



CAMBRIDGESHIRE & PETERBOROUGH COMBINED AUTHORITY: MINUTES

Date: Wednesday, 28th June 2017

Time: 10.00am-11.25am

Present: J Palmer (Mayor)

Councillors J Clark – Fenland District Council, L Herbert – Cambridge City Council, R Hickford – Cambridgeshire County Council (substituting for S Count), J Holdich – Peterborough City Council, R Howe – Huntingdonshire District Council, C Roberts – East Cambridgeshire District Council and P Topping – South Cambridgeshire District Council; and M Reeve (Greater Cambridgeshire Greater Peterborough Local Enterprise Partnership (GCGP LEP)).

Observers: Councillor J Ablewhite (Police and Crime Commissioner), J Bawden (Cambridgeshire and Peterborough Clinical Commissioning Group) and Councillor K Reynolds (Chairman, Cambridgeshire and Peterborough Fire Authority)

PART 1: GOVERNANCE ITEMS

44. APOLOGIES AND DECLARATIONS OF INTERESTS

Apologies were received from Councillor S Count (Cambridgeshire County Council) who was substituted by Councillor R Hickford. There were no declarations of interest at this point, but Councillor Herbert declared an interest when the meeting reached agenda item number 2.1: Business Case for Phase 2 of the University of Peterborough as an employee of Anglia Ruskin University.

The Mayor welcomed Councillor K Reynolds to his first meeting following his appointment as Chairman of Cambridgeshire and Peterborough Fire Authority in May 2017.

45. MINUTES – 31ST MAY 2017

The minutes of the meeting held on 31st May 2017 were agreed as a correct record.

46. PETITIONS

No petitions were received.

47. PUBLIC QUESTIONS

No public questions were received.

48. INDEPENDENT REMUNERATION PANEL (IRP) ON MAYORAL REMUNERATION SCHEME AND INDEPENDENT PERSON ALLOWANCE

The Mayor passed chairmanship of the meeting to the Deputy Mayor for the duration of this item and left the room.

The Board received a report setting out the Independent Remuneration Panel's recommendations in respect of the Mayoral allowance scheme and the allowance of the Independent Person on the Audit and Governance Committee.

The Deputy Mayor stated that the assessment of mayoral remuneration for the municipal years 2017/18 and 2018/19 and for the Independent Person on the Audit and Governance Committee had been carried out in an objective fashion by an Independent Remuneration Panel. The recommendation that the Mayor receive an annual allowance of £75,000 during this period reflected the significant responsibilities of the role. This sum was not index linked and there was no pensionable allowance. It was recommended that the Independent Remuneration Panel review the arrangement no later than two years from the date of this decision. The recommendation to increase the allowance of the Independent Person on the Audit and Governance Committee to £1,534 per annum reflected their additional duties as Chair of the Audit and Governance Committee.

A Member commented that the information at paragraph 5.5 relating to travel expenses, dependants' carers' expenses and subsistence expenses set out a sound basis for agreeing to what was proposed.

It was resolved unanimously to:

1. consider the Independent Remuneration Panel's report in respect of the Mayor's allowance scheme (Appendix A);
2. agree the scheme of Mayoral allowance as set out in Appendix A1 for the municipal year 2017/18 and 2018/19;
3. agree that the Independent Remuneration Panel be requested to undertake a further review no later than 24 months from the date of this decision;
4. the Independent Person of the Audit and Governance Committee be increased to £1534 to take account of his additional duties as Chair of the Audit and Governance Committee.

The Mayor returned to the room and resumed the Chair for the remainder of the meeting.

49. APPOINTMENT OF CHIEF EXECUTIVE

The Interim Chief Executive left the room for the duration of this item.

The Board was asked to consider and approve a recommendation from the Deputy Mayor as Chair of the Appointment Panel regarding the preferred candidate for the

appointment of the Chief Executive. The Deputy Mayor stated that an assiduous and comprehensive appointment process had attracted a strong field of candidates from which three individuals had been invited for interview on 27 June 2017. The quality of these three applicants was high and it was a closely fought contest, but following careful deliberation the Panel recommended the appointment of Martin Whiteley to the post.

The Mayor offered thanks on behalf of the Board to all the prospective candidates, noting in particular the high calibre of all three applicants who had been invited to interview.

It was resolved unanimously to:

1. consider the recommendation of the Chair of the Appointments Panel;
2. approve the appointment of Martin Whiteley to the post of Chief Executive as recommended by the Chair of the Appointments Panel following the final interviews held on the 27th June 2017.

The Interim Chief Executive returned to the room and re-joined the meeting.

