

Overview and Scrutiny Committee questions to the Combined Authority Board: 25 November 2020

Item 1.7 Appointment of Chief Executive of ONE CAM Limited

Q: Can the process for the level of remuneration to be received by the Chief Executive of One CAM Limited be evidenced and justified?

A: The remuneration for the post of the Chief Executive Officer of One CAM Limited was established in consultation with the appointed external executive search consultants. They have significant experience in the recruitment of Chief Executive Officers, specifically in relation to major infrastructure projects.

At the final interview stage, of the candidates selected, three of the four candidates had existing or last job salary and bonus packages significantly in excess of the maximum salary offered for this post. So the remuneration being offered is significant, but the reality is that this is a very competitive sector and there are other organisations offering more.

Item 2.2 Draft 2021-22 Budget and MTFP to 2024-25 for Public Consultation

Is there any indication of when we might expect to see the strategy underlying the financial figures extrapolated beyond 2021/22?

A: There is a section devoted to each Directorate in the main body of the draft budget and Medium Term Financial Plan report which outlines the strategic approach to deliver the vision and growth ambition of the Combined Authority through 2021/22 and beyond. These sections also refer to other Combined Authority Strategies such as the Local Transport Plan, the Skills Strategy, the Housing Strategy and the Local Economic Recovery Strategy.

The staffing budget shows a 2% pay award and increments for performance related pay. Given the expected announcement of a public sector pay freeze is the CPCA expecting to proceed with this pay award?

A: In previous years the Combined Authority has followed the pay agreement reached between the National Employers and the NJC Trade Union side on rates of pay. We will monitor any government announcement on a possible public sector pay freeze, but at this stage it is prudent to make provision for a cost of living pay award in the staffing budget. If an announcement is made for a public sector pay freeze, the same rules will apply to the CPCA as all other public sector bodies.

There are revenue proposals referencing EU funds up to 2023-24. Are these funds received prior to Brexit and will they be received post-Brexit?

A: The EU funding identified relates to three project proposals which have been approved by the relevant EU bodies with funding packages over multiple years as identified in the MTFP. There is no risk that these funds would not be available regardless of whether the UK leaves the current transition period with an EU trade deal or not, as the UK Government has guaranteed to replace the funding should it not be possible to claim it from the EU after the transition period.

Item 4.1 CAM Special Purpose Vehicle

Given the expected announcement of a public sector pay freeze is it appropriate that an annual salary of £40,000 per annum is awarded to non-executive directors? Can the O&S Committee have some background to the process justifying this level of remuneration?

A: The CAM will be vital in supporting our economy and vital to the UK's industrial future. It is a project of national significance.

To build this game-changing public transport, we need the best people. The recommended non-executive directors have a wealth of experience in building major projects, managing big budgets and with a record of exceptional leadership across business and the public sector. Securing funding and financing for the CAM is precisely one of the key areas where they will be able to support in the scheme's delivery.

I'm pleased that this recruitment process has resulted in recommending appointees of this calibre and proves just what a draw the CAM is, and will continue to be, for the kinds of talented people we need to build it.

The remuneration of £40,000 was discussed with the candidates during the recruitment process and is in line with payments to other non-executive directors as shown by the recent 2020 Non-Executive Director's survey by the Quoted Companies Alliance. The benefits that will be realised by CAM will be many times the money invested, and will be felt for generations to come.

How does the Board justify the level of funding on a project that is currently speculative; and what level of recompense is likely if the project does not happen?

A: The CPIER report evidenced the fast rate of economic and employment growth in our region, and highlighted the importance of planning now to ensure that strong growth will be sustainable beyond 2030. The CAM is the transport network that will deliver that

growth. As I have already said the CAM will be vital in supporting our economy and is vital to the UK's industrial future. It is a project of national significance.

The CPCA makes no apology for having an ambitious vision for our area and we are willing to invest in the best people and structures to deliver that. Our transport system will be a smart, zero carbon network, which also opens opportunities for quality housing developments built on green, sustainable principles.

It is perfectly normal for projects at a phase of delivery similar to CAM to not have secured every pound needed for delivery. What the CAM company and the Combined Authority is here to do, is make things happen. We are building the case for investment in schemes which will support people and our economy for decades to come. We are continuing to develop all aspects of the CAM programme, including funding and financing, and working with our new chairman, non-executive directors and our partners, including in Government, to attract the investment we need.

It is a huge challenge to deliver the solutions needed by Cambridgeshire and Peterborough and to implement the recommendations of the CPIER report. This is not the way that councillors are used to seeing transport schemes delivered by local government, but this is how it is done nationally and internationally to deliver innovative transport solutions.

Item 4.6 Devolution Deal, Gainshare Gateway Review and Combined Authority Prospectus

(Appendix 1: 1) Are we realistically still considering doubling GVA?

