

## **CAMBRIDGESHIRE & PETERBOROUGH COMBINED AUTHORITY**

**Wednesday, 26 July 2017**

**10:00a.m. – 12:30p.m.**

**Cambridgeshire County Council, Shire Hall, Cambridge CB3 0AP**

### **AGENDA**

**Open to Public and Press**

<b>Number</b>	<b>Agenda Item</b>	<b>Mayor/ Lead Member/ Chief Officer</b>	<b>Papers</b>	<b>Pages</b>
	<b>Part 1 – Governance items</b>			
1.1	Apologies and Declarations of Interests	Mayor	oral	-
1.2	Minutes – 28 June 2017	Mayor	yes	5-17
1.3	Petitions	Mayor	None	-
1.4	Public Questions	Mayor	None	-
1.5	Amendment to membership of the Overview and Scrutiny Committee	Mayor	yes	18-20
1.6	Community Representative to the Combined Authority Board	Mayor	yes	21-27

1.7	Officer and support structure	Head of Paid Service (Chief Executive)	yes	28-34
1.8	Forward Plan	Mayor	yes	To follow
	<b>Part 2 – Key Decisions &amp; Other Policy Reports</b>			
2.1	Development of a Centre for Skills and Apprenticeships	Cllr Clark Portfolio Holder for Employment and Skills	yes	35-44
2.2	Career and Progression Innovation Pilot	Cllr Clark Portfolio Holder for Employment and Skills	yes	45-55
2.3	Strategic Transport Development across the Area's Key Growth Corridors : Rapid, Mass Transport and strategy Options Appraisal	Cllr Roberts Portfolio Holder for Transport and Infrastructure	yes	56-68
2.4	Future Local Transport Plan	Cllr Roberts Portfolio Holder for Transport and Infrastructure	yes	69-74
2.5	Housing Investment Fund Programme: Quick wins  <i>Appendix 1 of this report is confidential. If members wish to discuss this appendix, it will be necessary to exclude the press and public as detailed in part 5 below.</i>	Cllr Topping Portfolio Holder for New Homes and Communities	yes	75-91

2.6	Housing Strategy	Cllr Topping Portfolio Holder for New Homes and Communities	yes	92-117
2.7	Investment Strategy and Fund	Cllr Count Portfolio Holder for Fiscal Strategy	yes	118-124
2.8	The Non-Statutory Spatial Plan for Cambridgeshire and Peterborough	Cllr Herbert Portfolio Holder for Spatial Plan	yes	125-130
	<b>Part 3 - Financial management &amp; Audit</b>			
3.1	Budget update	Cllr Count Portfolio Holder for Fiscal Strategy	yes	131-140
	<b>Part 4 – Urgent Items</b>			
4.1	Any urgent item which the Chair decides is urgent:  Any urgent items will be published under a supplementary agenda prior to the meeting	Mayor	-	-
	<b>Part 5 - Exclusion of Press and Public</b>			
5.1	That the press and public be excluded from the meeting during the consideration of the following report on the grounds that it is likely to involve the disclosure of exempt information under paragraph 3 of Part 1 Schedule 12 A of the Local	Mayor	-	-

	Government Act 1972 and that it would not be in the public interest for the information to be disclosed (information relating to the financial or business affairs of any particular person (including the authority holding that information)).			
	<b>Part 6 – Date of next meeting</b>			
6.1	Date: Wednesday 27 September at 10.00 am  Venue- Cambridge City Council, The Guildhall, Market Hill, Cambridge CB2 3QJ	Mayor	oral	-

The Combined Authority currently comprises the following members:

Mayor: J Palmer

Councillors: J Clark, S Count, L Herbert, J Holdich, R Howe, C Roberts and P Topping  
LEP Chairman M Reeve

Substitute members: Councillors A Bailey, D Brown, W Fitzgerald, R Hickford, K Price, W Sutton & N Wright; LEP substitute member to be confirmed

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 Monitoring Officer no later than 12.00 noon three working days before 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](mailto:michelle.rowe@cambridgeshire.gov.uk)



**Agenda Item No.1.2**

**CAMBRIDGESHIRE & PETERBOROUGH COMBINED AUTHORITY: MINUTES**

**Date:** Wednesday, 28th June 2017

**Time:** 10.00am-11.25am

**Present:** J Palmer (Mayor)

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

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

**PART 1: GOVERNANCE ITEMS**

**44. APOLOGIES AND DECLARATIONS OF INTERESTS**

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

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

**45. MINUTES – 31ST MAY 2017**

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

**46. PETITIONS**

No petitions were received.

**47. PUBLIC QUESTIONS**

No public questions were received.

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

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

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

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

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

It was resolved unanimously to:

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

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

#### **49. APPOINTMENT OF CHIEF EXECUTIVE**

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

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

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

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

It was resolved unanimously to:

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

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

## **50. ARRANGEMENTS FOR APPOINTMENT OF STATUTORY OFFICERS**

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

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

In discussing the arrangements the Board:

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

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

It was resolved unanimously to:

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

## **51. FORWARD PLAN**

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

<https://cmis.cambridgeshire.gov.uk/ccclive/Documents/PublicDocuments.aspx>)

It was resolved unanimously to:

approve the Forward Plan of Executive Decisions.

## **PART 2: KEY DECISIONS AND POLICY**

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

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

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

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



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

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

It was resolved unanimously to:

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

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

### **53. INTERIM LOCAL TRANSPORT PLAN**

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

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

The following comments were offered in discussion of the report:

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

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

It was resolved unanimously to:

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

#### **54. STRATEGIC TRANSPORT INFRASTRUCTURE SCHEMES**

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

The following comments were offered in discussion of the report:

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

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

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

It was resolved unanimously to:

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

## **55. AN INDEPENDENT ECONOMIC COMMISSION**

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

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

The following comments were offered in discussion of the report:

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

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

It was resolved unanimously to:

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

## **PART 3: DECISIONS**

### **56. NATIONAL PRODUCTIVITY INVESTMENT FUND**

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

The following points were raised in discussion of the report:

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

It was resolved unanimously to:

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

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

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

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

The following comments were offered in discussion of the report:

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

It was resolved unanimously to:

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

## **PART 4: FINANCIAL MANAGEMENT AND AUDIT**

### **58. BUDGET UPDATE**

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

The following comments were offered in discussion of the report:

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

It was resolved unanimously to:

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



## **PART 5: DATE OF NEXT MEETING**

### **59. DATE OF NEXT MEETING**

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

(Mayor)



<b>CAMBRIDGESHIRE AND PETERBOROUGH COMBINED AUTHORITY BOARD</b>	<b>AGENDA ITEM No: 1.5</b>
<b>26 JULY 2017</b>	<b>PUBLIC REPORT</b>

## **AMENDMENT TO MEMBERSHIP OF THE OVERVIEW AND SCRUTINY COMMITTEE**

### **1.0 PURPOSE**

- 1.1 The purpose of this report is to approve amendments to the membership of the Overview and Scrutiny Committee, following recent resignations notified by Fenland District Council and Cambridgeshire County Council.

<b><u>DECISION REQUIRED</u></b>	
<b>Lead Member:</b>	<b>Mayor</b>
<b>Lead Officer:</b>	<b>Martin Whiteley, Chief Executive</b>
<b>Forward Plan Ref:</b> N/A	<b>Key Decision: No</b>
<p>The Combined Authority Board is recommended to approve the following amendments to the Overview and Scrutiny Committee for the municipal year 2017/2018:</p> <p>(a) Appoint Councillor David Mason as a Member and Councillor Maureen Davis as substitute member;</p> <p>(b) Appoint Councillor Jan French as a Member;</p> <p>(c) That the Monitoring Officer be given delegated authority to accept future 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, and to amend the constitution accordingly.</p>	<p>Voting arrangements</p> <p>(a) &amp; (b) Simple majority of the Members, including the LEP</p> <p>(c) Two thirds of members present and voting including the LEP</p>

## **2.0 BACKGROUND**

- 2.1 At the annual meeting, the Board agreed the membership of Overview and Scrutiny Committee following the receipt of nominations from constituent councils.
- 2.2 Fenland District Council has advised that Councillor Mark Buckton has resigned from the Overview and Scrutiny Committee. The Council have proposed that Councillor David Mason should be appointed to the committee and Councillor Maureen Davis should be appointed as substitute member.
- 2.4 Cambridgeshire County Council has advised that Councillor Peter Hudson has resigned from the Overview and Scrutiny Committee. The Council have proposed that Councillor Jan French should be appointed to the committee.
- 2.5 The revised membership is listed in Appendix 1 for the municipal year 2017/18
- 2.6 It is also recommended that the Monitoring Officer be given delegated authority to accept changes to membership notified by constituent councils during the municipal year to ensure there is a full complement of members or substitute members at committee meetings, representing all constituent councils and to ensure these meetings are quorate.

## **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.

## **4.0 LEGAL IMPLICATIONS**

- 4.1 These are dealt with in the report.

## **5.0 EQUALITIES IMPLICATION**

- 5.1 N/A

## **6.0 APPENDICES**

Appendix 1 – Current Membership of the Overview and Scrutiny Committee

<b><u>Source Documents</u></b>	<b><u>Location</u></b>
Various council reports of each of the constituent councils	Constituent council websites

## Agenda item 1.5

### Appendix 1

#### Combined Authority Overview and Scrutiny Committee

Council	Member	Substitute
Huntingdonshire District Council	Councillor Robin Carter (Cons) Councillor Terry Hayward (Ind)	Councillor Peter Bucknell (Cons) Councillor Dick Tuplin (Ind))
East Cambridgeshire District Council	Councillors Mike Bradley (Cons) Councillor Alan Sharp (Cons)	Councillor Julia Huffer (Cons) Councillor Chris Morris (Cons)
South Cambridgeshire District Council	Councillor Alex Riley (Cons) Councillor John Batchelor (LD)	Councillor Grenville Chamberlain (Cons) Councillor Philippa Hart (LD)
Fenland District Council	Councillor Fred Yeulett (Cons) <del>Councillor Mark Buckton (Cons)</del> <b><u>Councillor David Mason (Cons)</u></b>	<del>Councillor David Mason (Cons)</del> <b><u>Councillor Maureen Davis</u></b>
Cambridge City Council	Councillor Dave Baigent (Lab) Councillor Rod Cantrill (LD)	Councillor Mike Sargeant (Lab) Councillor Ysanne Austin (LD)
Cambridgeshire County Council	<del>Councillor Hudson (Cons)</del> <b><u>Councillor Jan French (Cons)</u></b> Councillor Nethsingham (LD)	Councillor Harford (Cons) Councillor Jenkins (LD)
Peterborough City Council	Councillor David Over (Cons) Councillor Ed Murphy (Lab)	Councillor Bisby (Cons) Councillor Jamil (Lab)



<b>CAMBRIDGESHIRE AND PETERBOROUGH COMBINED AUTHORITY BOARD</b>	<b>AGENDA ITEM No: 1.6</b>
<b>26 JULY 2017</b>	<b>PUBLIC REPORT</b>

## **COMMUNITY REPRESENTATIVE TO THE COMBINED AUTHORITY BOARD**

### **1.0 PURPOSE**

- 1.1 The purpose of this report is to consider a proposal to create a non-voting co-opted community representative on the Board.
- 1.2 The Board wants to encourage applications from female candidates, ethnic minorities or those with a disability as they are under represented on the Board.

<b><u>DECISION REQUIRED</u></b>	
<b>Lead Member:</b>	<b>Mayor</b>
<b>Lead Officer:</b>	<b>Martin Whiteley, Chief Executive</b>
<b>Forward Plan Ref:</b>	<b>N/A Key Decision: No</b>
The Combined Authority Board is recommended to approve:  (a) the creation of a non-voting co-opted position of community representative on the Board as detailed in the report and Appendix 1;  (b) that an allowance of £1500 be agreed for this position.	Voting arrangements  At least two-thirds of all Members (or their Substitute Members) including the LEP

### **2.0 BACKGROUND**

- 2.1 The Board currently has three non-voting co-opted member organisations. The co-opted Members appointed to the Board include:
- (a) The Police and Crime Commissioner for Cambridgeshire;

- (b) Cambridgeshire and Peterborough Fire Authority representative;
- (c) Clinical Commissioning Group representative.

- 2.2 There is currently no appointed community representative and the Board's membership is under represented by certain sections of its population. It is recommended that the position of a co-opted representative of community organisations is created to introduce diversity to the membership of the Combined Authority Board.
- 2.3 There is no role profile for co-opted members on the Board, however the role profile for the independent person on the Audit and Governance Committee and this has been used to develop the suggested role of the 'Co-opted Member for Communities'. See Appendix 1.

### **Allowance**

- 2.4 As the current co-opted members represent public bodies and either receive a salary or an allowance from their participating bodies, there is no provision for an allowance. However, this is unlikely to be the case for community groups. The Board may therefore wish to allocate an allowance to this position.
- 2.5 The independent person of the Audit and Governance Committee (without Chair responsibility) is £920 per annum and assumes attendance of approximately 6 meetings a year. This role would require a greater time commitment. It is recommended that an allowance of £1500 is offered.

### **Recruitment process**

- 2.6 It is suggested that the position be advertised on the Combined Authority's website, along with the website of each constituent authority, and publicised by way of press releases across the Combined Authority's area. Constituent Councils will also be asked to bring the advertisement to the attention of parish councils and resident and community groups in their area.
- 2.7 The interview panel will consist of the Mayor of Combined Authority or his nominee on the Board, Chief Executive and Monitoring Officer, and a recommended candidate will be reported to a future meeting of the Board.
- 2.8 To assist in the recruitment, a draft role profile is attached at Appendix 1 setting out the proposed responsibilities and duties. This can be further refined prior to advertising the role to take account of comments.

## **3.0 FINANCIAL IMPLICATIONS**

- 3.1 An allowance is recommended for this position in view of the time commitment.

#### **4.0 LEGAL IMPLICATION**

##### **4.1** The constitution currently states (relevant paragraphs extracted):

*“The Combined Authority may invite organisations with direct responsibility for functions relevant to the Combined Authority objectives to become Co-opted Members to attend the Combined Authority Board and may take part in the debate.*

*Co-opted Members (non-voting) invited to attend who shall be present to contribute on issues related to the organisation they represent.*

*Co-opted Member status confers no legal status and no entitlement to vote and is an informal arrangement to promote a strategic approach to joint working in the development of significant policy issues.*

*A co-opted member organisation shall be represented at meetings of the Combined Authority Board by a named representative or a named Substitute. Notice of the names of the Co-opted Members’ representative or Substitute must be provided to the Monitoring Officer by the Co-opted Member organisation at least five working days prior to attendance at any meeting of the Board*

*Such representative or substitute may participate in the debate on issues relevant to their organisation and must comply with the terms of the Constitution as they relate to debate, but they will not have entitlement to vote on any issue or agenda item.”*

##### **4.2** The Equality Act 2010 permits positive action to be taken to help under represented groups to gain access to employment or training. So whilst direct positive discrimination is unlawful, where applicants perform equally well, preference can be given to an individual on the grounds of gender, race disability or other protected characteristics to promote diversity.

#### **5.0 EQUALITIES IMPLICATION**

##### **5.1** Inviting applications from women and other under represented groups on the Combined Authority will assist to provide greater diversity on the Board.

#### **6.0 APPENDICES**

Appendix 1 – Draft role profile

Appendix 2 – Advertisement

<b><u>Source Documents</u></b>	<b><u>Location</u></b>
None	

## **Appendix 1**

### **ROLE PROFILE – CO-OPTED MEMBER FOR COMMUNITIES ON THE BOARD OF CAMBRIDGESHIRE AND PETERBOROUGH COMBINED AUTHORITY**

#### **Responsibilities**

1. Act as an independent co-opted member of the Cambridgeshire and Peterborough Combined Authority Board.
2. Assist the Board in achieving its functions as set out in the constitution in relation to transport, economic development and regeneration and in particular to:
  - (a) Contribute to the development of policies and schemes
  - (b) Add value to the Board's decision making by bringing a different perspective to its work;
  - (c) Bring specialist knowledge and/or skills to the work of the board process and to bring an element of external challenge by representing the community.
3. Foster good working relationships and communication among all Board Members, and employees of the Combined Authority and between the Board and its committees.
4. To act as a voice for those who live and/or work in the Combined Authority.
5. To abide by the relevant sections of the Constitution in terms of the rules and procedures for the Board and the member code of conduct.

#### **Duties**

1. Attend all formal meetings of the Board including any committees or panels you are assigned to and any additional meetings, as required
2. Prepare for each meeting by reading the agenda papers and additional information to familiarise yourself with issues to be covered during the meeting. Prior to the meeting consider the questions you may wish to put to any attendees.
3. At the meetings you will need to listen carefully, ask questions in a way which is non judgemental, respect confidentiality and help to fulfil the role of the Board
4. Attend training and development events as needed
5. Keep abreast of the key issues in relation to the responsibilities of the Combined Authority and matters within the terms of reference of the Board.
6. Contribute to achieving an open, accountable and transparent decision making process



7. Uphold the Cambridgeshire and Peterborough Combined Authority's constitution in respect of meetings of the Board.

### **Person Specification**

Candidates will be assessed against the following knowledge/experience, competencies and personal qualities.

1. The candidate must be a member of a resident, community organisation or parish council operating in the Cambridgeshire and Peterborough Combined Authority area.
2. Applications would be particularly welcome from female candidates.

### ***Knowledge and Experience***

3. Knowledge and experience of strategic decision making.
4. Knowledge and experience representing the community.
5. Held a decision making role in some previous (not necessarily management) employment.
6. Experience gained working in or within a private, or public sector organisation or serving on a Committee or Board

### ***Competencies:***

7. **The ability to think strategically:** To have breadth of vision, to rise above detail, and to see problems and issues from a wider, forward-looking perspective and to make appropriate linkages
8. **The ability to make good judgements:** To take a balanced, open-minded and objective approach.
9. **The ability to challenge:** To be able to rigorously scrutinise and challenge constructively without becoming confrontational, using appropriate data, evidence and resources
10. **The ability to be analytical:** To interpret and question complex written material, including financial and statistical information and other data such as performance measures and identify the salient points
11. **The ability to communicate effectively:** To be able to communicate effectively both verbally and in writing and to interact positively with other members of the Committee, the Combined Authority and the public

### **Personal Qualities:**

12. **Team working:** The ability to play an effective role in meetings through listening, persuading and showing respect for the views of others
13. **Self-confidence:** The skill to challenge accepted views constructively without becoming confrontational
14. **Enthusiasm and drive:** The ability to be proactive in seeking out learning and developmental opportunities to enhance knowledge and understanding (for example, on financial matters and statutory requirements)
15. **Respect for others:** The capacity to treat all people fairly and with respect, to value diversity and respond sensitively to difference
16. **Integrity:** The necessity to embrace high standards of conduct and ethics and be committed to upholding human rights and equality of opportunity for all

### **Other Requirements and Considerations:**

17. Candidates must be able to attend meetings at varying locations throughout the Cambridgeshire and Peterborough area
18. Candidates should have the time, energy and commitment to prepare for and attend regular meetings. We suggest that they would need to allocate around one day per month to devote to this role
19. Candidates should have a willingness to learn
20. Candidates must be eligible for the role (*see below*)

### **Disqualifications**

You cannot be considered for appointment if you:

- (a) Are under 18 years of age
- (b) Are, or was at any time during the last 2 years, a member, co-opted member or officer of the authority or the constituent councils;
- (c) are a relative, or close friend, of a person within paragraph (b);

**Term of Office:** The co-opted member will serve a term of four years until 2021, which may be renewed up to a maximum of one further terms (i.e. total maximum 8 years).

**Allowance:** The appointed person will receive £1500 per annum

## Advertisement

# Cambridgeshire & Peterborough Combined Authority

## Co-opted Member for Communities on the Combined Authority Board

Cambridgeshire and Peterborough is a world leader in science and technology, with unparalleled levels of cutting edge research, growth businesses and highly skilled jobs.

Through a process known as 'devolution', councils across Cambridgeshire and Peterborough now have powers to directly control what happens in our area.

The newly established Cambridgeshire and Peterborough Combined Authority is looking for a Co-opted Member for Communities to serve on its Board.

The Board is responsible for strategic level decision making working on the strategic issues that cross council borders and span the entire Cambridgeshire and Peterborough area, like housing, travel and infrastructure needs.

You should be a member of a resident or community group or parish council and have experience of operating at a strategic level. Applications would be particularly welcome from women who live in the combined authority area.

For this position, you should be able to demonstrate the ability to think strategically, analyse information and to question effectively, have effective interpersonal skills, and have high standards of personal integrity.

The role will also enable you to gain an insight into how the Combined Authority operates.

For this role, the Combined Authority offers an allowance of £1500 per annum. The Board meets monthly in the day. Occasional meetings may be held outside this cycle and there will be some reading required, particularly in the lead up to meetings.

For more information on this role, please email xxxxxxxxxxxxxxxx or call Tel xxxxxxxxxxxxxxxx

### Applying

To apply for this role, please read the full role description and person specification, and send your CV or written application detailing how you meet the criteria.



**CAMBRIDGESHIRE  
& PETERBOROUGH**  
COMBINED AUTHORITY

<b>CAMBRIDGESHIRE AND PETERBOROUGH COMBINED AUTHORITY BOARD</b>	<b>AGENDA ITEM No: 1.7</b>
<b>26 JULY 2017</b>	<b>PUBLIC REPORT</b>

## OFFICER AND SUPPORT STRUCTURE

### 1.0 PURPOSE

- 1.1 The Combined Authority exists to enable economic growth and deliver public service reform. In the next twenty years, it is expected to support the growth of the local economy by over £20bn, oversee the delivery of 100,000 new homes, 70,000 new jobs and a world class public transport system. Furthermore it is tasked with designing and implementing a real transformation in end to end public service delivery. The Combined Authority is responsible for managing a significant investment fund, from the first devolution deal, of more than £1bn, making sound investment decisions and ensuring that programmes are delivered on time and on budget. It has always been intended that the Combined Authority will be small and strategic in its operation, and that it will commission the delivery of its programmes.
- 1.2 To achieve its objectives, the Combined Authority requires an appropriate staffing structure. The purpose of this report is to:
- (a) Consider the proposed officer structure for the Combined Authority
  - (b) Consider arrangements for the provision of support services for the Authority

<b><u>DECISION REQUIRED</u></b>	
<b>Lead Member:</b>	<b>N/A</b>
<b>Lead Officer:</b>	<b>Martin Whiteley, Chief Executive</b>
<b>Forward Plan Ref:</b>	<b>Not applicable</b>
The Combined Authority Board is requested to:  (a) Approve proposals in respect of the officer structure as set out in this report	<b>Key Decision: No</b> Voting arrangements
	Simple majority of the Members of Constituent

(b) Confirm the arrangements for the provision of support services	Councils and the LEP
--	----------------------

## 2.0 BACKGROUND

- 2.1 It is a legal requirement under the Local Government and Housing Act 1989 that the Chief Executive in his capacity as Head of Paid Service prepares a report setting out certain matters relating to staffing. This includes
- the manner in which the different functions of the authority is co-ordinated;
  - the number and grades of staff required by the authority for the discharge of their functions; and
  - the organisation of the authority's staff.
- 2.2 At its meeting on 28th June 2017 the Combined Authority agreed the establishment and appointment of the following statutory officer roles:
- Legal Counsel (Monitoring Officer) – providing legal advice on the propriety and contract management arrangements appropriate to a £1bn investment programme
  - Finance and Commercial Director (S151 Officer) – responsible for the fiscal strategy for Cambridgeshire and Peterborough including securing substantial investment into the area, and the development of robust business cases to support investment decisions
- 2.3 This report sets out the requirements for a number of key posts to lead on key aspects of the Combined Authority's work programme. The principles underpinning the proposed officer structure are as follows:
- The Authority will have a small officer establishment who will provide policy advice and oversee the development of the core strategies of the Combined Authority area
  - The same officer group will commission and manage projects, programmes and delivery by external providers, and provide the Combined Authority with independent assurance that its investments are being managed efficiently and effectively
  - The Authority will have mixed economy of secondments, direct employment and commissioned services
  - Support services will where appropriate be provided from within constituent bodies
  - The Authority will actively seek to join up activities and functions across the public sector including the Local Authority network, the Greater Cambridge Partnership, and the Local Enterprise Partnership

### 3.0 Proposals

#### Director Roles

3.1 It is proposed that three directors are established to lead the following priority programmes:

- **Housing** – overseeing the development and delivery of a housing strategy for Cambridgeshire and Peterborough; taking lead responsibility for commissioning the programmes that will deliver 100,000 new homes, of which approximately 40,000 will be affordable; developing and implementing initiatives that intervene in the housing system to either accelerate delivery and/or meet specific housing requirements such as housing that enables people to live independently;
- **Skills** – lead responsibility for design and implementation of a new whole system skills system; securing additional powers and resources from central government; joining up a fragmented local delivery model; providing the Combined Authority with assurance about the investment made in the University of Peterborough; and developing a skills strategy for the area;
- **Transport and Infrastructure** – accountable for the development of a future local transport plan for Cambridgeshire and Peterborough – a transport strategy; management of a pipeline of strategic transport and infrastructure programmes; and for overseeing the implementation of a world class public transport scheme, including ambitious plans for Cambridge and Peterborough cities and linkages to market towns and rural communities.

