



**CAMBRIDGESHIRE
& PETERBOROUGH**
COMBINED AUTHORITY

CAMBRIDGESHIRE & PETERBOROUGH COMBINED AUTHORITY – OVERVIEW AND SCRUTINY COMMITTEE

DRAFT MINUTES

Date: Monday, 22 March 2021

Time: 11.00 a.m.

Location: Virtual Meeting via the Zoom Platform

Present:

Cllr P Jordan	Huntingdonshire District Council
Cllr S Corney	Huntingdonshire District Council
Cllr L Dupre (Chair)	East Cambridgeshire District Council
Cllr A Sharp	East Cambridgeshire District Council
Cllr M Gehring	Cambridge City Council
Cllr M Davey	Cambridge City Council
Cllr J Scutt	Cambridgeshire County Council
Cllr A Coles	Peterborough City Council
Cllr E Murphy	Peterborough City Council
Cllr A Miscandlon	Fenland District Council
Cllr A Hay	Fenland District Council
Cllr P Fane	South Cambridgeshire District Council
Cllr G Chamberlain	South Cambridgeshire District Council

Officers:

Robert Parkin	Chief Legal and Monitoring Officer, Combined Authority
Paul Raynes	Director for Delivery and Strategy
John T Hill	Director for Business and Skills
Patrick White	Partner, Metrodynamics
Adrian Cannard	Strategic Planning Manager
Roberta Fulton	Programme Manager
Anne Gardiner	Scrutiny Officer

Also in attendance: Baroness Brown

1. Apologies for Absence

- 1.1 Apologies were received from: Cllr D Connor, no substitution.
- 1.2 The Scrutiny Officer conducted the rollcall of Committee attendees.

2. Declarations of Interest

2.1 No declarations of interest were made.

3. Minutes of the Previous Meeting

3.1 The minutes of the previous meeting held on Monday 22nd February 2021 were agreed as an accurate record.

4. Public Questions

4.1 There were no public questions.

5. Independent Commission on Climate Change

5.1 The Committee welcomed Baroness Brown and thanked her for attending to introduce the recently published report from the commission.

5.2 Baroness Brown made a statement which outlined the key issues raised within the report and is summarised below:

The Commission had been surprised with the outcomes which showed that the Cambridgeshire and Peterborough area had emissions that were 25% above the rest of the UK and these emissions were falling more slowly than the UK average.

Cambridgeshire and Peterborough was an area at high risk of climate change, with possible 40-degree temperatures by the 2050's, summer droughts and flooding increasing by 16% if no action was taken.

It was urgent that action was taken as the area would have run out of the allowance of emissions in 6 year's time.

The interim report highlighted key areas; these were:

- 1) Transport – emissions were 50% higher per head and 3 times the rate of increase than the UK average. HGV emissions was more than double national average.
- 2) Housing – as Cambridgeshire and Peterborough was an area where there would be an increase in the building of homes it had been important to focus on this however, this area was slightly better than the UK average.
- 3) Energy system and water, more information would be provided on this area in the final report.
- 4) Peat

There was a significant task ahead which would require funding to the amount of £700m per annum to address issues. The benefits though would be the opportunity to have a region which had better homes, green spaces, better jobs, better health, and wellbeing.

The Chair opened the floor to members to ask questions and the following points were discussed.

5.7 The biggest challenge faced would be the introduction of low carbon heating with 350,000 houses needing to be converted. This would be the area where the Baroness felt that there would be the most resistance and a lot of effort would

need to be made to ensure communication with residents was clear on what they could do and the benefits associated with this.

Low carbon heating would have the biggest upfront cost and the slowest payback which would be difficult for many to accept.

The other major challenge with low carbon heating was to get the skills needed to deliver and advise on this.

The starting point would be for housing associations to introduce this.

Farmers were already facing insecurities from the change from the Common Agricultural Policy to the new ELMS scheme along with challenges to being able to export. Suggestions on wetting peat and the moving of farmland for the growth of trees would feel like an additional threat on top of difficulties already being faced by the sector. It would therefore be very important to engage with the farming community to ensure they understood how they could still operate successfully and earn a productive living from the land.

- 5.8 Baroness Brown advised that the Fens BioSphere vision aligned with the important issues raised within the report.

