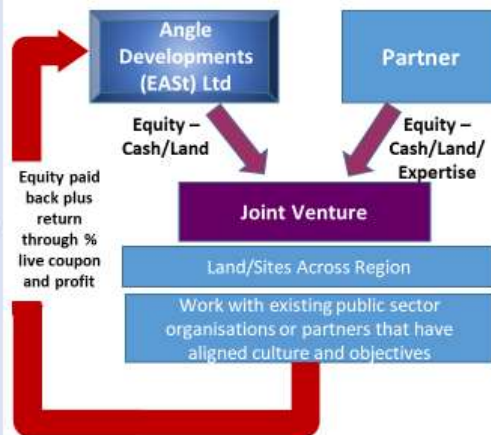
Joint Ventures

Joint ventures will offer opportunity for shared risk and return, which might be particularly attractive in early years:

Joint Venture

Types of schemes / Areas

- Collaborative approach across the region
- LA's and public sector partners can put sites in/utilise their housing companies
- Potential to procure, expertise and funding through JV partner
- Must deliver £100k homes and/or additional affordable housing



Advantages

- Return on investment @ interest rate plus profit
- Cross subsidy model for £100k homes/affordable housing
- Procurement savings
- Potential partner expertise utilised
- Share in risk, less capital required

Disadvantages

- Up front investment to establish partnership
- Need for land commitments
- Who has control?
- Exit strategy needs to be understood

£100k Homes, Direct Delivery or Support

To support the creation of a portfolio of £100k homes direct delivery would most likely be through Joint ventures or direct development if low risk. A significant strategy to support the delivery of £100k homes will be through making available and offering loan finance at rates that comply with any applicable competition legislation or requirement. Those loans will most likely be contracted direct between the CPCA and the borrower, so not requiring the involvement of Angle Developments (East) Ltd.

Direct Development

Direct Development

Types of schemes / Areas

- Schemes that do not meet market profit/hurdle rates but do for a low/non profit delivery model
- Mix of private sale, rent, must have £100k home or affordable Housing elements
- Use of public sector land or acquisition of failing sites from market



Advantages

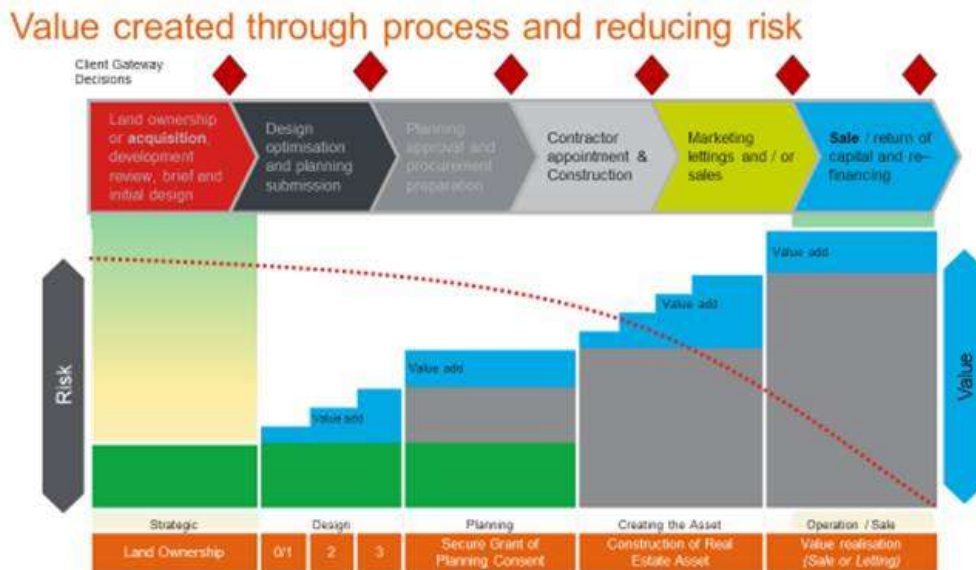
- Low profit enable schemes to be built that the market will not deliver
- Receipt of any profit
- Ability to increase volume & pace of development
- Utilise CPCA lower cost debt funding
- Control
- Enables cross subsidy of profit to get more affordable housing

Disadvantages

- Relies on broadly viable schemes
- Higher risk – exposed to development /sales risk
- Need to establish supply chain

Direct development opportunities will offer full control over the pace and type of development being delivered. It will enable the full capture of value being created through the development

process.