#### Assistant Director

3.2 The Chief Executive will take the lead on the shaping the development of the area's **Economic strategic and the Spatial planning**. This provides overall leadership and ensures that the Director functions are co-ordinated and grounded in an overall strategy and plan for Cambridgeshire and Peterborough. To support this activity a principal officer role of Assistant Director is proposed. This post will be responsible for co-ordinating economic and social evidence gathering, the provision of strategic economic advice to inform decision making; and the Non Statutory Spatial Plan that enables the Combined Authority to reflect spatially across Cambridgeshire and Peterborough its vision, objectives, and growth and investment priorities.

#### Programme Management Office

3.3 In order to support the delivery of the principle functions of the Combined Authority and provide independent assurance about the delivery of major investments a Programme Management Office is required with three Programme Managers. The Programme managers will work flexibly to support Housing, Skills and Transport and Infrastructure programmes.

### Support to Statutory Officers

- 3.4 In addition to the Finance and Commercial Director (S151 Officer) and Legal Counsel (Monitoring Officer) it is proposed that the following posts are established to support these officers:

#### Commissioning and contracts solicitor

- 3.5 This post will be responsible for advising on procurement, joint ventures, company law, contracts and other forms of agreement, contract performance measures and TUPE.

#### Legal officer (trainee)

- 3.6 The post will be primarily responsible for research and advice, exemption notices, decision notices and other practical measures associated with contract management. It is expected that the post will be filled by a trainee lawyer, it will be offered as an apprenticeship and will be career graded.

#### Finance Manager

- 3.7 The Finance manager will be primarily responsible for the management and monitoring of the operating budget for the Authority. The Finance Manager will also support the Financial and Commercial Director will be responsible for the commercial aspects of the Authority's work and this role, will, in addition to supporting the s151 officer will ensure that the operating budget which in effect funds the running of CAPCA is well managed.

#### Finance Officer (trainee)

- 3.8 This will be offered as an apprenticeship and will be career graded. The post will be responsible for supporting staff in day to day budget management, preparing purchase orders, and assisting with contract support.

#### Communication Manager

- 3.9 The Combined Authority's programme will attract a substantial level of interest from residents, businesses, Members of Parliament, public sector partners and media. It will be important that the Authority continues to develop and execute forward plans for engagement, consultation, briefings and presentations. A Communication Manager is required to shape and deliver communication programmes. This role will work closely with the post of the Mayor's political assistant described below.

### Executive and Administrative Support

- 3.10 There is also a requirement for Executive and Administrative support for the Combined Authority. To enable a senior team of officers to work efficiently and effectively will need an Executive Officer and two Personal Assistants. This team will provide research and briefing, and manage and run the day to

day operation of the Authority.

### Support Services

- 3.11 In line with the stated aim of having a lean staffing structure support services will be commissioned from constituent bodies. Those already commissioned and in place are as follows:

- Democratic Services - East Cambs District Council
- HR & Payroll - Peterborough City Council
- ICT - Huntingdonshire District Council

These services will be provided to the Combined Authority through a service level agreement.

### Pay & Remuneration

- 3.12 Formal job evaluations have yet to be carried out in respect of these roles but the salary levels are anticipated to be in the region of:

- Directors, Finance and Commercial Director & Legal Counsel - £105 - £128k pa
- Principal Officer – Economic Strategy and Spatial Planning - £50 - £55k pa
- Programme Managers - £55 - £67k pa
- Contract Solicitor & Finance Manager - £45 - £50k pa
- Legal officer & Finance Officer (Trainees) - £25 - £30k pa
- Executive Support Role - £30-£35k pa
- Communications Manager - £37 - £50k pa
- Personal Assistants - £20 - £25k pa

### Mayoral Office

- 3.13 The Mayor's office is subject to a separate budget consideration from the Combined Authority. The Mayor has considered the requirements of his office in conjunction with the Chief Executive and determined that there should be a small office of support made up of two posts. These are:

- Political Assistant - £34,986pa (as set by law); and
- Private Secretary - £25 - £30k

## **4.0 FINANCIAL IMPLICATIONS**

- 4.1 The indicative costs for the roles set out in this paper for the Combined Authority including on costs is £1,817.5k pa in a full year of operation. The additional funding required for approval to fully resource these posts is £946.5k on top of the existing budgetary provision. For the financial year 2017/18 the indicative costs for these roles will be £1,185.9k, an increase of £354.9k on the existing approved budget. The request for increased



budgetary provision for 2017/18 is lower than for 2018/19 and future years, because the new roles will only be filled part way through this financial year

- 4.2 An organisation chart setting out the structure is contained in Appendix A.

## **5.0 LEGAL IMPLICATIONS**

- 5.1 These are dealt with in the report.

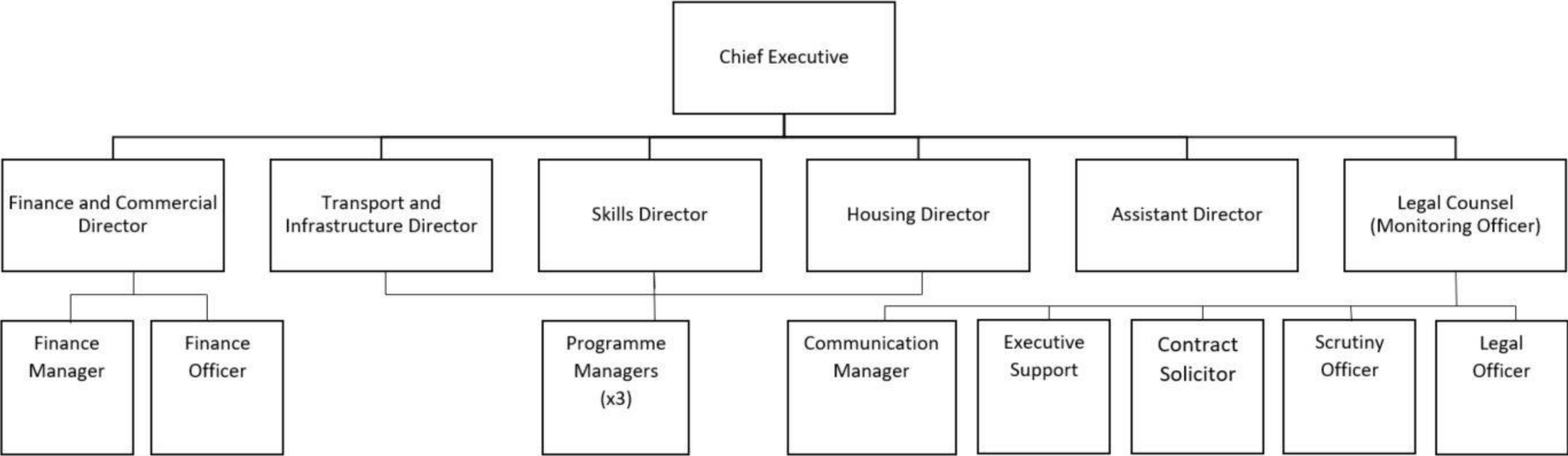
## **6.0 EQUALITIES IMPLICATIONS**

- 6.1 The roles will be advertised in accordance with the Officer Employment Procedure Rules and the process will comply with all Equalities legislation.

## **7.0 APPENDICES**

- 7.1 Appendix A - Organisation Chart

<b><u>Source Documents</u></b>	<b><u>Location</u></b>
Agendas, reports and decisions of the Board	Combined Authority website <a href="https://www.cambridge.gov.uk/cambridgeshire-and-peterborough-combined-authority">https://www.cambridge.gov.uk/cambridgeshire-and-peterborough-combined-authority</a>





<b>CAMBRIDGESHIRE AND PETERBOROUGH COMBINED AUTHORITY BOARD</b>	<b>AGENDA ITEM No: 2.1</b>
<b>26 JULY 2017</b>	<b>PUBLIC REPORT</b>

## **DEVELOPMENT OF A CENTRE FOR SKILLS AND APPRENTICESHIPS**

### **1.0 PURPOSE AND REASON FOR REPORT**

- 1.1 The current skills system is based on a highly centralised model, with £10.5 billion spent by Whitehall across 20 different national schemes. Furthermore, local delivery arrangements are fragmented, with many partners operating often with roles that overlap and with service models that lack depth and resilience. This has resulted in a significant skills gap.
- 1.2 Current national forecasts predict that by 2024 there will be:
- 9.2m low-skilled people chasing 3.1m low-skilled jobs (a surplus of 6.2m low-skilled workers)
  - 12.6m people with intermediate skills chasing 10.7m jobs (a surplus of 1.9m people)
  - 16.1m high-skilled jobs with only 11.9m high-skilled workers (a deficit of 4.2m).
- 1.3 The Combined Authority wants to create an ambitious vision to connect all the work that is taking place across its area in respect of skills and employment, bringing it under the umbrella of a Centre for Skills. It is believed that this will offer greater opportunity to reduce the fragmentation and duplication that currently exists; enable maximisation of funding opportunities and have the greatest impact for the local area in terms of developing higher level skills and enabling growth.
- 1.4 The paper presents this in conceptual format and seeks approval to develop a more detailed report, containing a proposed vehicle, options and governance arrangements.
- 1.5 The first step towards this which will also strengthen the approach, is to migrate the current Apprenticeship initiatives into the Centre for Skills concept, through the creation of an Apprenticeship Hub, whilst simultaneously developing the detailed proposal for the wider Centre for Skills.

<b><u>DECISION REQUIRED</u></b>	
<b>Lead Member:</b>	<b>Cllr Clark, Portfolio Holder for Employment and Skills</b>
<b>Lead Officer:</b>	<b>Martin Whiteley, Chief Executive</b>
<b>Forward Plan Ref: 2017/08</b>	<b>Key Decision: Yes</b>
<p>The Board is requested to:</p> <p><b>In relation to the proposal for a Centre for Skills:</b></p> <ol style="list-style-type: none"> <li>1. Approve a review of the end-to-end skills system,</li> <li>2. Note that the Chief Executive will work alongside the LEP and other partners to undertake this as a joint review,</li> <li>3. Note that a proposal will be brought forward for a new skills system alongside a skills strategy by February 2018.</li> </ol> <p><b>In relation to Apprenticeships:</b></p> <p>The Combined Authority Board notes the success of generating 524 new apprentices in the last 12 months, and in order to continue that success:</p> <ol style="list-style-type: none"> <li>4. Approves £692,000 funding in order to build on the Apprenticeship Employer Grant (AGE) for Small and Medium Enterprises, to deliver a further 575 apprenticeships across the Combined Authority area,</li> <li>5. Approves the development of a detailed options appraisal for an Apprenticeship Hub to be brought to the September meeting.</li> </ol>	<p>Voting arrangements</p> <p>Simple majority of the Members, including the LEP</p>

## **2.0 BACKGROUND**

### **Vision**

- 2.1 The skills and employment agenda is vitally important to successfully grow the local economy, support business growth and improve the lives of local citizens. It covers a wide spectrum of activities and is far reaching but initiatives and associated funding are delivered by different partners, leading to duplication and a missed opportunity to strengthen links. To ensure that we maximise funding, do not replicate work and instead, proactively use available resources to deliver optimum impact and support our key priorities, it is imperative that a holistic approach is taken to the skills agenda.
- 2.2 With this in mind, it is proposed to develop a Centre for Skills for the Combined Authority area. This Centre for Skills could be an overarching vehicle that manages and takes a coordinated, holistic approach to the skills and employment projects, initiatives, funding and support. This will enable demand to be stimulated and levels of apprenticeship uptake to be increased, with targeting of priority growth areas. It is anticipated that in addition to increased uptake, employer and training provider collaboration would increase through the Centre for Skills, ensuring that needs are met through more bespoke solutions.
- 2.3 The transformation of the current system would lead to:
  - A better integrated, employer-led system to drive the skills and employability agenda
  - Demand for high skilled workforce being met, through targeted interventions
  - Sector growth and development, in part driven by the availability of a higher skilled workforce
  - Availability and retention of talented individuals in the Combined Authority area
  - Greater opportunities for individuals to progress both their pay and careers, in turn leading to a reduced reliance on the welfare system
  - Reduced waste and duplication across public sector partners

## **3.0 PROPOSAL**

- 3.1 The development of a new skills system and identifying the most effective means of delivering skills in the future is a major piece of work which should be undertaken in conjunction with the Local Enterprise Partnership and other local partners.
- 3.2 In the interim, it is proposed that a Centre for Skills is established on a virtual basis. It would not be a legal entity, but it would be an officer group drawn from existing resources and from across partners. It would be responsible for identifying baseline information; ensuring that connections are made; that opportunities are maximised and economies of scale are realised.

- 3.3 Specific activities that the virtual Centre for Skills can focus on initially, include:
- The Apprenticeship Hub and the Apprenticeship Employer Grant (AGE)
  - The devolution of the Adult Education Budget (AEB)
  - The Career and Pay Progression Innovation Pilot
  - The Education Committee
  - The National Work and Health programme.
  - The setting up of a single Employment and Skills Board.

**Diagram 1 – Centre for Skills**



- 3.4 The proposal for the Centre for Skills is currently at a conceptual level and as such, will need to be refined with more detail being provided, including the associated costs.
- 3.5 The Board is requested to agree that a detailed proposal for a Centre for Skills should be developed, comprising (but not limited to) all the strands identified in the diagram above and that this proposal should include recommendations for an appropriate vehicle, governance and delivery arrangements to come forward to a future meeting.
- 3.6 **Apprenticeship Hub Development**
- 3.7 The proposal for the overarching Centre for Skills has yet to be fully developed in order to pull both new and existing skills and employment initiatives under its umbrella. It is suggested that the Hub is developed incrementally over time, migrating existing initiatives under it and that the first step should be to create an Apprenticeship Hub over three stages. This would be a key component of the

wider Centre for Skills and would be an appropriate 'pathfinder', building on initiatives that are already in existence.

- 3.8 One of the commitments within the devolution deal was that the Combined Authority and Government would work together to maximise the opportunities brought about by the reforms to apprenticeships, including the Apprenticeship Levy and to promote the benefits to small employers particularly. It also highlighted the opportunity for the Combined Authority to explore the potential of a having an Apprenticeship Training Agency for the area, funded with local resources.
- 3.9 As outlined in the deal document, there is the commitment to develop an Apprenticeship Training Agency (ATA) for the Combined Authority area. An ATA is a very specific model for delivering apprenticeships, defined by the Education and Skills Funding Agency as follows:

*“Apprenticeship training agencies recruit, employ and arrange training for apprentices on behalf of employers.”*

- 3.10 The focus of an ATA is enabling access to apprenticeship opportunities for smaller employers. The ATA model is intended to promote and support the delivery of high quality apprenticeship programmes, involving employers who wish to use the services of an ATA to source, arrange and host their apprentice.
- 3.11 The employer would use an ATA rather than use a more direct route to apprenticeships for a number of reasons including, not being able to commit to employment for the minimum period of an apprenticeship, having short term restrictions on employee numbers, or being uncertain about the value of an apprentice. With this model, the ATA is the employer of the apprentice who places them with a suitable employer for a management fee.
- 3.12 However, although the devolution deal specifically mentions an ATA, there is a potential opportunity to deliver more than just this, in the form of an Apprenticeship Hub. There could for example, be supplementary activities not traditionally delivered by an ATA, such as providing the funding for SME's to have apprentices within the workplace and holding apprenticeship fairs.
- 3.13 **Stage 1 - Continuation of the AGE Grant.**
- 3.14 The Combined Authority has administered the Government's AGE grant for the past 12 months under its own criteria. This grant was used to support small business financially to take on an apprentices. The national criteria was a payment of £1500 for a business of less than 50 employees to take on an apprentice, subject to them not having had one in the past 12 months.
- 3.15 The Cambridgeshire and Peterborough criteria, implemented by the Combined Authority, was £2000 for a 16-18 apprentice and £1500 for a 19-24-year-old for a business with less than 250 employees and have the opportunity to access grants for up to 5 apprentices a year.

- 3.16 This initiative has been extremely successful and to date (1<sup>st</sup> August 2017 – 3<sup>rd</sup> July 2017), has generated 524 apprentices. The current status is shown below:

Description	16-18 year olds	19+ year olds	Total
Apprenticeships that have started and had applications for funding made.	364	160	524
Approved payments (after an initial 10-week on the programme)	283	114	397
Currently still going through the approval process (not yet completed the full 10-week programme that will give approval and trigger a payment)	81	46	127
Total Grants paid to date	546,000	168,000	71400
Total Grant allocation available until 31 <sup>st</sup> July 2017.	732,000	267,000	999,000

- 3.17 The AGE national funding pot will cease as of the 31<sup>st</sup> July and employer incentives being introduced will cover all employers, providing £1,000 for a 16-18-year-old.
- 3.18 The only additional incentive to an SME applies to employers of 50 employees or less, in that the government will waive their 10% contribution to the apprenticeship training cost.
- 3.19 This, alongside the introduction of the new apprenticeship reforms, creates a real danger of a dip in the number of apprentices being recruited (already being reported in the sector press) whilst the Government's new way of working is embedded.
- 3.20 Therefore, the Combined Authority is requested to continue to invest in the model we have used for the AGE grant this year to ensure continued growth in Apprenticeships with local SMEs. Based on the performance over the past 12 months, with a small growth and reflecting the changes the government has made for employers, the recommendation is for:
- 16-18 year old apprentices to be allocated a top up of £1,000 to the government contribution of £1,000, in order to maintain the £2,000 level we have allocated this year, under the Combined Authority criteria
  - maintenance of the same payment as this year for 19+ apprentices, at £1,500.



The split is as follows:

Age group	Participant numbers	Cost to CA (£)	Total (£)
16-18 year olds	375	1000	375,000
19+	200	1500	300,000
Total			675,000

Costings for the next 12 months (August 2017 – July 2018) are shown below:

Activity	Cost (£)
Continuation of funding for SMEs to take on an apprentice.	675,000
Maintenance of the Website	2,000
Administration cost (administered by an apprentice)	15,000
Total	692,000

- 3.21 This report is therefore seeking approval by the Board for continuation of the current AGE funding, amounting to £692,000, with a review 6 months in to assess the impact of the grant and to make a recommendation for future grants.
- 3.22 This amount would be split over the current financial year (£461,333 for 2017-18) and next financial year (£230,666 for 2018-19).
- 3.23 **Stage 2 - A matching and support service**
- 3.24 The second stage would be to set up an initial matching and support service for young people to gain access into an apprenticeship. It will match them to an employer, giving support to both employer and apprentice as required.
- 3.25 The Greater Cambridge Partnership are seeking to invest in this type of service and as such, have already received their own Board's approval to take it forward. Discussions are underway to look at how this could be developed. There is also an appetite to consider moving this into the apprenticeship hub once established.
- 3.26 In Peterborough, some of this work is already being undertaken with regards to the apprenticeships that the Local Authority deliver. One area of consideration is that this should also migrate into the apprenticeship hub of the future.
- 3.27 In addition, Opportunity Peterborough provide a service that currently covers the areas of Peterborough, Fenland, Hunts and East Cambridgeshire and includes:

- Bringing businesses into schools and colleges to work with young people on interview techniques, CV writing and enterprise skills (age 11-18)
- Annual careers show with over 200 businesses and 3,000 young people (14-24 year olds)
- Impartial Apprenticeship events for businesses, schools and young people

3.28 However, funding for this is set to cease in August 2017.

3.29 By centralising the work and by developing and investing in the model across the combined authority area, it would provide a solid foundation from which to build an ATA as stage 3.

### 3.30 **Stage 3 - Setting up an Apprenticeship Training Agency**

3.31 Stage 3 would involve the setting up of the Apprenticeship Training Agency (ATA) and the development of this model could look to incorporate the AGE grant and the matching and support service as covered above.

3.32 Although guidance and criteria for an ATA exists that will need to be met, there are some options that could be considered by the board for a wider Apprenticeship Hub.

3.33 The Combined Authority Apprenticeship Hub would be managed under the umbrella of the Centre for Skills and potential delivery models are shown below:

- The setting up of a partnership consisting of all the Local Authorities and the LEP in the Combined Authority area but as a separate legal entity that operates a business model that gives sustainability over the longer term and is based on a commercial charge to the host employer.
- As above, but with a Careers and Information hub attached, that works in conjunction with local schools and employers and the matching support service as covered above in stage 2.
- Any of the options above, but managed and run through the Greater Cambridgeshire Greater Peterborough Regional Provider Network\* (A network that consists of collaborative apprenticeship providers across Cambridgeshire and Peterborough).

\*Note - Although a recognised network, this group is not constituted and this would need to be addressed for it to run the ATA.

3.34 This stage would be the culmination of the apprenticeship work to date and options for its delivery are captured at a high level only in this paper at present. As such, support is sought from the Board to develop a detailed options appraisal for the delivery model for an ATA.

3.35 The options appraisal will clearly show how the Apprenticeship Hub could be managed through an appropriate vehicle; the governance and delivery arrangements and what exactly it would encompass (Apprentice Training Agency, AGE grant continuation, matching service, staging careers' events etc).

#### **4.0 FINANCIAL IMPLICATIONS**

- 4.1 There are likely to be costs associated with the setting up and running of the overarching Centre for Skills and the Apprenticeship Hub, which are as yet unidentified. They will be developed as part of the overarching Centre for Skills proposal and through the development of stages 2 and 3 of the Apprenticeship Hub. As such, further papers will be brought to the Board for consideration at later dates.
- 4.2 Going forward, one consideration is that as the ATA is to be resourced locally there is the option to ask Government for the Apprenticeship Levy (of large employers locally) underspend be passed to the Combined Authority to support the funding of the ATA.
- 4.3 The one cost that can be identified at this stage is for Stage 1 of the Apprenticeship hub; the continuation of the AGE grant currently funded by central government, to support small businesses to take on apprentices. This has been running for one year but will cease as of the 1<sup>st</sup> August 2017. It has had great success in the area, with over 500 applications into the scheme. To continue to provide this level of funding, the Combined Authority Board would need to consider investing £692,000 as identified in the stage one details above.

#### **5.0 LEGAL IMPLICATIONS**

- 5.1 By virtue of the devolution deal signed with Government, the Combined Authority committed to the delivery of a skills agenda. Establishing a Centre for Skills is in accordance with the Combined Authority's general power of competence under section 1 Localism Act 2011. The general power of competence is conferred by the Cambridgeshire and Peterborough Combined Authority Order 2017.

#### **6.0 EQUALITIES IMPLICATIONS**

- 6.1 The setting up of a Centre for Skills and an apprenticeship hub will, by its very nature, give support to those that may not easily access skills and apprenticeship training, giving wider access and opportunities for all.