Baroness Brown had some concerns about the Cambridgeshire Decarbonisation Fund as she felt that the focus on offsetting as a funding option rather than encouraging people into taking actions could provide the wrong impression. If actions were also being taken it could be a useful way to raise funding. Baroness Brown said she would like to see the Combined Authority use its role to utilise financial instruments such as Green Funds to help provide funding to local house builders.

- 5.9 In response to a question on the significant costs of retrofitting Baroness Brown advised that social housing would be a good place to start and that a strong financial team at the CPCA would be needed to look at what financial instruments could be used to leverage initiatives from central government.

- 5.10 In response to a question on the ambition set out in the report on buses to be run on electricity or hydrogen by 2030, Baroness Brown advised that as an area we would need to move quickly to achieve this and key to achieving this would be to appoint a Climate Cabinet to ensure there was a common vision amongst the key players involved in the area.

- 5.11 In response to a question on climate change assessments and whether these should have always been part of transport and housing project assessments the committee were advised that this would be discussed at the CA Board with a view that officers would be tasked to develop an implementation plan. Baroness Brown advised that the Commission were keen that all investments should be considered in the context of considering the vision of the future.

In response to a question on the emphasis on road building at the CPCA Baroness Brown advised that all plans and procurements should have climate change assessments carried out to see if a reduction in road building was achievable but more analysis in this area was required.

- 5.12 In response to a question on how surface water was affected by development of new roads and pavements Baroness Brown advised that this was an important point to be considered and that there were ways to get around that by using

effective methods of development; this would be considered in more depth in the commissions next report.

Green spaces would play an important role in helping with climate change; nature would be focused on in more detail in the commissions next report, but it was recognised that green spaces in new developments were very important.

- 5.13 In response to a question on transferring tariffs Baroness Brown agreed that this was something that needed to be looked at by central government in particular to consider reviewing the tax on fuels so that those on electricity sources can benefit from a more cost-effective system; integrating those systems would be important.
- 5.14 In response to a question regarding how much impact change by individuals can make when there are wider national issues regarding climate change, Baroness Brown advised that it was important that change had to happen in every household in every region. In a survey undertaken it evidenced that residents for Cambridgeshire and Peterborough were keen to play their part and would welcome more education and communication on the issues.
- 5.15 In response to a question about how rural areas can achieve lower mileages as outlined in the report, Baroness Brown advised that she recognised that the lower mileage goal may not be achievable for some areas and that to lower emissions in those areas the focus would need to be on low emission vehicles.
- 5.16 In response to a question on the Peat Land Investigation timeline; Baroness Brown advised that it might not take 5 years, but it was important to get the right information to feed into the national study which would take place in 2023 and that there was at least three years of work to be done.
- 5.17 The Chair thanked Baroness Brown for attending the meeting and answering the committee's questions.

6. Covid 19 Impact Update

- 6.1 The Committee received the report from the Director for Business and Skills which provided the Overview & Scrutiny Committee with an update on COVID-19 and the response from the Business Board to enhance local economic recovery work in Cambridgeshire & Peterborough.
- 6.2 The Director for Business and Skills introduced Patrick White from Metrodynamics who provided an update to the committee outlining the following points.
- We now have much more information on the impact of Covid 19 on the economy of Cambridgeshire and Peterborough and have received in depth feedback from local organisations and councils.
 - The recovery strategy is a live document that would be continually updated as the situation changed; there had been many changes since November and there would continue to be changes; this was important to note.
 - It was important that there was clarity about the need and opportunity in the different parts of the area as all parts must be supported but in different ways as they had all been affected by the pandemic in different ways.

- Important to emphasize how big a role different parts of the Cambridgeshire local economy have to play in securing a zero carbon goal; therefore the context facing businesses is changing very rapidly.
- Intervention was focused on skills and retraining this was important as it would allow business and individuals to adapt and deal with the changes upcoming. Currently there was uncertainty around what capital investment would be required in five years so the report set out actions; some were immediate and some looked at 22/23 period to consider actions required to enable levelling up funding to be applied for.
- It was difficult to tell whether issues arising were a direct result of Brexit or Covid 19 and it was too early to analyse this but the officer hoped that by late May or June analysis could be carried out.
- The real impact on employment had been masked by the furlough scheme but it did appear that unemployment had risen especially for young people and women however, it was difficult to draw any firm conclusions at this time.

6.3 In response to a question about the interventions the committee were advised that the team had put more effort into coming up with short term programmes which would get young people into skills and training.