50. ARRANGEMENTS FOR APPOINTMENT OF STATUTORY OFFICERS

The Interim Monitoring Officer and Interim Chief Finance Officer (s151 officer) left the room for the duration of this item.

The Board received a report setting out proposals for interim arrangements in respect of the Monitoring Officer and the Chief Finance Officer (also known as the s151 Officer). There was a legal requirement that the Combined Authority appoint both a Monitoring Officer and a Chief Finance Officer. The Board made interim appointments to these posts at its meeting on 20 March 2017 on a part-time basis of two days per week for each position. As the work of the Combined Authority developed it was now apparent that there was a need for both of these statutory roles to be resourced on a full time basis. Peterborough City Council had agreed to release Kim Sawyer, the current Interim Monitoring Officer, on a full time basis to enable her to remain as Interim Monitoring Officer, but on a full time basis, with effect from 1 July 2017 pending a permanent appointment to the role. Interim support as Chief Finance Officer and s151 Officer had been provided by John Harrison. Unfortunately it was not possible for Mr Harrison to fill the role on an interim full time basis so it was proposed that an interim full time appointee be identified as soon as possible pending a permanent appointment to the role.

In discussing the arrangements the Board:

- Commended both interim appointees for having offered exceptional value in the discharge of their roles and acknowledged the back-filling of duties which had been required by their home authorities to allow them sufficient time to discharge these duties effectively;

- Stated that the Interim Monitoring Officer brought the considerable expertise and range of skills which the Combined Authority required at this stage in its development;
- Noted the key role envisaged for the permanent Chief Finance Officer which would require not only knowledge of local government finance, but also considerable commercial skills.

It was resolved unanimously to:

1. approve proposals in respect of the role of Interim Monitoring Officer as set out in section 3 of this report and verbal updates from the Chief Executive;
2. approve the proposals in respect of the role of Interim Chief Finance Officer as set out in section 3 of this report and verbal updates from the Chief Executive.

51. FORWARD PLAN

The Board noted a revised Forward Plan of Executive Decisions dated 26 June 2017, which had been circulated that day. The Mayor stated that the Forward Plan was updated on a regular basis and was available online for public inspection (a copy of the current version is available at the following link

https://cmis.cambridgeshire.gov.uk/ccc_live/Documents/PublicDocuments.aspx)

It was resolved unanimously to:

approve the Forward Plan of Executive Decisions.

PART 2: KEY DECISIONS AND POLICY

52. BUSINESS CASE FOR PHASE 2 OF THE UNIVERSITY OF PETERBOROUGH

Councillor Herbert declared an interest in this item as an employee of Anglia Ruskin University.

The Board received a report which provided a business case for Phase 2 of the University of Peterborough and sought approval in principle for grant funding of £6.53m from the Combined Authority, with an initial draw down of £3.83m to cover the first three of five workstreams within the project. Meeting the identified need for Higher Education for both potential students and employers was a key strategic and economic issue for Cambridgeshire and Peterborough and the University of Peterborough would provide an outward looking powerhouse which would work in partnership with employers, education providers and the local community. In the long-term it was expected to create up to 1,500 new jobs in the City as part of its own operations, up to a further 1,755 additional jobs within the wider local economy and to create new expenditure in local areas through the purchase of supplies and services in addition to off-campus student expenditure. Following completion of this work Phase 3 of the project would address the creation of the long-term physical estate for the University.

The following comments were offered by the Board in discussion of the report:

- The proposals demonstrated the real impact which the Mayor and Combined Authority could have to create new jobs, improve infrastructure and boost the local economy;
- The creation of the university would be a great step forward for Peterborough, providing local access to Higher Education for those living across Peterborough and north Cambridgeshire and enabling skills to be both developed and retained within the local economy;
- A number of world-leading companies had already chosen to locate in Peterborough. The new university would be a further boost to economic growth in the area and strengthen links with Further and Higher Education providers in Cambridge City and across the county;
- Phase 1 of the project had proved that there was a sustainable business case for the university and the project was supported by the Local Enterprise Partnership;
- The initial draw down of £3.83m would be taken from the overall funding request of £6.53m for Phase 2 of the project and did not represent additional expenditure;
- The need to be creative in identifying the additional funding sources which would be needed to finance the project to fruition, in addition to the investment made by the Combined Authority;
- The business case up to 2022 was clearly evidenced, but at present there was no business case for the period which followed. It was important that the business case for the period 2022-2040 was also identified at an early stage and this would form an important addition to the overall business case for the project;
- The business case should also look at the iMET (Innovation Manufacturing Engineering Technology) at Alconbury Weald which was being funded by the Local Enterprise Partnership to ensure an holistic and complementary business and marketing plan across both ventures.