#### **7.0 APPENDICES**

None

<u>Source Documents</u>	<u>Location</u>
None	





<b>CAMBRIDGESHIRE AND PETERBOROUGH COMBINED AUTHORITY SHADOW BOARD</b>	<b>AGENDA ITEM No: 2.2</b>
<b>26 JULY 2017</b>	<b>PUBLIC REPORT</b>

## **CAREER AND PROGRESSION INNOVATION PILOT**

### **1. PURPOSE**

- 1.1. A key strategic objective of the Combined Authority is to raise the levels of productivity in the area. Across the Combined Authority area there is comparatively low unemployment, but within the area there are also areas of significant deprivation. Critically many residents are also working in low skilled and low paid jobs and there is a shortage of skilled workers in particular sectors.
- 1.2. This paper sets out an exciting new Innovation Pilot to address this issue in the Health and Care Sector. Subject to final agreement by Government, the Combined Authority has successfully negotiated additional funding of over £5m that will help over 2,100 workers develop their skills and advance their position in order to progress both their pay and career.
- 1.3. The paper describes how the pilot will work in practice, the governance model and what is needed of the Local Authorities involved.

<b><u>DECISION REQUIRED</u></b>	
<b>Lead Member:</b>	<b>Cllr Clark, Portfolio Holder for Employment and Skills</b>
<b>Lead Officer:</b>	<b>Martin Whiteley, Chief Executive</b>
<b>Forward Plan ref: 2017/013</b>	<b>Key Decision: Yes</b>
<p>The Combined Authority is recommended to:</p> <p>a) note that – subject to final agreement by Government – the Combined Authority has been awarded an additional £5.2m funding from Government to deliver a Pay and Progression Pilot for the Health and Care Worker Sector</p>	<p>Voting arrangements</p> <p>Simple majority of the Members, including the LEP</p>

<ul style="list-style-type: none"> <li>b) note that the pilot will create an additional 600 new apprenticeships in the area and provide an additional £20m of net present public value</li> <li>c) agree the proposed model of governance and delivery arrangements for the pilot</li> <li>d) to note the expectations on each of the constituent councils and the LEP in the Combined Authority area</li> <li>e) delegate to the Chief Executive authority to take all necessary action, in consultation with the portfolio holders of the Delivery Group, to meet any grant conditions imposed by Department of Works and Pensions (DWP), provided that the action taken does not exceed the funding envelope</li> </ul>	
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## 2.0 BACKGROUND

- 2.1 The devolution deal outlined the intention to develop a business case for an innovation pilot that would focus on supporting career and pay progression for those claiming Universal Credit. It described how the business case would provide clear evidence in support of the pilot, including but not limited to costs, benefits and the plans that would be put in place to evaluate the results. The deal indicated that their business case could require both Ministerial approval and an agreed investment plan to be in place (Cambridgeshire and Peterborough Devolution Deal document, June 2016, page 17).
- 2.2 In the Combined Authority area, there is projected to be a strong increase in demand for people with higher-level qualifications. Those with no or low-level qualifications will be likely to find themselves restricted to a narrower range of employment opportunities. This in itself demonstrates a need to upskill and develop the workforce and ensure clear career pathways to ensure a 'pipeline' of employees and long term sustainable employment.
- 2.3 In addition, the projected occupational changes show a strong increase in demand for those in professional occupations, those working in an associated professional and technical role and employees with a caring role.
- 2.4 This pilot aims to upskill the local workforce to meet current and future labour demands and to reduce the reliance on work related benefits, giving better security in employment and improving career and pay prospects.
- 2.5 Within Cambridgeshire and Peterborough, whilst employment rates are comparatively high, there are significant number of people working in low paid jobs, with no clearly defined route into improved pay and career progression. In Cambridgeshire, unemployment varies from 3.7% in Fenland to 2.4% in South Cambridgeshire and in Peterborough it is 4.3%. In 2015, Cambridgeshire had

16 Lower Super Output Areas (LSOA) in the 20% most deprived nationally (compared to 9 in 2010) (Cambridgeshire County Council, 2015).

- 2.6 In Peterborough, 34% of people live in the 20% most deprived areas in England, significantly higher than the national average, 18 LSOAs in Peterborough are in the top 10% most deprived areas in England (Department for Communities and Local Government 2015).
- 2.7 This is combined with a high number of vacancies in occupations in the Health and Care Sector. Local Enterprise Partnership data shows that during 2016, the industry with the largest number of job vacancies was the Human, Health and Social Work sector (Burning Glass International, 2017). This sector had some 13,871 jobs advertised. This sector includes 'nursing, care worker and home carers', and 'medical practitioners'. These local figures highlight the large ongoing recruitment needs of the target sector of the Innovation Pilot.
- 2.8 It is very difficult to recruit care staff and existing staff are held onto and not developed to progress further into the care sector or to move into the health sector. This stops the development of a natural pipeline of those staff who enter through the care sector and move onto the health sector.
- 2.9 The area's Sustainability and Transformation Plans recognise that there are some significant challenges. In order to build a better system, there needs to be a programme to support the health and care sector by creating a sector pipeline of recruitment and progression.

### 3.0 PILOT

- 3.1 With all of this in mind, this Innovation Pilot – when approved by Government – will involve the creation of a **Health and Care Sector Work Progression Academy**, which will consist of a single intervention that is delivered in two parts, each part meeting a specific need.
- 3.2 The Cambridgeshire and Peterborough Combined Authority's Innovation Pilot Business Case is currently subject to acceptance by the Minister of State for Employment, which would mean that the CA would be set to receive grant funding for the design, implementation and delivery.
- 3.3 Specifically, the grant will support the development and delivery of the pilot to test interventions that will address career progression issues in the Health and Social Care sector and to evaluate their effectiveness at getting people into the sector as well as progressing within it. Designing a robust evaluation of the pilot is a core objective which will be a focus of government.
- 3.4 It will enable robust career progression pathways to deliver and support key themes and routes through the following areas – domiciliary and residential nursing market (healthcare assistants through to general nursing). This will integrate with a longer-term pathway of training through to community/ acute hospital and children's nursing roles throughout Cambridgeshire and Peterborough.
- 3.5 The first part of the model will support those currently outside the health and care sector, to gain work and a career pathway within the sector. The second

part will maximise the use of apprenticeship training and will support in-work progression for those already employed in the health and care sector.

- 3.6 This single intervention delivered in two parts simultaneously, will enable better progression opportunities for individuals. In doing so, it will also provide entry-level jobs because as people progress in their careers, their posts will need to be back filled. This means that that individuals will be trained whilst continuing in their current role, using flexible classes that fit around their existing commitments and enable them to continue working, whilst working towards entry into another sector.
- 3.7 The Innovation Pilot model has been designed in collaboration with key stakeholders including CEO's and Senior Managers from the local NHS, private care provider representation, Job Centre Plus, the Local Authorities, and the Local Enterprise Partnership (LEP), who have all committed to support this project. Through this partnership, the pilot will help meet local recruitment and skills needs at the same time as improving progression outcomes for workers.
- 3.8 The funding for this pilot programme is £5.2m delivering training and support to 2100 clients that will encompass different levels of delivery personalised to individuals needs, giving an average cost per 'client' or individual supported to the Innovation Pilot of £2,482.
- 3.9 The benefits this will bring are:
- Reduced reliance on benefits;
  - A growth of circa 600 apprenticeships in the area;
  - A robustly evaluated model of a sector-focused career programme;

Based on cost benefit analysis carried out by government in line with the Treasury Green book, we are advised that:

- Over a 10-year period the public sector will directly gain £2,268,633.72 more in fiscal benefits.
  - For every £1 the public sector spends on this project it will see a return of £1.33, a net benefit of 33%.
  - The Net Present Public Value attached to this pilot of £20,392,586.05.
- 3.10 ***Delivery model for participants currently outside the sector***
- 3.11 It is anticipated that some of the individuals entering the programme will be from outside the sector and that they will currently be working in low paid and low skilled jobs within other sectors. Therefore, as covered above, delivery for this part of the model will be flexible to support their current commitments including classes outside of core areas and times supporting those on shift work. The training will be taken to the geographical localities to further reduce barriers.
- 3.12 The delivery will incorporate:
- Applicant screening to provide the appropriate programme;
  - Sector specific training that will be co designed with the employers, including an induction into the health and care sector, and where



appropriate cover mandatory training aspects for example the mandatory care certificate;

- Basic skills including, where needed maths, English and English as a Second or Other Language (ESOL) contextualised to the sector;
- Work experience visits;
- Support and mentoring - matching to vacancies giving support in finding (from partners and more widely) relevant opportunities and then supporting with the application process;
- Wrap around support, such as childcare support;
- Post-employment support to ensure support and mentoring in the early stages of the employment.

- 3.13 It will also look to support those that are qualified to work in the care and health sector but are unable to do so as they do not hold the appropriate English and English as a Second or Other Language (ESOL) qualification. In these cases, we will seek to deliver the appropriate ESOL qualification that will allow them to maximise their skill set and be employed in the sector.
- 3.14 Table 1 below shows the timeframe for delivery of the intervention, for those individuals who are currently not working within the Health and Social Care Sector.
- 3.15 This gives an average timeframe for delivery for individuals but this may vary dependent of individual's needs, the needs of the locality and local employers. Programmes delivery will be co-designed with employers and partners and they will run with continuous start dates over a 2-3year period.

**Table 1 - Service delivery timeframe for those outside the sector.**

Activity	Anticipated Delivery Timeframe for participants
Information, Advice and Guidance session and skills screening	Week 1 and 2
<b>Delivery of Training:</b> Sector specific training including an induction into the health and care sector, and where appropriate cover mandatory training and basic skills including, where needed maths, English and English as a Second or Other Language (ESOL) contextualised to the sector; Work experience visits; Support and mentoring - matching to vacancies giving support in finding (from partners and more widely) relevant opportunities and then supporting with the application process;	Week 3 - 22.
Post-employment support to ensure support and mentoring in the early stages of the employment.	For up to 4 months following completion of the training

- 3.16 For those undertaking the programme from outside the sector, “progression” as a measure of success, is defined as them obtaining a job within the sector. Post-employment support will be provided to give a level of support and guidance in the new role to give the best chance of success and sustained work.
- 3.17 ***Delivery model for participants already in the sector***
- 3.18 For those already employed in the sector, delivery will be both in the workplace and outside (for the more generic aspects). Employer engagement will play a critical role and this part of the model looks to work with employers and their staff, providing structured training to meet progression needs. This will also allow for innovations in using a blended learning approach.
- 3.19 The delivery will incorporate:
- Developing a personalised training plan through:
    - Applicant screening to provide the appropriate programme;
    - Career guidance;
    - Identify skills and qualification gap;
    - Identify support and next steps;
  - Apprenticeships\* (level 2-7) which include (as required) English and maths;
  - For those below level 2, sector specific training, which will be co-designed with the employers and where appropriate cover mandatory training aspects for example the mandatory care certificate;
  - Basic skills, including, where needed maths, English and ESOL contextualised to the sector;
  - Work experiences / visits;
  - Career coaching.
- 3.20 Apprenticeships are now delivered as frameworks that reflect the skills and knowledge required by employers. They start at level 2 (introductory level) and now follow a route up to level 7, post graduate level, known as Higher Level Apprenticeships and at this level are delivered by University's. This gives a clear professional pathway that can be studied and delivered whilst earning in the workplace giving technical “on the job” training.
- 3.21 This gives an average timeframe for delivery for individuals studying a level 2 apprenticeship but will be longer for higher levels apprenticeships. This will be delivered with continuous start dates over a 2 year period (see table 2 below).

***Table 2 - Service delivery timeframe for those inside the sector undertaking an Apprenticeship.***

Activity	Anticipated Delivery Timeframe for participants
Development of personalised training plan	Week 1-2
Studying and completing an Apprenticeship (including Maths and English as appropriate)	Minimum of 1 year and 1 day, dependent on the level being studied.
Career coaching	Continuous through the apprenticeship and three months following completion.

- 3.22 Table 3 below gives an average timeframe for delivery for individuals who are working within the sector but are not yet at apprenticeship level, but this may vary dependent of individual's needs, the needs of the locality and local employers. Programme delivery will be co-designed with employers and partners and they will run with continuous start dates over a 2-3 year period.

**Table 3 - Service delivery timeframe for those inside the sector that are not yet at apprenticeship level**

Activity	Anticipated Delivery Timeframe for participants
Development of personalised training plan	Week 1-2
Sector specific training, including mandatory training aspects and basic skills, including, where needed maths, English and ESOL contextualised to the sector	Week 3-17
Career coaching	For up to 3 months following completion of the training

- 3.23 For those already working within the sector, “progression” as a measure of success is defined as improved career prospects, improved pay and recruiting successful candidates back into the programme as mentors.
- 3.24 **Apprenticeship Levy**
- 3.25 Where we are engaging with employers to deliver the apprenticeship section, large employers who are eligible to pay the apprenticeship levy will be able to use this levy to fund the apprenticeship delivery, therefore reinvesting their payment back into their workforce.
- 3.26 For those employers who sit outside the apprenticeship levy, then we will be able to access apprenticeship money to pay 90% of the apprenticeship delivery costs for them, leaving the employer with only 10% contribution to be made to the delivery of the training to their staff.
- 3.27 In short, as the larger employers will be paying into the Apprentice Levy, this part of the model ensures they see a return on that investment beneficial to both them, and the sector. For the smaller employers, this part of the model will allow them to access a central pot of funding to upskill their workforce, for only a small investment.
- 3.28 The model also plans to give further added-value to the sector in the way in which it will help to support the development of management practice whether that be, discussing the introduction of trainee roles in the NHS, or helping to address issues in HR practices common to parts of the private sector which act as barriers to progression. It seeks to influence and change mind-sets about whom to recruit and how to develop staff.

### 3.29 **Outcomes and Impact**

- 3.30 The projected impact of this initiative will be to see an increase in pay and career progression for those participating in the programme.

Outcomes	Impact
<b>Increased earnings</b>	Independence from or reduced reliance on benefits.
<b>Access to career pathways</b>	Better progression and social mobility opportunities. For example, a new job role or engaged in the recruitment process.
<b>Moving onto further sector based training</b>	Enrolling on and completion of a further course (which may not have been completed by the end of this pilot). A more productive health sector.
<b>Improved local skills base</b>	A stronger local skills base.
<b>Creation of skills pipeline</b>	Stronger partnership working between health and care sector and employment services.
<b>Improved well-being</b>	Improved social and wellbeing outcomes.
<b>Improving social capital</b>	The ability to create relationships and connections and therefore building networks to support employment success.
<b>Robustly evaluated pilot programme</b>	A robustly evaluated model of sector-focused career progression.

- 3.31 In addition, it will form part of a wider strategy to develop the local health and care workforce across all levels. The strategy is to be developed by the Health and Care Local Workforce Action Board, enabling long term sustainability.

### 3.32 **Programme Management and Delivery**

- 3.33 The constituent members of the Combined Authority have recognised strengths in these areas (Ofsted, 2016 and 2017) and this approach will enable the facilitation of a mixed strategy approach of high quality, direct delivery from within the local authority where appropriate and when specialist delivery is required, this can be sub-contracted into the service.
- 3.34 It is proposed that Peterborough City Council (City College Peterborough), will be responsible for the management of the direct delivery of the programme across the whole of the Cambridgeshire and Peterborough Combined Authority Area, and as and when specialist provision needs subcontracting into the program, Cambridgeshire County Council will manage the subcontracting element of the programme. Therefore, there is no payment model for this program as it is being delivered in-house as covered above,

with the grant transferring to Peterborough through an appropriate contracting method.

3.35 The Delivery Group will finalise and oversee these arrangements.

3.36 ***Governance and Evaluation***

3.37 Monitoring and evaluation of this pilot will be in place at the pilot's commencement and will continue throughout, with a process evaluation at the 6-month milestone to check the different parts of the programme are functioning as expected. Following on from this, a yearly evaluation will take place, with a further analysis being undertaken one year after the programme ends, to capture some longer-term impacts and outcomes for the participants.

3.38 A budget has also been assigned for expert technical support with evaluation.

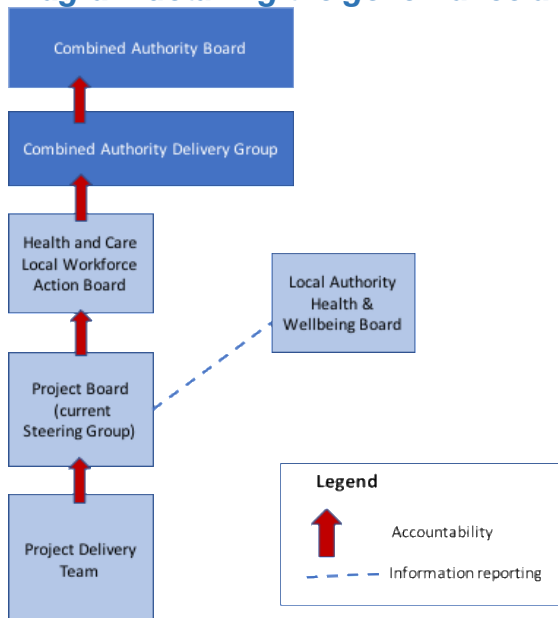
3.39 The strategic governance responsibilities and accountabilities sit with the Combined Authority Board. The Board is accountable to central government for the performance of the pilot against the grant funding conditions (yet to be determined). As such, the Combined Authority Board will oversee expenditure of the grant against a detailed delivery plan provided by the programme delivery team via the Health and Care Local Action Workforce Board.

3.40 This paper requests that Board delegate to the Chief Executive authority to take all necessary action in order to meet any grant conditions imposed by DWP, provided that the action taken does not exceed the funding envelope. This action is likely to include:

- a. Signing the grant conditions
- b. Establishing arrangements in conjunction with the Section 151 officer, to hold the funding
- c. Appointing an account manager to act as a point of contact for DWP
- d. Commissioning an appropriate constituent partner to deliver the programme
- e. Agreeing partnership arrangements with the constituent partner
- f. Agreeing any expenditure within the terms of the pilot business case.
- g. Being responsible to the Delivery Group for these matters

3.41 The delivery arrangements will reflect the business case submitted to Government, but also now taking into account the existence of the Combined Authority. The Delivery Group will have detailed oversight of these arrangements which are outlined in the diagram below.

### ***Diagram detailing the governance arrangements***



### **3.42 Requirements of the Local Authorities in the Combined Authority area**

3.43 In order to delivery on a “place based” model and in locations at times that suit the local residents, the request is that:

- a) each of the constituent councils and the LEP identifies a person within their organisation for the lead to liaise and work with
- b) each of the constituent councils and the LEP gives a commitment to providing a free council building (room) to deliver the initiative from
- c) each constituent council and the LEP gives access to appropriate intelligence and data that supports this initiative.

## **4.0 FINANCIAL IMPLICATIONS**

4.1 The business case has been successful and the funding of £5.2m required to deliver this is being awarded through a grant from the Department of Work and Pensions, this includes the technical expertise.

4.2 The draft memorandum of understanding has been reviewed by the monitoring officer and is still with government.

## **5.0 LEGAL IMPLICATIONS**

- 5.1 The Cambridgeshire and Peterborough Combined Authority Order 2017 gave the Combined Authority a general power of competence under section 1 Localism Act 2011. The general power of competence permits the Combined Authority to deliver this programme.
- 5.2 The Combined Authority are required to enter into a memorandum of understanding and data sharing agreement in order to receive the funding from Government. The Monitoring Officer has delegated authority under the Constitution to sign documents on behalf of the Combined Authority. In accordance with the constitutional arrangements. The Delivery Board will oversee the programme, reporting into the Combined Authority where approval is required on matters of policy or budget outside of the agreed parameters of the programme.

## **6.0 EQUALITIES IMPLICATION**

- 6.1 This programme seeks to deliver work and pay opportunities to those in and out of work with low or no income.

## **7.0 APPENDICES**

None

<b><u>Source Documents</u></b>	<b><u>Location</u></b>
<b>None</b>	



<b>CAMBRIDGESHIRE AND PETERBOROUGH COMBINED AUTHORITY BOARD</b>	<b>AGENDA ITEM No: 2.3</b>
<b>26 JULY 2017</b>	<b>PUBLIC REPORT</b>

## **STRATEGIC TRANSPORT DEVELOPMENT ACROSS THE AREA'S KEY GROWTH CORRIDORS: RAPID, MASS TRANSPORT STRATEGIC OPTIONS APPRAISAL**

### **1.0 PURPOSE**

- 1.1 Greater Cambridge, including the areas covered by Huntingdonshire, South Cambridge and Cambridge City are of enormous economic significance locally and nationally. There is growing evidence that the economy of this geographic area is close to overheating. The Combined Authority is committed to improving accessibility and connectivity to boost growth and prosperity whilst also addressing the congestion and delays that face residents and visitors to the area.
- 1.2 The Mayor and the Combined Authority's ambition is to deliver world-class public transport across Cambridgeshire and Peterborough, the city region and future growth centres as well as into neighbouring counties. This vision will enable strategic sites for new housing and business to be unlocked. This includes the potential development of major schemes at Wyton, St. Neots, Waterbeach, Northstowe, and Alconbury.
- 1.3 The Combined Authority Board considered and agreed investment in the feasibility and business case development for a number of strategic schemes to the north and east of the area at its June meeting. As a first step in connecting Greater Cambridge and enabling people and businesses to move rapidly across and into the city of Cambridge this report asks the Board to proceed with a Strategic Options Appraisal into rapid, mass transport options for Cambridge City and the surrounding travel to work area in conjunction with the Greater Cambridge Partnership Board. The Strategic Options Appraisal will consider both the Inner City and scalable and extendable options for the wider area.



<b><u>DECISION REQUIRED</u></b>	
<b>Lead Member:</b>	<b>Councillor Roberts Portfolio Holder for Transport &amp; Infrastructure</b>
<b>Lead Officer:</b>	<b>Martin Whiteley Chief Executive</b>
<b>Forward Plan Ref: 2017/ 004 Key Decision: Yes</b>	
<p>The Combined Authority Board is recommended to:</p> <ol style="list-style-type: none"> <li>1. Commission a strategic options appraisal study into rapid, mass transport options for Cambridge City and the surrounding travel to work area in conjunction with the Greater Cambridge Partnership Board.</li> <li>2. Agree a total budget allocation of up to £100,000 in 2017/18 for the delivery of the strategic options appraisal study.</li> <li>3. Delegate authority to the Chief Executive, in consultation with the Portfolio Holder for Transport &amp; Infrastructure and in conjunction with the Chair of the Greater Cambridge Partnership Board, to award a contract for the study provided that the collective value of the contract does not exceed the approved budget allocation.</li> </ol>	<p><b><i>Voting arrangements</i></b></p> <p>Simple majority including the LEP Member</p>

## **2.0 INFRASTRUCTURE PRIORITIES AND PLANS**

- 2.1 The Mayor and the Combined Authority are committed to addressing the historic deficit in transport investment and improving transport and the physical connections between communities including cities, towns and rural areas. This will provide a means to deliver sustainable growth across the area, and support housing and economic development.
- 2.2 Devolution affords the Combined Authority the opportunity to consider bold and innovative solutions to overcome long-standing infrastructure needs across Cambridgeshire and Peterborough via a series of new initiatives together with work that is already underway and planned across the Combined Authority area. For example, where strategic challenges of the area are well known and evidenced through existing work, the Combined Authority will seek to expedite investment decisions and identify where new levels of intervention are required by commissioning more detailed work.
- 2.3 This report follows approval of the first set of feasibility studies and business cases for key strategic sites across Cambridgeshire and Peterborough at the Combined Authority Board in June 2017. The study is aligned to

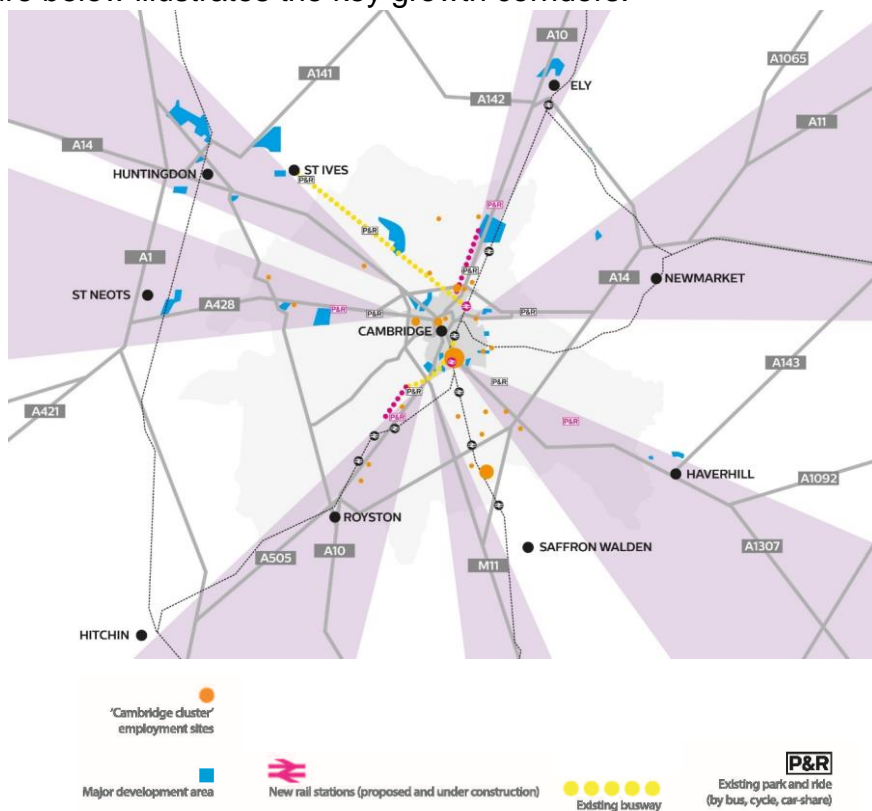
commitments within the devolution deal and the Mayor's 100 day plan.