The team were in the process of building a bid which was hoped would be between £1.5-2m and would be about engaging young people who have been affected and others who had been displaced to get them into jobs or education which would lead to jobs – this was a very intensive and quick process.

The Combined Authority had put £4m into capital grants but the team were also preparing a bid for an Entrepreneur Start Up grant as some people may not get another job but may start up a business.

In response to a follow up question about the Entrepreneur Start Up Grant the committee were advised that the strategy for targeting companies had shifted towards focussing on female led businesses, hospitality, and care businesses. It had been recognised that businesses with female board representation were more likely to scale up and this is what the team would be looking for.

6.4 In response to a question about the use of concrete for building the first building at the University of Peterborough, the committee were advised that this university had a 50% higher off campus learning percentage than other universities, at any one time there would be less than half of the students on campus. This was a very remote model for a university. The first building on the new campus had capacity to train 3000 graduates but physically present at one time would only be 300. The building had been leveraged to balance out the amount of concrete used.

6.5 The Committee were advised that the second wave of Covid 19 had hit the area harder and that it would be focusing on areas such as Fenland where the need was greatest; the impact had been worse where people had already been suffering from low wages and in work poverty. The Communities Renewal Fund would be helping to support a manufacturing cluster in Fenland which could be expanded upon.

6.6 The Committee thanked the officers and noted the report.

7. CAM Task and Finish Group Update

- 7.1 The Committee received the report which provided an update on the work of the CAM Task and Finish Group.
- 7.2 Cllr Gehring noted that there was an error in the report and requested that East/West Rail was added in.
- 7.3 The Committee RESOLVED to:
- a) Note the update from the Task and Finish Group
 - b) Close the Task and Finish group as it currently stands
 - c) Approve that a new CAM Task and Finish group with an updated Terms of Reference be created by the new committee post-election.

8. Combined Authority Project Register

- 8.1 The Committee received the report from the Programme Manager which provided the Committee with an overview of the Combined Authority projects.
- 8.2 In response to some questions about information relating to the Housing programmes the committee were advised that the report was based on the February highlight reports and would be updated following the March highlight reports to reflect any changes that have come about over the past few weeks
- 8.3 In response to a question about administration costs for projects and the costs of climate assessments needing to be introduced the officer agreed to provide Cllr Murphy with a breakdown of the management and administration costs for the projects and what the potential cost would be to carry out climate assessments for each project.
- 8.4 In response to a question about the completion date for One CAM project and the Outline Business Case, the officer agreed to provide some additional information regarding where the CAM project sat either with the CAM or with the Combined Authority to Cllr Gehring and what the completion date would be.
- 8.5 The officer agreed to provide an explanation on the movement of the RAG rating on two projects: the March Junction Improvements and the Wisbech Access Strategy to Cllr Sharp.
- 8.6 The Committee thanked the officer for the improved format provided and noted the report.

9. Combined Authority Board Agenda

- 9.1 The Committee reviewed the Combined Authority Board agenda and agreed that the Chair should ask the following questions on behalf of the committee at the CA Board meeting on 24 March 2021.

Item 2.2 Financial Strategies 2021-2022

- 1) What plans does the Combined Authority have to move towards decarbonising its investments?
- 2) What can be done to adopt for the purposes of existing projects the Climate Commission's recommendation that climate assessments should

be undertaken for Combined Authority projects, and what financial impact would this have?

Item 3.1 CAM Progress Report

- 3) Please will the Combined Authority provide comparative data for Chief Executive and other senior officer remuneration packages for other projects similar to CAM?
- 4) In regard to the performance related pay could the criteria that will be used to assess the CEO and other senior staff be provided to the Overview & Scrutiny Committee?
- 5) Can the Combined Authority provide the Overview & Scrutiny Committee with confirmation of funding currently in place for CAM, and the security of the funding for entire project?

Item 3.6 Independent Commission on Climate Change - Interim report

- 6) At a meeting of the Overview & Scrutiny Committee on 28 October 2019, the Mayor declined to declare a climate emergency when invited by the Committee to do so. Has the interim report of the Climate Commission affected his view on this?
- 7) The Climate Commission report recommends that a Climate Cabinet is set up. How open and transparent will this Climate Cabinet be? Will it meet in public? Will members of the public and of the Overview & Scrutiny Committee have access to its papers? How does the Combined Authority Board intend to prioritise the recommendations in the report?
- 8) How will the Climate Commission and the Combined Authority Board engage with key stakeholders especially the farming community to ensure there is good communication around the issue of peat outlined within the Commission's report?

