



**CAMBRIDGESHIRE
& PETERBOROUGH**
COMBINED AUTHORITY

CAMBRIDGESHIRE & PETERBOROUGH COMBINED AUTHORITY

Wednesday, 28 February 2018

10:30a.m. – 12:30p.m.

***Civic Suite A, Huntingdonshire District Council, Pathfinder House,
St Mary's Street, Huntingdon, PE29 3TN***

AGENDA

Open to Public and Press

Number	Agenda Item	Mayor/ Lead Member/ Chief Officer	Papers	Pages
	Part 1 – Governance Items			
1.1	Apologies and Declarations of Interests	Mayor	oral	-
1.2	Minutes – 14 February 2018	Mayor	yes	4-8
1.3	Petitions	Mayor	oral	-
1.4	Public Questions	Mayor	oral	-
1.5	Forward Plan	Mayor	yes	To follow
1.6	Membership of the Combined Authority and Committees - Amendments	Mayor	yes	9-11

Number	Agenda Item	Mayor/ Lead Member/ Chief Officer	Papers	Pages
	Part 2 – Key Decision			
2.1	Cambridgeshire & Peterborough 2030 Prospectus	Mayor	yes	12-16
	Part 3 – Non Key Decisions			
3.1	A10 corridor – Key Findings and Next Steps	Portfolio Holder for Transport and Infrastructure	yes	17-27
3.2	Senior Staffing Structure – Combined Authority and Local Enterprise Partnership	Mayor/Chief Executive	yes	28-37
3.3	Highways and Transport Capital Grants – Supplementary Allocations 2017/18	Mayor	yes	38-40
	Part 4 – Financial Management & Audit			
4.1	Statutory Instrument for Borrowing	Portfolio Holder for Fiscal Strategy/Interim Chief Finance Officer	yes	41-44
	Part 5 – Local Enterprise Partnership Item (Key Decision)			
5.1	Greater South East Local Energy Hub (the 'hub')	Portfolio Holder for Strategic Planning	yes	45-65
	Part 6 – Date of next meeting			
6.1	Date: Wednesday, 28 March 2018 Peterborough City Council, Town Hall, Bridge Street, Peterborough, PE1 1HF	Mayor	oral	-

The Combined Authority currently comprises the following members:

Mayor: J Palmer

Councillors: G Bull, S Count, L Herbert, J Holdich, C Roberts, P Topping and Vacancy (FDC)

Substitute members: Councillors A Bailey, W Fitzgerald, R Fuller, R Hickford, K Price, W Sutton & N Wright

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

The Combined Authority is committed to open government and members of the public are welcome to attend Committee meetings. It supports the principle of transparency and encourages filming, recording and taking photographs at meetings that are open to the public. It also welcomes the use of social networking and micro-blogging websites (such as Twitter and Facebook) to communicate with people about what is happening, as it happens.

Public speaking on the agenda items above is encouraged. Speakers must register their wish to speak by making a request in writing to the Democratic Services Manager (Michelle Rowe) no later than 12.00 noon three working days before the day of the meeting. The request must include the name, address and contact details of the person wishing to speak, together with the full text of the question to be asked.

For more information about this meeting, please contact Michelle Rowe at the Cambridgeshire County Council's Democratic Services on Cambridge (01223) 699180 or by email at michelle.rowe@cambridgeshire.gov.uk



**CAMBRIDGESHIRE
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Agenda Item No.1.2

CAMBRIDGESHIRE & PETERBOROUGH COMBINED AUTHORITY: MINUTES

Date: Wednesday, 14th February 2018

Time: 10.39a.m. – 11.07a.m.

Present: J Palmer (Mayor)

G Bull – Huntingdonshire District Council, J Clark – Fenland District Council,
S Count – Cambridgeshire County Council, L Herbert – Cambridge City Council,
J Holdich – Peterborough City Council, C Roberts – East Cambridgeshire District
Council and P Topping – South Cambridgeshire District Council

Observers: J Ablewhite, and Councillor J Peach substituting for K Reynolds (Chairman,
Cambridgeshire and Peterborough Fire Authority)

The Mayor announced that earlier in February he was advised that the Combined Authority had been successful in two bids that it endorsed for the Housing Investment Fund. As a result two successful bids would result in Huntingdonshire and Peterborough receiving £4.5m to fund a new Yaxley Loop Road unlocking development of over 5,000 houses and £6.3m for the Soham Eastern Gateway to enable delivery of over 500 houses.

In addition he had also been advised of additional highways maintenance funding of £974k to deal with pothole repairs across Cambridgeshire and Peterborough. This was in addition to the £1.395m already paid to the Combined Authority.

137. APOLOGIES AND DECLARATIONS OF INTERESTS

Apologies received from Councillor K Reynolds.

138. MINUTES – 31ST JANUARY 2018

The minutes of the meeting held on 31st January 2018 were agreed as a correct record and signed by the Mayor.

139. PETITIONS

No petitions were received.

140. PUBLIC QUESTIONS

No public questions were received.

141. BUDGET 2018/19

The Portfolio Holder for Fiscal Strategy reported that the draft 2018/19 Combined Authority budget had been approved for consultation by the Board at its last meeting, and considered by the Overview and Scrutiny Committee on 12 February 2018. He drew attention to the number of bodies which had been invited to take part in the consultation process in accordance with the Budget Framework. The budget proposals had also been published on the Authority's website with an invitation to residents and businesses to engage in the consultation process. The consultation document was attached at Appendix 1 to the report with a summary of the results set out in Appendix 3. The budget had been updated to reflect the revised anticipated cost of the mass rapid transport strategic options assessment, to be funded from the Transforming Cities Fund. In conclusion, he reminded the Board that there was no proposal to precept constituent authorities for the financial year 2018/19.

The Mayor invited the Chairman of the Overview and Scrutiny Committee to present the Committee's recommendation to the Board before the budget was debated.

The Chairman of Overview and Scrutiny Committee informed the Board that the Overview and Scrutiny Committee had met on 12 February to consider the Authority's budget. He summarised the following key areas of concern that the members of the Committee had raised during the discussion:

- The consultation, in future, should be more ambitious, more detailed and should include opportunities for public participation. He added that the response to the consultation had been poor. It had been sent out to a limited number of authorities and had only attracted three responses with two out of the three asking for more money.
- The budget papers did not include any of the new financial arrangements regarding the Local Enterprise Partnership (LEP). These should be added, if not available a note of explanation should be added. The Chairman felt that this significant matter should have been added for clarity and public interest, as a significant amount of funding was involved.
- The presentation of the Budget on a one-year basis was misleading as it gave no indication of forward commitments. In particular the reserve figure, £175 million, should be shown as the amount ring fenced for specific projects and actual reserves available for allocation.
- To give clarity the budget should be projected over a three-year period so that forward commitments could be clearly seen.

The Overview and Scrutiny Committee resolved to make the following recommendation to the Board:

"The Overview and Scrutiny Committee express their concern at the lack of detail made available in the budget papers as they are presented. The Committee expresses particular concern that the budget papers do not reflect the money committed to projects in future years, for example commitments made to Peterborough University.

We welcome the commitment to produce a medium term financial plan and ask that this be produced as a matter of serious urgency."

The Mayor then invited the Chief Executive to respond to the Overview and Scrutiny Committee recommendation. The Chief Executive explained that in some ways the Combined Authority operated on the same basic principles as local government particularly in relation to transparency and governance. However, the fluidity of its funding position made it significantly different to a local authority. He reminded the Board that the Authority had received additional sums of funding since November. The nature of its business meant that its financial position needed to be considered on an ongoing basis.

He acknowledged that as the Authority matured, its ability to provide confidence in forward funding projections would increase. He highlighted the Peterborough University project where the Authority was aware of the work needed to get to the next stage but at the moment there was no certainty regarding how the full cost of the project would be funded. He stressed the need to find the right balance to reflect in the budget, as it was important to feature the cost of future project areas but there needed to be markers regarding how the funding position would be resolved.

He welcomed the views of the Overview and Scrutiny Committee in relation to long term planning and reported that he expected to see financial arrangements which would reflect this. However, he felt that three years was not long enough and that it should capture five to seven years in order to cover the life cycle of projects. With reference to the LEP, he explained that the Authority had only received from Government a week and half ago the first round of assurance funding for the next two years. A week ago the Government had confirmed how the LEP's short and medium term liabilities would be met. It was noted that this information would be included in the next iteration of the budget. This drew attention to the importance of monthly monitoring reports, which would be considered by both the Board and the Overview and Scrutiny Committee.

In response, the Chairman of the Overview and Scrutiny Committee thanked the Chief Executive. He acknowledged the issues raised and highlighted the fact that the fluidity of the budget made scrutiny difficult. He suggested that the Board and the Overview and Scrutiny Committee needed to find new ways of working together in order to keep up to date and not waste time. He requested a meeting with the Mayor and Chief Executive, which was welcomed by the Mayor.

The Portfolio Holder for Fiscal Strategy informed the Board that the Budget 2018/19 encapsulated the financial position at this time. He felt that the Authority's decision to not precept constituent authorities for the financial year 2018/19 had impacted on the number of consultation responses. The Chairman of Overview and Scrutiny Committee highlighted the fact that the funding was still public money and that his committee should hold the Board to account, as the public had a right to know how it was being spent. The Portfolio Holder for Fiscal Strategy reported that he was in no way diminishing the role of Overview and Scrutiny. However, the lack of a precept could explain the low response to the consultation. He informed the Board that he was keen to increase the consultation in the future.

The Portfolio Holder for Fiscal Strategy reminded the Board that the purpose of the report was to set out individual plans in order to identify whether the Authority had sufficient funding, and where it was coming from. He informed the Board that a Medium Term Financial Strategy and Treasury Management Strategy would be produced. However, it was important to note that these documents were dependent on resource. He raised the fact that the position of the LEP was a prime example of the fluidity of the Authority's funding. He had already discussed this issue with the Section 151 officer. He felt that the consultation process with Overview and Scrutiny Committee had not been smooth with consultation taking place first and then a meeting. He therefore

welcomed opportunities to consider how the Board and the Overview and Scrutiny Committee could work together.

One Member commented that the budget did not include the funding allocated to Cambridge, as this would be considered in a report to the Board in March. He acknowledged the Chief Executive's comments regarding the difficulties around predicting the budget but highlighted the need to have a three year projection of known costs. He also drew attention to the need for openness surrounding the £1.78m staffing costs particularly in relation to the existing structure and the unification of the LEP staffing. The Chief Executive confirmed that he would provide all the detail behind the numbers. He commented that the numbers included in the budget were the same as the last budget allowing for inflation. He would add the detail so that it was clear to the public.

Another Member suggested that there must be models which would enable the Authority to set out a best estimate of its budget over the next three to five years. However, it was important that Overview and Scrutiny Committee took that endeavour into account. The Authority should have a forward looking best estimate budget rather than one which reflected year on year.

One Member commented that he was glad that the Mayor had honoured his decision not to precept. He queried whether it was possible to precept a single area only if spending related to a project which would not have any specific benefit to another area. He raised the need for caution in relation to incorporating the LEP budget within the Authority's budget. He explained that previous experience had taught him that it was best to keep both budgets separate so that the Government could clearly see how the funding was being spent. In response, the Mayor reported that he had no plans to introduce a precept or fund public transport through a precept. However, he could not, given the changing times, make any guarantee that he would not introduce a precept in the future. He also reported that he intended to keep the Authority and LEP budgets separate. The Legal Counsel and Monitoring Officer reported that she would investigate and provide written advice as to whether it was legal to set a site specific precept.

The Portfolio Holder for Fiscal Strategy, in summing up, reported that there would be a report on housing presented to the March meeting, which would include the funding for Cambridge. Three year projections would be developed to the Authority's best known ability. The budget would include what the Authority had agreed to do with indicative costs. However, consideration needed to be given as to how it could be best presented. He reported that the Authority was committed to openness in relation to staffing costs but would need to bear in mind legislative procedures regarding identifying individuals. In relation to a site specific precept, he was only aware of the ability to set up a Bid area specific to a single area, which might provide options. He welcomed the advice regarding keeping the Authority and the LEP budgets separate. He reported that the budgets would be maintained separately and an indication provided of where costs were shared.

It was resolved unanimously to:

approve the 2018/19 Combined Authority budget as set out in Appendix 2.

142. BUDGET 2018/19 (MAYOR'S BUDGET)

The Board was reminded that it had approved the Mayor's draft budget in its current form without making any recommendations at its December meeting.

It was resolved unanimously to:

note the Mayor's budget for 2018/19.

143. DATE OF NEXT MEETING

It was resolved to note the date of the next meeting – Wednesday, 28 February 2018 at 10.30 am in the Civic Suite, Huntingdonshire District Council, Pathfinder House, St Mary's Street, Huntingdon, PE29 3TN

The Mayor informed the Board that it was Councillor Clark's last meeting of the Combined Authority. Councillor Clark had been involved in establishing the Combined Authority and had fully supported the work the Authority was doing for the area. He highlighted Councillor Clark's exemplary commitment to the Combined Authority and thanked him for his hard work. He also thanked him for the support he had provided as the holder of two major portfolios particularly his wise, stoic and common sense approach.

Councillor Clark informed the Board that he supported the Combined Authority as the way forward to stream line work in the area. He commented that it had been a pleasure to be involved in setting up the Authority.

Mayor



**CAMBRIDGESHIRE
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CAMBRIDGESHIRE AND PETERBOROUGH COMBINED AUTHORITY BOARD	AGENDA ITEM No: 1.6
28 FEBRUARY 2018	PUBLIC REPORT

MEMBERSHIP OF THE COMBINED AUTHORITY AND COMMITTEES - AMENDMENTS

1.0 PURPOSE

- 1.1. The purpose of this report is to advise the Board of amendments to membership of the Board and its committees to be notified by Fenland District Council.
- 1.2. The Combined Authority has been advised that Fenland District Council's full Council meeting on 22 February will consider its membership of the Board and committees. Its decisions will be reported orally at the meeting.