### 3.0 CAMBRIDGE RAPID, MASS TRANSIT STRATEGIC OPTIONS APPRAISAL STUDY

3.1 The Combined Authority has highlighted its intention to commission a strategic options appraisal study with the Greater Cambridge Partnership Board to assist in the development of its ambitions to provide rapid, mass transport in Cambridge City and the surrounding travel to work area in order to:

- Support strategic transport development across the Area's key growth corridors
- Support economic growth – recognising the critical significance of the Greater Cambridge economy for the area as well as for the UK
- Improve accessibility and connectivity across the City to boost economic growth and prosperity
- Address current congestion and delay and building intelligent mobility within Cambridge City and the rest of the transport/infrastructure network
- Achieve the highest possible modal shift from private car journeys.

The figure below illustrates the key growth corridors:



- 3.2 The terms of reference for the consultant's brief is included as Appendix 1 of this report.
- 3.3 Project governance will provide delivery assurance and ensure that the gateways in moving from strategic options appraisal to strategic outline business case are satisfied.

#### **4.0 STRATEGIC CLIENT FUNCTION**

- 4.1 It is proposed to establish a Strategic Client Function comprising representatives from the Combined Authority, the Highways Authorities and Greater Cambridge Partnership to provide coherence and strong management for the programme of strategic options appraisals, feasibility studies and business cases. The costs for the function are included within the feasibility studies and business case costs.

#### **5.0 FINANCIAL IMPLICATIONS**

- 5.1 It is recommended that a total sum up to £100,000 be allocated by the Combined Authority from the Combined Authority's Revenue Gainshare allocation to commission the study and that the Combined Authority Chief Executive has the authority, in conjunction with the Portfolio Holder for Transport & Infrastructure to allocate funding as required within this financial envelope.
- 5.2 The costs have been developed based on previous experience for similar projects and represent a 50% share of the full cost of the study; 50% of the costs will be met by the Greater Cambridge Partnership Board.
- 5.3 Full financial details are not disclosed at this point as maintaining commercial confidentiality will preserve the Combined Authority's ability to engage with providers as the study is procured and negotiated to secure the best value for money.

#### **6.0 LEGAL IMPLICATIONS**

- 6.1 The Cambridgeshire and Peterborough Combined Authority Order 2017 transferred to the Combined Authority the transport functions for the Cambridgeshire and Peterborough area. This enables the Combined Authority to take a strategic role in planning future transport provision for the area.
- 6.2 In addition the 2017 Order provided the Mayor and the Combined Authority with a general power of competence under section 1 of the Localism Act 2011 giving powers to do or enter into arrangements for the purpose of achieving the commitments within the devolution deal signed with Government.

- 6.3 It is proposed that the Combined Authority Chief Executive in consultation with the Portfolio Holder for Transport and Infrastructure and in conjunction with the Greater Cambridge Partnership Board is charged with determining the most appropriate means of procuring the study in accordance with procurement regulations.
- 6.4 It is proposed to delegate authority to the Chief Executive, in consultation with the Portfolio Holder for Transport & Infrastructure and together with the Greater Cambridge Partnership Board, to award a contract for the study provided that it does not exceed the approved budget allocation. In accordance with the constitutional arrangements the Chief Executive will report into the Delivery Group regarding the procurement arrangements and the exercise of authority for spend of the budget allocation.

## **7.0 EQUALITIES IMPLICATIONS**

- 7.1 Equalities implications will be addressed separately in the study. There are no specific equalities implications arising from this report other than to note that appropriate procurement processes will be followed to ensure compliance with equalities requirements.

## **8.0 APPENDICES**

- 8.1 Appendix 1: Cambridge Rapid, Mass Transport Strategic Options Appraisal: Study Brief

<b><u>Source Documents</u></b>	<b><u>Location</u></b>
N/A	

## **Appendix 1**

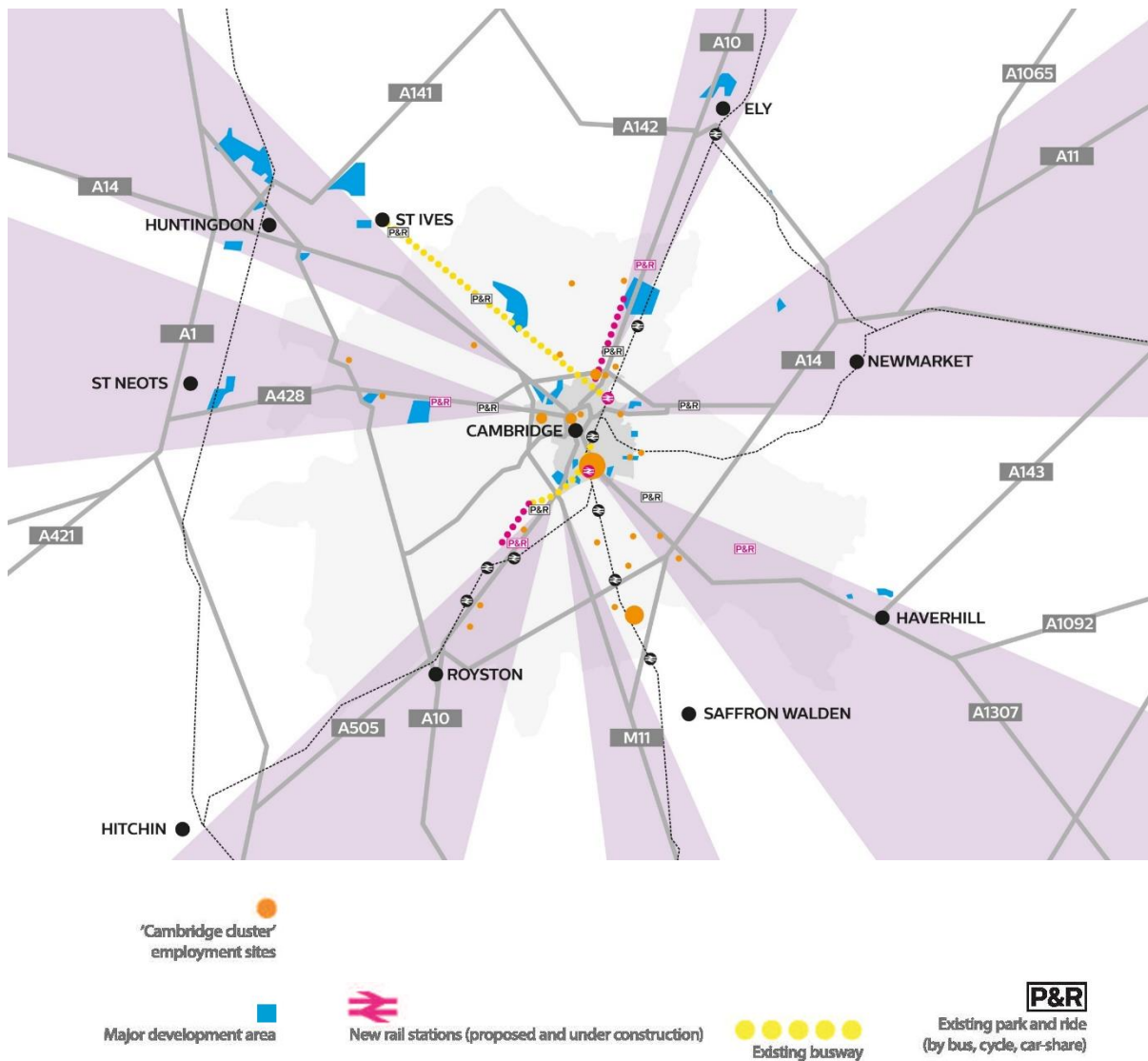
### **Cambridge Rapid, Mass Transport Strategic Options Appraisal: Study Brief**

#### **1. Purpose**

- 1.1 The Cambridgeshire and Peterborough Combined Authority and the Greater Cambridge Partnership Board wish to commission a Strategic Options Appraisal to assist in the development of its ambitions to provide rapid, mass transport in Cambridge City and the surrounding travel to work area.

#### **2. Introduction / Context**

- 2.1 The Combined Authority and the Greater Cambridge Partnership Board are seeking to appoint a Consultant to provide expert independent advice in undertaking a Strategic Options Appraisal to determine the best option for providing rapid, mass transport and achieving a fundamental modal shift in Cambridge City and the surrounding travel to work area with the aim of:
- Supporting economic growth – recognising the critical significance of the Greater Cambridge economy for the area as well as for the UK
  - Improving accessibility and connectivity across the City to boost economic growth and prosperity
  - Addressing current congestion and delay and building intelligent mobility within Cambridge City and the rest of the transport/infrastructure network.
- 2.2 The figure below illustrates a high-level schematic of both the Inner City and the wider Cambridge area, showing the key concentrations of housing (new and existing communities), employment sites and the transport network. The options appraisal should consider both the Inner City and scalable and extendible options for the wider Cambridge area (Hinterland). Full details of the intended housing and employment sites can be found in the Cambridge and South Cambridgeshire Local Plans 2031 which are currently being examined in public.



2.3 The outputs of the study will inform future strategic planning and investment decision-making for the area.

2.4 Links to key Greater Cambridge Partnership Documents can be found at paragraph 11, however it is the responsibility of the successful Consultant to ensure they have all available/relevant documentation.

### 3. Strategic Options Appraisal

3.1 The Combined Authority and Greater Cambridge Partnership Board are seeking to appoint a Consultant to provide expert independent advice on the most viable solution for Cambridge City and the surrounding area from the following underground and overground rapid transport modes:

- Light Rail
- Monorail
- Bus Rapid Transit
- Affordable Very Rapid Transport
- Any other modes identified by the consultant (see paragraph 3.3)

- 3.2 The strategic options appraisal should consider, for each option, the pros/cons and viability in respect of the most efficient and effective way to deliver passengers to Cambridge City and key employment sites. In doing this it should also consider underground options within the City and how this impacts on the viability of the above options. In developing the pros/ cons and viability for the options they should be clearly based, and shown separately, on an inner city and wider Cambridge area (hinterland) basis.
- 3.3 At the outset it is anticipated that a working session will be required with key stakeholders from the Combined Authority, Greater Cambridge Partnership Board and the member local authorities to confirm the development ambitions and confirm the rapid/mass transport options to be considered. The consultant might suggest other/additional options based on their knowledge and experience from other comparative cities particularly in respect of underground options
- 3.4 The consultant will provide advice and prepare an analysis and assessment of the current and future context and characteristics of Cambridge City and its travel to work area based on 'Cambridge 2031' (Situational Assessment) including but not limited to:
- Economic factors
  - Geography
  - Demographics
  - Employment
  - Movement, commuting and travel patterns
  - Development plans
  - Productivity
- 3.5 The Consultant will prepare a Strategic Options Appraisal Framework and present and agree this with the Project Board and other relevant stakeholders as required. It is anticipated that the framework will include the detailed assessment themes including but not limited to:
- Capex / Opex
  - Deliverability
  - Environment
  - Passenger capacity
  - Risks
- 3.6 The Consultant will undertake the appraisal, setting out the necessary considerations for each of the options both over ground and underground (paragraph 3.2). This will include reference to evidence and lessons learned from other, similar cities, both UK and abroad. For each option the appraisal should include, but is not limited to the following:
- Description / Features
  - Success factors & constraints for development and delivery
  - Factors impacting viability e.g. geographic and demographic, population density, catchment, reliability, ease of interchange, capacity etc

- Prerequisites for delivery
  - Operating model – including for example capacity, charging, affordability for passengers, constraints e.g. flexibility of operation at key times, speed of operation etc
  - Timescales for implementation
- 3.7 The Consultant will provide advice, based on examples from other cities about the most effective business operating model, including partnership, joint venture and investment options setting out the relevant governance and control mechanisms. The Consultant will set out the specific revenue and capital funding that would be required from the Combined Authority to progress these options.
- 3.8 The Consultant will provide advice about potential funding sources and assist in preparation of bids for appropriate available funding.
- 3.9 The consultant will conduct a strategic options appraisal workshop with key stakeholders from the Combined Authority and Greater Cambridge Partnership Board to present the strategic options analysis and assessment.
- 3.10 The consultant will prepare a strategic options appraisal report, providing sufficient information to support decision making and assist in the development of an outline strategic business case (in accordance with Government / Treasury guidelines) for the preferred option.
- 3.11 This Study Brief is for the Strategic Options Appraisal. The Combined Authority and Greater Cambridge Partnership Board would like the Consultant to outline the approach and costs in taking forward the preferred option to Outline Strategic Business Case.
- 3.12 Deliverables - The following outputs will be required from this commission:
- A detailed Situational Assessment of the current and future context and characteristics of Cambridge City and its travel to work area
  - Strategic Options appraisal framework
  - Strategic Options appraisal report including sufficient information to assist in the development of an outline strategic business case (in accordance with Government / Treasury guidelines) for the preferred option and written advice on delivery, funding, risks.
  - Non-Technical Summary of outputs.
- 3.13 It is expected that all written reports will be prepared to the highest standard.
- 3.14 Visibility is required on all costs.
- 3.15 Assumptions made should be clearly detailed.

#### **4. Situational Assessment**



- 4.1 The situational assessment will summarise the current and future features of Cambridge City and its travel to work area. This will provide the context for the appraisal of options.

## **5. Strategic Options Appraisal Framework and Report**

- 5.1 The Strategic Options Appraisal Framework will be presented to and agreed by the Project Board.
- 5.2 The report will set out details of the considerations that the Combined Authority will need to take into account in making a decision about the optimum rapid, mass transport option.
- 5.3 The Strategic Options Appraisal Report is expected to include the full analysis for each option; it is anticipated that it will include details on the following issues:
- Capital and revenue costs providing a breakdown by expenditure type
  - The delivery prerequisites / technical requirements
  - Detailed projected operational costs and income, together with projections of turn-over and profit before tax
  - Details of minimum, maximum and optimum capacity, and break-even points
  - Key risks and other factors that the Combined Authority and Greater Cambridge Partnership Board will need to consider
  - Details of any statutory/legislative compliance requirements that will need to be adhered to
  - Implementation timescales
  - Sufficient detail must be provided to support assumptions and recommendations.
- 5.4 The Strategic Options Appraisal report will be used to assist with decision making and the Combined Authority and Greater Cambridge Partnership Board wish to see sufficient information to enable it to make a decision about the optimum solution and to take forward the work to develop a Strategic Outline Business Case. In line with Treasury/Government guidelines (5 case model) the Project Board would like to understand:
- The strategic fit of the optimum solution to the Combined Authority's /Greater Cambridge Partnership wider ambitions.
  - An assessment of economic costs and benefits and identification

- Consideration of the commercial issues including reference to the technical requirements, risks, tendering, partnerships and legal framework.
- Financial benefits, costs and risks. It is important that the assessment details and quantifies the wider economic benefits that may be realised.
- Consideration of the timescales, project governance and project management issues.

## **6. Non-Technical Summary of Options Appraisal Report**

- 6.1 A non-technical summary of the identified options must be provided in plain English and suitable for a non-technical audience. The options and any others that have been discounted, should be presented.

## **7. Project Management and Stakeholder Engagement**

- 7.1 A Project Board will be established to manage the project and key stakeholders.
- 7.2 Allowance should be made for a series of meetings to inform senior officers and Members of progress with, and emerging thinking from the study.
- 7.3 Key stakeholders include:
- The Cambridgeshire and Peterborough Combined Authority
  - Greater Cambridge Partnership
  - Member local authorities
  - GCGP LEP

## **8. Response**

- 8.1 The Consultant should set out their understanding of the brief and describe their proposal to meet the requirements.
- 8.2 A method statement should be provided detailing how the work will be undertaken, including the methodology and approach.
- 8.3 The approach to undertaking the strategic options assessment and modelling required should be clearly set out.
- 8.4 The approach to undertaking the options appraisal and the requirement to provide sufficient detail to support strategic outline business case development should be clearly set out giving details of how the wider economic benefits will be taken into account.
- 8.5 Details of the proposed project team should be provided, including CVs, rates, and evidence of previous similar work successfully undertaken.

- 8.6 A detailed list of deliverables must be provided in response to the brief, including any additional to those identified above that the Consultant considers necessary.
- 8.7 Any client inputs should be identified.
- 8.8 A target cost and programme for completing the work, broken down by key deliverables and milestones and showing deliverables and key dates must be provided.
- 8.9 The Combined Authority and Greater Cambridge Partnership Board would also like to understand the indicative costs and programme for taking forward the preferred option to Strategic Outline Business Case stage.
- 8.10 All reports, technical notes, and other output should be submitted to the Client in draft for review. Changes may be required as part of this review which should then be incorporated into a final report.
- 8.11 A statement detailing any conflict of interest or potential conflict of interest in carrying out this work must be provided.
- 8.12 Any areas of work that are planned to be sub-contracted must be detailed including how this will be undertaken. The Combined Authority and Greater Cambridge Partnership Board recognise that a Consortium approach may be required to provide the full range of skills and competencies required to deliver the brief – full details should be provided.
- 8.13 A risk register showing the key time and cost risks to the successful completion of this work must be provided.
- 8.14 Tenders will be evaluated on the following basis:
- Quality: 60% - based on written response to the brief
  - Price: 40%
- 8.15 Shortlisted parties will be invited to an interview to present their proposal.

## **9. Project details**

### **Contract management**

- 9.1 The Strategic Options Appraisal will be commissioned jointly by The Combined Authority and the Greater Cambridge Partnership Board. The contract will be managed by the Chief Executive of the Combined Authority who has delegated authority to commission the study.
- 9.2 The Combined Authority and Greater Cambridge Partnership democratic decision-making process are critical to the success of this work. The work will

need to inform committee reports and the consultants may need to present their work at committee.

- 9.3 Regular contact with the Combined Authority's and Greater Cambridge Partnership's lead contact will be required throughout the contract, which may take the form of telephone, face to face or email.

### **Contract terms**

- 9.4 Prices should be for a contract covering the fixed fee for the agreed work for these services and inclusive of all other costs (e.g. subsistence, office stationery etc).

### **10. Bids**

- 10.1 Bids will be received by the <Name> by the <date> at 17.00. Three hard copies and an electronic copy either via email or on disc will be required. Bids should be addressed to:

Name

Address



<b>CAMBRIDGESHIRE AND PETERBOROUGH COMBINED AUTHORITY BOARD</b>	<b>AGENDA ITEM No: 2.4</b>
<b>26 JULY 2017</b>	<b>PUBLIC REPORT</b>

## **FUTURE LOCAL TRANSPORT PLAN**

### **1.0 PURPOSE**

- 1.1** The purpose of this report is to ask the Board to agree the proposal to commission the development of a new Local Transport Plan for the Combined Authority.
- 1.2** The future Local Transport Plan for the Combined Authority will set out a bold and ambitious vision for the future and clearly differentiate the added value afforded by the creation of the Combined Authority. The development of the new Local Transport Plan will take a strategic approach, with strong leadership and joint working across the Combined Authority area. It will align with other core strategies including the economic strategy, non statutory spatial plan, housing strategy and skills strategy.

<b><u>DECISION REQUIRED</u></b>	
<b>Lead Member:</b>	<b>Councillor Roberts Portfolio Holder for &amp; Infrastructure</b>
<b>Lead Officer:</b>	<b>Martin Whiteley, Chief Executive</b>
<b>Forward Plan Ref: 2017/005 Key Decision: Yes</b>	
<p>The Combined Authority Board is recommended to:</p> <ol style="list-style-type: none"> <li>1. Commission the development of a new Local Transport Plan for the Combined Authority.</li> <li>2. Agree a total budget allocation of up to £500,000 in 2017/18 and 2018/19 for the delivery of the new Local Transport Plan.</li> <li>2. Delegate authority to the Chief Executive, in consultation with the Portfolio Holder for Transport &amp; Infrastructure, to commission the development of the new Local Transport Plan</li> </ol>	<p>Voting arrangements</p> <p>Simple majority including the LEP Member</p>

including requisite third party specialist inputs provided that the value of the commissioned services does not exceed the approved budget allocation.	
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## 2.0 BACKGROUND

- 2.1 Following devolution, the directly-elected Mayor and the Cambridgeshire and Peterborough Combined Authority (CPCA) assumed certain transport functions under the Cambridgeshire and Peterborough Combined Authority Order 2017. The Combined Authority is now the Local Transport Authority with strategic transport powers for the areas previously covered by Cambridgeshire County Council and Peterborough City Council.
- 2.2 The Mayor and the Combined Authority are together responsible for:
- (a) Setting the overall transport strategy for Cambridgeshire and Peterborough, called the Local Transport Plan
  - (b) A multi-year local transport budget for Cambridgeshire and Peterborough
  - (c) Management and maintenance of a Key Route Network of local authority roads when established,
  - (d) Passenger transport, including the ability to franchise bus services in the Cambridgeshire and Peterborough area.
- 2.3 The Combined Authority must produce a Local Transport Plan. The Combined Authority Board agreed to adopt the previous Local Transport Plans of Cambridgeshire County Council and Peterborough City Council as a single Local Transport Plan as an interim measure until a comprehensive statutory process can be undertaken to review the Combined Authority's strategic transport planning role to produce a long term, new Local Transport Plan for the Cambridgeshire and Peterborough area.

