



**CAMBRIDGESHIRE  
& PETERBOROUGH**  
COMBINED AUTHORITY

**JAMES PALMER**  
CAMBRIDGESHIRE &  
PETERBOROUGH MAYOR

Agenda item 4.6

## Devolution Deal, Gainshare Gateway Review and Combined Authority Prospectus

To: Cambridgeshire and Peterborough Combined Authority Board

Meeting Date: 25 November 2020

Lead Member: Mayor James Palmer

From: Paul Raynes, Director of Delivery & Strategy

Key decision: No

Forward Plan ref: n/a

Recommendations: The Combined Authority Board is recommended to:

a) Note that 72% of Devolution Deal Commitments have already been delivered or are in delivery, and agree to take six-monthly progress reports on Devolution Deal delivery in future,

b) Approve the Locality Complementary Report at Appendix 2,

c) Approve the Prospectus at Appendix 3.

Voting arrangements: A simple majority of all Members

### 1. Purpose

1.1 Three years on from the Cambridgeshire and Peterborough Devolution Deal, this paper presents a review of delivery of the Deal, and seeks the Board's endorsement of the Locality Complementary Report which will be submitted to the Gateway Review of the Gainshare fund, and of a new of a new Combined Authority prospectus aimed at investors in our area.

### 2. Background

2.1 The purpose of the Combined Authority is to deliver growth and public sector reform in Cambridgeshire and Peterborough under the democratically-accountable leadership of the

Mayor and Board. Its core mandates are from the Devolution Deal that established it, and the manifesto commitments of the elected Mayor.

- 2.2 The Devolution Deal was signed between the councils of Cambridgeshire and Peterborough and the government in March 2017. The first Mayoral election took place in May 2017. The Combined Authority took its first budget decisions in July 2017.
- 2.3 The headline commitment, engaging all parties to the Devolution Deal, was to double the size of the Cambridgeshire and Peterborough economy over 25 years. That required an acceleration in growth compared to the trend of the previous decade. The Deal's 25 year programme included 71 specific commitments, some of which fell to the Combined Authority to deliver, some of which needed to be delivered by partners working together, and some of which required central government action. The government's contribution included an undertaking to provide a Gainshare fund of £20 million a year over the next 30 years.
- 2.4 Government-funded long term programmes are subject to Gateway Reviews which usually take place at five-year intervals. The Gainshare fund was committed by government to a number of Combined Authorities, Cambridgeshire and Peterborough has as a result been grouped with other areas in a cohort for review this year; that means that the review of Cambridgeshire and Peterborough's fund is based on only three and a half years of evidence, including the Authority's start-up period, rather than the usual five.
- 2.5 A core Devolution Deal commitment was to conduct an economic review to provide a robust evidence base for action. This was done through the Cambridgeshire and Peterborough Independent Economic Review (CPIER) whose report was adopted by the Combined Authority in November 2018 and reflected in a Growth Ambition Statement and subsequently in the Combined Authority's Business Plans.

## Devolution Deal review

- 2.6 The Combined Authority Leaders requested an assessment of progress in delivering the 71 detailed commitments set out in the 30-year Devolution Deal programme. This is attached as Appendix 1.
- 2.7 On the evidence, we have been on track to over-deliver the core Devolution Deal commitment to double the size of the economy. Average annual growth in GVA for the previous three years has been 3.7%, against the implied Devolution Deal trajectory of 2.8% and the previous average of 2.5%. Cambridgeshire and Peterborough has delivered 43% of all recent GVA growth in the Oxford to Cambridge Arc, despite accounting for only 23% of the Arc's population. Progress against the trajectory has obviously been compromised this year by the COVID-19 economic shock. Recovering momentum is the key aim of the Combined Authority's Local Economic Recovery Strategy.
- 2.8 In terms of specific projects, the assessment shows that, of the 71 Devolution Deal commitments,
  - 51 (72%) have been implemented fully or in part already;
  - 5 have been varied, either by agreement among the parties, or by unilateral action by the government which has changed the policy context;

- 15 (21%) have yet to be delivered.