<u>DECISION REQUIRED</u>	
Lead Member:	Mayor James Palmer
Lead Officer:	Kim Sawyer, Interim Monitoring Officer
Forward Plan Ref: Not applicable	Key Decision: No
<p>The Combined Authority Board is recommended to</p> <p>(a) note the appointment made by Fenland District Council to replace Councillor John Clark as its Member to the Combined Authority for the remainder of the municipal year 2017/2018.</p> <p>(b) note the changes in membership of the Overview and Scrutiny Committee and the Audit and Governance Committee made by Fenland District Council.</p>	<p>Voting arrangements</p> <p>No vote is required.</p> <p>Appointment is made by the constituent council.</p> <p>Monitoring Officer has powers to accept membership changes during the municipal year.</p>

2.0 BACKGROUND

- 2.1. In accordance with the Cambridgeshire and Peterborough Combined Authority Order 2017, each constituent council must appoint one of its elected members and a substitute member to the Combined Authority.
- 2.2. The Combined Authority has been advised that Fenland District Council at its meeting on 22 February will appoint a new representative to replace Councillor John Clark for the remainder of the 2017/18 municipal year.
- 2.3. The revised membership is set out in the table below.

Nominating Body	Member	Substitute Member
Constituent Authorities	Leader	
Cambridge City Council	Cllr Lewis Herbert	Cllr Kevin Price
Cambridgeshire County Council	Cllr Steve Count	Cllr Roger Hickford
East Cambridgeshire District Council	Cllr Charles Roberts	Cllr Anna Bailey
Fenland District Council	Cllr John Clark (to be advised)	Cllr Will Sutton
Huntingdonshire District Council	Cllr Graham Bull	Ryan Fuller
Peterborough City Council	Cllr John Holdich	Cllr Wayne Fitzgerald
South Cambridgeshire District Council	Cllr Peter Topping	Cllr Nick Wright
Co-opted Members		
Police and Crime Commissioner	Jason Ablewhite	Cllr Ray Bisby
Cambridgeshire and Peterborough Fire Authority representative	Cllr Kevin Reynolds	Cllr John Peach
Clinical Commissioning Group	Jessica Bawden	Dr Gary Howsam

Membership of Committees

- 2.4. Fenland District Council has also advised that it may revise its membership on the Overview and Scrutiny Committee and the Audit and Governance Committee at its meeting on 22 February. The Council's decision will be reported orally at the meeting. The Monitoring Officer has delegated powers to accept these appointments.
- 2.5. In January, Fenland District Council also advised that it has appointed Mark Buckton as an extra substitute member of the Overview and Scrutiny

Committee. Previously, it had only appointed one member to substitute for its two members.

3.0 FINANCIAL IMPLICATIONS

- 3.1. In accordance with the Cambridgeshire and Peterborough Combined Authority Order 2017 no remuneration is to be payable by the Combined Authority to its members or substitute members.

4.0 LEGAL IMPLICATIONS

- 4.1. In accordance with the Constitution, the Monitoring Officer has delegated authority to accept changes to membership of committees notified by constituent councils during the municipal year to ensure there is a full complement of members or substitute members at committee meetings.

5.0 OTHER IMPLICATIONS

- 5.1 Not applicable

6.0 APPENDICES

- 6.1. None

<u>Source Documents</u>	<u>Location</u>
Report and decision of Council meeting	Fenland District Council website



CAMBRIDGESHIRE AND PETERBOROUGH COMBINED AUTHORITY BOARD	AGENDA ITEM No: 2.1
28 FEBRUARY 2018	PUBLIC REPORT

CAMBRIDGESHIRE & PETERBOROUGH 2030 PROSPECTUS

1.0 PURPOSE

- 1.1. The prospectus sets out a powerful and exciting picture of Cambridgeshire and Peterborough in 2030. It outlines the ambition and aspirations for the sustainable growth and development of Cambridgeshire and Peterborough as a vibrant and dynamic region with a well-established place on the world stage.

<u>DECISION REQUIRED</u>	
Lead Member:	Mayor James Palmer
Lead Officer:	Martin Whiteley, Chief Executive
Forward Plan Ref: 2018/007	Key Decision: Yes
<p>The Combined Authority Board is recommended to:</p> <p>(a) Agree the overarching ambition and five core ambitions.</p> <p>(b) Note the intention to commence a programme of engagement with stakeholders across the area.</p> <p>(c) Note the intention to bring forward to a future meeting of the Board the Combined Authority's Four Year Plan setting out the actions that will be taken to progress the 2030 ambitions.</p> <p>(d) Agree a budget of up to £40k in 2018/19 from the revenue gainshare allocation to fund the programme of engagement for the 2030 Ambition.</p>	<p>Voting arrangements</p> <p>Simple majority</p>

2.0 BACKGROUND AND CONTEXT

- 2.1. Combined authorities are a key component of the Government's devolution of powers, funding and responsibility for delivering public policy. They span local authority boundaries and functional economic areas and afford new opportunities for coordinated intervention and added value in key policy areas, tailored to local need, such as economic development, transport and infrastructure, housing, planning and land use and skills.
- 2.2. The Cambridgeshire and Peterborough Combined Authority was formed in March 2017 and the first Mayor elected in May 2017.
- 2.3. Through the devolution deal the Combined Authority committed to:
 - Double the size of the local economy
 - Accelerate house building rates to meet local and UK need
 - Deliver outstanding and much needed connectivity in terms of transport and digital
 - Provide the UK's most technically skilled workforce
 - Transform public service delivery to be much more seamless and responsive to local need
 - Grow international recognition for the area's knowledge-based economy
 - Improve the quality of life by tackling areas suffering from deprivation.
- 2.4. Following his election in May 2017, the Mayor published 100-day plan outlining the actions to deliver on this agenda. The 100-day plan kick-started the work to progress the devolution deal commitments. Work is underway to develop core strategies including the industrial strategy, housing strategy, skills strategy, local transport plan, non-statutory spatial plan, and market town masterplans. The Combined Authority has progressed key investment decisions in a range of transport and infrastructure, skills, housing and economic development initiatives. These include for example:
 - The establishment of the Economic Commission which will bring forward independent advice and evidence on the local economy which will enable political and business leaders to agree on economic priorities and to come together more effectively in pursuing them;
 - Investment in core transport and infrastructure work such as the Cambridge Automated Metro, A10, A47;
 - Investment in specific local interventions across the Combined Authority geography (illustrated in **Appendix A**);
 - Securing additional government funding for a Skills and Innovation Pay and Progression Pilot to up-skill 2000 people on universal credit into higher skilled health and care jobs;
 - Attracting additional government investment into the region, for example the Chancellor's Autumn budget, saw an additional £81m invested in the future prosperity of the region.

Appendix A summarises some of the key achievements and the investment the Combined Authority is making in Cambridgeshire and Peterborough.

3.0 CAMBRIDGESHIRE AND PETERBOROUGH 2030

- 3.1. Looking forward to 2030, the overarching ambition is to establish Cambridgeshire and Peterborough as **a leading place in the world to live, learn and work**. This is underpinned by five core ambitions for the area's future development:

Cambridgeshire & Peterborough 2030 Ambition

The leading place in the world to live, learn and work



Access to a good job within easy reach of home



Healthy, thriving and prosperous communities



A workforce for the modern world founded on investment in skills and education



A high quality sustainable environment

UK's capital of innovation and productivity



CPCA - In Confidence

- 3.2. The Combined Authority has been working to articulate its longer term ambition and aspirations for Cambridgeshire and Peterborough. These are described in the 2030 prospectus attached at **Appendix B**. The written prospectus will also be supported by a short digital version showcasing the imagined life and experience of five residents in 2030.
- 3.3. The prospectus describes some of the characteristics and outcomes for the people and place of Cambridgeshire and Peterborough in the future. It sets out what the region will be like, how it wants to be known and how it will be experienced by residents, communities, business people and visitors. The prospectus is also illustrated by examples of the projects and initiatives that will bring the ambition into fruition.
- 3.4. The Mayor and Combined Authority want the bold and stimulating ambition set out in the prospectus to inspire leaders and communities right across the area to participate in and use their experience, expertise and energy to assist in developing the future Cambridgeshire and Peterborough.
- 3.5. It is proposed that a programme of engagement with stakeholders across the area, including member local authorities and partners, communities, businesses, schools and universities and others alongside a media strategy will launch and promote the 2030 ambition.



- 3.6. It is proposed that the Combined Authority's Four Year business plan, setting out the key activities, milestones, and success measures to deliver the ambition will be considered at a future meeting of the Board.

4.0 FINANCIAL IMPLICATIONS

- 4.1. The Board is asked to approve a budget of up to £40,000 in 2018/19 from the revenue gainshare allocation to fund the launch and engagement programme.

5.0 LEGAL IMPLICATIONS

- 5.1. The Combined Authority committed to achieving a bold vision for Cambridgeshire and Peterborough in the devolution deal signed in June 2016. The Authority has a general power of competence under Article 11 of the Cambridgeshire and Peterborough Combined Authority Order 2017 which enables it to undertake actions in furtherance of its ambitions.

6.0 SIGNIFICANT IMPLICATIONS

- 6.1. There are no specific implications for this report.


7.0 APPENDICES


- 7.1. Appendix A: Investment in Cambridgeshire and Peterborough 2017-18
7.2. Appendix B: Cambridgeshire and Peterborough 2030 Prospectus


<u>Source Documents</u>	<u>Location</u>
Mayor's 100 day plan Cambridgeshire and Peterborough Devolution Deal	http://cambridgeshirepeterborough-ca.gov.uk/assets/Uploads/Cambridgeshire-and-Peterborough-Devolution-Deal.pdf
The Autumn Budget: 2017	https://www.gov.uk/government/publications/autumn-budget-2017-documents/autumn-budget-2017 http://cambridgeshirepeterborough-ca.gov.uk/meetings
Combined Authority Board Papers (May 2017 – January 2018)	Cambridgeshire and Peterborough Combined Authority, The Grange, Nutholt Lane, Ely CB7 4EE



Our progress in 2017-18: How the Combined Authority is investing in you and your local area


 £265k of funding for the Skills Service to bring businesses and schools together[†]

 £6.53m to support the University of Peterborough project

 Two successful government bids worth £6.5m for A605 and A15


 £1.75m for dualling of A47 business case and M11 extension feasibility study[†]


 £1.85m for affordable homes

 Infrastructure improvements including A1260, A16 and A47




 £5.8m masterplan for St.Neots

 £657k for affordable homes

 Infrastructure improvements including the strategic river crossing and the A141




 £265k of funding for the Skills Service to bring businesses and schools together[†]

 Advancing regeneration and growth in Wisbech

 £300k for affordable homes


 £6.5m for Wisbech Garden Town feasibility study


 £1.75m for dualling of A47 business case and M11 extension feasibility study

 Infrastructure improvements including the regeneration of Fenland railways stations and March junction improvements




 £925k for affordable housing


 £0.5m business case for upgrading of the A10[†]

 Infrastructure improvements including A14, A142 and progressing Soham station



 Plans for 7,600 new homes at North-East Cambridge Fringe


 £1.75m for Cambridge South Station

 £700k to advance rapid mass transport options[†]

 Infrastructure improvements for Coldhams Lane Roundabout



 £829k for affordable homes

 £0.5m business case for upgrading of the A10[†]

 Infrastructure improvements including the A10 level crossing and an A505 corridor study

Key*



Housing



Road improvements



Skills



Economic development



Public transport

* Mapped locations are for illustrative purposes only

† This project spans more than one area



CAMBRIDGESHIRE AND PETERBOROUGH COMBINED AUTHORITY BOARD	AGENDA ITEM No: 3.1
28 FEBRUARY 2018	PUBLIC REPORT

A10 CORRIDOR – KEY FINDINGS AND NEXT STEPS

1.0 PURPOSE

- 1.1. The Mayor, Combined Authority and partner organisations have long recognised the strategic importance of the A10 to the local economy and the challenges faced by worsening congestion and delays. During his election, the Mayor committed to a number of ambitious transport improvements including a dual carriageway for the A10. The commissioning of study work was also a key commitment as part of the 100 day programme which led to £500,000 of Combined Authority funding being agreed in June 2017 for a feasibility study.
- 1.2. This scheme remains one of the Combined Authority's top transport and infrastructure priorities along with other strategic projects including the implementation of a mass transit system in Cambridgeshire; dualling of the A47; extending the M11 to the A47; and the development of a new Garden Town at Wisbech.
- 1.3. Following the conclusion of the feasibility study for the A10 corridor, this paper sets out the key findings and makes recommendations to progress to the next phase of the project as quickly as possible.

<u>DECISION REQUIRED</u>	
Lead Member:	Mayor James Palmer/ Portfolio Holder for Transport and Infrastructure
Lead Officer:	Keith McWilliams, Interim Director of Transport and Infrastructure
Forward Plan Ref: N/A	Key Decision: No
The Combined Authority Board is recommended to: (a) Note the findings of the Cambridge to Ely Transport Feasibility Study and the strong case for dualling the A10.	Voting arrangements (a) Simple majority of all Members

<p>(b) Approve a budget of £350K (from the £500,000 previously assigned to the A10 corridor but unspent) to the development of a Strategic Outline Business Case.</p> <p>(c) Delegate authority to the Director of Transport to award the contract for the development of the Strategic Outline Business Case.</p> <p>(d) Authorise the Director of Transport to commence procurement for the Options Appraisal Report subject to approval of the contract being made at a future meeting of the Board before an appointment is made.</p>	<p>(b) Two thirds majority of members to include the Cambridgeshire County Council and Peterborough City Council</p> <p>(c) & (d) Simple majority of members</p>
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2.0 BACKGROUND

Context to the Study

- 2.1 The A10 North corridor and the parallel railway line provides vital north-south connectivity between Cambridge, Ely and beyond.
- 2.2 The A10 is currently subject to queuing and delays during peak periods which will be exacerbated in future years by further population, employment and traffic growth. Rail journeys between Cambridge and Ely have also seen significant increases which is placing considerable pressure on the network. Again, this is only likely to increase with future growth.
- 2.3 The Combined Authority and partner organisations including the Greater Cambridge Partnership and the County Council recognise the importance of this route to the local economy and there are concerns that inadequate infrastructure provision could compromise the growth potential along this corridor and adversely affect development proposals for Ely, Waterbeach, Cambridge Northern Fringe East (CNFE) and Cambridge Science Park (CSP).

Scope of the Feasibility Study

- 2.4 The feasibility study area covered the A10 corridor between north Cambridge and Ely, and the parallel Cambridge to Kings Lynn railway line. It was a wide-ranging multi modal study commissioned by Cambridgeshire County Council to investigate, and make the case for future transport interventions along this corridor. The study comprised three strands:
- a) Strand 1 looked at the overall transport requirements on the corridor
 - b) Strand 2 looked at the specific requirements for growth at Waterbeach

- c) Strand 3 looked at the specific requirements for growth at Cambridge North Fringe East (CNFE) and Cambridge Science Park (CSP)

2.5 The study delivered:

- a) An options study and a preliminary Strategic Outline Business Case for the overall package of interventions on the Ely to Cambridge corridor;
- b) A transport study that identifies the infrastructure requirements (and phasing) to meet the transport demand of the development of a new town north of Waterbeach;
- c) A transport study supported by modelling which provided evidence for the level of development which could be supported in the CNFE/CSP area and the associated phasing of transport solutions.