## 3.0 MAIN ISSUES

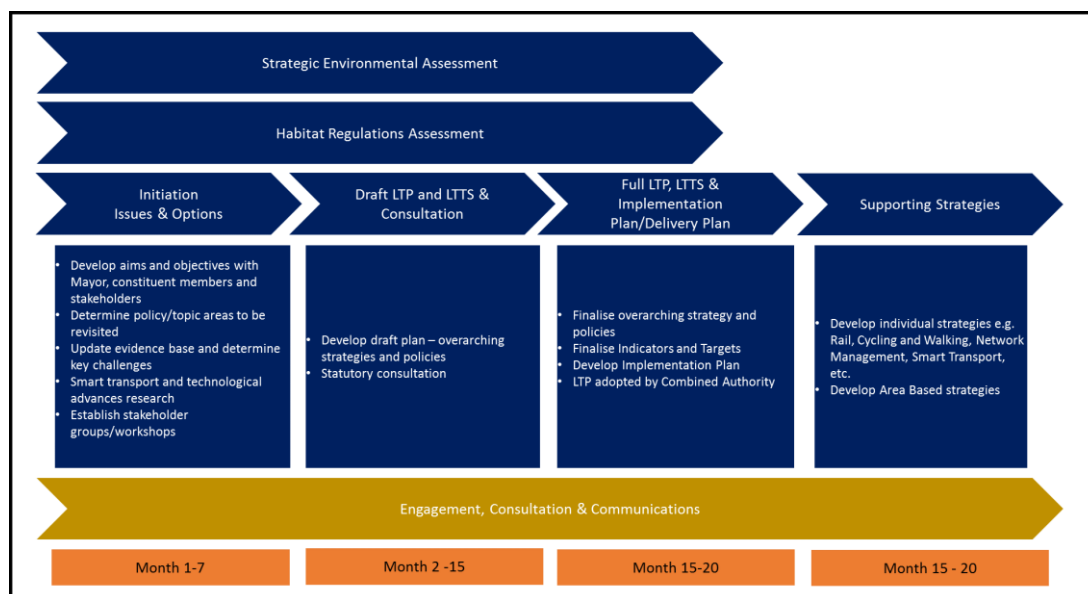
- 3.1 The Mayor and the Combined Authority are committed to addressing the historic deficit in transport investment and improving transport and the physical connections between communities including cities, towns and rural areas. This will provide a means to deliver sustainable growth across the area, and support housing and economic development.
- 3.2 The Mayor and the Combined Authority plan to significantly improve connectivity for the Cambridgeshire and Peterborough area through digital infrastructure and in tackling traffic congestion and pollution.
- 3.3 This report sets out the proposal to develop a new Local Transport Plan for the Cambridgeshire and Peterborough area. This will include consultation with residents and businesses, to ensure that the Local Transport Plan properly represents the needs of communities and stakeholders across the entire region.

## **Statutory Requirements**

- 3.4 The Transport Act 2000 and Local Transport Act 2008 require all Local Transport Authorities to produce a Local Transport Plan. The Local Transport Plan guidance (2009) outlines the statutory requirements in preparing the Local Transport Plan:
- A duty to consult for at least 12 weeks when formulating plans and policies
  - A duty to involve citizens in local decision making and service provision
  - European legislation requires that a Strategic Environmental Assessment (SEA) be undertaken. Local transport authorities should ensure that a SEA is an integral part of developing and later delivering their Local Transport Plan. Department for Transport (DfT) recommends that local authorities take their own legal advice to ensure they are complying with the requirements of SEA in respect of Local Transport Plan (LTP) strategies and implementation plans. A Health Impact Assessment is also a key part of a SEA
  - Habitats Regulation Assessment (HRA). Local transport authorities need to consider if their LTP is likely to have a significant effect on a European site. If a significant effect is likely, the Plan must be subject to an appropriate assessment. Statutory environmental bodies should be consulted.
  - Equality Impact Assessment

## **Approach to developing the new Local Transport Plan**

- 3.5 The starting point for the development of the new Local Transport Plan will be to agree the scope of the Plan, specifically the aims and objectives and the overall policy and strategic direction.
- 3.6 It is proposed that the Local Transport Plan has a planning horizon 2031/36 in line with Local Plans and that the associated documents are developed using the following planning horizons:
- Long Term Transport Strategies (LTTS) for Cambridgeshire and Peterborough to 2050.
  - Transport Delivery Plan - 3-5 year rolling programme for smaller schemes
  - Transport Delivery Plan - 7-10 year rolling programme for major schemes be developed
- 3.7 The outline approach to developing the new Local Transport Plan is summarised in the figure below. There are four main development phases which will run alongside the SEA and HRA:



- 3.8 The timing and scope of the consultation will be agreed during the Project Initiation phase. There are three broad options:
- 12 week public and stakeholder consultation on draft LTP
  - A short stakeholder consultation on LTP objectives, followed by a 12 week public consultation on draft LTP and programme
  - 12 week public and stakeholder consultation, on schemes, programme and priorities
- 3.9 An Engagement, Consultation and Communications workstream will run throughout all four development phases. This will ensure that there is formal engagement and consultation with CA governance groups and member local authorities on a regular basis throughout. It will also develop and deliver a programme of communications to different audiences to share and promote the emerging proposals and plans.
- 3.10 The development of the new Local Transport Plan is expected to be completed in an elapsed period of 20 months: July 2017 – Feb 2019.
- 3.11 It is proposed that the Strategic Director for Transport is responsible for overseeing the development of the new Local Transport Plan. The Strategic Director for Transport will determine the specialist inputs required from technical / subject matter experts in highways, planning, environment, road safety, communications, public and stakeholder engagement. This is likely to include a mix of work undertaken by Cambridgeshire County Council, Peterborough City Council and externally commissioned inputs (for example to undertake the SEA and HRA).
- 3.12 It is recommended that a budget allocation of up to £500,000 in 2017/18 and 2018/19 is committed to the development of the new Local Transport Plan. Funds would come from the Combined Authority's Revenue Gainshare allocation. The outline costs are based on previous experience and consultation for similar projects.



## **Project Management and Stakeholder Engagement**

3.13 A Project Board will be established to manage the project and key stakeholders.

3.14 Key stakeholders include:

- The Cambridgeshire and Peterborough Combined Authority
- Greater Cambridge partnership
- Member local authorities
- GCGP LEP
- Other statutory bodies

## **4.0 FINANCIAL IMPLICATIONS**

4.1 It is recommended that a total sum of up to £500,000 be allocated by the Combined Authority and that the Combined Authority Chief Executive has the authority, in conjunction with the Portfolio Holder for Transport & Infrastructure to commission the development of the new Local Transport Plan including requisite third party specialist inputs provided that the value of the commissioned services does not exceed the approved budget allocation.

4.2 The costs have been developed based on previous experience. The request for funds would impact the 2017/18 and 2018/19 budget; funds would come from the Combined Authority's Revenue Gainshare allocation:

<b>Name</b>	<b>Budget 2017/18</b>	<b>Budget 2018/19</b>
Local Transport Plan	£200k	£300k
<b>TOTAL</b>	<b>£200k</b>	<b>£300k</b>

## **5.0 LEGAL IMPLICATIONS**

5.1 The formation of the Combined Authority confirmed the Cambridgeshire and Peterborough Combined Authority as the Local Transport Authority for its area. The Combined Authority assumed powers and duties contained within parts 4 and 5 of the Transport Act 1985, and Part 2 of the Transport Act 2000 (as amended), which included the duty to produce a Local Transport Plan.

5.2 The purpose of the Local Transport Plan is to develop policies for the promotion and encouragement of safe, integrated, efficient and economic transport (s.108 Local Transport Act 2000).

5.3 Whilst the Combined Authority takes on the role of Transport Authority for the area, Cambridgeshire County Council and Peterborough City Council remain the highway authorities for the area. During the preparation of the Local Transport Plan, collaboration with the highway authorities will be necessary for matters which remain within their remit e.g. parking, bus lane enforcement and road maintenance.

## **6.0 EQUALITIES IMPLICATIONS**

- 6.1 The new Local Transport Plan will be developed to ensure open and transparent consultation and decision making and the ability for residents and communities to provide feedback.
- 6.2 The DfT provides guidance about the need for Local Transport Plans to address key policy guidelines and statutory requirements such as the transport needs of older people with mobility difficulties and people with disabilities, climate change and others.

## **7.0 APPENDICES**

None

<b><u>Source Documents</u></b>	<b><u>Location</u></b>
<b>N/A</b>	



<b>CAMBRIDGESHIRE AND PETERBOROUGH COMBINED AUTHORITY BOARD</b>	<b>AGENDA ITEM No: 2.5</b>
<b>26 JULY 2017</b>	<b>PUBLIC REPORT</b> <i>This report has a confidential appendix which will be circulated separately</i>

## HOUSING INVESTMENT FUND PROGRAMME – ‘QUICK WINS’

### 1.0 PURPOSE

- 1.1 The Combined Authority successfully secured £100million to deliver 2,000 affordable homes across Cambridgeshire and Peterborough from the Government as part of the devolution deal.
- 1.2 In March 2017 the Combined Authority Board agreed the business case for this housing investment programme. This report sets out an initial portfolio that accelerates the delivery of affordable housing. Delivery of affordable housing is recognised as an issue across the Combined Authority and this first phase of schemes will see delivery in each of the constituent council areas targeted by the fund.

<b><u>DECISION REQUIRED</u></b>	
<b>Lead Member:</b>	<b>Councillor Peter Topping, Portfolio Holder</b>
<b>for</b>	<b>New Homes and Communities</b>
<b>Lead Officer:</b>	<b>Martin Whiteley, Chief Executive</b>
<b>Forward Plan Ref: 2017/009</b>	<b>Key Decision: Yes</b>
<b>Recommendation:</b>  The Combined Authority is recommended to:  <ol style="list-style-type: none"><li>1. Commit grant funding of £4.56m for the initial portfolio of affordable housing schemes</li><li>2. Delegate authority to the Chief Executive, in consultation with the Portfolio Holders of the Delivery Group to approve the release of grant funding on application for draw down of the funds by the providers and take all necessary</li></ol>	Voting arrangements  Simple majority including the LEP

steps to ensure delivery of the affordable housing schemes	
3. Note the intention to bring forward detailed proposals for the management of the Housing Investment Fund including the rules, procedures and levels of delegation, to the Combined Authority Board in September 2017	

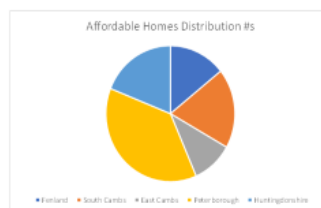
## 2.0 EXECUTIVE SUMMARY

- 2.1 The Combined Authority is on track to deliver 2000 new affordable homes over a five-year period in Peterborough and Cambridgeshire.
- 2.2 This report provides details of the first wave of new affordable housing is on course to deliver its five year objectives.
- 2.3 In parallel, detailed proposals for the £100m Housing Investment Fund investment objectives, rules and procedures and levels of delegation are being developed and will be brought to the CA Board in September 2017. The detailed proposals will include an overview of the delivery profile over the five year period and an outline pipeline of affordable housing development schemes.
- 2.4 In order to move swiftly on the delivery of the first wave of new affordable housing schemes, delegated authority is sought for the Chief Executive, in consultation with the Delivery Group Portfolio Holders to agree the draw down of funding and enable delivery of the first wave of schemes
- 2.5 The scale, distribution and planned outcomes for the initial portfolio of Quick Wins affordable housing schemes is summarised below:

### Quick Wins: New Affordable Homes enabled by CA Grant

**253 - £4.56m CA Grant**  
£18k per unit

Affordable Homes Distribution	
Area	#s
Fenland	36
South Cambs	48
East Cambs	26
Peterborough	95
Huntingdonshire	48
<b>TOTAL</b>	<b>253</b>



- 11 schemes from 6 providers are recommended for inclusion

- All Combined Authority local authority areas have schemes in the programme
  - £4.56m of Combined Authority grant funding is recommended to provide 253 new affordable homes
  - The average Combined Authority grant per unit is £18k, this compares favourably with other Value for Money (VFM) comparators (as detailed below).
  - £925k of Recycled Capital Grant Fund capital finance held by providers, will be released for future deployment within the Combined Authority area
  - On 5 of the sites Combined Authority grant funding will be deployed alongside grant funding from other public bodies, the Homes and Communities Agency and East Cambridgeshire District Council. The total combined public grant funding for the 11 schemes equates to £7.16m for 355 new affordable homes, at an average of £20.2k per unit
  - All 11 schemes will start on site before the end of March 2018, and many of them sooner.
- 2.6 Candidate schemes have undergone a rigorous process of due diligence, and dialogue with local authorities and prospective providers and are considered to represent very good value for money.
- 2.7 The Quick Wins programme is solely grant-based to achieve the required scale and pace of early delivery. Lessons learned from the Quick Wins programme will be assimilated into the Combined Authority's future Housing Investment Fund investment objectives. It is anticipated that this will utilise a variety of forms of capital investment.

## **2.0 BACKGROUND**

- 2.1 The Mayor and the Combined Authority are committed to accelerating affordable housing delivery to meet local and UK need and support economic growth.
- 2.2 Recognising the high levels of growth and exceptional housing market conditions in Cambridgeshire and Peterborough, the Combined Authority has received a £100m Housing and Infrastructure Fund from Central Government to deliver new affordable homes over a five-year period in Peterborough and Cambridgeshire which will include affordable rented and shared ownership housing.

- 2.3 The Combined Authority, the Greater Cambridge Greater Peterborough (GCGP) Enterprise Partnership and the private and voluntary sectors will work together strategically, with a single plan and approach, to deliver the housing schemes. This will include bringing together funding streams secured through the devolution agreement with other investments and the funds secured through Growth Deals.
- 2.4 The approach to housing delivery will move beyond the simple aggregation of a number of locally determined housing schemes and instead take a strategic and collective view on which developments will best serve the overall objectives of growing the economy.
- 2.5 The importance of housing is reflected in the Mayor's 100 day commitment to announce the first wave of new affordable housing schemes in the Combined Authority area. **Devolution - Affordable Housing Business Case.**
- 2.6 The Business Case presented to government in January 2017 set out the scale and strategy for the £100m Housing and Infrastructure Fund for the Combined Authority to enable an additional 2,000 new affordable homes to start on site in the Combined Authority area during the five year period commencing 1 April 2017.
- 2.7 The £100m fund will be deployed in the four local authority districts and the unitary excepting Cambridge City, which has received a separate ring-fenced £70m grant fund.
- 2.8 The Business Case committed the £100m to delivering schemes which create added value by:
- Enabling new, or stalled schemes to proceed and/or
  - Achieving otherwise unviable Local Authority affordable housing and planning policy compliant outcomes and/or
  - Creating future development funding capacity.
- 2.9 The Business Case recognised that in some cases the deployment of Combined Authority funding could accelerate the delivery of new affordable homes.
- 2.10 The Business Case also envisaged that funding to support the construction of new homes would average up to £25k per unit, and between £16k and £25k per unit for infrastructure.

### **Housing Investment Fund Programme: Quick Wins**

- 2.11 The Combined Authority has committed to deliver the 2,000 additional starts on site within five years. The early achievement of a first wave of 'Quick Wins'

will help to create confidence among the public, stakeholders and central government, that the Combined Authority is on course to deliver its five year objectives.

- 2.12 The initial portfolio of Quick Wins has been assembled and evaluated in line with the key principles outlined in the Business Case. It has been developed in dialogue with the constituent local authorities and providers, and comprises pre-existing local authority identified schemes with affordable housing providers already in place.
- 2.13 The initial portfolio of Quick Wins has been developed in advance of the full Combined Authority policy and procedural framework, under which subsequent schemes will be considered. Detailed proposals for the Housing Investment Fund investment objectives, rules and procedures and levels of delegation will be brought to the CA Board in September 2017.

### **3.0 MAIN ISSUES**

#### **Selection of Candidate Schemes**

- 3.1 The Business Case for the Housing Investment Fund Programme is based on achieving best use of the funding available through a negotiated process which may see funding deployed in different ways for different schemes including grants, loans and infrastructure investment. As the Combined Authority is not simply providing funding to build houses directly on its own land, it will be negotiating with developers, Registered Providers and other involved parties. This means that the pipeline will change and evolve through those negotiations. Schemes may fall out of the programme or be deferred to later years, for example if developers decide not to proceed or if unexpected planning issues arise. Equally other schemes will come forward into the pipeline.
- 3.2 The initial Business Case identified 49 potential schemes with the aim of illustrating to central government the scale and impact that was possible and to provide assurance about the range of sites that could deliver a credible programme within the five year period. It was never intended that these would form the definitive lists of sites because of the negotiated process outlined above.
- 3.3 A significant proportion of the 49 schemes are medium to longer term delivery prospects, which are unable to start on site sufficiently early to be considered as Quick Wins. Those schemes included within the Business Case were sites that could deliver more than 50 homes, to underline to central government the potential impact of the CA programme on major sites. There was also a working assumption that it would be easier for the Combined Authority to deliver bigger volumes on a smaller number of sites. It is expected that the

Housing Investment Fund programme will comprise a mix of schemes of all sizes.

- 3.4 The Combined Authority is clear that the Housing Investment Fund is intended to accelerate the delivery of housing. The Quick Wins programme is critical in identifying schemes that could be enabled within the first year of the programme. Early work has therefore focused on identifying potential Quick Wins from the original 49 schemes included in the business case, and other potential candidate schemes identified by member local authorities. This has given a working long list of potential schemes of 186 sites.
- 3.5 For the schemes identified within the Quick Wins programme, the intervention from the Investment Fund will comprise direct grant payments rather than any other form of financial investment. This will not be the case for the longer term programme where there will be a wider range of interventions made with a view to create a rolling funding programme. The Quick Wins programme will nevertheless contribute to this by enabling providers to defer the planned deployment of accrued Recycled Capital Grant Fund (RCGF) resources (see 4.10 below).
- 3.6 19 candidate Quick Wins schemes were identified in May 2017, from the long list of 186, for further detailed consideration, by applying the following shortlisting criteria:
- Start on site no later than the end of the financial year 2017/18
  - A recognised affordable housing provider, meeting HCA regulatory standards, or equivalent, in place
  - The support of the host Local Authority
  - Offer good value for money - as detailed in the Financial Implications Section 4.0 below
  - Have a high degree of deliverability judged by factors such as planning status, land ownership, and the status of building contractual negotiations
  - Offer good 'additionality' in return for the Combined Authority grant, for example:
    - Enabling new or stalled schemes to proceed that would otherwise be unviable
    - Producing a higher number of affordable homes than originally planned
    - Producing an improved tenure mix
    - Substituting CA grant for other identified forms of subsidy that may be reserved for deployment in the CA area at a later stage i.e. creating future development funding capacity



- 3.7 Detailed discussions were held with the relevant providers, following which formal CA grant funding request submissions were invited for the 11 schemes still considered to meet the shortlisting criteria. Formal grant request submissions for these 11 schemes were received from providers on 12 June 2017.
- 3.8 The formal submissions were then reviewed by the individual local authorities for deliverability in terms of current planning status and the realism of providers start on site forecasts, and compliance or otherwise with affordable housing and planning objectives. All 11 schemes successfully passed this final stage of due diligence.
- 3.9 This has resulted in the final list of 11 schemes being recommended for Combined Authority Quick Wins grant funding. The scheme details are set out in the Confidential Appendix 1 and are summarised in the table below:

CA Area	Provider	Scheme
<b>Fenland</b>	Cross Keys Homes	Snowley Park
<b>South Cambs</b>	Flagship	Papworth
	Cambridge Housing Society	Melbourn
	Cross Keys Homes	Willingham
<b>East Cambs</b>	Cambridge Housing Society	Littleport
	Palace Green Homes	Soham
	Hastoe	Burwell
<b>Peterborough</b>	Cross Keys Homes	Perkins
	Cross Keys Homes	John Mansfield
<b>Huntingdonshire</b>	Cross Keys Homes	Offord D'arcy
	Havebury	Warboys

- 3.10 The long list of 186 potential schemes will be kept under review and is likely to change once the Combined Authority refines its criteria for the future programme at its September meeting.

## **Provider Due Diligence**

- 3.11 It is important that providers demonstrate their good-standing and capacity to deliver the schemes for which CA Quick Wins grant funding is sought.
- 3.12 Each registered Housing Association provider was required to confirm their current Homes and Communities Agency (HCA) Regulatory Judgement scores. The HCA awards all registered providers scores on a 1-4 scale for Viability and Governance. All five of the Housing Associations recommended for CA grant funding score the highest 'V1G1' ratings. It should be noted that one Housing Association, which would otherwise have had credible candidate schemes for the Quick Wins programme, was not invited to submit grant proposals because of its currently non-compliant 'V2G3' Regulatory Judgement. This Housing Association is working to address the issues identified by the HCA regulator, and is expected to become eligible for CA funding in due course.
- 3.13 One of the prospective providers, Palace Green Homes (PGH), is part of ECDC's wholly owned development arm, East Cambridgeshire Trading Company Ltd, which is not an HCA registered provider. Upon completion, PGH will transfer the new homes to the ownership and management of the independent, not for profit Community Land Trust (CLT), Soham CLT which is supported by CLT East (which is also part of the East Cambridgeshire Trading Company Ltd).
- 3.14 PGH is therefore considered, alongside the Housing Associations with compliant HCA Regulatory Judgements, to be a suitable organisation to receive CA grant. It should be noted that the ECDC CLT was referenced in the Devolution Business Case, and that CLTs have the potential to contribute to meeting the CA's objectives to accelerate the delivery of affordable homes.
- 3.15 It is intended that Medesham Homes, the joint venture company wholly owned by Peterborough City Council and Cross Keys Homes, shall have a major role in the two Peterborough schemes recommended for inclusion in the Quick Wins. This was again specifically referred to in the Devolution Business Case. Cross Keys Homes has made the submission for CA Quick Wins grant at this stage.
- 3.16 Each provider has also supplied confirmation by its Finance Director or equivalent, that their organisation has the financial capacity to deliver their proposed scheme(s).

## **Quick Wins CA Grant Funding Allocations**

- 3.17 CA grant funding allocation recommendations for the Quick Wins programme, will represent (similarly to HCA grant funding allocations) a commitment to

provide a fixed sum of grant subsidy in return for the output of affordable homes defined in providers' grant request submissions. The start on site and completions, based on providers submissions are detailed in Appendix 3.

3.18 The following outline CA grant conditions will apply, and have been made clear to each of the prospective providers:

- Grant will be fixed. The provider is responsible for meeting any changes in costs. The Combined Authority may renegotiate grant with the provider where the scheme changes materially (e.g. numbers, tenure or size of homes, and/or completion delivery timetable) after the funding allocation decision
- If grant is not utilised within an agreed period, the provider will have an opportunity to propose an alternative scheme within the Combined Authority area, which will be negotiated with the provider on a scheme by scheme basis
- In the longer term, providers will be obliged to repay grant to the Combined Authority in the event of the disposal of grant-funded properties
- The timing and amounts of grant tranche payments will be made in line with current HCA practice (50% at Start on Site and 50% at Practical Completion)
- Future grant repayments, received by providers from shared owners acquiring further shares of the equity in their homes, will be held by the provider in a Recycled Capital Grant Fund (RCGF). The provider will have a three year period in which to spend RCGF on building more affordable homes, or return the grant to the Combined Authority. Providers must use 'best endeavours' to spend RCGF in the local authority area in which it originated, or the wider Combined Authority area if this cannot be achieved.

### **Partnership Agreement**

3.19 At its March meeting the Shadow CA Board agreed to:

- Ask the Chief Executive, Finance and Legal Officers of the Combined Authority to develop a partnership model with South Cambridgeshire District Council nominated as the Lead Partner to deliver the £100m programme and the development of the CA Housing Strategy, with the final arrangements coming back to the Combined Authority Board for approval
- Ask the Chief Executive, Finance and Legal Officers of the Combined Authority to develop a partnership model with Cambridge City to be the Lead Partner on the delivery of the £70m affordable housing programme, ring-fenced for Cambridge."

Development of the partnership agreement is underway. It is proposed to bring details to the CA Board in September.