A: We were ahead of the trajectory required to double GVA when the Covid shock took place. There are 22 years of the Devolution Deal to go and every prospect that the economy can recover recent momentum and get back on trajectory over that time. The fundamental competitive advantages that make Cambridgeshire and Peterborough one of the UK's global economic assets remain intact.

(Appendix 1: 4) When will material be placed in the public domain arising from the work of the Public Sector Reform Commission?

A: Discussions are continuing with the Commission to enable findings from its work to be published soon.

(Appendix 1: 6) How does the Board define world-class connectivity and how will we know something is world-class?

A: The Combined Authority's programme of infrastructure improvements such as the CAM is based on new technology and innovative design, including requirements for digital infrastructure and net zero compatibility, and is intended to sustain the international competitiveness of the Cambridgeshire and Peterborough economy. The acid test and the benchmark of whether our investments are world class is whether our area continues to attract global investors in the future.

(Appendix 1:18) When will the impasse be resolved in terms of holding back £45m of the £100m housing fund? If this is not resolved how will this affect the delivery of the commitment? When will it be made clear whether March 2021 or March 2022 that is the end date for the £100m scheme?

A: We have received no indication from MHCLG that we will not receive the outstanding £45m of funding for the remainder of our housing programme. Mayor James Palmer met with Luke Hall MP, Minister of State for Housing, Communities and Local Government last week to update him on the Mayoral Combined Authority work to spearhead our innovative and exciting regional housing programme. The Minister was supportive of the Combined Authorities approach and confirmed that decisions from the review with MHCLG were imminent. We are expecting confirmation of the housing programme end date at the same time.

(Appendix 1: 14) When will the Joint Assets Board will be established?

(Appendix 1: 34) This is not, as yet, implemented; can the O&S Committee have an update please?

(Appendix 1: 35) What are the Combined Authority's expectations for a second Devolution Deal?

(Appendix 1: 39) What is happening on the government's proposals on business rate reform and what are the implications for the Combined Authority of not proceeding?

(Appendix 1: 41) What is happening on the devolution of strategic planning powers to the Mayor and what is the likely impact?

(Appendix 1: 43) What is happening on forming an Education Committee with the Regional Schools Commissioner and other key education stakeholders and what is the likely impact?

(Appendix 1: 46) What is happening on the work with government to explore a more integrated pathway of service delivery for the causes of offending behaviour early to reduce the use of courts and prisons and what is the likely impact?

(Appendix 1:53) Could the O&S Committee have an update on the work with local partners to consider how best to establish a sub-national transport body?

(Appendix 1:58) Does this commitment now refer to the Government White Paper on Planning for the Future or something entirely different?

(Appendix 1: 69) The DfE did not include the Combined Authority in Area Reviews, as the process was considerably advanced by the time the Combined Authority was established in March 2017. The last of the Area Reviews were concluded in August 2017, but this commitment is described as 'Not yet implemented by Government'. Could the O&S Committee have an update on what the Combined Authority expects to happen now?

A: Summary updates on these items, where available, are provided in Appendix 1 to the Board paper which the O&S Committee considered earlier this week. The Board is being invited to begin regular progress reporting on the Devolution Deal Commitments which have not yet been implemented. The Overview and Scrutiny Committee will be involved in that regular update process.

Item 5.1 Local Transport Plan CAM Sub Strategy

What does the Board envisage the role of the Greater Cambridge Partnership to be in this as that body is barely mentioned in the report?

A: The Greater Cambridge Partnership is a partner of the CPCA in the delivery of the CAM. The GCP is a partnership of the three Councils who were successful in securing a City Deal for our area. As such it is a joint committee and delivery team set up by those three Councils to deliver on the commitments they agreed with Government.

The GCP is different from the CPCA, which is a separate public authority with statutory responsibilities, primarily as the Local Transport Authority for Cambridgeshire and Peterborough. In that role the CPCA has direct responsibility to deliver the local transport plan.

The CPCA sets the strategic direction for transport schemes within the area. The GCP delivers its schemes in accordance with that statutory plan. As the GCP does not have a strategic transport role, it does not feature within the Local Transport Plan other than by reference to its role as a delivery partner for the CAM.

Items 6.3 Local Economic Recovery Strategy Update

How is the Combined Authority liaising with its constituent authorities and the Greater Cambridge Partnership on Covid recovery?

A: Through the Local Economic Recovery Sub-Group of the COVID 19 Local Recovery Forum, all our Local Authority Partners and the Greater Cambridge Partnership have been integrally involved in the authoring, review and recent update of the Local Economic Recovery Strategy.

Has the impact of Brexit on future investment funding been considered and, if so, how will funds be delivered to help those impacted by Brexit?

A: The impact of Brexit has not been fully analysed within the Local Economic Recovery Strategy as the impact is not yet known. The next update of the LERS will include this analysis, once the specifics of the Trade Deal are known and can be assessed for impact.