2.6 The study provides a Strategic Planning Document or Area Action Plan for both Waterbeach New Town and Cambridge North Fringe East (CNFE). This will provide a Transport Evidence Base for Plan Making as required by National Planning Practice Guidance.

2.7 This study is separate to, but links with, the A10 Ely to King's Lynn Study (previously undertaken by Cambridgeshire County Council) and the ongoing M11-A47 Extension Study which has been commissioned by the Combined Authority.

Key Findings

2.8 The feasibility study used a sophisticated transport tool to model how traffic behaves on the A10. When all the potential future development was included and based on other assumptions within the model, the results suggest that:

- a) The Milton interchange has an important influence on traffic flows
- b) Between the Milton interchange and Waterbeach, traffic flows on the A10 remain relatively stable, confirming that this stretch of the road is already operating at capacity and is unable to carry significantly more traffic. As a result flow is being re-directed to other routes as described below.
- c) From Waterbeach Village and locations further north on the A10 (from where people do have a route choice) flows on less appropriate routes south increase. This is evident, for example, through Clayhithe and Horningsea to the east, through Landbeach to the west, and along the B1049 Wilburton-Cottenham-Histon route, as traffic re-routes to avoid the congested A10.
- d) From the new development north of Waterbeach where motorists do not have a route choice to travel south, vehicles either join the back of the queue on the A10, or turn right and head north before turning west at Stretham to travel south through Cottenham.
- e) From Ely, traffic flows on alternative routes along the A142 west towards Sutton and east towards Newmarket increase, suggesting that some motorists try to avoid the A10 corridor altogether.

- 2.9 Further analysis of demand along the route was undertaken to help better understand the type of journeys on the A10. This has shown that without the significant development at the new town north of Waterbeach and at the CNFE and CSP, some 24% of trips on the A10 have both their start and end points outside the study area and a further 55% have at least one end of the journey outside the study area. This highlights the strategic nature of the corridor. This has an implication for the ability to encourage a shift from car to non-car modes and consequently what proportion of trips might be able to be catered for by non-highway measures.
- 2.10 To the south of the study area at CNFE and CSP, the modelling work suggests that to unlock further development on these sites a policy of radical parking restraint will be fundamental to making the sites work in transport terms.
- 2.11 In summary, the modelling work concludes that the strategic nature of journeys on the A10, and the volume of those journeys, requires a portfolio of new transport interventions including significant investment in the highway.

Transport Interventions Considered

- 2.12 Six transport mitigation packages were considered as shown in the table below:

Option	Composition of package
Option 1 Mode-shift	<ul style="list-style-type: none"> • Significant investment in cycling/pedestrian routes • Segregated public transport route between development north of Waterbeach and Cambridge • Bus-based Park & Ride at development north of Waterbeach • Relocated railway station • Parking restraint at CNFE/CSP
Option 2 Junction improvements	Option 1 PLUS <ul style="list-style-type: none"> • Improvements to eight junctions along the A10, including Milton Interchange.
Option 3 North dual	Options 1 and 2 PLUS <ul style="list-style-type: none"> • Dualling of A10 between Ely and development north of Waterbeach to encourage users to use new Park & Ride site
Option 4 South dual	Options 1 and 2 PLUS <ul style="list-style-type: none"> • Dualling of A10 between development north of Waterbeach and Milton Interchange to provide additional capacity on most congested section of route
Option 5 Full dual	Options 1, 2, 3 and 4 Dualling of length of A10 between Ely and Milton Interchange

Option 6 (sensitivity test) Offline alternative to A10	Options 1 and 2 PLUS New offline route to remove strategic traffic from the A10 and potentially form the southern section of an M11-A47 link
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- 2.13 A separate study has been commissioned by the Combined Authority to consider whether there is a business case for extending the M11 northwards to connect with the A47. Whilst the full route is outside the scope of this A10 study, Option 6 has been included as a sensitivity test to investigate the principle of an offline link which could give strategic traffic an alternative to the A10, thus freeing up capacity on the route between Ely and Cambridge. Such a link could potentially form the southern section of a longer M11-A47 link. Due to the geographical limitations of the model, it has not been tested in the same way as the previous five options.
- 2.14 Initially, each option was analysed using the key metrics from the model outputs:
- a) Effect on mode-share
 - b) Effect on traffic flow and delay
 - c) Effect on journey time.
- 2.15 Considering mode-share, all options increase the number of trips on the corridor. The first two options reduce car mode share. However, once more substantial highway improvements are made, the car mode share starts to increase at the expense of other modes. This suggests that new car trips are being induced onto the route. Bus and Park & Ride mode share increase in all options, although little additional benefit is seen beyond Option 2 for the investment that would be required.
- 2.16 In terms of the effect each option has on flow and delay, the options that provide an increase in highway capacity also result in an increase in the mode share of car trips, meaning there is more traffic on the network. This is because increased highway capacity induces more trips to be undertaken by car than was previously the case. As highway capacity increases, traffic increases principally on the A10 and the A14. This is accompanied in general by decreases in flows on parallel, less desirable routes suggesting that through traffic is being drawn back on to more appropriate routes rather than rat-running through villages. However, as more highway capacity is introduced, more traffic not only arrives in Cambridge in the morning peak, but also in Ely in the evening peak. The modelling suggests that as highway capacity is increased in the study area, further delay starts to be introduced on certain junctions around Ely in the evening peak which will need consideration as options are developed. A full dual option also starts to present further delays at Milton Interchange.
- 2.17 None of the options returns traffic flow to free-flow conditions in the morning or evening peaks. However, each of the highway options progressively improves upon the end to end journey time in relation to the scenario without any mitigation measures. In the morning peak, where the predominant flow is

south-bound, only the south dual or full dual options improve upon the journey times predicted for the future scenario without development and this improvement is less than five minutes. In the evening peak where the predominant flow is north bound, all the highway options improve upon the journey times for this same scenario by between 5 and 10 minutes.

- 2.18 The results from the offline option (Option 6) do seem to indicate that the scheme has merit, in that flows decrease on the A10 and on most of the routes where rat running was seen in the first phase of modelling. This seems to confirm the analysis that a significant proportion of traffic currently using the A10 is strategic in nature and has an origin and/or destination outside the study area. Further analysis has revealed that such a link could reduce the amount of traffic on the A10 by around 4%. Whilst this figure seems low, this link has the potential to have a much wider area of benefit than just the A10, for example on the A142, A1123, A141 and number of B roads.

Study Recommendations

- 2.19 A key finding of the study is that while mode shift options without highway improvements provided additional travel capacity and have significant benefits, they do not substantially address the congestion and traffic displacement issues. Options with highway improvements are more effective in addressing these issues.
- 2.20 Nevertheless, the study has recommended that a multi-modal package of measures will be needed for the whole corridor. This will include a package of measures to encourage a mode shift away from car, including a high quality, segregated public transport route between Waterbeach and Cambridge, the relocation of Waterbeach station, significant investment in cycling and walking measures around the new development north of Waterbeach and a new Park and Ride facility.
- 2.21 Furthermore, whilst not being prescriptive about the level or type of development that is brought forward at CNFE or CSP, the study is clear that the transport characteristics of these significant sites will need to be very different to traditional housing, Science Park or office developments. These will be fundamentally driven by a policy of radical parking restraint complimented by investment in public transport, cycling and walking.
- 2.22 Evidence elsewhere in the city shows that where parking provision is limited, much better mode shares for non-car modes are achieved, especially when coupled with appropriate on-street parking controls and good alternative forms of transport. For example, car-driver mode share at Cambridge Science Park is currently around 58%. At Cambridge Biomedical Campus, where there are far fewer parking spaces per square metre of floorspace, the comparable mode share is 31%. The new CB1 development near Cambridge Station pushes this even further and is aiming to achieve a car driver mode share of 11%.

- 2.23 The study also suggests that smaller scale highway measures to discourage rat running will be required along parallel routes, as well as improvements to junctions along the A10 in the short term. Finally, the study recommends that to accommodate the significant proportion of strategic trips through the study area, major investment in additional highway capacity along the A10 is made. It is suggested that this would take a broadly online alignment to the existing A10, although it is acknowledged that some sections would of necessity need to be offline.
- 2.24 The study also recognises that an offline alignment that potentially forms the southern part of an M11-A47 link has merit by providing an alternative route for the significant proportion of strategic traffic using the A10. The M11-A47 study will consider this particular scheme further, however more work would need to be undertaken to establish if there is a business case for both schemes. This work is currently underway as part of the M11-A47 study.
- 2.25 The study suggests that the package as a whole, including a full dual of the A10 could cost upwards of £500 million reflecting the level of investment that is considered necessary to accommodate the development aspirations in the area. This does not include a cost for Option 6. A summary of these costs and Benefit Cost Ratios (BCR) are outlined below. It is important to note that while some options deliver a better BCR, the overall benefits generated are higher for other options, most notably dualling.

Option	Indicative Costs ^{\$}	BCR [#]	Benefits [%]
Option 1 - Mode-shift	£150m	2.5	£380m
Option 2 - Junction improvements	£225m	3.6	£800m
Option 3 - North dual	£415m	3.2	£1,320m
Option 4 - South dual	£310m	3.2	£990m
Option 5 - Full dual	£510m	2.8	£1,440m
Option 6 (sensitivity test) - Offline alternative to A10	n/a	n/a	n/a

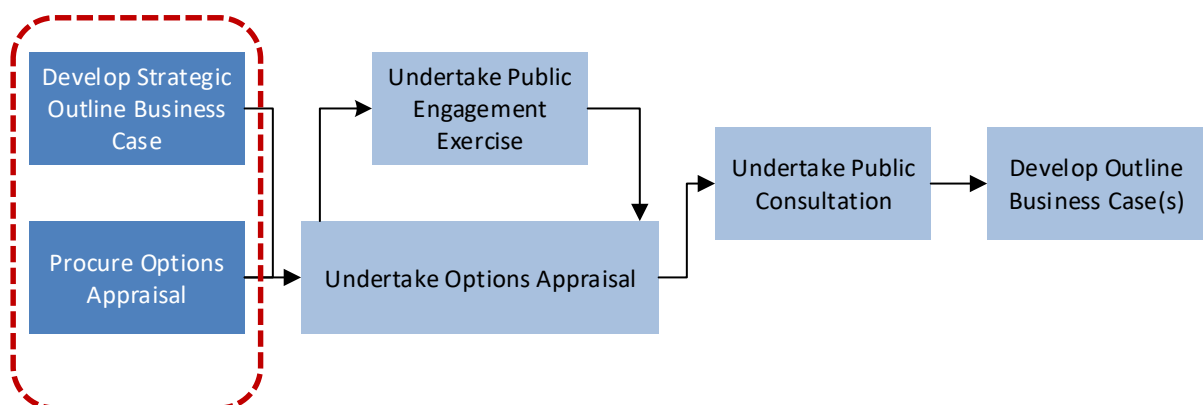
^{\$} Cost build ups are cumulative and are baselined for 2017.

[#] Benefit cost ratio calculated using 2010 baseline for both cost and benefits

[%] Benefits generated at present value (baselined to 2017) over the lifetime of the scheme.

Next Steps & Recommendations

- 2.26 Before considering the next steps in the project it is important to understand the rationale behind the study promoting all options from 1 through to 5. This is predicated on the basis that:
- a) A number of 'quick wins' would provide early benefits whilst a longer term dualling solution is progressed. This, combined with parking restraints at CNFE/CSP, would enable some development sites to progress albeit within agreed parameters. The principles of unlocking early developments is strongly supported by the Combined Authority.
 - b) A combination of highway capacity improvements and mode shift is essential to meeting longer term growth. Again, this point is accepted by the Combined Authority.
- 2.27 This does raise questions over phasing and whether or not junction improvements (which were identified as a 'quick win'), would provide value for money if a dualling solution can be accelerated. It may be that this case can be made but further discussions are required with the consultant and partnering organisations before the Combined Authority can be confident that such proposals do, indeed, offer value for money. This clearly needs to be balanced against the need to enable development sites to progress quickly.
- 2.28 It is also important to recognise that this study, understandably, has not been able to take into account the findings from the mass transit study that has recently been concluded. The public transport corridor, whilst generic in description, has underlying assumptions which are based on a traditional bus-based solution rather than the more ambitious metro proposal now being developed by the Combined Authority. This also has potential implications for the Park and Ride proposals presented in the current study.
- 2.29 Therefore the work done to date, whilst valuable in moving the project forward, requires further development to create an integrated corridor proposition that aligns with the Combined Authority's emerging transport strategies.
- 2.30 The following next steps in the project are recommended. Board approval is being sought at this time to develop the Strategic Outline Business Case and to commence the procurement of the Options Appraisal Report.



- a) The Strategic Outline Business Case (SOBC) will set out the strategic case for the scheme and the need for change and intervention. Much of this work has already been completed as part of the current study but, importantly, the next phase must address the following key points in greater detail:
- Ensure alignment with the Combined Authority's emerging transport strategies, most notably the Cambridgeshire Autonomous Metro proposals
 - Set out a clear, ambitious but achievable delivery timetable for each of the options proposed so that the value for money benefits of the 'quick wins' can be better evaluated. This is particularly important for the junction improvements which need to be considered alongside the potential phasing of development sites and potential delivery of the dualling proposals.
 - Building upon this phasing, the SOBC must also ensure that the options developed and presented represent a coherent and integrated strategy for the whole corridor, taking account of the inter-play between the various options.

Given that much of the work has been undertaken, it is anticipated that the SOBC can be developed on an accelerated programme. Board approval is being sought to progress this activity.

- b) An initial public and stakeholder engagement will provide the public and stakeholders an opportunity to shape the proposals; enable the project team to identify early issues and likely objections so that these can be incorporated early in the project; and to support the future consents processes. This will feed directly into the Options Appraisal Report. Board approval is not being sought at this time to undertake this engagement activity.
- c) The Options Appraisal Report will provide a more detailed consideration and evaluation of specific routes against the Treasury's 5-case model. Whilst it will not provide a recommendation of a preferred route it will provide evidence to support such a decision.