## **Performance Management Framework**

- 3.20 It is proposed that the Chief Executive, in consultation with the Portfolio Holders of the Delivery Group will approve the release of grant funding on application for draw down of the funds by the providers
- 3.21 In the first instance, and in advance of the detailed proposals for the Housing Investment Fund investment objectives, rules and procedures and levels of delegation, the Partnership Agreement with South Cambridgeshire District Council will set out the rules and procedures within which the CA grant is paid to providers for the initial portfolio of affordable housing schemes and the affordable homes to which they will have contractually committed. The contract between the Combined Authority and providers will encompass and expand upon the outline terms set out in paragraphs 3.17 and 3.18 above.
- 3.22 The detailed Housing Investment Fund rules and procedures will include the arrangements by which the Combined Authority will monitor the performance, and delivery of new homes, by providers. This will include the framework for periodic performance review meetings and provider reporting requirements.

## **4.0 FINANCIAL IMPLICATIONS**

- 4.1 The Board is asked to commit grant funding of £4.56m for the initial portfolio of affordable housing schemes
- 4.2 A scheme of delegation will be brought for approval to the CA Board in September. This will include the governance and arrangements for oversight of operational delivery.
- 4.2 The providers have supplied forecasts of grant drawdown, based upon their delivery programmes and the payment trigger events (starts on site and practical completions). These have been aggregated to give the following budgetary requirements:

<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>
<b>£2.57m</b>	<b>£1.82m</b>	<b>£0.17m</b>
Note: It is not uncommon for developments to experience slippage; this will impact grant drawdown. The Housing Investment Fund rules and procedures will include the arrangements by which the Combined Authority will monitor grant drawdown against forecasts and budgets, delivery and performance and provider reporting and review meeting requirements		

- 4.3 These figures aggregate providers' best current forecasts. Scheme events will change over time, and actual drawdown will be closely monitored, as outlined in paragraph 3.20 – 3.22 above.

## **Value for Money**

- 4.4 Value for money assessments for the candidate schemes were made against the overall programme criteria and the individual scheme criteria.

### **Programme Criteria**

- 4.5 CA grant per home for the Quick Wins was compared with the assumptions made in the Devolution Business Case. £4.56m of CA grant is required for the delivery of the 253 homes recommended for the Quick Wins programme. At an average of £18k per unit, this compares favourably with £25k per unit envisaged in the Devolution Business Case. None of the Quick Wins schemes have included requests for infrastructure grant.
- 4.6 Whilst the average CA grant rate of £18k per unit for the first wave of affordable homes is a positive outcome it is unlikely to be representative for the entirety of the Housing Investment Fund programme. Grant rates, for future schemes where CA funding is deployed in the form of grant, may be higher, particularly in areas where land values are greater.
- 4.7 Where the 11 proposed schemes include some HCA funded homes alongside CA funded homes, the Total Public Subsidy per home has been calculated to show the VFM of the combined output of affordable homes in relation to the total input of public funds. This is summarised in Appendix 2 and shows an average grant of £20.2k per unit from all sources of public funding. There will be clear delineation between CA and HCA funded homes on the same sites, and in no case would any individual home be considered for both CA and HCA funding.
- 4.8 CA grant per home, has also been compared with the information supplied by providers about existing HCA 2016-21 Shared Ownership Affordable Housing Programme (SOAHP) grant allocations on four schemes included in submissions to the CA. From the information provided, SOAHP grant allocations range between £20k and £30k per unit, compared with £18k per unit for the proposed CA Quick Wins.

### **Scheme Criteria**

- 4.9 The candidate schemes vary significantly in their composition. This variation encompasses:
- Schemes requiring grant to be viable to proceed
  - Proposals to improve tenure balances to better meet local authority identified needs (i.e. higher numbers of affordable rented homes)
  - Schemes where CA grant input will enable existing HCA RCGF held by providers to be reserved for later deployment.
- 4.10 A simple methodology was therefore adopted to compare VFM at an individual scheme level. Key metrics comprise, firstly the total public subsidy per unit measured across the output of all new affordable homes, and secondly the specific output of affordable homes financed by CA grant. The VFM metrics for each scheme are shown in the table at Appendix 1. All of the

schemes recommended for inclusion in the Quick Wins are considered to represent good value for money.

- 4.11 In three cases it is proposed that CA grant will replace the intended deployment of RCGF generated from previous HCA funded shared ownership projects, enabling £925k of grant to be reserved for building more affordable homes in the CA area, later within the 5 year programme. This will support the CA's objective to use grant to create future capacity to build more affordable homes.
- 4.12 In the case of Palace Green Homes' scheme at Soham, the CA is asked to provide 'gap funding' to supplement a financial commitment already in place from ECDC. The modest amount of gap funding requested is required to meet a shortfall arising from the recent tendering of the project, to enable the scheme to proceed as planned.

## **5.0 LEGAL IMPLICATIONS**

- 5.1 The Combined Authority has authority under section 1 Localism Act 2011 to exercise a general power of competence. The Combined Authority can exercise this power by virtue of the Cambridgeshire and Peterborough Combined Authority Order 2017. This power permits the Combined Authority to make grants to providers in order to deliver the terms of the devolution deal signed with Government.

## **6.0 EQUALITIES IMPLICATIONS**

- 6.1 This programme will help to meet the housing needs of disadvantaged minority groups, which are disproportionately represented among households needing affordable housing.
- 6.2 The new affordable homes are likely to accommodate some lower paid key workers, which will support the maintenance of key public services in higher value market areas.

## **7.0 NEXT STEPS**

- 7.1 The lessons learned from the Quick Wins will be assimilated into the work currently underway to develop the Housing Investment Fund investment objectives, rules and procedures and levels of delegation which will establish the delivery framework for future funding allocations and provider delivery performance monitoring.
- 7.2 The work to determine the Quick Wins has revealed a number of pointers for future phases:

- There were 10 further schemes which were insufficiently advanced to qualify as Quick Wins which should be in a position to come forward in the next wave of affordable homes
- Local authorities identified a number of major strategic sites which are, or will shortly be, the subject of S106 viability negotiations with developers. The availability of CA grant may have a significant impact toward securing policy compliant affordable housing percentages than would otherwise be able to be achieved
- There is potential for CA funding to be used for land acquisition and/or as investment for a future financial return.

## 8.0 APPENDICES

8.1 Confidential Appendix 1 Scheme Details

8.2 Appendix 2 Quick Wins Summary

8.3 Appendix 3 Quick Wins Starts and Completions

<b><u>Source Documents</u></b>	<b><u>Location</u></b>
<b>Cambridgeshire and Peterborough Devolution New Homes Business Case January 2017.</b>	

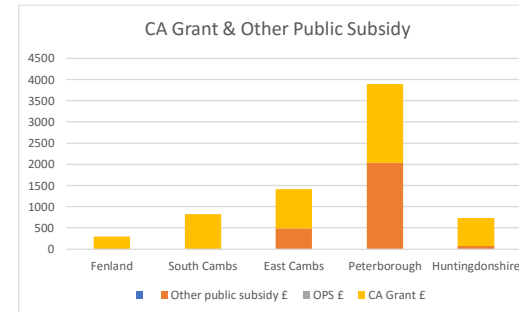


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## Appendix 2 – Quick Wins Summary

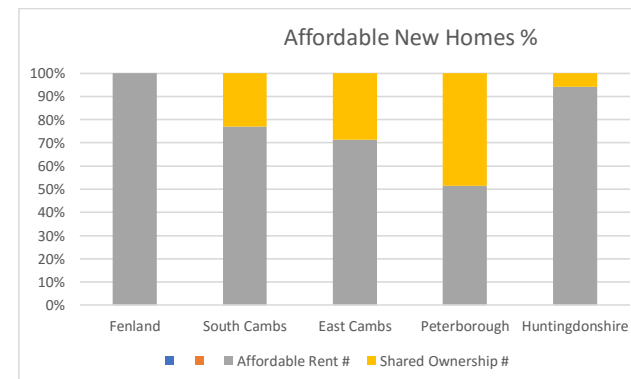
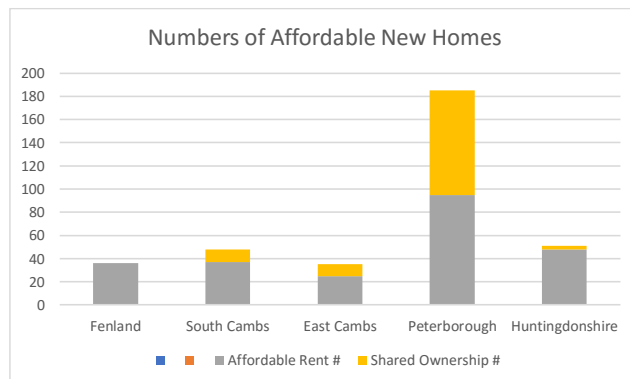
### Grant

- £4.56m Combined Authority Grant
- £2.2m HCA SOAHP
- £0.4m East Cambridgeshire District Council Grant



### Outputs

#### A. Total Affordable Homes Enabled by CA Grant - 253 homes @ £18k CA Grant per unit







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## B. Affordable Homes – Numbers and Grant per Unit

### 1. From all Public Subsidy:

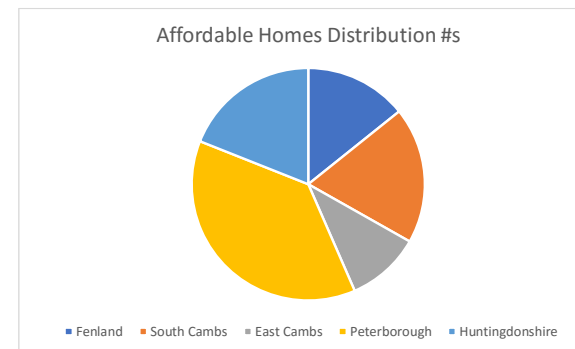
355 Affordable Homes (241 Affordable Rent and 114 Shared Ownership) - £7.16m grant @ £20.2k per unit

### 2. Of which from CA grant:

253 Affordable Homes (236 Affordable Rent and 17 Shared Ownership) - £4.56m grant @ £18k per unit

## C. Affordable Homes Distribution by Local Authority - CA Grant Only

Affordable Homes Distribution	
Area	#s
Fenland	36
South Cambs	48
East Cambs	26
Peterborough	95
Huntingdonshire	48
<b>TOTAL</b>	<b>253</b>



#### **D. RCGF Reserved for Later Deployment**

- £925k RCGF from 3 schemes



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### Appendix 3 – Quick Wins Start on Sites & Completions

	17/18				18/19				19/20				20/21				TOTAL
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
<b>Starts on Site</b>		125	55	73													<b>253</b>
<b>Completions</b>		25	20	12	2	40	30	77	31	10					6		<b>253</b>
<b>Notes:</b>																	
Numbers are for Combined Authority Funded Units only																	
Programme dates are providers current best estimates																	



**CAMBRIDGESHIRE  
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COMBINED AUTHORITY

<b>CAMBRIDGESHIRE AND PETERBOROUGH COMBINED AUTHORITY BOARD</b>	<b>AGENDA ITEM No: 2.6</b>
<b>26 JULY 2017</b>	<b>PUBLIC REPORT</b>

## **HOUSING STRATEGY**

### **1.0 PURPOSE**

- 1.1 Across Cambridgeshire and Peterborough there is a need to build at least 100,000 new homes, including 49,000 affordable new homes and to accelerate their delivery.
- 1.2 The Combined Authority proposes to develop a Housing Strategy for Cambridgeshire and Peterborough for the next twenty years which will address the current housing challenges facing the area. The principles of the strategy will include:
- An ambitious plan to deliver over 100,000 new homes by 2037 in order to meet the housing needs to support the growth of the local economy
  - A commitment to deliver 40,000 affordable homes within the same time period, to help address the affordability of housing, particularly for key workers and first-time buyers and in doing so, support the creation of more sustainable communities
  - Ensuring that housing supports the most vulnerable, helping to manage demands on primary health and social care by addressing current issues in the system in addition to ensuring increased choice and affordability for those requiring specialist care in the medium to long-term
  - Driving innovation and solution-focused approaches by supporting new types of building construction (including modular homes) and helping to boost small and medium sized building enterprises, by exploring ways to make sites more financially viable
  - Identifying and meeting housing need; exploring further opportunities for Community Land Trusts, extending choice through a choice-based lettings system and tackling homelessness through shared initiatives and action-planning
  - Ensuring that infrastructure to support new housing is co-ordinated and delivered as a coherent programme by making strong links across strategies and projects

- Improving standards in existing homes and encouraging best use of all homes by tackling overcrowding, reducing fuel poverty, bringing empty homes back into use and tackling homes in poor condition.

- 1.3 The Combined Authority will work with partners to deliver on this ambition. It will provide strong leadership and use the additional investment and flexibility afforded through devolution to do this. It will take a strategic and collective view and make the necessary interventions and investments that are to deliver the homes that are needed for the future success and prosperity of our communities.
- 1.4 In this context, the purpose of this report is to ask the Board to agree the approach to develop a bold and ambitious Housing Strategy for Cambridgeshire and Peterborough.

<b><u>DECISION REQUIRED</u></b>	
<b>Lead Member:</b>	<b>Councillor Peter Topping, Portfolio Holder for New Homes and Communities</b>
<b>Lead Officer:</b>	<b>Martin Whiteley, Chief Executive</b>
<b>Forward Plan Ref:</b>	<b>Not applicable</b>
<b>Key Decision: No</b>	
<p>The Combined Authority Board is recommended to:</p> <ol style="list-style-type: none"> <li>1. Agree the approach to developing the Housing Strategy</li> <li>2. Agree a budget allocation of up to £150k in 2017/18 for the development of the Housing Strategy</li> </ol>	<p>Voting arrangements</p> <p>Simple majority including the Local Enterprise Partnership (LEP)</p>

## 2.0 BACKGROUND

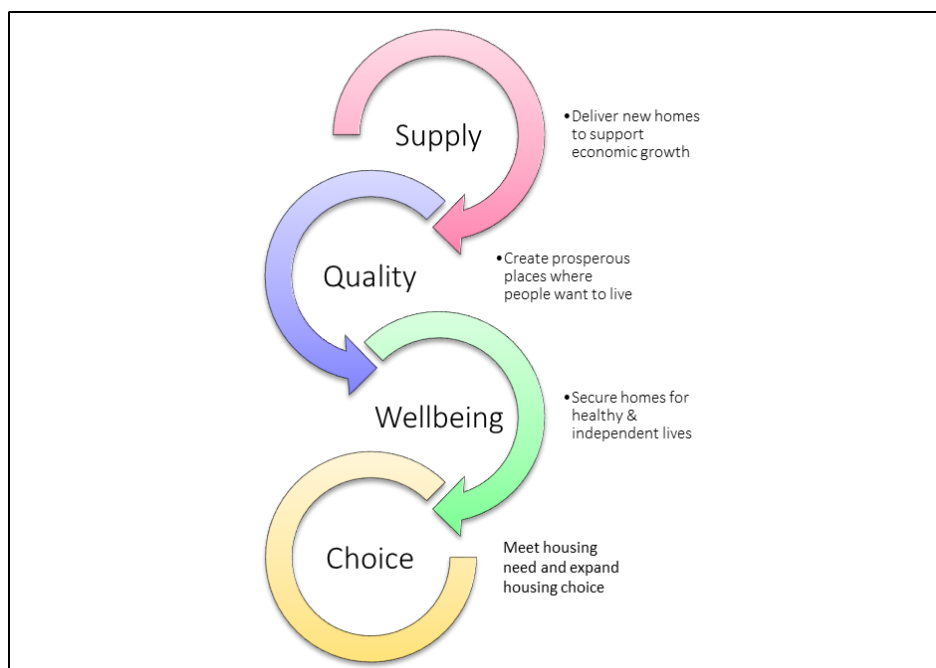
- 2.1 The housing system across our area, and nationally, faces a number of complex challenges that impact economic growth, wellbeing and public service delivery:
- Housing demand outstrips supply
  - Housing is unaffordable for many people
  - New homes do not always form part of communities where people are able to live happy and prosperous lives
  - Communities and housing schemes are not habitually designed to support the diverse aspirations of communities and support healthy living and healthy ageing

- 2.2 The devolution deal secured by this Combined Authority has already taken steps to address these challenges with specific investment over the next five years. Recognising the high levels of growth and exceptional housing market conditions in Cambridgeshire and Peterborough, the Combined Authority has received a £100m Housing and Infrastructure Fund from Central Government to deliver new affordable homes over a five-year period in Peterborough and Cambridgeshire and Cambridge City has received a separate ring-fenced £70m fund.
- 2.3 Whilst these investments over the next five years are a much-needed intervention that will benefit thousands of our residents, tackling the strategic challenges we face over the next 20 years requires a completely new and bold approach. The Mayor's 100 Day Plan therefore included a commitment to launch the development of a new Housing Strategy for Cambridgeshire and Peterborough.
- 2.4 The Housing Strategy will be developed with regard to the existing Strategic Housing Market Assessments for Cambridgeshire and Peterborough and the existing housing strategies already in place for partner councils as part of their strategic housing duties, as well as existing overarching strategy held by the Cambridge Sub Regional Housing Board, and the Cambridgeshire Older People's Accommodation Strategy held by the County Council. During the same time period a new Greater Cambridge Partnership Housing Strategy is also being developed.
- 2.5 There is an existing wealth of data which illustrates the nature of the housing challenges facing the Combined Authority area. Appendix 1 provides an overview of some of the key issues such as patterns of deprivation in the local context.

### **3.0 MAIN ISSUES**

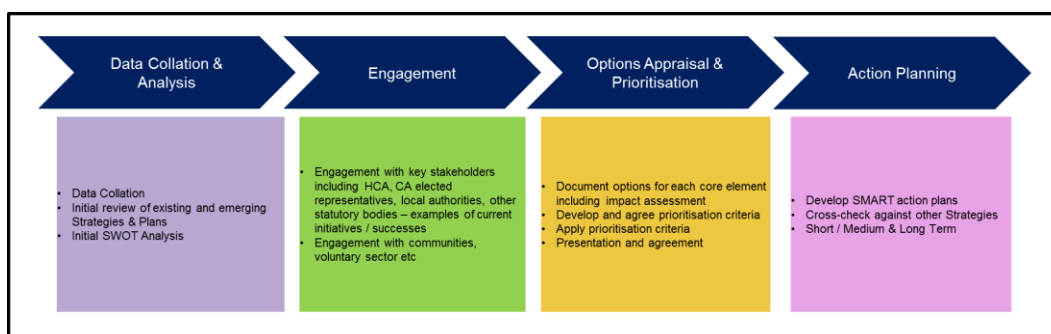
#### **Approach to developing the Housing Strategy**

- 3.1 The starting point for the development of the Housing Strategy will be to set out the overarching vision and objectives. The Combined Authority has identified the following objectives which are illustrated in the figure below:
- Accelerate housing delivery to support economic growth
  - Prosperous places that people want to live
  - Homes for healthy and independent lives
  - Meeting housing need and expanding choice



3.2 An outline 'blueprint' for these strategy themes is attached at Appendix 2.

3.3 It is proposed that the four core components of the vision and objectives provide the framework for the development of the overarching Housing Strategy and the approach illustrated in the figure below is followed for each component:



3.4 Engagement with key stakeholders is critical to developing a Housing Strategy that has buy-in and ownership across the full range of delivery partners.

3.5 Priority will be given to developing the action plan needed to take forward the first theme, the acceleration of new homes delivery. This will link to the other 100 day housing programme themes of modern methods of construction, supporting SME builders, CLT promotion and the delivery of the £100m affordable housing programme.

3.6 The strategy to accelerate delivery of new homes will also include consideration of the setting up of a Mayoral Development Corporation and new partnership working arrangements with delivery partners and funders as well as the HCA and the Growth Corridor partners.

- 3.7 As part of the work to accelerate delivery it is proposed that the Combined Authority works in partnership with the Housing Finance Institute (HFI). The HFI acts as an independent arm of the DCLG and Treasury to work with councils to maximise housing delivery. They can undertake an assessment of the ability of the Combined Authority partner councils to deliver housing based on their 'Business Ready' programme. This can be used to inform the action plan for the Combined Authority.
- 3.8 The timeline for completion of the accelerated housing delivery strategy and action plan will be February 2018.
- 3.9 The development of the Housing Strategy will engage Housing Officers and other stakeholders from across the member local authorities.

#### **4.0 FINANCIAL IMPLICATIONS**

- 4.1 It is recommended that a budget allocation of up to £150k in 2017/18 is committed to the development of the Housing Strategy. Funds would come from the Combined Authority's Revenue Gainshare allocation:

#### **5.0 LEGAL IMPLICATIONS**

- 5.1 Establishing a Housing Strategy is in accordance with the CPCA's general powers of competence under Section 1 of the Localism Act 2011 ("Act") giving it the powers to do or enter into arrangements which any natural person may undertake. The CPCA can rely on Section 1 of the Act by reference to the powers conferred upon it contained in the Cambridgeshire and Peterborough Combined Authority Order 2017 (the "Order")

#### **6.0 EQUALITIES IMPLICATIONS**

- 6.1 Equalities implications will be addressed separately in the development of the strategy.

#### **7.0 APPENDICES**

- 7.1 Appendix :1 Local Context data
- 7.2 Appendix 2: Draft Housing Strategy 'Blueprint' for the Combined Authority

<b><u>Source Documents</u></b>	<b><u>Location</u></b>
<b>None</b>	



## Appendix 1

### Local context for Cambridgeshire and Peterborough Combined Authority (CA) Housing Strategy

Cambridgeshire and Peterborough combined authority will establish a framework to enable delivery of an additional 2,000 new affordable housing starts during the five years from April 2017 to March 2022.

The combined authority will use its £100m grant fund to develop a programme of affordable housing to deliver extra affordable homes and act as a catalyst to deliver homes more quickly and to establish proactive partnerships with public and private sector partners.

Work undertaken on the development of its business case demonstrates that devolution housing investment will enable the start on site of 3,000 affordable homes in a five-year timeframe. This compares to approximately 1,000 affordable homes which would have been started within the period if the devolution funding was not available.

This shared housing strategy for the combined authority will ensure there are appropriate linkages made with the shared spatial strategy as well as the transport and infrastructure strategies. This in turn will ensure that there are appropriate linkages made between the CA housing fund and other funds available within the CA.

*(edited from BP exec summary)*

The case for housing

Meeting the demand for housing and the provision of affordable housing in particular is strategically and economically a key issue for Cambridgeshire and Peterborough.

The economy of the area will not grow to its full potential if delivery of new homes is not increased and accelerated. For example, the NIC Interim Report on Cambridge – Milton Keynes – Oxford Corridor (2017)<sup>1</sup> states the lack of affordable housing supply is a critical factor in to maintain economic growth.

*(edited from Housing Bss Case)*

Connected strategies

Our housing investment will link with...

- The CA transport strategy, related infrastructure projects and strategies for employment and skills development.
- Greater Cambridge and Greater Peterborough (GCGP) Enterprise Partnership economic growth plans and projects: supporting delivery of the infrastructure and homes needed in the medium and long term.
- Cambridge City Deal: where resources are focussed on unblocking transport and infrastructure requirements for the strategic growth sites around Cambridge
- Existing local plans, especially those sites that are ready to be brought forward

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<sup>1</sup> NIC Interim Report on Cambridge – Milton Keynes – Oxford Corridor (2017)

immediately and / or were previously stalled.

- HCA investment priorities both within the CA area and on strategic sites in neighbouring areas where there is a clear strategic linkage
- Growth corridors e.g. London Stanstead Cambridge Peterborough and Norwich Cambridge Oxford
- The GCGP LEP already has a draft economic plan which is subject to further consultation. This economic plan will be given full consideration when the suite of policy documents for the CA are adopted and will be referenced when establishing the Non-Statutory Spatial Framework.