11

In order to deliver a direct development Angle Developments (East) Ltd will use its own internal resources to act as development managers and appoint the services of a professional development team that would include a project manager, quantity surveyor, architect and other professional advisors to deliver a scheme.

Especially in early years Angle Developments (East) Ltd will not want to expose itself to significant risks, so each opportunity will need to be considered on its own merits.

Community Land Trust Support

Having Angle Developments (East) Ltd being used as the developer, taking on construction and handing over a completed development to a CLT is the most likely type of involvement. This may be linked to CPCA potentially offering funding only to schemes direct to CLT's. That will not require Angle Developments (East) Ltd to be involved.

Infrastructure Enabling/Recovery

Opportunity for infrastructure enabling as indicated below may sit alongside a land value capture opportunity:

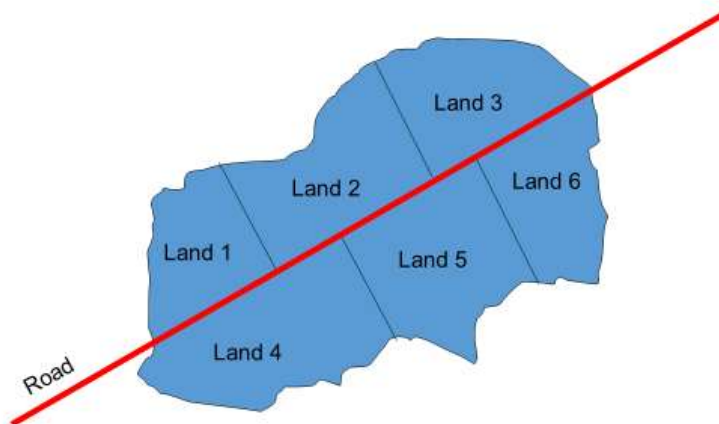
Infrastructure enabling/recovery

Example

- 6 land holdings, cost of road not viable to an individual owner
- Link road / Change of use enables residential development on all 6 holdings

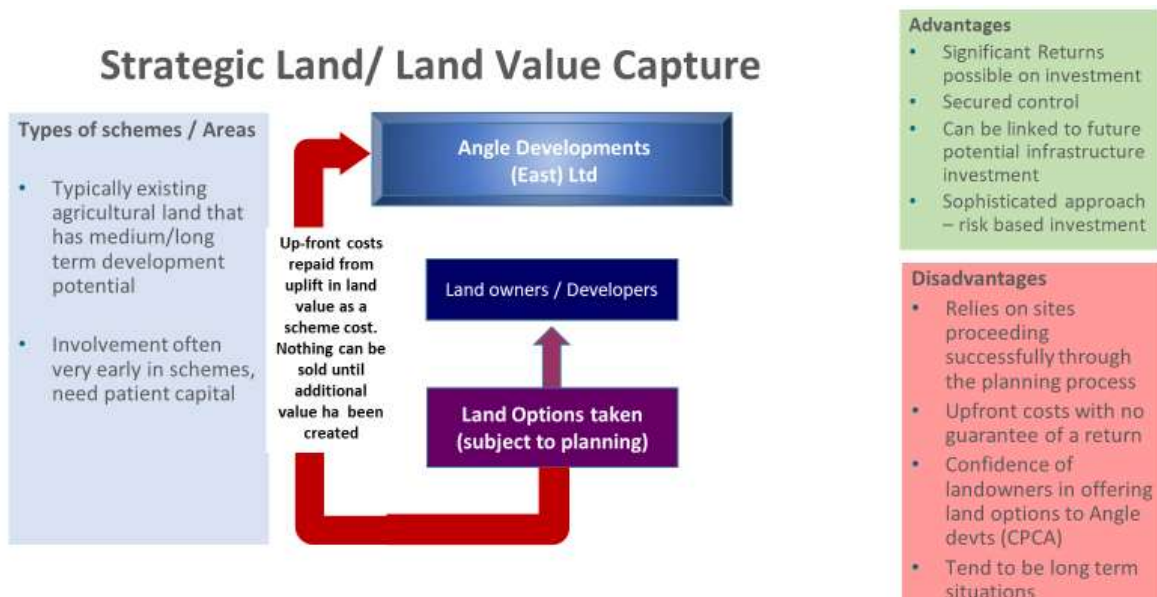
Approach

- Angle Devts provides loan to deliver link road
- Security taken over land
- Plots / units cannot be sold until charge is released



Strategic Land/Land Value Capture

Specifically targeted at land value capture and garden village opportunities along the potential CAM network. The company could be the delivery vehicle for such opportunities:



8 YEAR 1 OBJECTIVES

This business plan sets out the following specific targets for Angle Developments (East) Limited first full Year 1 (2020/21).