The Options Appraisal is a major undertaking, requiring significant input from a wide range of technical disciplines and will take time to procure. Board approval is being sought to begin this procurement activity which will be undertaken in parallel with the SOBC. The appointment of a consultant to undertake the Options Appraisal Report will be subject to further Board approval.

- d) The public consultation will be based on the findings of the Options Appraisal Report and provide the Board with valuable information upon which to agree a preferred route.

- e) The Outline Business Case will re-establish the strategic case for the scheme and concentrate on a detailed assessment of the options to find the best solution. A full economic and financial assessment will take place during this phase and a preferred option will be selected. This very much builds upon the Options Appraisal Report and the public consultation.

3.0 FINANCIAL IMPLICATIONS

- 3.1. In June 2017 the Board approved £500,000 to progress this scheme but it has not been necessary to draw upon this funding so far. It is proposed to re-purpose the funding already approved by the Board to develop the Strategic Outline Business Case.

4.0 LEGAL IMPLICATIONS

- 4.1. The Combined Authority is the strategic transport planning authority for its area by virtue of the Cambridgeshire and Peterborough Combined Authority Order 2017.
- 4.2. Letting of contracts is undertaken in accordance with the Combined Authority's Contract Rules (Constitution) and statutory rules relating to EU procurement. The level of funding for the Strategic Outline Business Case requires an OJEU process to be undertaken or a pre-procured, compliant framework to be used.

5.0 SIGNIFICANT IMPLICATIONS

- 5.1. Whilst the work being undertaken is largely highways and transport based it has significant implications for development in and around this corridor, most notably Waterbeach, CNFE and CSP. It is, therefore, important that the project team continues to work closely with the relevant Planning Authority to ensure that the proposals continue to support and facilitate the development of these sites.

6.0 APPENDICES

- 6.1. The documents listed below can be found at the following link:
<https://www.greatercambridge.org.uk/transport/transport-projects/ely-to-cambridge-a10-transport-study/>
 - a) Ely to Cambridge Transport Study
 - b) Ely to Cambridge Do Minimum Modelling Report
 - c) Ely to Cambridge Options Modelling Report
 - d) Ely to Cambridge Baseline Audit Report

A hard copy of these documents is available for inspection at the Combined Authority offices, The Incubator, Alconbury Weald, Huntingdonshire and will be available for inspection at the meeting of the Combined Authority Board.

<u>Source Documents</u>	<u>Location</u>
List background papers: See 6.1 above 28 Report to Board In 28 June 2017 - Agenda 2.3	List location of background papers http://cambridgeshirepeterborough-ca.gov.uk/meetings/show/2017-06-28



**CAMBRIDGESHIRE
& PETERBOROUGH**
COMBINED AUTHORITY

CAMBRIDGESHIRE AND PETERBOROUGH COMBINED AUTHORITY BOARD	AGENDA ITEM No: 3.2
28 FEBRUARY 2018	PUBLIC REPORT

SENIOR STAFFING STRUCTURE – COMBINED AUTHORITY AND LOCAL ENTERPRISE PARTNERSHIP

1.0 PURPOSE

- 1.1. The Board agreed at its meeting on 31st January 2018, to a shared Chief Executive, responsible for both the Combined Authority and a new Local Enterprise Partnership. It was also agreed that the Combined Authority should become the employer of a single staffing team, and that a new staffing structure would be designed and proposed to the Board.
- 1.2. The purpose of this report is provide details of a senior staffing structure that will be able to effectively support both the Combined Authority Board and its work programme, and the new Business Board and the activities required of the Local Enterprise Partnership. These arrangements provide a new operational model to support public and private sector partnerships and are a demonstration of public sector reform delivery.
- 1.3. If approved, the Chief Executive call a meeting of the Employment Committee to approve the job descriptions and salary grades for the roles, to recruit into the roles where there are vacancies and to agree the full staffing structure.

<u>DECISION REQUIRED</u>	
Lead Member:	James Palmer, Mayor
Lead Officer:	Martin Whiteley, Chief Executive
Forward Plan Ref: Not applicable	Key Decision: No
The Combined Authority Board is requested to:	Voting arrangements Simple majority of all Members

<p>(a) Approve the proposals in respect of the senior officer structure as set out in the report;</p> <p>(b) approve the following posts creating the Chief Officer structure of the Combined Authority:</p> <ol style="list-style-type: none"> 1) Legal Counsel 2) Director of Infrastructure 3) Director of Business and Skills 4) Director of Strategy and Planning 5) Director of Finance <p>(c) Note the intention to agree the job descriptions, salary grades for the posts and to proceed to recruit to the posts through the Employment Committee.</p>	
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2.0 BACKGROUND

- 2.1. The Combined Authority is just completing its first year in existence, and it is only ten months since the election of the Mayor. It is a new organisation and one that continues to develop all aspects of its operations. As such, it continues to understand better how to deliver its business in the most effective way and how to work best with its partners. This is an on-going process not just for the Combined Authority but also for all other parts of the public sector, who are similarly going through an alignment of their methods of operation. Learning from the last twelve months has influenced the considerations behind the staffing proposals.
- 2.2. The decision to bring together Combined Authority and Local Enterprise Partnership staff provides the opportunity to create a unified organisation that can focus on a shared primary objective of enabling economic growth. It provides for an organisation with more resilience and one that can eliminate duplication and in itself be a model of public sector reform.
- 2.3. The Government has recently announced the availability of LEP core and capacity funding of £500,000 per annum for the next two financial years. As with previous years, the LEP will continue to be required to match this locally to a minimum of £250,000. Furthermore, the Government has also made a commitment to supporting Mayoral Combined Authorities to deliver their local growth priorities through the creation of a Mayoral Capacity Fund. This fund will provide £1 million of revenue funding per annum, in 2018/19 and 2019/20.

3.0 THE PROPOSED SENIOR STAFFING STRUCTURE

- 3.1. The proposed senior staffing structure provides a framework for delivering the objectives of the Combined Authority and the Local Enterprise Partnership.

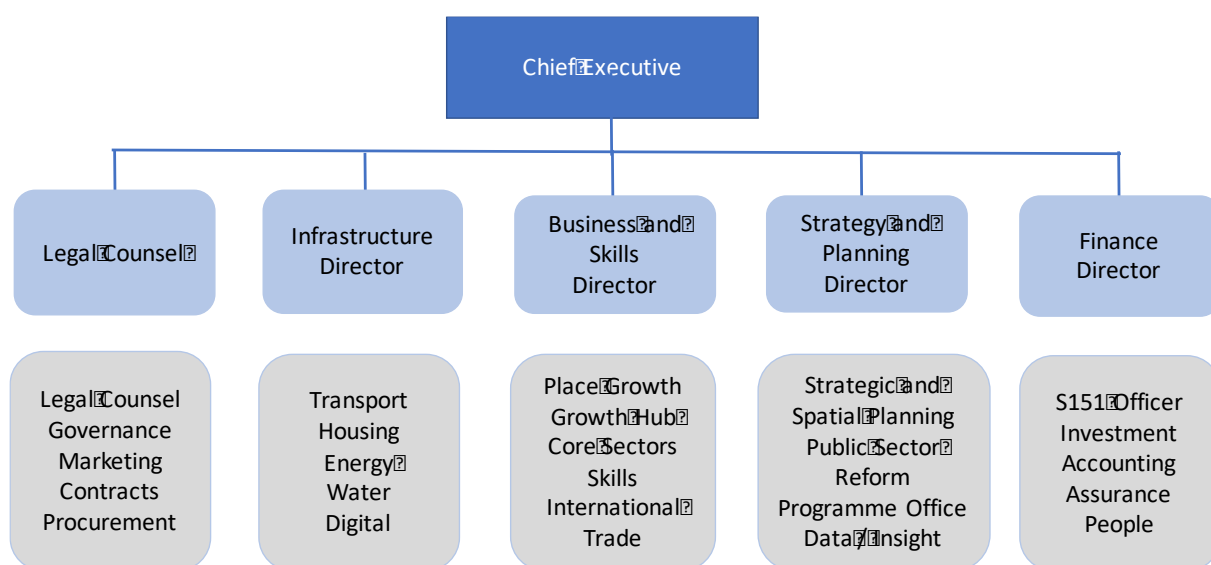
It is set in the context of the new responsibilities the Combined Authority is charged with delivering, the scale of this responsibility and is designed to provide the necessary resources to deliver its core responsibilities. The key functions of the organisation continues to be as follows:

- 1) **Strategy development** - The Combined Authority is responsible for developing policy across the area. It is responsible for the Local Transport Plan, and a range of strategies that enable economic growth and provide support for businesses to start up and scale up. The Board have previously agreed that strategies for the area should also be developed for Housing and Skills. Naturally, these will be created by drawing on the skills and knowledge of staff in constituent authorities, but policy development should be independent of any single partner and bring forward new models and approaches to deliver the substantial economic growth that is expected.
- 2) **Securing investment** – the growth ambitions for the area are dependent upon ensuring that there is a stream of capital to deploy as business cases come forward. This requires both public and private sector investment and the development of new funding mechanism such as land value capture.
- 3) **Strategic Programmes** – The Combined Authority has already committed to a number of large scale programmes, and this will extend. It is not a delivery organisation, but is expected to operate with a range of delivery partners including other public sector organisations, the private sector and potentially new joint ventures. This requires an especially robust model for the development of any single programme and the co-ordination of activity across programmes. It is important for the effective delivery of policies that different client interests are balanced by efficient corporate management of the total capital programme and that activities from all parties are fully co-ordinated.
- 4) **Contracting and strategic client function** – As an organisation that is responsible for letting a number of large-scale contracts, the Combined Authority will need to have appropriate resources, and associated skills and expertise, to procure and manage multiple delivery partners. Experience of capital projects that are successful is that they are founded on strong partnership arrangements, and have sufficient resources at the outset to operate collaboratively and provide high quality contract management.
- 5) **Programme Assurance** - Each programme will establish appropriate governance and programme management arrangements. These are necessary programme disciplines. In addition, the Combined Authority, in its role as a strategic investor, should follow the best practice of the private sector and have in place its own programme assurance arrangements. As the accountable body, it is incumbent upon it to provide independent mechanisms to safeguard and deliver programme assurance to the Combined Authority Board.

- 3.2. The joint Combined Authority and Local Enterprise Partnership organisation will therefore continue to adhere to the principle that by nature it will be small and strategic, and will not include delivery capacity. It will also continue to operate collectively with its partners and specifically with Local Authorities, the Greater Cambridge Partnership, and Opportunity Peterborough. This includes engaging on policy development, strategic clienting and programme delivery.

The proposed structure and roles in more detail

- 3.3. The staffing structure proposes Directors who are directly aligned to the core objectives of the Combined Authority and who support both the Combined Authority and Business Board. This is set out below along with the core functional responsibilities each Director will be responsible for:



- 3.4. More information about the core areas of focus for each Director is described below.

Legal Counsel

- 3.5. This role will provide responsibility for all Legal matters, Governance, and Procurement and Contract Management. It will include the formal role of the Monitoring Officer for the organisation and also act as lead for Communications and Marketing. Combining legal, procurement and contract duties with communications will place propriety and engagement at the centre of every aspect of the organisation's business. It will serve to strengthen the corporate role across the operation and support the development of more effective delivery partnerships. The level of legal and communication activity will become increasingly important as major programmes start to come forward.
- 3.6. The Combined Authority has appointed a Legal Counsel and Monitoring Officer. The Legal Counsel has the specific duty to ensure that the Council, its officers

and elected members maintain the highest standard of conduct in all they do. There is a legal basis for the post and in this capacity there are three main roles:

- to be responsible for the operation of the council's constitution;
- to report on matters he or she believes are, or are likely to be, illegal or amount to maladministration;
- to be responsible for matters relating to the conduct of councillors and officers.

- 3.7. The recent Review of Local Enterprise Partnership Governance and Transparency led by Mary Ney, has further highlighted the requirement to place strong governance at the centre of the organisation. It proposed to designate the current post holder into this role and that it will be supported by a Deputy Legal Counsel, Assistant Director for Marketing and Communications, and Governance Manager.

Infrastructure Director

- 3.8. The focus of the Director of Infrastructure role will be to bring forward strategic infrastructure, transport, and housing programmes and oversee their delivery. There is a very strong alignment between these issues and a Director with single oversight will ensure that the schemes are more effectively developed, planned, sequenced and delivered. Specifically the role will:

- Oversee the delivery of a number of major transport and infrastructure schemes. Up to ten strategic programmes have been identified and are at various stages of development. These include Rapid Mass Transport; East West Corridor; the A10 and M11; the A47 and Wisbech strategic investment and the Cambridge to Haverhill corridor (including the A505 and A1307);
- Lead on the development of the future Local Transport Plan – a major and key strategy for the area;
- Develop a Housing Strategy for the area and design the programmes that will be required to achieve the strategic objectives, including for example programmes and interventions to accelerate housing provision such as affordable housing and community land trusts;
- Provide programme assurance for the delivery of all major programmes;
- Lead on Energy and Water, and Digital strategies and programmes for the whole area.

This is considered to be a permanent role and that recruitment to the post should commence immediately following the approval of the job description by the Employment Committee. It is expected that it will attract interest from candidates within the public sector and from the private sector. It is proposed that this role will be supported by a Transport Director, Housing Director, and Assistant Director for Digital, Energy and Water.

Business and Skills Director

- 3.9. This role will be responsible for economic growth and the Local Industrial Strategy. The postholder will work with businesses to achieve inclusive economic growth and develop strategies and plans that match good quality jobs to people with the requisite skills. Specifically the role will include:
- Place based economic growth – developing plans for the areas' core cities, its market towns and rural areas. This will also include direct interventions to stimulate local growth such as Enterprise Zones and in the future potential Employment or Opportunity Areas.
 - Growth Hub and Key Industry Sectors – the access point for businesses seeking advice and support to both start up and scale up. It is envisaged that there will be account managers who lead on the development of the industry sectors that are key to the future prosperity of the area. There will also be a defined role for managing large scale inward investment opportunities.
 - Skills – the role will lead on the design and implementation of a whole skills system addressing how people acquire the necessary skills to meet the requirements of existing and new employers within the area. Progressing the University of Peterborough programme, and providing assurance that the programme is delivering on time and on budget.
 - International Trade – in the context of the potential for free trade agreements and the requirement to strengthen the areas trade links with cities and regions across the world, the post holder will lead on the development of agreements and strategies that facilitate further trade investments and exports

This is considered to be a permanent role that will advertised immediately following the approval of the job description by the Employment Committee and will attract interest from candidates with the public sector and from the private sector. It is proposed that this role will be supported by Assistant Directors for Place Growth, the Growth Hub and Key Sectors; Skills and International Trade.