(from BC v10.1)

*"Recognising the high levels of growth and exceptional housing market conditions in Greater Cambridge, the Government will provide £100m housing and infrastructure fund to help deliver infrastructure for housing and growth and at least 2,000 affordable homes. The combined authority will have flexibility over the right tenure mix to meet the needs of Cambridgeshire and Peterborough."*

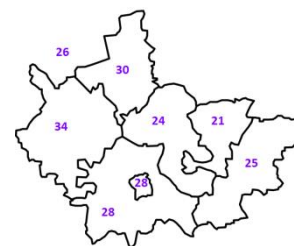
From the draft devolution document

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## Key data

### Local context

- Knowing the tenure of housing across the combined authority our area is useful to this blueprint, as it makes a difference as to who cares for each property, the cost of housing to the occupier, whether there is a landlord who assists with services, repairs, neighbour disputes, how the home is paid for; for example is a mortgage being paid, or which has been paid off in full; or is there rent due, or a mixture in the case of shared ownership.
- Across the combined authority area, in 2011 there was a population of nearly 805,000 making up more than 325,000 households.<sup>1</sup> Across the whole area there were:
  - 206,038 owner-occupied homes
  - 54,288 privately rented homes
  - 3,692 shared ownership homes
  - 52,940 social and affordable rented homes
- The last two categories add up to 56,632 homes, and many of these have a registered provider managing and maintaining them.
- At the end of 2016 there were more than 80 housing providers owned and managed social housing across the Cambridgeshire, West Suffolk and Peterborough. These include Cambridge City Homes and South Cambridgeshire District Council housing who are the two councils who continue to manage council housing in their area. The other five districts transferred council housing to a housing association partner, known as the stock transfer landlord.
- These are: Sanctuary in East Cambridgeshire, Circle Housing Roddons in Fenland, Luminus in Huntingdonshire and Cross Keys Homes in Peterborough.
- But in each district other housing associations, almshouse trusts and housing providers who are registered with the Homes and Communities Agency work hard to build, own and manage homes. Some own very small numbers of homes and focus on particular locations or issues - others have large number of homes across the area.<sup>2</sup>



The following key facts are based on the 2011 Census<sup>3</sup>:

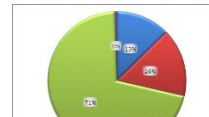
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<sup>2</sup> <http://cambridgeshireinsight.org.uk/housing/housing-providers>

<sup>3</sup> Source: <http://www.nomisweb.co.uk/>

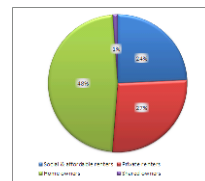
## Notes on housing in Cambridge

- The population of Cambridge was 123,867 making up 46,714 households.
- Social and affordable housing: 24% of households, or around 11,023 were renting from the council (15%) or a housing association (8%)
- Private renters: 26% of households, or around 12,258 were renting privately from a landlord or letting agent, or were living "rent free".
- Home owners: 48% of households, or around 22,171 owned their home including those with a mortgage, owned outright, and including 526 households in "shared ownership".



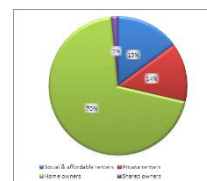
## Notes on housing in East Cambridgeshire

- The population of East Cambridgeshire was 83,818, making up 34,614 households.
- Social & affordable rented: 14% of households or around 4,944 were renting from a housing association.
- Private renters: 13% of households or around 4,576 were renting privately from a landlord or letting agent, or living "rent free".
- Home owners: 69 % of households, or around 23,719 owned their home including those with a mortgage, owned outright, and including 506 households in "shared ownership".



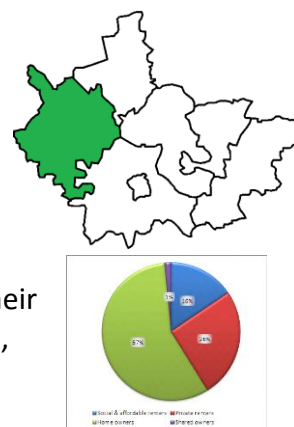
## Notes on housing in Fenland

- The population of Fenland was 95,262 who made up 40,620 households.
- Social and affordable rented: 12% of households, or around 5,054, were renting from a housing association.
- Private renters: 16% of households (around 6,341) were renting privately from a landlord or letting agent or living "rent free".
- Home owners: 70% of households, or around 28,436 owned their home, including those with a mortgage, owned outright, and including 205 households in "shared ownership".



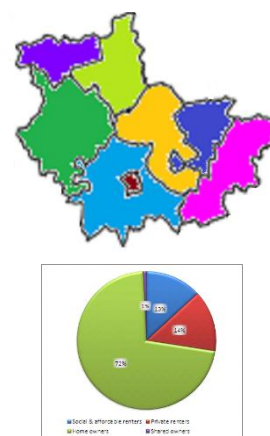
## Notes on housing in Huntingdonshire

- The population of Huntingdonshire was 169,508 making up 69,333 households.
- Social and affordable rented: 13% of households (around 8,939) were renting from a housing association.
- Private renters: 14% of households (around 9,770) were renting privately from a landlord or letting agent or living "rent free".
- Home owners: 71% of households (around 49,398) owned their own home, including those with a mortgage, owned outright, and including 508 households in "shared ownership".



## Notes on housing in Peterborough (purple)

- The population of Peterborough was around 183,631 making up 74,023 households.
- Social and affordable rented: 20% of households (around 14,434) were renting from a housing association.
- Private renters: 19% of households (around 14,168) were renting privately from a landlord or letting agent, or living "rent free".
- Home owners: 59% of households (around 43,877) owned their own home including those with a mortgage, owned outright and including 689 households in "shared ownership".



## Notes on housing in South Cambridgeshire

- The population of South Cambridgeshire was 148,755 making up around 59,960 households.
- Social and affordable rented: 14% of households, or around 8,546 were renting from the council (9%) or a housing association (5%).
- Private renters: 12% of households (around 7,174) were renting privately from a landlord or letting agent, or living "rent free".
- Home ownership: 70% of households, around 42,129, owned their own home including those with a mortgage, owned outright, and including 1,258 households in "shared ownership".

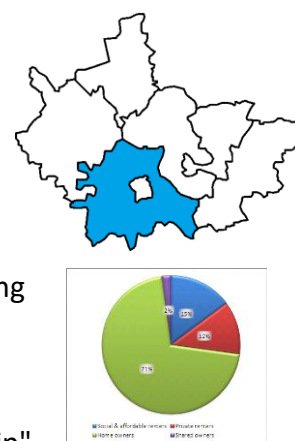


Table 1. Total housing association affordable homes, 2016

Cambridge	5,331
East Cambs	5,699
Fenland	5,724

Huntingdonshire	10,258
Peterborough	16,610
South Cambs	4,655
East of England	266,807
England	2,667,406
<i>Source: HCA Statistical Data Return 2016 (from NHF Home Truths 2016/17)</i>	

## Tenures across the CA

Figure 1 % homes owned (2011)

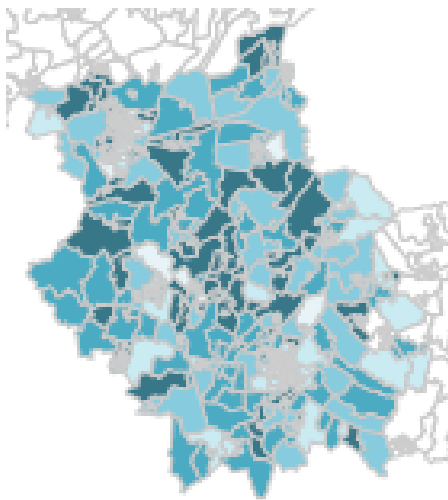


Figure 2 % homes private rented (2011)

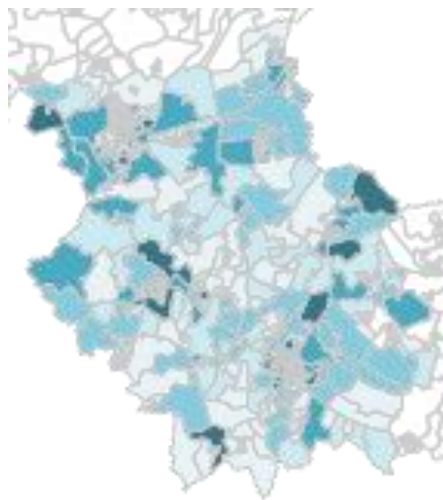


Figure 3 % homes shared ownership (2011)

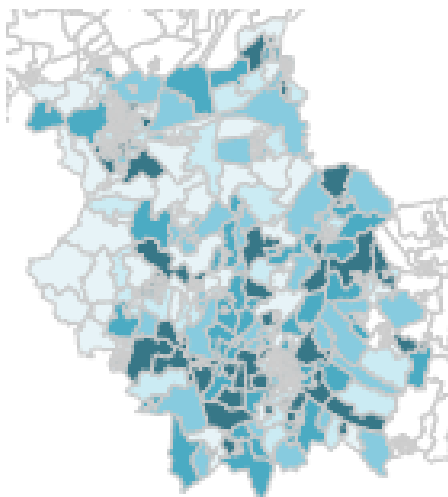


Figure 4 % homes social rented (2011)

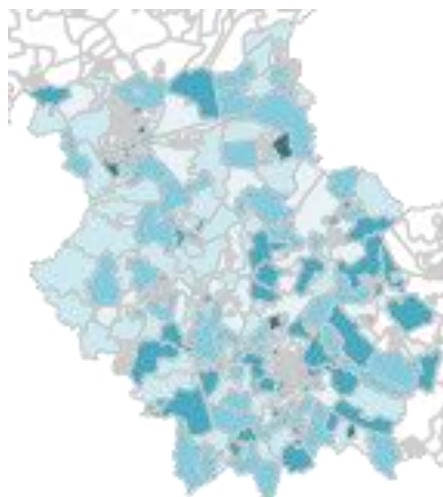
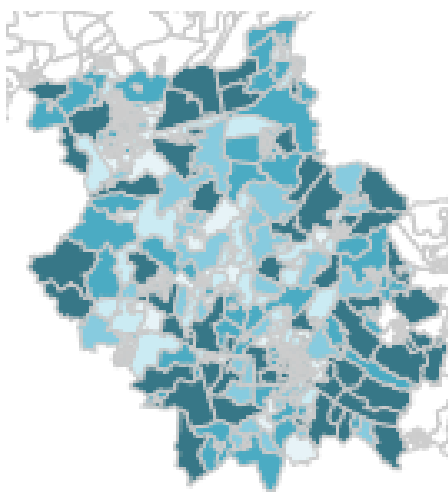


Figure 5 % homes rent free (2011)

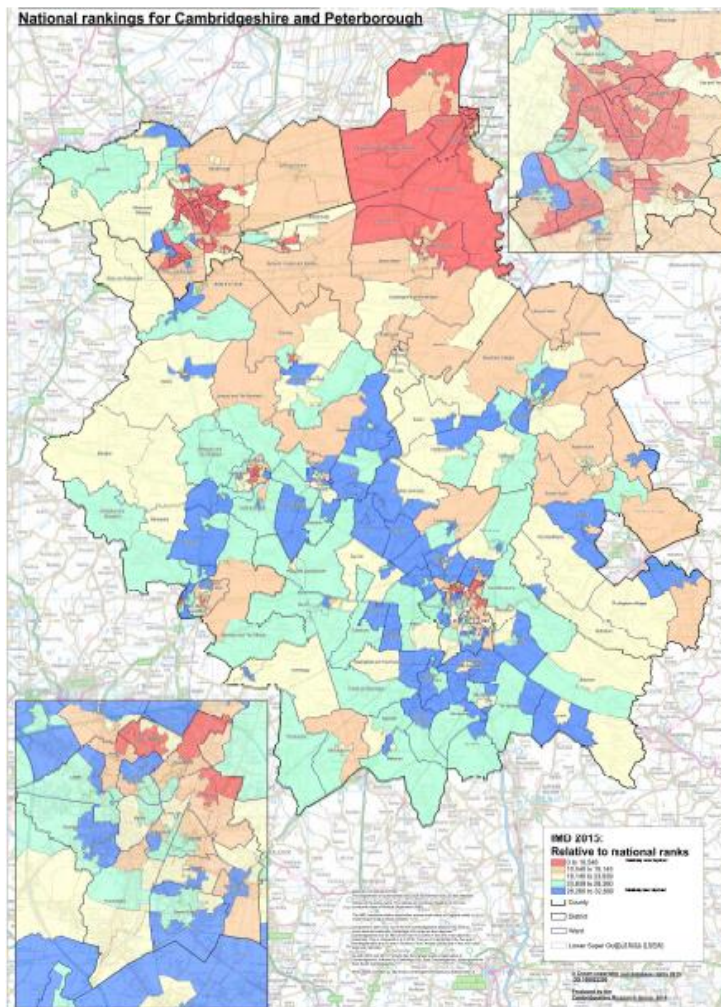




## Deprivation

In 2015 the Department of Communities and Local Government released the Index of Multiple

Figure 6 Index of Multiple Deprivation 2015



Deprivation which measures relative deprivation across small areas<sup>4</sup> of England. The data comes from 2007, 2010 and 2015. **Error! Reference source not found.** shows the ranking of each small area locally, compared to national rankings.

- Compared to 2010, four out of the five Cambridgeshire districts now rank as more deprived nationally; Cambridge City ranks as less deprived.
- The 2015 index shows Cambridgeshire having 16 small areas in the 20% most deprived nationally, compared to 9 in 2010. Two of these small areas are in Cambridge City, two are in Huntingdonshire and twelve are in Fenland. Four Fenland LSOAs are in the 10% most deprived nationally.
- As in 2007 and 2010, Fenland has the highest levels of deprivation in Cambridgeshire, followed by Cambridge City, East Cambridgeshire, Huntingdonshire then South Cambs.

## Income deprivation

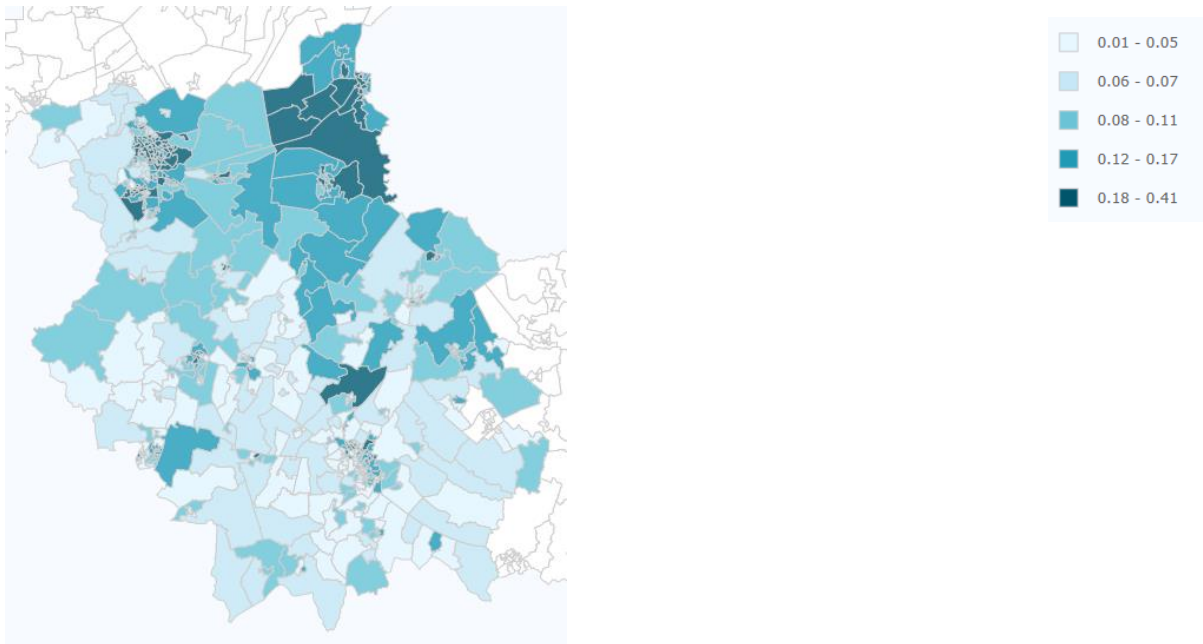
Income deprivation is classified as adults and children in...

- Income Support families
- Income-based Jobseeker's Allowance families
- Income-based Employment and Support Allowance families
- Pension Credit (Guarantee) families
- Child Tax Credit and Working Tax Credit families, below 60% median income not already counted; and

<sup>4</sup> Small areas referred to here are, in full, Lower Super Output Areas or LSOAs

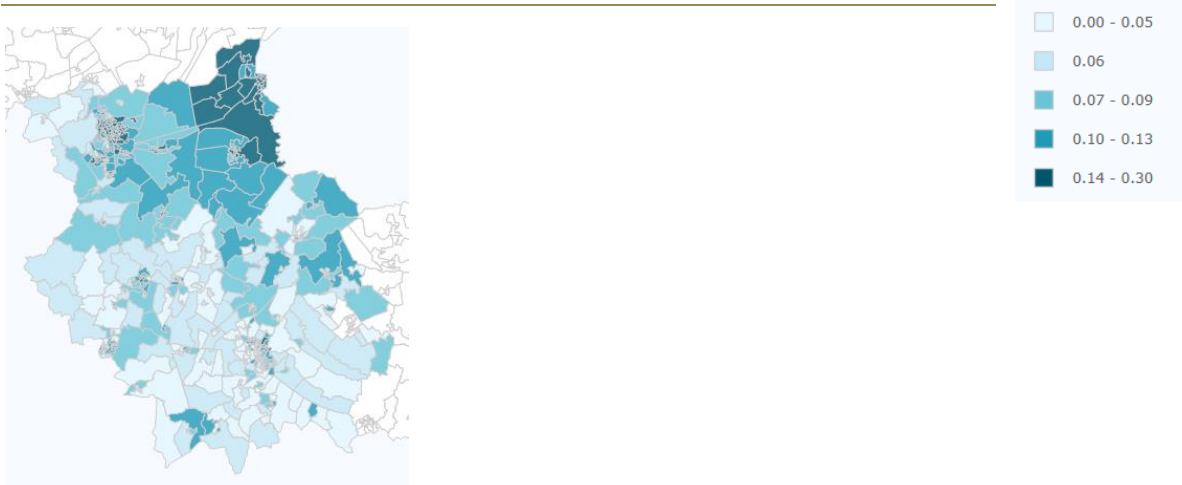


- Asylum seekers in England in receipt of subsistence support, accommodation support, or both



Income deprivation is highlighted particularly in the north of Fenland, around the fringes of Peterborough especially the south and east; and to the north of Cambridge (SCDC 002A - *Cottenham area?*).

#### Employment deprivation

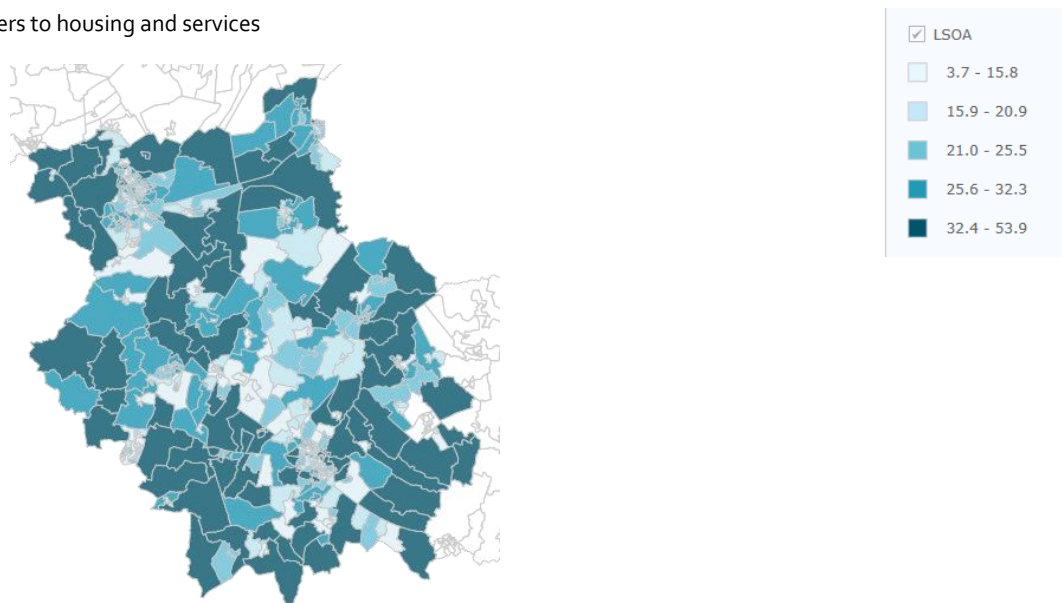


This measures people aged between 18 and 59 or 64, who claim Jobseeker's Allowance, Employment and Support Allowance, Incapacity Benefit, Severe Disablement Allowance or Carer's Allowance. There is a real headline of employment deprivation in Fenland and specifically the north of the district.

Two further elements of the overall index of multiple deprivation relate to housing. These are

## Barriers to housing and services

Figure 7 Barriers to housing and services

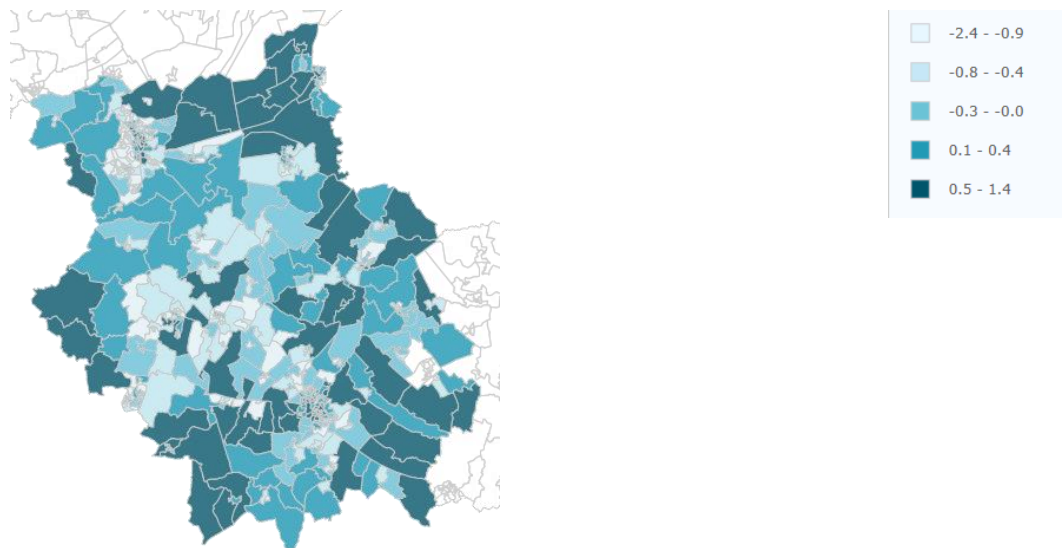


This covers:

- Geographical barriers to services, quantified using road distance to post office, primary school, general store or supermarket, and GP surgery; and
- Wider barriers, meaning household overcrowding, homelessness and housing affordability.

## Living environment deprivation

Figure 8 Indoors living environment



This is made up of two parts:

- Indoors living environment, quantified using housing in poor condition and houses without central heating – shown in Figure 8; and

- Outdoors living environment based on air quality and road traffic accidents.

*Full notes included here*<sup>ii</sup>

Overall, what do these deprivation data show us?

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- The Index of Multiple Deprivation highlights Fenland as having the highest levels of deprivation in Cambridgeshire overall in 2015 (as it did in 2007 and 2010), with twelve small areas in Fenland among the 20% most deprived nationally; 4 of these small areas are in the 10% most deprived nationally.
- Two further small areas among the 20% most deprived are found in Cambridge City and two in Huntingdonshire
- Looking more closely and four elements within the IMD, we can see income and employment deprivation more prevalent in the north of the area, especially around Fenland and to the east of Peterborough.
- The “housing” elements of the index highlights that many more small areas do not fare well, due to
  - Remoteness from post office, primary school, general store / supermarket, and GPs
  - Overcrowding
  - Homelessness
  - Housing affordability
  - Housing in poor condition
  - Homes without central heating
- These are some of the housing issues we need to tackle to make the CA a better place to live and work.
- They are not confined to specific locations, but are fairly widespread.
- Through a balanced programme of investment in existing as well as new homes, the CA can make a difference and work to reduce these inequalities. However there are some specific issues which will more adversely affect the north of the CA, inkling employment and income deprivation.