- Enter into direct development or joint ventures for the development of at least two sites in the CPCA area.
- Identify any possible new development opportunities from constituent Council owned land and securing a position to become involved in the delivery of these sites.

- Identify a pipeline of future development projects that will deliver more homes in the CPCA area, including mayoral £100k homes starting on site by no later than 31st March 2022.
- A confidential list of opportunities is attached in Appendix A. More productive and less capital-intensive schemes may come from partnerships on sites where constituent councils own the land. Fenland District Council has supplied a short list of opportunities that is being reviewed, though none have an existing planning consent so if there is opportunity these will medium/longer term opportunities.
- Future year objectives will be driven by the principle of seeking to expand and increase the companies influence through becoming involved in and delivering an increasing number of housing schemes. So, year two should secure a minimum of two new schemes and each year after a minimum of two new schemes, so that by year 2023/24 it will have at least eight projects ongoing at different stages of development.
- Creation of a company identity, stationery, logo, brand principles.

9 STAFFING

Angle Developments (East) Limited is being established in the first instance to deliver the outcomes of the CPCA Housing Strategy (September 2018). In its early stages the company will be supported by the Director Housing (part-time seconded from the CPCA) and a development manager (part-time seconded from the CPCA). Time will be on an as required basis and will flex dependent upon the level of activity. Timesheets will be used to track and record this.

Where Angle Developments (East) Ltd decides and has opportunity to participate more significantly in the property market there will be a need to increase the amount of time being offered to company activities by the CPCA seconded staff and eventually to consider the employ of additional personnel direct. This will be subject to the approval of the Board of Directors; such approval will be based on a business case which will clearly identify the rationale, need and costs of the resources required to deliver, enhance and accelerate the company's operations in the housing market.

Such key personnel may over time include (in no particular sequential order):

Construction Manager

The Construction Manager will be responsible for all building contracts and contractor procurement. The role will include appointing professional advisors, being involved and advising early in the design process in order to add value to an overall development outcome, manage the preparation of tender documents, review tender returns, make procurement recommendations to the Board and monitor contractor delivery throughout the development process, including after practical completion in managing snagging, contractor retentions and ongoing relationships.

Land Manager

The Land Manager will be responsible for identification, assessment, negotiation and acquisition of new development opportunities, as well as assisting with the promotion of projects by managing external consultants through the design and planning stages to maximize return.

Development Manager

The Development Manager is responsible for the overview/management of projects from acquisition to completion, through all stages including acquisition, the pre-design and pre-

construction phases; overseeing all design issues and coordinating with the external consultants and contractors that will progress the build process to completion.

Sales Manager

The Sales Manager will create marketing strategies and materials, and manage new site set ups, sales releases and pricing. The Sales Manager will manage and motivate an external Sales and Legal team that is capable of achieving the Company's objectives through support, control and delivering receipts and meeting sales objectives whilst at all times ensuring they enhance the Company's reputation to prospective and existing customers and deliver high standards of customer service.

10 SUPPLIES, SYSTEMS AND INFRASTRUCTURE

CPCA will provide support services to Angle Developments (East) Ltd through a managed Service Level Agreement (SLA).

Angle Developments (East) Ltd will when appropriate and required establish contractual SLAs with each support service. This will include measurable performance indicators, break clauses and remedies for non-performance.

Once the company is fully operational there will be an annual review process whereby SLAs are refined to more accurately reflect the support the company needs.

Support services will initially include:

- Finance- transactional finance functions and financial control activities.
- IT- provision of IT equipment and services- including helpdesk support.
- Insurance provision (buildings and public liability).

11 USE OF EXTERNAL SUPPLIERS

Angle Developments (East) Ltd will seek to use local external suppliers where the appropriate quality of service can be competitively sourced. For larger construction works contracts exceeding the EC threshold of £4.3 million, initially at least, OJEU procurement principles will apply.