Item 5.1 £100M Affordable Housing Programme

- 9) The Combined Authority agreement and the business case indicates that the authority was to seek funding to supplement the funding received from government for the £100m Affordable Housing programme. What steps have been taken by the Combined Authority in accordance with this requirement? Could a list of these be provided with dates and the outcome and the levels of funding secured?
- 10) The recommendations refer to the 'completion' of the £100m Affordable Housing Programme. Does the Board believe that the programme will be 'completed', ie with £100m received and 2,000 homes delivered by March 2022?
- 11) Could the CA Board give (a) a best and (b) a worst case scenario for (i) the total amount of money received for affordable housing outside Cambridge by March 2022 and (ii) the total number of homes that will be built with that money?

9.2 The responses received are attached at Appendix 1.

10. Lead Member Questions to Executive Committees

10.1 The Committee received and noted the report.

11. Combined Authority Forward Plan

11.1 The Committee received and noted the Combined Authority Forward Plan.

12. Overview and Scrutiny Arrangements Review

12.1 The Committee received the report which provided the proposal from the Centre for Governance and Scrutiny to carry out a review of the current scrutiny arrangements at the CPCA.

12.2 The Committee **RESOLVED:**

a) Agree that the Centre for Governance and Scrutiny carry out a review of the scrutiny arrangements for the CPCA.

b) request that the CA Board approve that the Centre for Governance and Scrutiny carry out a review of the current scrutiny arrangements at the CPCA.

13. Date of Next Meeting

13.1 The next meeting would be held on the 28th June 2021.

The Chair advised that an informal meet and greet and induction session would be arranged in early June.

13.2 The Chair thanked members and officers for their hard work on the committee this year.

The Committee members thanked the Chair for her hard work in running the committee.

The meeting closed at: 13:05pm

Appendix 1

Questions from O&S to the CPCA Board 24 March 2021

Item 2.2 Financial Strategies 2021/22

- 1) What plans does the Combined Authority have to move towards decarbonising its investments?

A: The Board is being asked to consider its response to the recommendations of the Climate Change Commission in a later item on this agenda. Officers will consider how the Board's responses to those recommendations may inform future investment decision making. Officers will then take advice from our treasury advisors on how best to meet the Board's recommendations in the drafting of future financial strategies.

- 2) What can be done to adopt for the purposes of existing projects the Climate Commission's recommendation that climate assessments should be undertaken for Combined Authority projects, and what financial impact would this have?

A: The Board is being invited at this meeting to agree to bring forward a costed detailed action plan to implement the Climate Change Commission's recommendations. The recommendation on climate assessments will be addressed and costed as part of that exercise. The direct financial impact of climate assessments would probably be negligible. Its indirect financial effect would be to ensure that all projects' budgets reflected appropriate measures to meet the 2050 net zero target.

3.1 CAM Progress Report March 2021

- 3) Please will the Combined Authority provide comparative data for Chief Executive and other senior officer remuneration packages for other projects similar to CAM?

A: During the initial stages of the search for the CEO of One Cam a number of suitable candidates from a wide range of similar organisation were considered for long listing. These organisations included Thames Tideway, Crossrail, HS2 and TFL. The average

salary expectations of those on the long list was £255,000 per annum plus an average bonus of 30%. The short list was selected based on experience and capability to deliver the project and their average salary expectation was £288,000 plus an average bonus of 45%. A number of other candidates working inside and outside of the UK were also initially considered, but salary expectations significantly exceeded our budget.

- 4) In regard to the performance related pay could the criteria that will be used to assess the CEO and other senior staff be provided to the Overview & Scrutiny Committee?

A: The performance of the CEO and other senior staff will be assessed by the One CAM Board in relation to the achievement of One CAM Limited annual objectives which will be set out in the Business Plan. The Business Plan is a requirement of the Shareholder Agreement and is being developed now; it will be submitted to the Combined Authority Board in June. The senior staff performance assessment process and annual outcome will be made available to the Overview and Scrutiny Committee.

- 5) Can the Combined Authority provide the Overview & Scrutiny Committee with confirmation of funding currently in place for CAM, and the security of the funding for entire project?