Summing up, the Mayor stated that the University of Peterborough was an important part of the programme to make life fairer for all across Cambridgeshire and Peterborough. Not enough residents in the north of the county had the opportunity to access a university education locally which was leading to an exodus of talent from the local economy. Peterborough was already experiencing a period of significant economic growth which had seen it ranked third in a national league table of outstanding places to do business, with the third largest number of small to medium sized enterprise (SMEs) start-ups.

It was resolved unanimously to:

1. Agree to support Phase 2 of the University of Peterborough project;
2. Note the development of the Phase 2 business case to date, and approve in principle, the overall funding request for £6.53m;

3. Approve the initial draw down of £3.83m from the overall total subject to agreement of the grant conditions attaching to the funding;
4. Note that this initial drawdown was intended to fund curriculum development, marketing and engagement work, and development of the Phase 3 Business Case and overall Investment Strategy;
5. Note that the following would come to future meetings as indicated:
 - a) a further set of costed options for work streams 4 and 5 – improving student amenities and the securing and refurbishment of interim accommodation for the University, (September 2017 meeting);
 - b) reports timed around key milestones on the delivery of Phase 2 (on-going);
 - c) a detailed Business Case and Investment Strategy for Phase 3 of the University “Design and build of a University campus” (December 2018).

53. INTERIM LOCAL TRANSPORT PLAN

The Board received a report seeking its agreement to an Interim Local Transport Plan for the Combined Authority area and to note the proposal to bring forward plans to commission a new Local Transport Plan for the Combined Authority.

Following devolution the Combined Authority (CA) had become the Local Transport Authority with strategic transport powers for the area previously covered by Cambridgeshire County Council (CCC) and Peterborough City Council (PCC). As such it was required to produce a Local Transport Plan. The existing CCC and PCC transport plans were providing a useful starting point to produce a new plan covering the whole area, but they did not reflect the new leadership and governance structures or the additional finance which flowed from the establishment of the CA.

The following comments were offered in discussion of the report:

- A report on the commissioning of a non-statutory spatial plan would be brought to the July meeting;
- The Police and Crime Commissioner for Cambridgeshire welcomed the opportunity provided by the Plan to further improve road safety in the region and to reduce both the personal and financial costs arising from road traffic injuries and deaths.

Summing up, the Mayor stated that the transport projects contained in his 100 day plan represented only an initial tranche of the projects under consideration for the area. He would be meeting soon with the Secretary of State for Transport to discuss key transport and infrastructure issues including potential improvements to the A428 and A1.

It was resolved unanimously to:

1. agree the Interim Local Transport Plan for the Combined Authority;
2. note the intention to bring forward plans to commission a new Local Transport Plan for the Combined Authority.

54. STRATEGIC TRANSPORT INFRASTRUCTURE SCHEMES

The Board received a report seeking approval to proceed with an initial set of interrelated business cases and feasibility studies for key strategic transport infrastructure schemes across Cambridgeshire and Peterborough. As a newly established Authority the Board did not yet have the benefit of the comprehensive plans which would in future be available to inform the decision making process, but early consideration of infrastructure projects was considered crucial. This meant that to some degree the Board would be taking an economic leap of faith in its initial consideration of proposals. However, this would take the form of a prudent and careful management of risk in accordance with robust governance arrangements.

The following comments were offered in discussion of the report:

- The schemes described represented bold proposals which reflected the ability of the Combined Authority to take a wide ranging and long term view of the needs of the area. This included a focus on key north/ south and east/ west transport links and the longstanding ambition of many regarding Wisbech Garden Town;
- Challenges relating to the M11 were described by one member as a barrier to opening up prosperity in the north of the county and the opportunity to conduct a dual road and rail analysis was welcomed;
- In his capacity as Chairman of the City Deal, Councillor Herbert welcomed the opportunity to work with the Combined Authority to explore the feasibility of rapid mass transport options for Cambridge City and the surrounding area;
- The Wisbech Garden Town feasibility study was welcomed, but it was noted that approval of future expenditure would be dependent on getting real results from the initial round of funding;
- An assurance was sought that the A47 Alliance would be consulted on all relevant proposals;
- The fundamental importance of Wisbech rail to the Wisbech Garden Town project;
- The need for robust and fully costed business plans to take to potential investors and central government;
- The need to consider east/west rail issues as well as north/south;
- The need to avoid compounding risk by taking a number of concurrent economic leaps of faith and ensuring that satisfactory outcomes were achieved before deciding to progress projects beyond initial investigation and investment;

- Future consideration of issues like the A505 and A1307 would be critical to ensuring the continued economic success of the south of the county.

