

## CA SUSTAINABLE GROWTH AMBITION STRATEGY

In pursuing economic growth, we have a responsibility to ensure that rising prosperity makes life better, healthier and fairer, and does not exhaust the resources our children will need for the future. More and more people are recognising that we don't just need growth: we need good growth. Our aim is not simply to increase our income, but to increase our area's wealth, in a way that is driven by our values.

The Devolution Deal between the government and Cambridgeshire and Peterborough established a programme of investment in our economic future, with the aim of doubling the size of the economy. In the past, we have tended to focus narrowly on the target of doubling GVA, and neglect the significance of the investments we are making – even though the Board has in reality picked investments that do address issues of fairness and sustainability. But growth and investment choices go together: it is only because we invest in the future that we can look forward to sustainable growth. The investments we pick reflect our values and are the foundations of our future.

The Combined Authority's strategy is therefore unashamedly values-driven. The values the Mayor wishes to be the hallmark of his term in office are

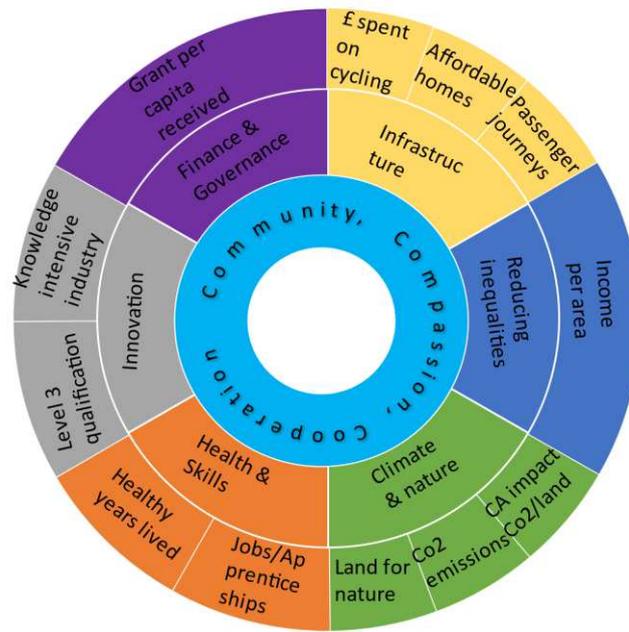
- Compassion
- Cooperation
- Community.

These frame how we will pursue the devolution deal's overall aim of achieving sustainable growth and integral human development.

We propose that we should recognise that our investment programme has six themes, all of which are anchored in the devolution deal. We aim to build up the capital stock of Cambridgeshire and Peterborough across the six dimensions of

- Health and Skills: building human capital to raise both productivity and the quality of life;
- Climate and Nature: restoring the area's depleted natural capital and addressing the impact of climate change on our low-lying area's special vulnerabilities;
- Infrastructure: from digital and public transport connectivity, to water and energy, building out the networks needed to support a successful future;
- Innovation: ensuring this area can continue to support the most dynamic and dense knowledge economy in Europe [check];
- Reducing inequalities: investing in the community and social capital which complement skills and connectivity as part of the effort to narrow the gaps in life expectancy and income between places;
- Financial and systems: improving the institutional capital which supports decision-making and delivery.

Shown as a diagram, it looks like this:



This approach requires us to monitor more outcomes than simply GVA growth (data which is anyway only available from the ONS with a two-year time lag). The Combined Authority will be tracking progress on outcome indicators such as the gap in healthy life expectancy, employment, land use for nature, CO<sub>2</sub> emissions, and earnings gaps.

This strategic approach will be reflected in the Combined Authority’s overall work programme. Plans and strategies such as the Local Transport Plan, Economic Recovery Strategy, and Digital Infrastructure Strategy will identify how they are driven by the ambitions for capital development under each of the themes, and include outcome indicators to show how they will deliver against those themes.

**Does this approach represent a retreat from our commitment to the Devolution Deal GVA objective?**

On the contrary, taking this approach supports the headline doubling GVA objective and would improve our approach to delivering GVA growth sustainably. That is because it would

- (i) Recognise more explicitly the selection criteria we apply in picking projects, so that we understand better and can explain how a given investment contributes to sustainable growth;
- (ii) Recognise, anticipate and manage the risk of conflict between our headline growth objective and other policy objectives and constraints – for example, around the national statutory net zero objective, or the levelling-up agenda.

**Is this approach consistent with the Treasury’s Green Book and our Assurance Framework?**

Yes. As a strategy based on investment objectives and outcome measures, this approach is designed to be consistent with the Treasury’s Green Book and the Combined Authority’s Assurance Framework. Future investments will continue to need to demonstrate value for money through business cases constructed with reference to these strategic objectives. The approach does not remove the commitment to sustained GVA growth over the coming two decades; on the contrary, it

makes explicit the previously silent assumptions of the Devolution Deal about the need for carefully targeted capital formation in order to ensure that sustainable headline growth.

The Green Book was revised in December 2020. That revision placed more emphasis on ensuring that value for money assessments were anchored in a clear understanding of the contribution investments make to strategic objectives. The CPCA Assurance Framework was revised to reflect that approach in September 2021. Central government agreed the revisions.