A: The Overview and Scrutiny Committee will be aware that the Board approved the Medium-Term Financial Plan at its January meeting. The plan earmarked capital funding of £2m to support the activities of One CAM limited in 2021/22, and a further £5m in 2021/22, £6.5m in 2022/23 and £6.5m in 2023/24 to support the development of the CAM Business Case. These earmarked allocations being 'subject to approval' by the Combined Authority Board. The Funding and Financing Delivery Strategy for the CAM is currently being drafted which will appraise the options for securing the necessary funding going forward.

3.6 Independent Commission on Climate Change: Interim Report

- 6) At a meeting of the Overview & Scrutiny Committee on 28 October 2019, the Mayor declined to declare a climate emergency when invited by the Committee to do so. Has the interim report of the Climate Commission affected his view on this?

A: On the contrary, the interim report provides practical and definite recommendations about how to meet the 2050 net zero target which the Board will now be taking forward. This is a great deal better than declaring an emergency without having a plan. Deliverable measures are infinitely more useful than rhetoric.

- 7) The Climate Commission report recommends that a Climate Cabinet is set up. How open and transparent will this Climate Cabinet be? Will it meet in public? Will members of the public and of the Overview & Scrutiny Committee have access to its papers? How does the Combined Authority Board intend to prioritise the recommendations in the report?

A: The Board is being invited to agree that the steps needed to set up a Climate Cabinet will be taken and that officers will bring forward a detailed proposal. That proposal will cover the issues in the first three questions. The Board is also being invited at this meeting to agree to bring forward a costed detailed action plan to implement the Climate Change Commission's recommendations. That plan will address the fourth question, about prioritisation.

- 8) How will the Climate Commission and the Combined Authority Board engage with key stakeholders especially the farming community to ensure there is good communication around the issue of peat outlined within the Commission's report?

A: It is vital that policy on peatlands is made on the basis of a much stronger evidence base than is available to policymakers at the moment. There are very significant gaps in the data on peat, and very significant gaps in understanding of the effects of different farming methods. Fen farmers and other members of the Fen community must be given the lead role in developing a robust evidence base before government decisions are made. The Board is being invited at this meeting to accept the Commission's recommendation to establish a Fenland Peat Committee. That group will engage with key stakeholders and especially the farming community to ensure their voices are heard and their evidence taken on board by government as it develops policy about peatlands.

5.1 £100M Affordable Housing Programme

- 9) The Combined Authority agreement and the business case indicates that the authority was to seek funding to supplement the funding received from government for the £100m Affordable Housing programme. What steps have been taken by the

Combined Authority in accordance with this requirement? Could a list of these be provided with dates and the outcome and the levels of funding secured?

A: The Combined Authority supported the successful £219m Housing Infrastructure Fund investment – a HIF - for the Cambridge North East Fringe scheme. It also supported an initial HIF application for the Wisbech garden village project, which has positioned the project for an application for a future round of HIF, if and when the Government releases a further funding round. We have also raised the profile of the 500 unit scheme at Kennett with Government, to position that for any available future housing funding support.

10)The recommendations refer to the 'completion' of the £100m Affordable Housing Programme. Does the Board believe that the programme will be 'completed', ie with £100m received and 2,000 homes delivered by March 2022?

A: We cannot predict what will happen in the next 12 months. Clearly, we will endeavour to deliver the maximum number of units possible. Up to the 31st March 2021 there have been 733 housing starts with £26.1m of grant money committed. The programme for 2021/ 22 already has 782 units approved with a further £31.8m of grant being required. There are then additional 'new' opportunities to be captured with the support of MHCLG from our housing pipeline over the next 12 months. So, we are confident we can reach 2,000 homes, but we can't give an absolute guarantee because we cannot predict what the economy is going to do and what the delivery of housing will be over the next 12 months.

11)Could the CA Board give (a) a best and (b) a worst case scenario for (i) the total amount of money received for affordable housing outside Cambridge by March 2022 and (ii) the total number of homes that will be built with that money?

A: Discussions are ongoing with MHCLG as to how the housing programme will progress in its new form. There are already 733 housing starts and the CPCA has a further 782 units pre-approved by the Housing and Communities Committee to progress to start on site during the period April 2021 to March 2022 with a further £31.8m of grant being required. Then there are additional new opportunities to be captured with the support of MHCLG from within our housing pipeline over the next twelve months. That leaves a further 485 units to be delivered and we feel that with the support of MHCLG those opportunities will come forward in the next

twelve months. What we can't guarantee is what the economy will be doing and what effect Covid will have during that period of time.