Summing up, the Mayor underlined the Board's commitment to improving transport infrastructure across the whole of Cambridgeshire and Peterborough. The desire to achieve a world class transport solution for Cambridge City and the surrounding travel to work area as part of this wider strategy reflected the commitment to improve the lives of residents by allowing them to travel to and from work quickly and easily. Improved transport infrastructure would also be key to attracting and supporting new business opportunities and growth to the region.

It was resolved unanimously to:

1. commission each of the following:
 - (a) Dualling of A47 Business Case (Appendix 1)
 - (b) A47 extension to M11 Feasibility Study – aligned to upgrading of A10 Business Case (Appendices 2 & 3)
 - (c) Wisbech Garden Town Feasibility Study (Appendix 4)
2. note the intention to bring forward proposals for a feasibility study into the rapid, mass transport options for Cambridge City and the surrounding travel to work area to the Board in July 2017;
3. agree a total budget allocation of £8.75 million for the delivery of the feasibility studies and business case;
4. delegate authority to the Interim Chief Executive, in consultation with the Portfolio Holder for Transport & Infrastructure, to award a contract for each of the feasibility studies and business case provided that the collective value of the contracts does not exceed the approved budget allocation.

55. AN INDEPENDENT ECONOMIC COMMISSION

The Board received a report setting out proposals for the establishment of an independent Economic Commission. The Combined Authority was tasked with doubling the gross value added (GVA) per head over the next twenty years against a current figure which was already one of the highest in the country. Identified impediments to growth related largely to infrastructure, but there was a need for a comprehensive, holistic and soundly evidenced economic case to demonstrate the substantial returns to be gained from investment in the local economy and to provide the basis for future discussions with central government and other potential investors. To achieve this there was a need to create a body which could provide objective information about growth opportunities and to provide a model to show the economic returns for specific investments. It would also draw together the wealth of existing knowledge from across the county and distil it into a coherent single narrative. Dame Kate Barker had agreed to chair the Commission and together with her fellow Commissioners would bring extensive financial, academic and business acumen to

bear. The initial phase of work would comprise of a review which would deliver a plan by spring 2018 to inform decisions going forward. Going forward the Commission would sit to advise the Board on future investments. A budget of £145,000 would be required to support the operation of the Commission.

The following comments were offered in discussion of the report:

- The Board warmly welcomed the recommendation that Dame Kate Barker chair the Commission, highlighting the expertise and energy she would bring to its work;
- The need to identify and examine expertise and innovation across the county in order to share best practice and stimulate growth in those parts of the county with lower levels of GVA;
- The Commission's terms of reference would be extended to include health and social care workforce issues;
(**Action:** Chief Executive)
- The Commission would provide the strategic economic information needed to give credibility and weight to future discussions with the Treasury and potential private investors;
- The need to generate new jobs and growth within Cambridgeshire and Peterborough to enable its residents to contribute to the local economy rather than their talents being exported outside of the area;
- The significance of improved infrastructure and transport links to more rural parts of the county in unlocking their potential for growth.

Summing up, the Mayor stated that it was imperative that the Board obtained credible and compelling economic evidence for the value of its plans in future discussions with central government and business leaders. The Commission would provide this.

It was resolved unanimously to:

1. approve the steps outlined in the establishment of an independent Economic Commission;
2. that the independent Economic Commission undertake an economic review to be completed by 1 December 2017;
3. a budget of £145,000 to support the operation of the commission, undertake the economic review, and to promote its findings with Government and private sector investors.

PART 3: DECISIONS

56. NATIONAL PRODUCTIVITY INVESTMENT FUND

The Board received a report which recommended that four schemes be submitted to the National Productivity Investment Fund (NPIF) run by the Department for Transport. All of the schemes had been approved and prioritised by the Highways Authorities, Cambridgeshire County Council and Peterborough City Council. If successful the bids would support the delivery of approximately 7,000 new homes and 3,000 new jobs within the county and address traffic congestion at recognised bottlenecks.

The following points were raised in discussion of the report:

- Board members were conscious of a north/ south emphasis to the recommended projects, but stressed that these represented only the first phase of schemes and that future projects would target other areas of the county;
- The numerous variations in speed limits on the A605;
- The approval of the proposed schemes within Huntingdonshire would support the development of up to 12,000 new homes in the area;
- In response to a question, the Monitoring Officer confirmed that in accordance with the Constitution the GCGP LEP Representative was not eligible to vote on this recommendation.