Strategy and Planning Director

- 3.10. This is a key role. The Strategy and Planning Director will hold responsibility for the 2030 future Ambition of the area, ensuring that the main strategies that are developed are consistent and aligned with the future vision. They will also lead on the development of the areas spatial strategy. This will provide for a strong overarching and co-ordinated approach to the development of the area and the implementation of major programmes. The role will focus on:
- Strategic and Spatial Planning – continuing the development of the future ambition for the area and Non Statutory Spatial Plan

- Public Sector Reform – supporting the development of future devolution deals including identifying opportunities for further transfer of responsibilities and funding from central government to the local area. It will also include developing proposals for achieving public service reform and the associated arrangements for governance and delivery
- Data and Insight – providing a single place for data and using the information gathered about place and people to inform the development of the areas core strategies
- Programme Management Office – in order to ensure consistency across the strategic programmes and to provide a central point for managing delivery against key milestones, it is envisaged that programme activity and programme resourcing will be co-ordinated from a single place

3.11. It is considered that this post should be funded from the Mayoral Capacity Fund and therefore offered as a full time role on a two year fixed contract term. It is proposed that this role will be supported by Assistant Directors for Strategic and Spatial Planning, and the Programme Management Office.

Finance Director

3.12. The Finance Director and S151 Officer of the Combined Authority and Local Enterprise Partnership has a substantial role. This includes:

- (a) Investment – securing significant investment into the area for both major infrastructure (especially Transport and Housing) and to facilitate business growth. Determining the right blend of public and private investment will be a key feature of the role along with designing innovative new approaches to capital funding such as Land Value Capture models that enable major programmes to accelerate
- (b) Managing an Investment Fund – ensuring that the capital available to the area is used in the most effect way and that as far as possible money is recycled or loaned rather than used as grant. The next ten year period will require sophisticated financial modelling to be undertaken, and used as a basis for management and monitoring
- (c) Business Case Development – the Finance Director will have a pivotal role in the detailed financial models that will be developed for the major investment programmes and will provide independent assurance to the Board on their strength and robustness
- (d) Assurance Framework and Risk Management – ensuring that the joint Combined Authority and Local Enterprise Partnership Assurance Framework is adhered to throughout the lifecycle of any potential investment and delivery programme. This includes identifying and managing corporate risks and ensuring that programmes are also addressing their associated risks in an appropriate manner

(e) People – as part of being responsible for all the organisations assets the Finance Director will also take lead responsibility for staffing including recruitment, terms and conditions and all related policies and practices.

- 3.13. The Chief Financial Officer is a key member of the leadership team, helping it to develop and implement strategy and to resource and deliver the authority's strategic objectives sustainably and in the public interest. They must be actively involved in, and able to bring influence to bear on, all material business decisions to ensure immediate and longer term implications, opportunities and risks are fully considered and align with the authority's financial strategy. They must lead the promotion and delivery by the whole authority of good financial management so that public money is safeguarded at all times and used appropriately, economically, efficiently and effectively.
- 3.14. This is considered to be a permanent role that will attract interest from candidates within the public sector and from the private sector. It is proposed that this role will be supported by an Assistant Director for Finance.

Summary

- 3.15 Following the approval of the senior management structure, an Employment Committee will be set up to agree the job descriptions, the salary range and the membership of the Employment Committee to be set up to appoint to the posts.
- 3.16 Furthermore, the full staffing structure will also be put before the Employment Committee in the first instance.

4.0 FINANCIAL IMPLICATIONS

- 4.1. The full cost of these posts and the new organisation will be developed and brought to the Employment Committee in the first instance for agreement.
- 4.2. It is envisaged that costs will be met from a combination of funding made available to the Combined Authority through the "single pot" – as it is now. The core funding for the Local Enterprise Partnership will be used to fund the Business and Skills Director post and the other roles in this Directorate. The Mayoral Capacity Fund will be used to finance specific roles associated with the delivery of major programmes.

5.0 LEGAL IMPLICATIONS

- 5.1 Under Section 4(1) of the Local Government and Housing Act 1989 ("LGHA") it shall be the duty of every relevant authority:
- to designate one of their officers as the head of their paid service; and
 - to provide that officer with such staff, accommodation and other resources as are, in their opinion, sufficient to allow their duties under this section to be performed".

- 5.2 Under Sections 4(2) and 4(3) of the LGHA, the Chief Executive in his capacity as Head of Paid Service is required to prepare a report setting out certain matters relating to staffing proposals where he considers it appropriate to do so. This includes:
- the manner in which the different functions of the authority are coordinated;
 - the number and grades of staff required by the authority for the discharge of their functions;
 - the appointment and proper management of the authority's staff; and
 - the organisation of the authority's staff.
- 5.3 Where the Chief Executive makes staffing proposals in accordance with paragraph 5.2 above, the authority is required to consider that report at a meeting convened within 3 months of it having been sent to all members.
- 5.4 Under s.112(1) of the Local Government Act 1972 ("LGA"), the authority is empowered to appoint such officers as it thinks necessary for the proper discharge of such of their or another authority's functions as falls or is agreed to be discharged by them and s.112(2) provides that any officer appointed shall hold office on such reasonable terms and conditions, including conditions as to remuneration as the authority appointment them thinks fit.
- 5.5 In the event that members approve the proposed structure and the creation of the posts described, under paragraphs 4.4 and 4.5 of Chapter 13 of the Officer Scheme of Delegation and Proper Officers section of the Constitution, the following responsibilities are delegated to the Chief Executive:
- the appointment and grading of staff up to Deputy Chief Officer level; and
 - the organisation and proper management of the Combined Authority's staff including proposing changes to the management structure and the number and grades of staff required.
- 5.6 In accordance with section 7 of the LGHA all appointments will be made on merit and in any event in accordance with the Constitution and applicable employment law and practice.

6.0 SIGNIFICANT IMPLICATIONS

- 6.1 The Combined Authority will effect its staffing and recruitment procedures according to the requirements of the equality legislation.

7.0 APPENDICES

7.1 None

<u>Source Documents</u>	<u>Location</u>
Previous agendas, reports and decisions are available on the Combined Authority website.	Combined Authority website http://cambridgeshirepeterborough-ca.gov.uk



**CAMBRIDGESHIRE
& PETERBOROUGH**
COMBINED AUTHORITY

CAMBRIDGESHIRE AND PETERBOROUGH COMBINED AUTHORITY BOARD	AGENDA ITEM No: 3.3
28 FEBRUARY 2018	PUBLIC REPORT

HIGHWAYS AND TRANSPORT CAPITAL GRANTS – SUPPLEMENTARY ALLOCATIONS 2017/18

1.0 PURPOSE

- 1.1. The Mayor has been notified of additional highways funding and must consult the Combined Authority before making a decision to allocate this funding for potholes to Cambridgeshire County Council and Peterborough City Council in line with the Department for Transport formula.

<u>DECISION REQUIRED</u>									
Lead Member:	Mayor James Palmer								
Lead Officer:	Keith McWilliams Director of Transport								
Forward Plan Ref: Not applicable	Key Decision: No								
<p>The Combined Authority Board is consulted regarding the Mayor's intention to allocate Pothole Action Fund grants totalling £974,047 to Cambridgeshire County Council and Peterborough City Council in line with the Department for Transport formula as set out in the table below.</p> <table border="1"> <thead> <tr> <th>Constituent Council</th><th>Allocation £'s</th></tr> </thead> <tbody> <tr> <td>Peterborough City Council</td><td>£167,536</td></tr> <tr> <td>Cambridgeshire County Council</td><td>£806,511</td></tr> <tr> <td>Total</td><td>£974,047</td></tr> </tbody> </table>	Constituent Council	Allocation £'s	Peterborough City Council	£167,536	Cambridgeshire County Council	£806,511	Total	£974,047	<p>Voting arrangements</p> <p>No vote is required.</p>
Constituent Council	Allocation £'s								
Peterborough City Council	£167,536								
Cambridgeshire County Council	£806,511								
Total	£974,047								

2.0 BACKGROUND

- 2.1. In accordance with the Cambridgeshire and Peterborough Combined Authority Order 2017, the Mayor is responsible for the payment of grants to Cambridgeshire County Council and Peterborough City Council to meet expenditure incurred by them as highways authorities. Before making that decision, he is required to consult the Combined Authority.
- 2.2. On 1 February, the Combined Authority received a letter from the Department for Transport advising that additional funds had been granted to the Combined Authority from the Pothole Action Fund.
- 2.3. The maximum capital funding allocation to the Cambridgeshire and Peterborough Combined Authority is £974,047 for 2017/18 and is in addition to the £1,395,000 previously paid to the authority. The Mayor proposes to allocate this additional funding directly to the Cambridgeshire County Council and Peterborough City Council in line with the Department for Transport formula.
- 2.4. The proposed allocation of the further Pothole Action Fund for 2017/18 to the constituent councils is set out in the table below:

Constituent Council	Allocation £'s
Peterborough City Council	£167,536
Cambridgeshire County Council	£806,511
Total	£974,047

3.0 FINANCIAL IMPLICATIONS

- 3.1. There no additional financial implications beyond those set out above – all grant expenditure proposed is fully covered by the income received from DfT.

4.0 LEGAL IMPLICATIONS

- 4.1. The proposal is in line with appropriate Local Government Regulations, including the specific funding and related governance requirements set out in The Cambridgeshire and Peterborough Combined Authority Order 2017 and The Combined Authorities (Finance) Order 2017.
- 4.2. The constitution states that the Mayor will exercise the following general function:

- a) The Mayor may pay a grant to Cambridgeshire County Council and Peterborough City Council to meet expenditure incurred by them as highways authorities. The Mayor must exercise this function under section 31 Local Government Act 2003 concurrently with a Minister of the Crown.
- b) Prior to the payment of the grant the Mayor must consult the Combined Authority Board which is responsible for approving the allocation of transport related funding (including provision of funding for highways) subject to special voting arrangements as set out in [chapter 5](#) of the constitution.

5.0 OTHER IMPLICATIONS

- 5.1. There are no ongoing financial risks to the Combined Authority arising from the allocation of this funding and each constituent council will provide an annual certification as to the use and application of these funds. Each of the constituent councils will be responsible for their own risk management arrangements in delivering the services associated with this funding.

6.0 APPENDICES

- 6.1. None

<u>Source Documents</u>	<u>Location</u>
Formal grant letter detailing the additional 2017/18 Pothole Action Fund allocations dated 1 February 2018.	Cambridgeshire and Peterborough Combined Authority, The Grange, Nutholt Lane, Ely CB7 4EE



**CAMBRIDGESHIRE
& PETERBOROUGH**
COMBINED AUTHORITY

CAMBRIDGESHIRE AND PETERBOROUGH COMBINED AUTHORITY BOARD	AGENDA ITEM No: 4.1
28 FEBRUARY 2018	PUBLIC REPORT

STATUTORY INSTRUMENT FOR BORROWING

1.0 PURPOSE

- 1.1. This paper provides the Board with an update on the development of the Statutory Instrument that will enable the Combined Authority to borrow as specified in regulations under section 23(5) of the Local Government Act 2003.

<u>DECISION REQUIRED</u>	
Lead Member:	Cllr Steve Count, Portfolio Holder for Fiscal Strategy
Lead Officer:	Rachel Musson, Interim Chief Finance Officer
Forward Plan Ref: Not applicable Key Decision: No	
<p>The Combined Authority Board is recommended:</p> <p>(1) to note the agreement of the Interim Chief Finance Officer (s.151 officer) to the Cambridgeshire and Peterborough Combined Authority Agreement and Debt Cap to 2019-20</p> <p>(2) to agree to a Statutory Instrument permitting the Combined Authority to extend its borrowing powers on condition that the Statutory Instrument does not require constituent councils to underwrite any borrowing of the Combined Authority</p>	<p>Voting arrangements</p> <p>Simple majority of all Members</p>

(3) to note that the Combined Authority will be requesting consent from its constituent councils to the making of the Statutory Instrument	
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2.0 BACKGROUND

- 2.1. At Autumn Statement 2016, the government announced that it would give mayoral combined authorities powers to borrow for their new functions and to invest in economically productive infrastructure, subject to agreeing a borrowing cap with HM Treasury.
- 2.2. This will align the combined authorities' financial powers with their new responsibilities, and give them the freedom to invest in important priorities such as economic development and regeneration. Each combined authority's new powers to borrow will be specified in regulations under section 23(5) of the Local Government Act 2003.
- 2.3. The limits on combined authority borrowing will be expressed in terms of annual caps on external debt. Capping external debt, rather than prudential borrowing, will give the combined authorities greater flexibility to manage capital programmes across financial years.
- 2.4. Whilst the Combined Authority has no existing debt or any immediate borrowing requirement, significant investment will be needed for major infrastructure works from financial year 2020/21.
- 2.5. The Combined Authority is considering what the optimal funding structure will look like for these programmes as part of its investment strategy. Whatever the ultimate funding mechanism, the Combined Authority needs to have the facility to borrow the full amounts of these investments in place at that time.
- 2.6. There are two strands to the process of putting in place the borrowing powers:
 - (a) The setting of the Borrowing Cap through an agreement with HM Treasury (HMT), and
 - (b) The drafting and laying before parliament of the relevant Statutory Instrument (Ministry of Housing, Communities and Local Government (MHCLG))

The setting of the Borrowing Cap

- 2.7. The Director Public Services, HM Treasury wrote to the Combined Authority's Section 151 Officer expressing her formal approval of the Cambridgeshire and Peterborough Combined Authority Agreement and Debt Cap to 2019-20, which was based on the Combined Authority's submitted financial plans, and asked the S151 Officer to reply with consent to the agreement coming into effect.

- 2.8. The Section 151 Officer has replied to the Director, confirming consent to the debt agreement on behalf of the Combined Authority.
- 2.9. It is the intention of HMT for the Combined Authority's new borrowing powers to be in place for the next financial year.
- 2.10. The debt cap agreement will be reviewed before the end of 2019 and discussions will continue about an agreement beyond 2019-20.