Among the 15 commitments that have yet to be implemented, action is with

- central government – nine commitments
- the Mayor – two commitments
- the Combined Authority and councils – one commitment
- the Combined Authority and local partners – three commitments.

2.9 It is recommended that further progress reports on the Deal be brought to the Combined Authority Board twice a year.

### Gainshare Gateway Review Locality Complementary Report

2.10 The Combined Authority receives £20 million in Gainshare funding from central government each year. This is part of a government commitment over 30 years set out in the Devolution Deal. The grant is only one of the Combined Authority's funding streams, and forms part of the Cambridgeshire and Peterborough Single Investment Fund; it accounts for about 13% of the total CA budget. A Gateway Review should take place every 5 years to evaluate the grant; this is line with normal Whitehall evaluation arrangements.

2.11 The end of the first Gateway Review period will be reached in March 2021. Leaders will note that this is only 3 ½ years on from the point at which the Combined Authority first began to spend the gainshare grant. The timing is dictated by arrangements that involve Cambridgeshire and Peterborough being considered as part of a cohort alongside other combined authorities.

2.12 Independent consultants have been commissioned by the Ministry of Housing, Communities and Local Government (MHCLG) under a national contract to conduct an evaluation of the Gainshare grant across all Combined Authorities. Their work has been supported by CPCA officers. They have produced an evaluation report on Cambridgeshire and Peterborough's Gainshare grant for submission to the government.

2.13 The consultants' report will focus exclusively on the Gainshare grant. It is understood by MHCLG and the consultants that this raises a methodological challenge. Gainshare is used as part of a Single Pot approach. It is also intended to be used to build capacity. It cannot therefore be looked at in isolation (how do you evaluate a single funding stream's contribution to a project without evaluating the project as a whole?) Combined Authorities are therefore invited to submit a Complementary Report alongside the consultants' report, to set out the wider context in which Gainshare grant is being spent.

2.14 Combined Authority officers have produced the Complementary Report attached at Appendix 2. The Board is asked to agree that this should be submitted to the MHCLG review process.

### Cambridgeshire and Peterborough Prospectus

2.15 The Prospectus attached at Appendix 3 has been developed to support the Mayor and Combined Authority in the promotion of our programmes and the wider growth agenda in our area with key stakeholders and partners including investors. The intention was to create

an exciting, engaging product which captured the approach of the Combined Authority in making the region a leading place in the world to live, learn and work. The prospectus articulates how Combined Authority schemes covering transport, housing and business and skills are interlinked, complementing and enhancing each other and underpinned by a sound evidence base and an integrated strategic framework.

- 2.16 This document describes the Combined Authority as ‘open for business’, encouraging partnerships across the public and private sectors to accelerate the delivery of a range of schemes. It aims to serve as a tool to help drive investment and support from government and its agencies, local government, businesses, investors, and other stakeholders influential in the delivery of key programmes.
- 2.17 A copy of the Prospectus is attached at Appendix 3 (paragraph 6.3).

### 3. Financial Implications

- 3.1 As set out in the main body of the paper, the devolution deal provides the Combined Authority with £20m per year of gainshare funding as part of a 30 year commitment. The continuation of this funding, which is made up of £8m per year of ‘revenue’ and £12m per year of ‘capital’ funds is subject to these 5 yearly gateway reviews.
- 3.2 The costs associated with the review are funded from within the monitoring and evaluation budget line.

### 4. Legal Implications

- 4.1 None

### 5. Other Significant Implications

- 5.1 None.

### 6. Appendices

- 6.1 Appendix 1 – Review of Devolution Deal projects
- 6.2 Appendix 2 – Locality Complementary Report
- 6.3 Appendix 3 – Prospectus. [Combined Authority Prospectus](#)
- 6.4 Accessible copies of appendices 1-3 available on request from [Democratic.Services@cambridgeshirepeterborough-ca.gov.uk](mailto:Democratic.Services@cambridgeshirepeterborough-ca.gov.uk)

## 7. Background Papers

7.1 Devolution Deal document {[Devolution Deal](#)}