It was resolved unanimously to:

1. approve the prioritised schemes for the NPIF bids:
 - a. A47 Junction 18 Improvements
 - b. March Junctions
 - c. Wisbech Development Access Improvements
 - d. A605 Whittlesey Access Phase 2 – Stanground Access
2. note the significant wider economic benefits they would deliver; and
3. note that if successful 30% of the costs of the March Junctions and the Wisbech Development Access Improvement schemes, £3.29m in total, would be met locally through Combined Authority funding, or other funding streams.
4. note that if successful 30% of the costs of the A47 Junction 18 improvements and the A605 Whittlesey Access scheme would be met locally, through the local Highway Authority block grant funding.

Details would be incorporated in a budget update report to the Board in July.

57. HOUSING PROGRAMME: MODULAR HOMES – OFF-SITE HOUSING

The Board received a report proposing a feasibility study to consider the commercial opportunities which might exist for the Combined Authority in off-site housing manufacturing. The study would also consider the wider benefits which could accrue from off-site construction methods including new skills and employment opportunities within the county and accelerated housing delivery. It was recognised that for a number of economic reasons traditional house building was unlikely to meet full demand either locally or nationally. Modular homes might offer the Combined Authority a partial solution to this problem which was within its control. It was an exciting and innovative area which merited further investigation, but there were potential risks involved so it would be important to establish first that a market existed and for the Board to satisfy itself that the tests for prudent investment had been met. To achieve this a short feasibility study was proposed to provide the required data and assurance.

The following comments were offered in discussion of the report:

- The Board welcomed the opportunity to explore new and innovative solutions to meet local housing needs. However, modular homes was an emerging market and members to need sufficient information to be able satisfy themselves that any future venture would not expose the Combined Authority to an unacceptable level of risk. To this end the feasibility study represented an important precautionary step;
- The potential for related benefits to the wider local economy was highlighted, including the possibility of linking up with Further Education providers to meet the workforce skills requirements.

It was resolved unanimously to:

1. proceed with plans to commission a feasibility study to consider the commercial opportunities that might exist for the Combined Authority in off-site construction, and to assess the wider benefits that might be available to the area including accelerating housing delivery.
2. note the intention for the Combined Authority Interim Chief Executive in conjunction with the Portfolio Holder for Housing to determine the most appropriate means of procuring the feasibility study in accordance with procurement regulations.
3. agree a budget allocation of £25,000 in 2017/18 to commission the proposed feasibility study and delegate authority to the Interim Chief Executive, in consultation with the Portfolio Holder, to award a contract for the feasibility study provided that the value of the contract does not exceed the approved budget allocation.

PART 4: FINANCIAL MANAGEMENT AND AUDIT

58. BUDGET UPDATE

The Board received an update report on the draft outturn position and draft Statement of Accounts of the Combined Authority for 2016/17 and of the 2017/18 budget, together with the Medium Term Financial Forecast to 2021/22. In the absence of Councillor Count the report was presented by the Interim Chief Finance Officer.

The following comments were offered in discussion of the report:

- The re-profiling of housing grants had been raised by the Overview and Scrutiny Committee. The Board noted that overall totals remained unchanged;
- The outturn position was largely in line with the budget set. Work remained on-going regarding the Combined Authority's application to the Department for Communities and Local Government (DCLG) to arrange a s33 VAT Order to enable the Authority to recover VAT on its purchases;
- The statement of accounts for 2016/17 had been submitted to the Authority's auditors and a first meeting had taken place.

It was resolved unanimously to:

1. note the re-profiling of the Housing Grant funds for the years 2016/17 to 2020/21;
2. note the Outturn position for 2016/17;
3. note the Statement of Accounts for the period ended 31 March 2017;
4. approve the external auditors fees for 2016/17 and 2017/18;
5. note the current VAT position of the Combined Authority and the steps being taken to address the issues caused by not having a Section 33 VAT Order in place;
6. note the budget updates as requested for approval:
 - a) in other Board reports on this meeting's agenda;
 - b) as set out for approval in paragraph 3.13;
 - c) to note the budget adjustments made via delegated Authority.
7. note the updated budget and indicative resources for 2016/17, 2017/18 and Medium Term Financial Forecast for 2018/19 to 2020/21 as set out in Appendix A.

PART 5: DATE OF NEXT MEETING

59. DATE OF NEXT MEETING

It was resolved unanimously to note the date of the next meeting: Wednesday 26 July 2017 at 10.00am at Peterborough City Council.

(Mayor)