The making of the Statutory Instrument

- 2.11. The Ministry of Housing, Communities and Local Government (MHCLG) are currently drafting the Statutory Instrument to allow borrowing to be made under S23(5) of the Local Government Act 2003.
- 2.12. S23(5) and (6) of the Local Government Act 2003 state that powers will be conferred on a combined authority to borrow money for a purpose relevant to its transport functions or in relation to any other functions of the authority that are specified, only with the consent of its constituent councils.
- 2.13. The Combined Authority is looking to put the requisite delegations in place so that when we are notified by MHCLG that the Statutory Instrument is to be laid, delegated consent can be given quickly.
- 2.14. MHCLG have confirmed that they will shortly be in a position to send the Combined Authority a draft statutory instrument and explanatory memorandum, and will provide clarity as to when they will be laying the regulations.
- 2.15. Whilst we have not yet had sight of the draft Borrowing Statutory Instrument, our understanding from discussions with MHCLG is that Combined Authority borrowing will not result in potential future borrowing liabilities falling on constituent councils. Consent from constituent authorities to enable Combined Authority borrowing for its new functions will be subject to confirmation that this is the case.

3.0 FINANCIAL IMPLICATIONS

- 3.1. There are no other matters to bring to the Board's attention.

4.0 LEGAL IMPLICATIONS

- 4.1. The Statutory Instrument to allow borrowing is to be made under s23(5) of the Local Government Act 2003.
- 4.2. The consent of the Combined Authority and the constituent councils is required to extend borrowing powers of the Combined Authority beyond the existing transport borrowing powers.

- 4.3. Consent is an executive function for those constituent councils operating executive functions. For those operating under non-executive governance arrangements, clarification is being sought through the Chief Finance Officers Group regarding the appropriate committee or officer delegations.

5.0 SIGNIFICANT IMPLICATIONS

- 5.1. There are no other significant implications to bring to the Board's attention.

6.0 APPENDICES

- 6.1. None

<u>Source Documents</u>	<u>Location</u>
S23 Local Government Act 2003	https://www.legislation.gov.uk/ukpga/2003/26/section/23

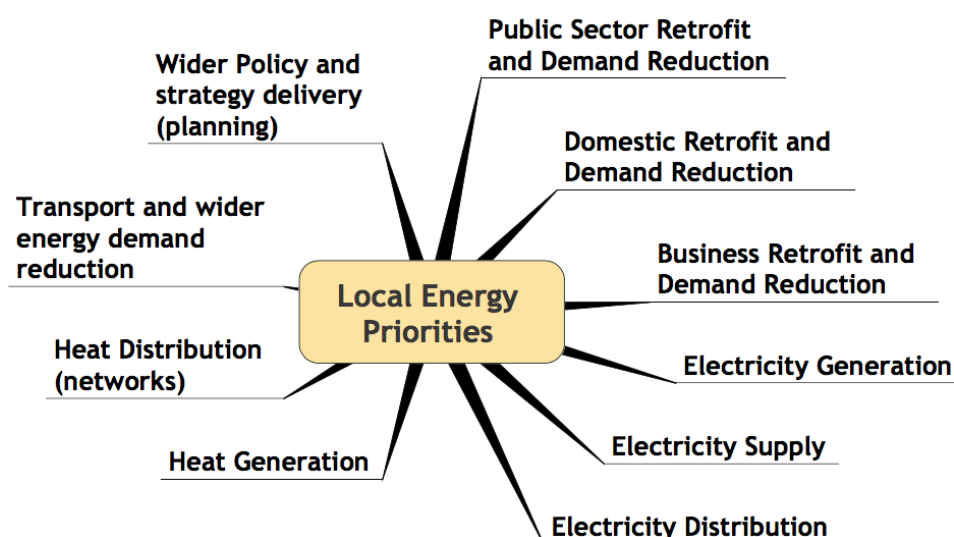


CAMBRIDGESHIRE AND PETERBOROUGH COMBINED AUTHORITY BOARD	AGENDA ITEM No: 5.1
DATE OF MEETING: 28 FEBRUARY 2018	PUBLIC REPORT

GREATER SOUTH EAST LOCAL ENERGY HUB (the 'Hub')

1.0 PURPOSE

- 1.1. The Combined Authority has the opportunity to establish and pioneer one of only five Local Energy Hubs in England. Chosen by the Greater South East LEPs (11) which include a 16-county area, including Greater London, and endorsed by the Department for Energy, Business and Industrial Strategy (BEIS) the Combined Authority would be the vanguard local energy organisation in the area.
- 1.2. The Local Energy agenda as defined by Government as national priorities are represented below.



- 1.3. Leading the co-ordination and management of intelligence, innovative finance and new accelerated delivery models would enable the area to respond more efficiently to infrastructure demands. The grid currently prohibits local housing delivery, vehicle charge point installation, the ability for public buildings to generate their own energy, e.g. schools, and significantly impedes sustainable economic growth and job creation in our SMEs and large employers.

- 1.4. The Hub will be a new approach to assessing and enabling local solutions to national problems and translating these through government to other areas. Locally significant energy infrastructure and demand reduction projects will contribute to the construction of new homes, increased economic development and innovative transport solutions.
- 1.5. To lead this the Combined Authority would need to become the Accountable Body for the Hub on behalf of all Local Enterprise Partnerships (LEPs) and local authorities in the Hub area.
- 1.6. As a LEP based initiative across the geography the Combined Authority would manage the operation of the Hub using upfront funding of £1.29 million from the Department for Business, Energy and Industrial Strategy for the two-year project including employing of a team of eight staff on two-year fixed term contracts and/or secondments, and associated budgets.

<u>DECISION REQUIRED</u>	
Lead Member:	Cllr Lewis Herbert, Strategic Planning
Lead Officer:	Paul Bourgeois, Head of Sustainability
Forward Plan Ref: 2018/018	Key Decision: Yes
<p>The Combined Authority Board is recommended to:</p> <p>(a) Agree that the Combined Authority becomes the Accountable Body for the Greater South East Local Energy Hub.</p> <p>(b) Authorise the Chief Executive to employ staff as required to meet the administrative and technical requirements of administering the Greater South East Local Energy Hub.</p> <p>(c) Note the consent of the LEPs and their local authorities within the Greater South East Local Energy Hub area to the Combined Authority acting as the Accountable Body on its behalf.</p>	<p>Voting arrangements</p> <p>Simple majority of all Members</p>

2.0 BACKGROUND

- 2.1. BEIS has offered funding for five Local Energy Hubs to cover England, see **Appendix 1**. Cambridgeshire and Peterborough are within the proposed Greater South East Local Energy Hub. This area includes 11 LEP areas who formed a Hub Board in December 2017, comprising LEPs and LAs within

the area. The Greater South East comprises 16 counties in the East of England, Greater London, the South East and the Cambridge to Oxford growth corridor. There is a total of 149 local authorities in the Hub area. Funding must be transferred to the Accountable Body by 31st March 2018.

- 2.2. An Accountable Body is a legal entity nominated to act on behalf of a partnership to take responsibility for the receipt and use of external funding. The Accountable Body generally takes responsibility for the legal and financial management of funds provided to a partnership or non-constituted body, in this case the Hub.
- 2.3. Following a range of meetings and workshops October and November 2017 a Hub Board was then formed and convened on 13th December. At this meeting it was agreed that GCGP LEP with Cambridgeshire County Council as its Accountable Body would lead. An offer letter was sent to BEIS on 22nd December 2017, see **Appendix 2**.
- 2.4. Each of the 11 LEPs had the responsibility to communicate this decision to their local authorities. In this LEP area this has been done through the Local Energy East project and its bulletins sent to over 300 stakeholders.
- 2.5. The Hub Board met on the 25th January 2018 and verbal assurances were given that the LEP transitioning had no material risk to the Hub being set up to maintain the lead organisation role. The other 10 LEP area representatives were fully supportive of the Combined Authority becoming the Accountable Body and continuing to lead this pioneering approach to local delivery.

Strategic relevance

- 2.6. The Hub concept was proposed by BEIS in September 2017 following the award of Local Energy Strategy development grants in April 2017 and an assessment that local energy infrastructure projects were being constrained and needed dedicated support and resources.
- 2.7. Since August 2017 a deep dive mapping and analysis of energy infrastructure research project has been conducted which covers housing growth, transport improvements, grid infrastructure barriers and opportunities for local energy generation, demand issues and a range of other data layers relevant to the five priorities of the Combined Authority 2030 Vision, specifically Environmental Sustainability but also fundamental to new housing and transport infrastructure delivery.
- 2.8. The tri-LEP Local Energy Investment and Delivery Strategy will be developed over the next two months using data, information and analysis from the last five months. This will give a clear understanding and prioritisation of what challenges and opportunities at a local level are impeding growth.
- 2.9. Initial findings from the research to date suggest four priority themes:
 - (a) Housing growth and commercial site upstream infrastructure;
 - (b) The transition to a non-gas domestic economy;

- (c) The transition to electrification of vehicles;
- (d) Affordable, secure, low carbon consumption in all sectors.

2.10. Within each of these themes will be specific barriers to housing, transport and business growth. The Hub will have the necessary technical expertise and budget with which to commission feasibility studies. These studies will enable funding readiness in a suite of projects which may include these types of projects to be commissioned:

- (a) Grid flexibility systems in constrained areas (battery storage, demand reduction technologies and renewable energy generation) to unlock capacity for connecting technologies to the grid and vehicle charging points;
- (b) The greater uptake of electric vehicles through an enhanced charging infrastructure scheme;
- (c) The switch to air source heat pumps in off gas grid communities to alleviate fuel poverty and reduce Carbon dioxide emissions;
- (d) Grid reinforcement projects to facilitate new housing schemes and enable currently constrained commercial sites.

2.11. BEIS recognise that without the Local Energy Strategies in place an evidenced based approach to delivery planning cannot be achieved. On this basis BEIS have asked that the Hub set up and team recruitment is prioritised in the first eight weeks in anticipation of the strategies to inform delivery. The Local Energy East project is most progressed in this regard in the Hub area therefore our area-based priority list of constrained grid areas affecting housing growth, electrification of transport systems and commercial sites will be available first to embed in the delivery plan.

2.12. BEIS have outlined 24 Key Performance Indicators to monitor progress on a monthly or annual basis and report successful delivery common to all five Hubs in England. Some of these are simply yes or no success criteria. The Hub Board is considering what additional local indicators will be needed to promote favourable outcomes. It is recommended that the Combined Authority works with the Hub Board to include a performance management system and set of metrics.

2.13. The proposed Hub team will consist of technical specialists and project managers led by a Regional Director who will seek to commission feasibility studies related to infrastructure projects and secure funding to deliver them. By the Combined Authority leading the Hub the LEP and Combined Authority areas will be able to be given full consideration within feasibility and delivery activities.

2.14. BEIS' Hub concept model was predicated on each of the five Hubs being resourced by a team of up to nine local energy specialists. BEIS expect the team to be capable of servicing the Hub area flexibly as needs dictate and to respond to local authority and commercial stakeholder demands. The remaining part of the funding is for a dedicated consultancy budget to deploy other expertise periodically required, e.g. engineers, to create the necessary

conditions to enable the funding and delivery of local energy projects. BEIS is also clear that the Regional Director's role is focussed on stakeholder engagement, partnership building and innovative process development to achieve the objectives set out in section 2.14 and 2.15. Local energy data, including water and digital connectivity, and information relating to funding opportunities, current and planned research and European projects require significant collation and management in order to provide the necessary intelligence to exploit this highly dynamic and fast moving national priority.

2.15. BEIS' objectives and expected outputs include:

- (a) Increase number, quality and scale of local energy projects being delivered;
- (b) Raise local awareness of the opportunity for and benefits of local energy investment;
- (c) Enable local areas to attract private and/or public finance for energy projects;
- (d) Identify working model for teams to be financially self-sustaining after the first two years.

2.16. BEIS' proposed Hub tasks include:

- (a) Identify and prioritise local energy projects for support, using LEP local energy strategies as a starting point;
- (b) Undertake initial stages of development for priority projects and programmes;
- (c) Take a collaborative and coordinated approach across multiple LEPs;
- (d) Regional leadership and liaison with BEIS.

Operational imperative

2.17. BEIS wants the money transferred to the Accountable Body by 31st March 2018 so that the Hub can start to become operational from the 1st April 2018. BEIS is aware that the transition of the LEP to the Combined Authority and formation of a new LEP Company from 1st April 2018 and that this needs to harmonise with their sign off process.

3.0 FINANCIAL IMPLICATIONS

3.1. As the grant for the whole two years will be awarded in advance there is very little financial risk. The principal responsibilities that would be placed on the Combined Authority outside of Hub Board responsibilities are related to day to day financial management, utilisation of back office support (funded through the on-cost rate applied to each staff member) and Section 151 Officer oversight, see **Appendix 3**.

3.2. The Hub will be staffed by a new team of eight, fully funded by the grant, through a mix of open recruitment and secondments. Staff employed by the Combined Authority would be on two-year fixed term contracts. All costs associated with staff employment, e.g. pension contributions, National Insurance, travelling expenses and IT support are covered by the financial model. It is anticipated that all staff employment contracts will be home-based

however an overhead rate has been applied to cover Combined Authority support staff for the team such as accountancy and personnel.

- 3.3. £220,000 of the BEIS grant is set aside for commissioning feasibility studies within the Greater South East area. The Combined Authority would be required to administer this on behalf of the Hub Board.

4.0 LEGAL IMPLICATIONS

- 4.1. The only legal implications relate to employment of the Hub team and the Section 31 agreement.

5.0 SIGNIFICANT IMPLICATIONS

- 5.1. The principal risk associated with not being able to contract with BEIS is that the Combined Authority and LEP would no longer be able to lead the project. The lead role would default to the Hub Board's second choice. Therefore, ensuring that the Combined Authority can sign a Section 31 agreement with BEIS and receive the money by the end of March is critical. Failure to do this entails a loss of control, failure to delivery and potential reputational damage to the area.
- 5.2. The other project risk is associated with the significant geography BEIS has defined as the Greater South East Hub area. The risk would be mitigated by robust governance, scrutiny and financial management implicit in the Combined Authority's leadership of the endeavour.

6.0 APPENDICES

- 6.1. Appendix 1 – BEIS local energy capacity support offer letter.
- 6.2. Appendix 2 – GCGP LEP Hub lead organisation letter to BEIS.
- 6.3. Appendix 3 – High level financial model for the Hub.