12 PROPERTY AND ASSETS

Angle Developments (East) Ltd will initially operate from shared offices with the CPCA at The Incubator 2, First Floor, Alconbury Weald Enterprise Campus, Alconbury Weald, Huntingdon, PE28 4WX. In order to be flexible, office accommodation arrangements will be reviewed frequently in the first 2 years.

13 INFORMATION SHARING

An information sharing protocol will be developed during implementation.

14 DATA PROTECTION

Angle Developments (East) Ltd will comply with the relevant legislation and guidance concerning Data Protection, including adopting suitable policies and procedures to ensure data is adequately safeguarded.

15 FREEDOM OF INFORMATION

As a company wholly owned by CPCA, Angle Developments (East) Ltd will be subject to requests for the disclosure of information under the Freedom of Information Act 2000 (FOI) in its own right. As such, the company will maintain a record management system that complies with the relevant guidance concerning the maintenance and management of records.

Angle Developments (East) Ltd will liaise with CPCA as appropriate to ensure consistency in answering FOI requests and provide such information to CPCA as it may require, to answer requests it has received.

16 MARKETING STRATEGY

In line with our Vision and Values, Angle Developments (East) Ltd will develop its Brand, (incl Logo) and Marketing Strategy with a view to clearly articulating its Proposition to potential partners and customers.

17 BUSINESS DEVELOPMENT

Angle Developments (East) Ltd will build key market and customer relationships from a network of potential contacts and partners, including agents, developers, landowners, professional advisors, contractors and others including CPCA staff, public sector partners and Local Authorities. The future of the Company will depend on its ability to connect with this divergent set of organisations and clients around common or aligned objectives; to enable and build good quality, well-designed new housing developments that are both commercially successful (in so far that losses are not incurred) and right for their place.

18 SWOT AND RISK ANALYSIS

18.1 Strengths

- Opportunity for Angle Developments (East) Ltd to enhance the CPCA brand and develop the business over time as a trustworthy, capable and well-funded developer and partner
- The company might be able to access opportunities from constituent Council portfolios or one public estate land and property with potential to create a strong pipeline of future development projects that would underpin and potentially significantly accelerate the future business pipeline.
- Angle Developments (East) Ltd is not driven by creating commercial rates of return or profit, but by a need to see more affordable and market housing being delivered without making financial losses.

18.2 Weaknesses

- Decisions will need to be taken quickly if the company is able to respond to market opportunities when they arise.
- Angle Developments (East) Ltd will be a new 'player' in the market, with no track record of successful delivery in its own right. This might make potential partners cautious about doing business with it and its initial operating costs might be high in relation to its immediate activities.
- With no existing supply chain, particularly for construction, initial construction costs might be higher than for established developers with long term relationship to call upon.

- There is the potential for perceived bias in the way that the Company operates, being wholly owned by the CPCA.
- There may be a perception (initially!) that being a wholly public sector owned entity that it may not be acting, operating and capable of behaving in a fully commercial manner.

18.3 Opportunities

- Underlying long term high demand for new housing at all levels of the market and low level of current supply so investment risk is reduced.
- Producing design-led, good quality housing will give Angle Developments (East) Ltd an opportunity to position itself as a developer of choice for landowners.
- A flat or slightly depressed housing market offers an opportunity to pick up some sites that local and regional developers in a more positive market would normally be heavily competing for, reducing the risk of over-paying for land in the short term.

18.4 Threats

- Property market can be subject to volatility in cost and especially sales values and volumes.
- As house prices strengthen, other local developers will up their game in terms of appetite to develop, design quality and presence in the local market.
- Housing and planning are key policy areas for all political parties and future changes to government policy and legislation have the potential to create adverse conditions for the company.

18.5 Commercial Risk

The key risk is around CPCA's inexperience in delivering direct housing activity through a company. It is, however, a shift in approach taking place throughout UK Local Authorities. The appointment of key personnel with strong market experience will allow the risk to be managed, along with managing the size and scale of early projects and engaging in joint ventures with appropriate partners.

The level of risk exposure should be managed carefully in the formative years of the company, with risk limited to specific projects for which there is a clear and understood risk profile.

Appendix A: Angle Developments Budget