6.4. Other related documentation includes:

<u>Source Documents</u>	<u>Location</u>
<p>List background papers:</p> <ul style="list-style-type: none">i. The 10 LEP teleconference summary of the 2nd October 2017;ii. The 11 LEP teleconference summary of the 15th November 2017;iii. Minutes of the Hub Board of the 13th December 2017;iv. Minutes of the Hub Board of the 25th January 2018. <p>Source documents are open for inspection by the public and must be retained for a period of 4 years (by the report author's records section) from the date of the meeting.</p>	<p>The background papers can be requested from the report's author, Paul Bourgeois, paul.bourgeois@gcgp.co.uk</p>



Department for
Business, Energy
& Industrial Strategy

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Dear Sir/Madam

Local Energy capacity support for LEPs and local authorities

Following the announcement at the LEP Chief Executives meeting in London on 22nd August, I am writing to confirm that BEIS is proposing to support the capacity of LEPs and local authorities to play a leading role in delivering low-carbon economic growth.

Our aim is to work with the LEPs and your local authority members over the coming months to achieve a broad consensus as to how this capacity support will be provided. The purpose of this letter is to share our outline proposal for how these resources could be used, as a starting point for discussion.

Funding and aims for capacity support

As part of the BEIS Local Energy programme, BEIS has allocated £2.7m in this financial year to support the capacity of LEPs and local authorities to:

- Identify and prioritise local energy projects
- Undertake the initial stages of development for priority projects and programmes (eg feasibility studies and business cases), up to a point where investment can be secured
- Take a collaborative and coordinated approach across multiple LEP areas

The funds will be transferred by BEIS in this financial year, but funding agreements will allow local spending to take place across multiple years.

Further information on the rest of the BEIS Local Energy programme is provided in Appendix 1.

Outline proposal for capacity support

We consider that the most effective use of the available funds is to establish five local energy hubs, to support the capacity of LEPs and local authorities to deliver

energy projects. The role of the hubs would be as outlined in the section above on *Funding and aims for capacity support*. There will be some flexibility in how each hub operates in order to meet local needs, but we are keen to ensure a coherent programme of support across England and clear lines of communication between local areas and central government.

Each hub would serve a number of LEP areas, and together they would cover the whole of England. Suggested LEP areas which would be covered by each hub are provided in Appendix 2, as a starting point for discussion. You have the option to propose alternative geographies at an early stage, provided you are able to achieve agreement for that proposal from the other LEP areas affected by those changes.

The resources available are estimated to be sufficient to fund around four full time equivalent posts per hub for an initial two years of operation. Each hub would be required to liaise with the BEIS Local Energy team and the other hubs, to share experience and best practice.

LEPs will be expected to work closely with their local authorities in the process of setting up and working with the hubs. Each hub would be hosted by a lead local authority, by mutual agreement of the LEP areas served. Funding would be allocated to the nominated lead local authority, which must be a legal entity able to receive funds under Section 31 of the Local Government Act. The hub would be expected to work on behalf of all of the LEP areas served, and of their member local authorities, and governance arrangements would need to be agreed in support of this.

We would welcome proposals to supplement or match the available funding with other resources, although this will not be a condition of BEIS funding. Each local energy hub would be expected to work towards achieving financial sustainability after the initial period of central government funding, for example through ring fencing a percentage of capital investment or revenue from projects or contributions from the LEPs and local authorities served.

Our aim is for the local energy hubs to complement and build on existing activity, rather than duplicating or replacing other resources. It is not our intention for the local energy hubs to limit in any way your ability to work with others outside of your region on projects or matters of mutual interest. We would welcome your views on this.

Key decisions

A number of decisions need to be made as part of the design and delivery of this capacity support. In particular, we are keen to:

- Confirm which LEPs are included in each region
- Agree a host LEP or local authority for each hub

- Agree the number of people in each hub, job descriptions and required expertise
- Confirm the amount of funding for each hub
- Agree an outline work programme and way of working for the hubs
- Agree governance arrangements within each region and nationally

Process and next steps

I would like to take this opportunity to invite all LEPs across England to work with us to shape and implement these proposals over the coming months. If preferred, please feel free to nominate a lead local authority to engage in this process on behalf of your LEP area.

As a first step, I would be grateful if you could:

- Share and discuss these outline proposals with your local authority members
- Discuss these proposals with other LEPs in your region
- Consider how you and your local authority members might benefit from the capacity support outlined above and what specific support and expertise you would find most useful, bearing in mind the limitations on available budget and BEIS aims for the funding
- Consider what role you might be able to play in delivering this support, and whether your organisation would be willing and suitable to host one of the hubs

I would welcome your **feedback on the outline proposals by 7th October**. Please send your feedback to Helen Pearce (helen.pearce@beis.gov.uk; 0300 068 5350), who is leading this work on behalf of my team. If you have any questions on the proposals for capacity support, Helen will be happy to discuss them with you.

My team will collate all the feedback we receive in response to this letter and develop more detailed proposals. Our aim is to present and discuss these detailed proposals in a series of five regional workshops in the last week of October and the first week of November. We will be in touch to confirm dates and locations for these workshops as soon as possible.

I look forward to hearing from you.

Yours faithfully

Sam Kennedy

Deputy Director, Home and Local Energy, BEIS

Appendix 1

BEIS Local Energy programme

BEIS has allocated £1.6m for energy strategy development by LEPs, with the first tranche of 13 LEPs receiving a total of £600k in March 2017 and the remaining 25 LEPs in England offered funding totalling £1m in September 2017. One of the main outcomes of these energy strategies will be the identification of a pipeline of energy investment opportunities for each LEP area.

BEIS has also funded six other projects which will enhance the capability of LEPs and local authorities, including:

- Development of a carbon monitoring and reporting tool, led by Greater Manchester Combined Authority
- Development of a cost benefit analysis methodology to assess the economic case for local energy projects, led by Greater Manchester Combined Authority
- A review of health and fuel poverty schemes, led by Liverpool City Council, and development of good practice resources and tools, led by Cornwall County Council
- A review of progress with ERDF low carbon funding to date, and support for future delivery of the programme, led by Wolverhampton City Council
- National benchmarking of low carbon and energy activity by LEPs and city regions, led by Wolverhampton City Council

These projects are due to be completed by the end of March 2018. The outputs of these projects will be made available to all LEPs and local authorities in England and other relevant organisations.

An important aspect of the Local Energy programme is the facilitation of peer-to-peer collaboration and learning between LEPs and local authorities, and contact between local areas and central government on relevant issues. To this end, a Huddle space for online communication and co-working is being launched in September 2017.

The new £2.7m funding for capacity support is intended to complement this existing activity, by providing LEPs and local authorities with additional resources and expertise to undertake the initial stages of energy project development, up to a point where they are able to attract capital investment.

Appendix 2

LEPs areas suggested for inclusion in each hub

Local energy hub	LEP areas included	
North West	<ul style="list-style-type: none"> • Cheshire & Warrington • Cumbria • Lancashire 	<ul style="list-style-type: none"> • Greater Manchester • Liverpool City Region
Yorkshire, Humber and North East	<ul style="list-style-type: none"> • Humber • Leeds City Region / West Yorkshire Combined Authority • North East 	<ul style="list-style-type: none"> • Sheffield • Tees Valley • York, North Yorkshire and East Riding
Midlands	<ul style="list-style-type: none"> • Black Country • Coventry & Warwickshire • Derby, Derbyshire, Nottingham & Nottinghamshire (D2N2) • Greater Birmingham & Solihull • Greater Lincolnshire 	<ul style="list-style-type: none"> • Leicester & Leicestershire • The Marches • Stoke-on-Trent & Staffordshire • Worcestershire
South East	<ul style="list-style-type: none"> • Buckinghamshire • Thames Valley • Coast to Capital • Greater Cambridge & Greater Peterborough • Hertfordshire • London 	<ul style="list-style-type: none"> • New Anglia • Oxfordshire • South East • South East Midlands • Thames Valley Berkshire
South West	<ul style="list-style-type: none"> • Cornwall & the Isles of Scilly • Dorset • Enterprise M3 • Gloucestershire 	<ul style="list-style-type: none"> • Heart of the South West • Solent • Swindon & Wiltshire • West of England

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22nd December 2017

Greater South East Local Energy Hub

Dear Helen

Further to the Task and Finish Group's interim update email to you on the 30th November the Greater South East Hub Board has now met for the first time. It has come to a decision in regard to the preferred organisation to lead the Hub consortium and this is the Greater Cambridge Greater Peterborough LEP with its Accountable Body (Cambridgeshire County Council) fully supporting the role.

All four offers to lead the project completed a Project Lead Information Pro-forma to ensure that all 11 LEPs fully understood what was being offered. I have attached GCGP LEPs document for information. It details evidence of local expertise, track record, staffing and skills in place. It also shows the proposed governance and team structures and how they inter-relate. The governance arrangements proposed enable the Hub Board to plan Hub operations and project delivery with associated risk management. The Section 151 Officer from the Accountable Body will scrutinise and support the financial governance of the project with the Hub Board and GCGP LEPs Chief Executive Officer.

All 11 LEPs and some of the local authorities already engaged in local energy endeavours in the Greater South East area have worked as a team to scope, discuss and agree the basis on which we will work as an alliance of LEP areas. To this end all 11 LEPs and some local authorities at County and District/Borough level have offered to support the set up and subsequent operational delivery of the Hub with their collective expertise and knowledge in this and related areas. A discussion is currently live in respect of the 14 possible office space, hot desk and meetings space offers equally distributed across the geography (see Annex 1) for the dedicated team and Hub Board to utilise. GCGP LEP is engaged with each of these organisational offers to formalise arrangements in the New Year.

The Regional Director of the Hub would attend monthly meetings with the BEIS Local Energy team and other regional hub leads with an offer for a BEIS representative to attend Hub Board meetings.

The Hub Board's Terms of Reference has been drafted and this will be circulated to all 11 LEPs in the New Year for further discussion and evolution as necessary.

One aspect the Hub Board will be asked to consider the next time they meet is how intellectual property generated by the Hub is dealt with. At this stage the Task and Finish Group believe that our principal position is that the Hub would be keen to share with the other Hubs in a reciprocal manner. With the exception of data protection and commercially confidential information the intention is to share documents and data which may be of use to the other Hubs through a protected space such as the Huddle.

In respect of Key Performance Indicators (KPIs) the Hub Board would welcome sight of the standardised set so that they can be reviewed and more local KPIs be considered to complement them.

The Task and Finish Group, established by the Hub Board, has now completed its primary function and the intention is now to evolve it into a Hub Board Working Group with the hope that additional LEP and local authority representatives can be utilised to ensure full geographical representation and a holistic approach to the endeavour both in planning and inception. Once the Hub is set up from April 2018 it is expected that the Working Group will morph into the Hub's Operational Team.

If you have any questions please do not hesitate to contact us.

Yours sincerely

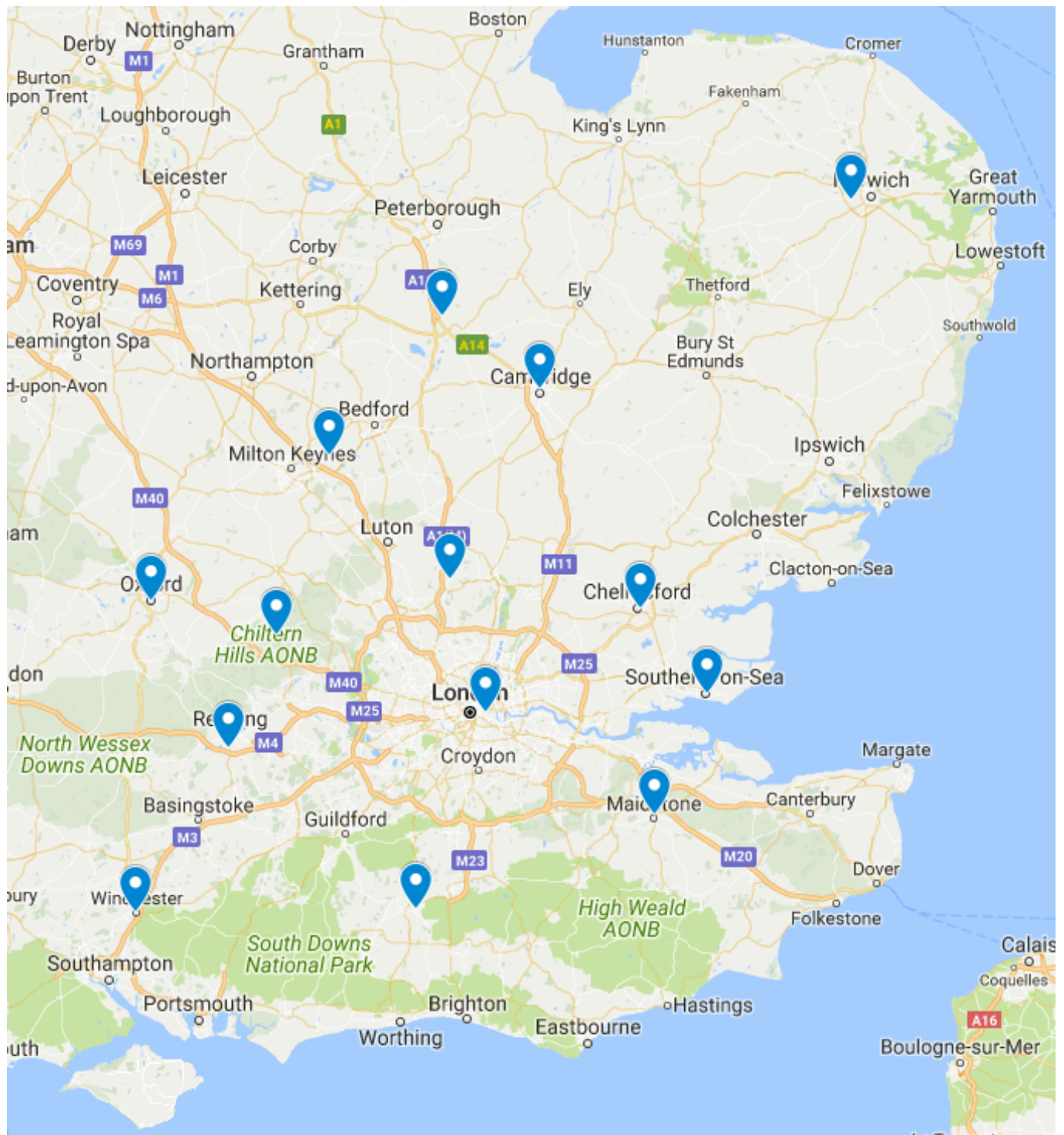


Paul Bourgeois – Head of Sustainability

On behalf of:

Berkshire Thames Valley LEP
Buckinghamshire Thames Valley LEP
Coast to Capital LEP
Enterprise M3 LEP
Greater Cambridge Greater Peterborough LEP
Hertfordshire LEP
London LEP
New Anglia LEP
Oxfordshire LEP
South East LEP
South East Midlands LEP

Annex 1 – Initial proposed distribution of Hub offices, hot desks and meetings spaces.



Annex 2 – Project Lead Information Pro-forma

Name of person completed this pro-forma: Paul Bourgeois

Project Lead organisation name: Greater Cambridge Greater Peterborough LEP

LEP area:

Cambridgeshire, Peterborough, Rutland plus five districts in Norfolk, Suffolk, Hertfordshire and Essex

Accountable Body name (if appropriate): Cambridgeshire County Council

Has the Section 151 Officer given approval: Yes

Address of the Project Lead organisation:

Unit 3, The Incubator, Alconbury Weald Enterprise Campus, Huntingdon, PE28 4WX

Principal contacts for Hub setup, finance and operational issues:

Paul Bourgeois (GCGP LEP) & Sheryl French (CCC)

SECTION 1: Finance

Please provide details of the operating cost model including:

Cost area	Charging model
Flat on-cost rate or equivalent	Overhead rate of 15% on gross salary per person irrespective of grade. This rate includes access to accommodation, finance, procurement, recruitment and HR support.
Pension contribution rate	5% employers pension contribution into a person stakeholder pension scheme.
Initial IT hardware provision costs	The capital costs for the laptops will be needed upfront and a budget of £4,500 has been allocated. The set up of the software and mobilisation of the equipment is included in the IT support cost detailed below.
On-going IT support costs including software licences	The on going IT support package is £1,260 per person per year.
Telecoms costs	A budget of £3,840 pa has been allocated for mobile phone contracts.

Printing and photocopying costs (if not including in the on-cost rate)	Photocopying is included in the overhead cost but a designated printing budget of £3,000 pa has been allocated.
Any other relevant costs that will be charged to the Hub	A legal budget has been allocated of £9,000 pa to cover aspects such as procurement, contracts and general advice. A marketing and promotions budget of £2,400 pa and a meetings budget of £2,400 have both been allocated within the overall budget. Also a cost of living increase for year two of 2% has been incorporated into the overall cost model.

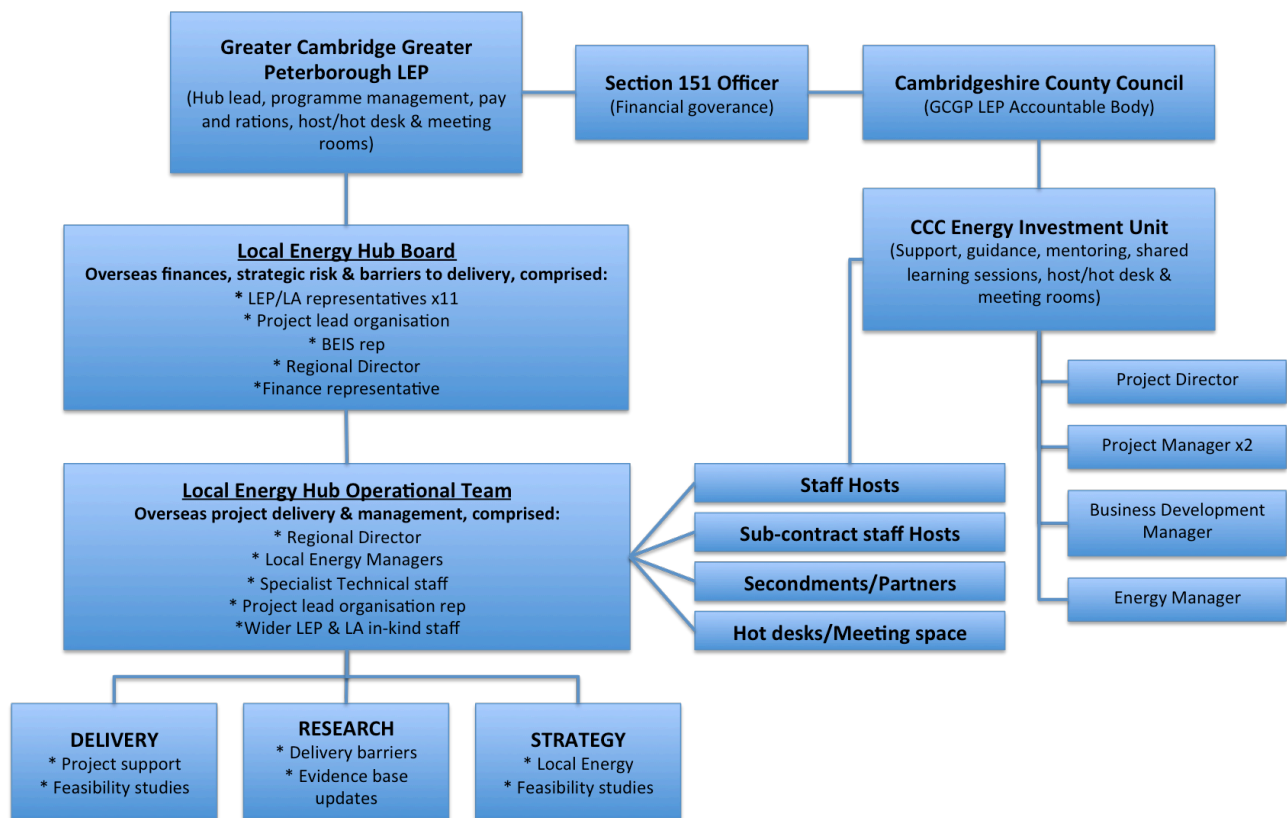
SECTION 2: Structure and Employment (max. 500 words)

Please provide:

- An explanation of where the Hub responsibility will reside within the organisation's structure;
- The name of the organisation's most senior person, with their designation, involved and approving the offer of Project Lead;
- What reporting lines will be put in place to support the Hub as an independently governed functioning unit;
- How could Hub staff be employed? e.g. Direct, permanent employees / Two-year contract employees / Seconded from another organisation / Sub-contractual arrangements with a 'Staff Host' organisation.

The Hubs principal responsibility will be with the Greater Cambridge Greater Peterborough Local Enterprise Partnership with Cambridgeshire County Council supplying financial governance of the grant via its Section 151 Officer Chris Malyon. Chris is the Deputy Chief Executive & Chief Finance Officer and Director for Strategy and Development, Department for Economy, Transport and the Environment at Cambridgeshire County Council and has been involved in creating this offer. Strategic support to the Hub will also come from the Energy Investment Unit based in Cambridgeshire County Council, led by the Director, Sheryl French, with the opportunity to hot desk and access meeting rooms at the central Cambridge offices.

The financial governance of the fund and delivery programme will be reported via the Cambridgeshire County Council's Section 151 Officer. The employment, pay and rations will be through the Greater Cambridge Greater Peterborough Local Enterprise Partnership via their Executive Director for Finance and Operations, Paul Sayles, with support from the Head of Sustainability, Paul Bourgeois. Support and guidance will be provided by the Energy Investment Unit at Cambridgeshire County Council which has the experience of delivering energy projects, including EU funded project, and is a self funding unit. The existing tri-LEP Local Energy East Project Delivery Group will also be utilised to support the Hub team and ensure wider connectivity. The LEE project also has on-going connections with other LEPs and LAs within the Greater South East and further afield.



The Hub staff would be employed on two year contracts and/or seconded from other organisations at the recommendation of the Hub Board. Subcontracting arrangements will be explored for those staff host organisations wishing their local team member to be more intergrated into their organisation. This will need to ensure that the salary and benefits are considered equitable to ensure parity across the Local Energy Hub team.

It is anticipated that the four Local Energy Managers would be aligned with small groups of LEPs to ensure geographical spread and connections to local expertise.

SECTION 3: Expertise (max. 500 words)

Please explain:

- The organisation's track record on local energy matters;
- Named individuals within the organisation who have knowledge and skills that can be used to support the Hub team;
- Any other relevant details.

GCGP LEP with its LEP neighbours New Anglia and Hertfordshire leads on the Local Energy East project, which covers a 34 local authority area within five counties. The project is creating a deep dive evidence base, stakeholder web-portal interface and will develop a Local Energy Investment and Delivery Strategy

with its 300 plus stakeholder group for the tri-LEP area. This group includes public, private, third sector and academic representation. The project work is fundamental for the prioritisation across the wider Greater South East area with the other LEP local energy evidence bases and strategies produced. The Project Delivery Group comprises 24 energy and infrastructure specialists including a Distribution Network Operator. This team of experts can be repurposed for the wider Hub interest and are keen to afford their expertise to it. The LEPs Head of Sustainability, who has over 20 years of energy sector experience including private company and Community Interest Company set up and Directorships, would lead the set-up of the Hub supported by LEP and CCC staff.

The Energy Investment Unit at Cambridgeshire County Council has a strong track record in terms of designing and delivering projects and is acutely aware of the key barriers to delivery. The Unit has delivered 40 school energy retrofits totalling over £8million, retrofits for corporate assets totalling nearly £1million with all the energy efficiency measures, secured Contracts for Difference for a 12 MW solar farm which cost £10 million. It is now operational delivering £1million revenue per annum. The Unit has a loan facility of £30million and has agreed investment criteria with the County Council that apply to project investments. The Unit is now working on a new delivery programme including a Smart Energy Grid on a park and ride with a new commercial model for buying and selling energy locally, a new smart housing scheme, battery storage and new smart lighting.

The Energy Investment Unit is self-financing. It has a 5-year business plan, which Cambridgeshire County Council supports through cash flow for the unit whilst income is grown. The intention is to build the team as projects are delivered over time moving to larger projects and scaling up investment. In addition the Unit will grow its support arrangements for local authorities entering the energy market now.

A high level budget plan has been constructed which allows for a Regional Director (£62k), Local Energy Manager – Deputy (£50k), three further Local Energy Managers (£45k), a Technical Data Analyst (£35k), Technical Finance Specialist (£30k) and a Technical Support Administrator (£25k). There is also a £200,000 consultancy budget over the two years to enable a framework of technical engineers to assist with feasibility studies and project design. A modest £10,000 per year contingency budget has also been allocated. The total cost of the proposal will not exceed the budget of £1.29m over two years.

SECTION 4: Connectivity (max. 500 words)

Please detail:

- What internal and external communication methods will be employed to ensure the Hub is fully supported by the organisation and it's activities promoted across the Hub geography;
- If there are any specific people within the organisation who will be utilised to support holistic connectivity please explain.

GCGP LEP utilises a wide range of physical and electronic communication methods, which have been utilised to ensure the Local Energy East project has been successful in reaching a wide group of

stakeholders and continuously involves them as the project delivery progresses and evolves. The Head of Communications and Connectivity at the LEP is well versed in the LEE project and has been briefed about the Hub lead potential in order to offer advice during its set up as well as operation. The Marketing and Events Executive would also be utilised within the existing overheads cost rate. The LEP is used to managing and supporting home based workers and staff who infrequently visit the office. The LEP currently uses Dropbox Business as a modern work space solution but other project based systems will be considered such as Basecamp to provide holistic support to a geographically spread team.

Both the LEP and Cambridgeshire County Council have teleconferencing facilities such as Skype for business supplied via laptop for online meetings. There are video conferencing facilities available at County Council main offices that can be booked. The LEP also has video and telephone conference facilities. The LEPs IT support contractor is equally au fait with supporting remotely located staff should any update or IT issues arise.

SECTION 5: Post project sustainability (max. 500 words)

Please suggest any opportunities that you or your organisation believe could be created or utilised to ensure that the Hub becomes a viable, self financing team after the BEIS funding period of two years.

GCGP LEP through the Local Energy East project has already instigated succession planning, which before the Hub proposition was offered, was to be initiated to ensure that the investment and delivery of local energy infrastructure could be managed post BEIS funding. Alliances with third sector organisations and academic institutions have been set up allow specific expertise and match funding opportunities to be considered, applied for and secured. There are easily scalable for the Greater South East area and the models used lend themselves to similar organisations becoming involved from the wider area. Ultimately the LEE project's ambition is to set a special purpose vehicle or Multi Utility Service Company which would attract multi-million investment and derive a rate a return with which to financially sustain a Hub.

Cambridgeshire County Council already has experience growing and supporting its own energy investment unit. This experience will be helpful supporting the Local Energy Hub to become viable and there are option including merging the Local Energy Hub with the Energy Investment Unit at Cambridgeshire County Council or setting up arrangements with the Local Carbon Hub in Oxford or other mechanisms across the area. It will be important to ensure that a cohort of knowledgeable and experienced energy professionals can be retained post the two-year grant intervention to achieve the transformational change in delivery required.

The ambition is that a succession strategy for the post-project funding period would be a standing agenda item for the Hub Board so that financial and operational viability are considered from day one. As a succession back up plan both GCGP LEP and CCC would actively identify posts internally should some or all of the Hub staff not be sustainable after the two-year period. This would include all organisations allied to these two offering the maximum opportunity for Hub staff to be employed in this sector of work should they so wish.

AGENDA ITEM No: 5.1

Appendix 3 – High level Hub financial model

Cost centre	Sub-totals	Salary	On-costs	IT support	NI ers	Pension ers	Travel
Regional Director	90,156	62,000	7,440	1,260	8,556	3,100	7,800
Local Energy Manager 1 (Deputy)	74,460	50,000	6,000	1,260	6,900	2,500	7,800
Local Energy Manager 2	67,920	45,000	5,400	1,260	6,210	2,250	7,800
Local Energy Manager 3	67,920	45,000	5,400	1,260	6,210	2,250	7,800
Local Energy Manager 4	67,920	45,000	5,400	1,260	6,210	2,250	7,800
Technical Specialist (Data Analyst)	48,840	35,000	4,200	1,260	4,830	1,750	1,800
Technical Specialist (Finance)	42,300	30,000	3,600	1,260	4,140	1,500	1,800
Technical Support (Administrator)	35,760	25,000	3,000	1,260	3,450	1,250	1,800
Staff total	495,276						
Cost centre	Fixed		Grand total per annum (staff and fixed costs)				638,166
Consultancy budget pa	110,000		Grand total over two years (incl 2% cost of living)				1,289,095
Legal budget pa	9,000		BEIS grant budget				1,290,000
Printing budget pa	3,000						
Marketing & Promotion budget pa	2,400						
Meeting budget pa	2,400						
IT budget pa	2,250						
Telecoms pa	3,840						
Contingency pa	10,000						
Fixed costs total	142,890						