### Social Mobility

- The social mobility index of England sets out the differences between where children grow up and the chances they have of doing well in adult life.
- The index compares the chances that a child from a disadvantaged background will do well at school and get a good job across each of the 324 local authority district areas of England.
- It examines a 16 indicators, which cover a range of measures of the educational outcomes achieved by young people from disadvantaged backgrounds and the local job and housing markets to shed light on which are the best and worst places in England in terms of the opportunities young people from poorer backgrounds have to succeed.<sup>5</sup>

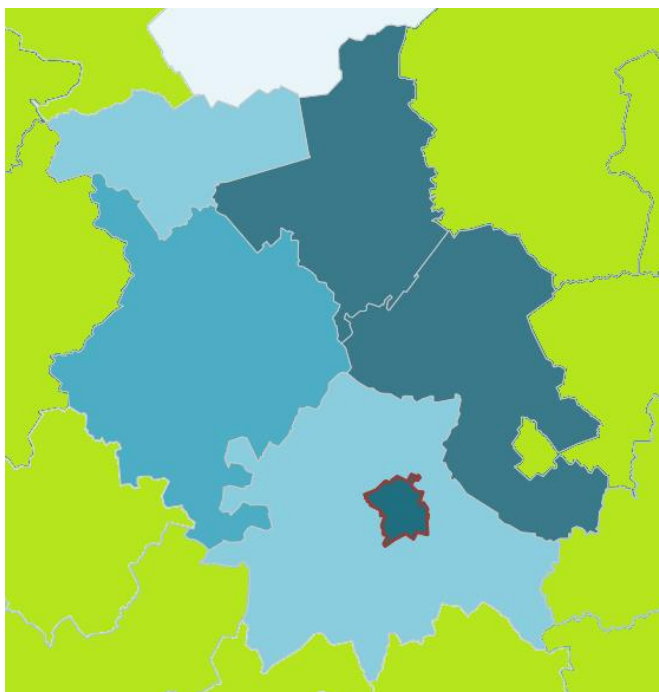
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<sup>5</sup> More details available at: <https://www.gov.uk/government/publications/social-mobility-index>

Table 2. Social Mobility Index: overall rankings for each district					
	Overall	Early years	School	Youth	Adulthood
Cambridge	275	251	265	320	68
East Cambs	311	208	314	319	73
Fenland	319	136	324	276	247
Huntingdonshire	210	98	300	267	48
Peterborough	191	66	204	277	207
South Cambs	170	174	258	306	4

Source: *Cambridgeshire Atlas / Social Mobility Index 2016*

Figure 9 Social mobility index



The index of social mobility shows that despite affluence, Cambridge is not as socially mobile as might have been expected. South Cambridgeshire sees the best index score in our area, followed by Peterborough. This visualisation helps to show the range of values for each issue and each district:

Table 3. Social mobility index values for each district	Cambridge	East Cambs	Fenland	Huntingdonshire	Peterborough	South Cambs
<b>Early Years</b>						
% of nursery providers rated 'outstanding' or 'good' by Ofsted	89.10%	89.10%	89.10%	89.10%	86.20%	89.10%
% of children eligible for FSM <sup>[1]</sup> achieving a 'good level of development' at the end of Early Years Foundation Stage	36.00%	38.50%	43.60%	46.00%	52.00%	40.80%
<b>School</b>						
% of children eligible for FSM attending a primary school rated 'outstanding' or 'good' by Ofsted	90.50%	70.80%	55.60%	68.80%	80.10%	78.60%
% of children eligible for FSM attending a secondary school rated 'outstanding' or 'good' by Ofsted	54.80%	18.60%	16.50%	13.50%	82.30%	86.00%
% of children eligible for FSM achieving at least a level 4 in reading, writing and maths at the end of KS2 <sup>[1]</sup>	50.80%	50.60%	45.60%	58.30%	56.40%	45.80%
% of children eligible for FSM achieving 5 good GCSEs including English and maths	24.70%	25.00%	26.60%	32.20%	26.50%	30.10%
<b>Youth</b>						
% of young people eligible for FSM, not in education, employment or training 1 year after completing GCSEs	21.00%	21.00%	21.00%	21.00%	23.00%	21.00%
Average points score per entry for young people eligible for FSM at age 15 taking A-level or equivalent	156	176	210	191	190	176
% of young people eligible for FSM at age 15 achieving 2 or more A-levels or equivalent by age 19	167	313	318	156	157	198
% of young people eligible for FSM at age 15 entering higher education by the age of 19	15%	15%	15%	15%	18%	15%
% of young people eligible for FSM at age 15 entering HE <sup>[1]</sup> at a selective university <sup>[1]</sup> by the age of 19	2%	2%	2%	2%	2%	2%
<b>Adulthood</b>						
Median weekly salary of employees who live in the local area	£455	£427	£405	£460	£399	£494
Average house prices compared to median annual salary of employees living in the local area	13.7	9.5	6.5	8.1	6.8	10.2
% of people that live in the local area who are in managerial and professional occupations (SOC 1 and 2)	46.40%	32.80%	20.50%	28.60%	21.30%	41.20%
% of jobs that are paid less than the applicable Living Wage Foundation living wage	15.00%	19.60%	29.10%	17.90%	19.60%	10.10%
% of families with children who own their home	50.30%	66.60%	61.80%	68.10%	53.70%	69.80%

To give an example:

- Cambridge's measure is badly affected by the "adulthood" measures of housing affordability, and the proportion of families in Cambridge who own their own home.
- Fenland, conversely, is more affected by adulthood measures of median salary,

proportion of people in managerial and professional occupations and the % of jobs paid less than the Living Wage.

## Appendix 2

### Draft housing strategy ‘blueprint’ for CA

#### Purpose

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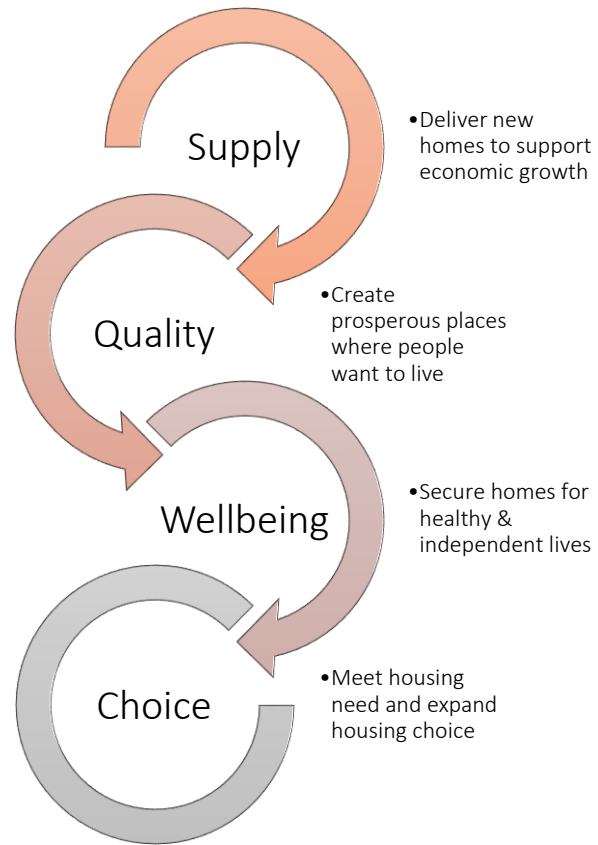
- Clearly sets out the combined authority’s leading role.
- Fits with the emerging spatial strategy.
- Links with transport and economic strategies.
- Considers the role and contribution of our market towns.
- Provides a framework for future investment to maximise and leverage resources.
- Depends on working in partnership.
- Develops our housing plans along four strands – each building up in time, starting with the delivery of 100,000 new homes.
- Contextualises the wider implications and of housing activities.
- Balances our focus on numbers and product with quality and place.
- Will help with future bids in further rounds of devolution (e.g. health and social care).
- Identifies where work is already happening.
- Helps prevent ‘mission creep’.

#### The “four strands”

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For the housing strategy we have identified the following inter-connected “strands” (based on the ‘blueprint for housing’)

- Deliver new homes to support economic growth
- Create prosperous places where people want to live
- Secure homes for healthy & independent lives
- Provide more choice for more people





## Blueprint / executive summary

### Ingredients

---

Introduction to the 4 strands & links between them...

- Deliver new homes to support economic growth
- Create prosperous places where people want to live
- Secure homes for healthy and independent lives
- Meeting housing need and expanding choice

Explanation / diagram of how the 4 strands link.

National context summarised under the 4 strands.

Key maps / data: overall inequalities to be tackled

---

Can include...

- Local context
  - Population including age breakdown
  - Households and dwellings
  - Housing stock and tenures in each district
  - Maps
- Measures of deprivation which housing can help tackle / reduce
  - Improving income via financial capability, reducing living costs, ensure homes are affordable in relation to income
  - Improving access to employment by projects to improve employability; supporting apprenticeships and training, encouraging adult learning and skills
  - Improving outcomes for excluded groups such as offenders and long term drug and alcohol misusers
- Supply of housing
- Barriers to housing (affordability, availability, specialist needs)
- Overcrowding, fuel poverty, poor condition of existing housing
- Improving social mobility

What is already happening? Examples of good practice and projects

---

- Links to local housing strategies and plans
- Some examples of positive joint working across the CA in progress already.

## Strand 1 Supply: Deliver new homes to support economic growth

### Ingredients

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- Accelerate delivery of 100,000 new homes in 20 years
- Delivery of 40% of homes as affordable using the £170m pot
- Modern methods and offsite construction
- New tools to deliver homes faster and overcome barriers
- Supporting the role of small and medium enterprises
- Making sure the right infrastructure is in place to build places people want to live in

Key maps / data: overall inequalities to be tackled

---

- Summary of objectively assessed and affordable housing need
- Barriers to housing ((heat maps of price, specialist needs)
- Dwelling change (similar to Objectively assessed need)
- Affordable housing need (LA)
- Housing delivered in the past (from AMRs)
- Housing commitments and planning stage (highlights numbers with permission but no construction yet)
- Income levels compared to house prices: heat maps of affordability ratios (hometrack) and “Ladders” comparing weekly cost of different tenures and sizes of homes. Also graphs comparing number of sales by value band to number of people by income bands for each district, linked to the “diamondogram”

What is already happening? Examples of good practice and projects

---

- Plans for the devolution money for the whole area, and for Cambridge specifically
- Case studies:
  - Northstowe healthy new town
  - New delivery mechanisms
    - Two new joint ventures in Peterborough
    - Greater Cambridge Housing Development Agency
    - Cross Keys and Kier joint venture
  - The role of housing associations
  - New council housing

New projects for CA

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- “Quick wins” to be announced imminently
- Self build and custom build feasibility project
- Modular homes and off-site construction – pilots and study
- The Small and Medium Employers (SME) fund

Consultation

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- Summit: “Building for Cambridgeshire and Peterborough” to inform this strand
- 3 workshops:
  - SME issues
  - Partnerships
  - Accelerating delivery

## **Stand 2 Quality: Create prosperous places where people want to live**

Ingredients

---

- Inclusive growth including social infrastructure
- Links to transport strategy
- Community Land Trusts
- Rural exception sites

Key maps / data: overall inequalities to be tackled

---

- Output area classification (this defines small areas across Cambs, highlighting the different communities and the variations)

- Rural – urban classification (again useful to judge the variations across area)
- Number of homes planned on new developments in specific locations, from existing local plans
- Transport analysis being done by Cambridge Ahead to bring together transport and housing plans
- JSPU map of existing and planned infrastructure once available
- Land availability linking with CA commitment to identify, map and tackle barriers to bringing into residential or commercial use

What is already happening? Examples of good practice and projects

---

- Community Land Trusts and study with CLT East
- Joint work between planners and housing to include housing assessment, Objectively Assessed Need for all homes, our existing Memorandum of Cooperation, strategic spatial priorities, joint statement on development strategy
- County Quality Charter and Panel
- Cambridge Sustainable Housing Guide (HDA)
- Public Sector Assets building on the existing Making Assets Count project

Possible new projects for CA

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- Work on space standards and accessible housing
- Linking housing development strategy closely with transport plans for the CA
- Contributing fully to the new spatial strategy
- Ensure we make best use of land resources
- Assembling new data to help map out resources, needs, projects etc
- Extending the use and adoption of sustainable housing design principles

Consultation

---

- Organise a summit to inform this strand?
- Or run workshops with existing groups for example
  - GC GP LEP
  - CLT East and other successful CLTs
  - Partners in building / construction industry
  - Housing providers
  - Planners including transport and infrastructure links
  - Utilities Forum?
  - Rural community council / ACRE and parishes
  - CA land commission

## **Strand 3 Wellbeing: Secure homes for healthy & independent lives**

Ingredients

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- Standards in existing homes especially in the private sector
- More new homes and support for people with specialist housing needs and disabilities
- Adaptations to existing homes including existing resources such as disabled facilities grants
- Importance of affordable warmth and water

#### Key maps / data: overall inequalities to be tackled

---

- Ageing population: growth in pop 65+
- Stock condition atlas: homes (a) without central heating and (b) with high energy cost and low income (fuel poverty measure)
- AgeUK risk of loneliness score
- Empty homes over time (CLG figures)
- Measures of deprivation including living environment deprivation and health deprivation and disability (both components of IMD)

#### What is already happening? Examples of good practice and projects

---

- Older Peoples Accommodation Strategy and specialist housing project
- Supply of specialist housing schemes across C&P
- Work to tackle empty homes
- Cambridge's sustainable design and construction SPD – brings together fuel and water poverty issues
- New 'market town' health profiles, for Ely, Littleport, Soham, Chatteris, March, Whittlesey, Wisbech, Huntingdon, St Ives and St Neots
- Building Better Opportunities projects, bringing people back into - or closer to - employment

#### New projects for CA (not fully developed yet)

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- Linking Northstowe with Older Peoples Accommodation Strategy
- Linking Older Peoples Accommodation Strategy and specialist housing needs

#### Consultation

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- Organise a summit to inform this strand?
- Or run workshops with existing groups for example
  - Warm Homes project(s)
  - Private landlords and lettings agents
  - Northstowe Health Town project and older Peoples Accommodation Board
  - Empty Homes teams
  - Partners across the health network especially the STP team
  - Building Better Opportunities partners

### **Strand 4 Choice: Meeting housing need and expanding choice**

#### Ingredients

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- Key worker housing
- Improved market rented supply
- Enabling excluded and vulnerable groups to live independently
- Inclusive housing policies
- Specialist housing and support for people leaving care, prison or hospital or living with a long term health condition
- Inclusive housing policies
- Homelessness Trailblazer project

#### Key maps / data: overall inequalities to be tackled

---

- Change in availability of private rented housing
- Overcrowding (consider Migrant Workers conditions e.g. Fenland)
- Homelessness (statutory) and housing need from Home-Link annual reports
- Second homes
- Mapping where “keyworker” employment centres are located, where are centres of care, prison, hospital in our area?
- How many people come / come back to our area for other places needing housing?

What is already happening? Examples of good practice and projects

---

- Ermine Street housing
- Key worker housing such as housing for nurses near Addenbrooke’s and at Waterbeach
- Town Hall Lettings
- Other private rental projects (link to Trailblazer work)
- IOM/IROP housing pilot for offenders

New projects for CA (working up)

---

- Investigate build to rent
- Homelessness trailblazer and project to support more private rented

Consultation

---

- Organise a summit to inform this strand?
  - Or run workshops with existing groups for example
    - Homelessness providers / partners
    - Lettings projects, trailblazer team and partners
    - Keyworker employers
    - Partners responsible for care, prison or hospital leavers
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<b>CAMBRIDGESHIRE AND PETERBOROUGH COMBINED AUTHORITY BOARD</b>	<b>AGENDA ITEM No: 2.7</b>
<b>26 JULY 2017</b>	<b>PUBLIC REPORT</b>

## INVESTMENT STRATEGY AND FUND

### 1.0 PURPOSE

- 1.1 The Cambridgeshire and Peterborough Combined Authority (CPCA) has a bold plan for the future growth and success of the area. Delivering its ambition will only be achieved by attracting a substantial level of investment and then by maximising the value of the resources that are available. This position requires the Combined Authority area to have a clear and single Investment Strategy.
- 1.2 This report sets out the principles and that should form the center of an Investment Strategy for Cambridgeshire and Peterborough. It recommends that a Fund is established that builds on the financial package from Government that formed the basis of the Devolution Deal. The purpose of the Fund will be to attract further public and private sector investment, and to target resources into specific programmes and projects.

<b><u>DECISION REQUIRED</u></b>	
<b>FROM:</b>	
<b>Lead Member:</b>	<b>Cllr Steve Count, Portfolio Holde for Fiscal Strategy</b>
<b>Lead Officer:</b>	<b>Martin Whiteley, Chief Executive</b>
<b>Forward Plan Ref: 2017/007</b>	<b>Key Decision:</b>
<p>The Combined Authority Board is requested to:</p> <ol style="list-style-type: none"> <li>1. Approve the features and principles of the Cambridgeshire and Peterbrough Investment Strategy;</li> <li>2. Approve the establishment of a Fund to attract further public and private sector investment;</li> </ol>	<p>Voting arrangements</p> <p>Simple majority of the Members, including the LEP</p>

<p>3. Agree that the following key strategic projects are in the CPCA pipeline are taken to market to assess their potential for private and public sector investment:</p> <ul style="list-style-type: none"> <li>a) Dualling of the A47</li> <li>b) Wisbech Garden Town</li> <li>c) Cambridge Rapid Mass Transport</li> </ul> <p>4. Approve a budget of £25,000 to carry out this work</p>	
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## 2.0 BACKGROUND

- 2.1 The devolution agreement secured between the Combined Authority and Government was established on the basis that local leaders are best placed to drive and oversee the future growth of the Cambridgeshire and Peterborough economy. This includes a commitment to:
- Double the size of the economy – growing Gross Value Added (GVA) from £22bn to £40bn;
  - Be internationally recognised for a low-carbon, knowledge-based economy;
  - Enhance the CPCA's position as a global leader in knowledge and innovation;
  - Accelerate the delivery of the new homes and communities – delivering 100,000 homes (40,000 affordable);
  - Achieve a skills base that matches business needs;
  - Provide world class connectivity and transport systems; and
  - Transform public service delivery.
- 2.2 The funding that has been secured as part of that devolution deal represents a strong investment in this area. In summary, the Authority has secured a commitment of £20m per annum (£12m capital and £8m revenue) for the next 30 years. The Combined Authority has also been granted an additional £100m of capital to the region and a further £70m towards the City of Cambridge over next five years.
- 2.3 This is a significant sum, but when considered against the total needs and opportunities within the area still leaves a significant funding gap. The delivery of the future success and prosperity of Cambridgeshire and Peterborough requires a far larger level of investment. At the core of this strategy it is therefore proposed that a Cambridgeshire and Peterborough Investment Fund is established with the direct aim of maximising the capital available to invest in achieving the Mayor and Combined Authority's ambitions for the area.

- 2.4 The work led by the Investment Working Group in partnership with CBRE to develop the Investment Strategy and Fund has established the key features and principles that can achieve this core aim. This Investment Strategy will be a tool used to assess projects, to make recommendations for investments, and as a reference document for the CPCA Board to approve investments.
- 2.5 The Strategy will inevitably evolve through the life of the CPCA, particularly as the work of the Economic Commission generates evidence for future direction and activity.

### **3.0 FEATURES AND PRINCIPLES OF THE CAMBRIDGESHIRE AND PETERBOROUGH INVESTMENT STRATEGY**

- 3.1 The objective is to create an innovative and ambitious strategy. The funding devolved to the Combined Authority totals c. £770m over the next 30 years. Work is underway to understand the full scale of needs and opportunities for investment in our area's future success, but it is already clear that the total sum will be £billions. Therefore there is a funding gap between the resources available to the CPCA and the investment needs of the area. An innovative and ambitious strategy is required to bridge this gap.
- 3.2 It is proposed that the Investment Strategy features the following key principles:
- **Borrowing against capital** – Government has committed to grant Mayoral Combined Authorities the ability to borrow against their capital devolved funds, thereby enabling a more flexible approach to investment and multiplying the total capital available.
  - **Recycling capital** – to maximise the benefit of the Fund, recycling is key. This means recovering and reinvesting the benefits into other projects where possible, thereby maximising the ability to leverage private sector inward investment and socio-economic outputs (in some cases it will not be possible to recycle capital).
  - **Investment by way of debt or equity** – the funding approach towards individual projects will draw upon a blend of public and private sources of capital to efficiently bring projects forward. Capital can be supplied in the form of debt (fixed term basis, typically secured against the asset) or equity (recoverable via an agreed coupon and/or profit share should predetermined criteria be met).
  - **Innovative delivery models** – attract private sector and other public sector capital to the area by innovative use of Joint Venture models, partners and funding solutions.
  - **One pot principle** – with the devolution agreement, the CPCA established that all funding would be managed as a single pot – allowing the Combined Authority align with other sources of public capital that have been allocated to the area.
  - **Maximising outputs** – measurable economic outputs founded on a robust evidence base (as will be provided by the Economic Commission) will ensure maximum benefit from the capital available. Once the Fund builds a reputation



of delivering projects and economic outputs, the ability to secure additional public funding (including through further devolution) is likely to increase.

- 3.3 These are the headline features of the Investment Strategy as proposed. There are also a series of strategic considerations to launch the Cambridgeshire and Peterborough Investment Fund, as outlined below.

### **3.4 LEVERAGE AT FUND VS. PROJECT LEVEL**

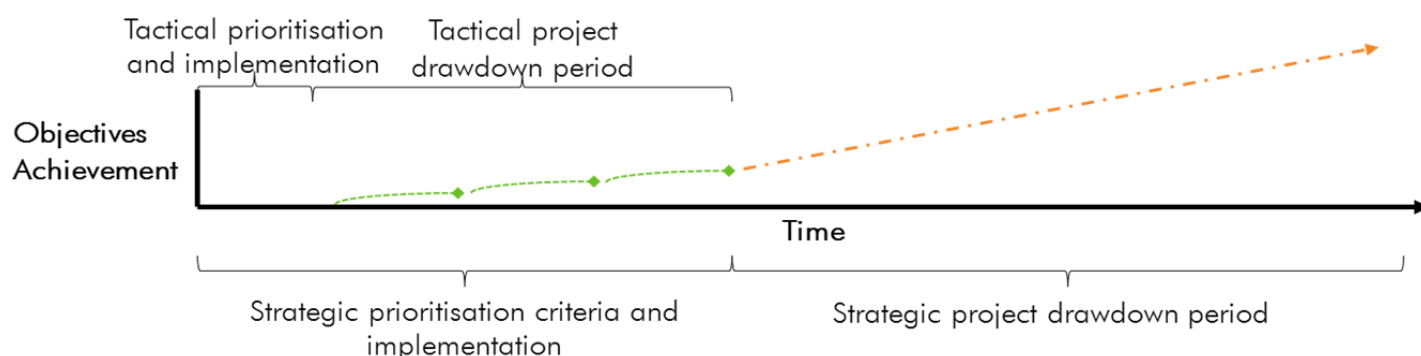
- 3.5 A key principle of the Investment Fund for Board consideration is the application of private capital at the fund or the project level. However, attracting large private sector investment funds will bring with it additional or even competing strategic objectives. For this reason it is not considered appropriate that private capital should be applied at a fund level.
- 3.6 Experience of other funds (as outlined by CPCA advisors CBRE) is that fund level leverage is not necessary to obtain the maximum possible flow of private capital into an area.
- 3.8 It is therefore recommended that investment should be sought at individual scheme level. As projects come forward, finance should be structured to create the best value investment for each scheme, made up of a combination of public and private funding sources. This also enables the Fund to benefit from third party leverage without adversely changing its founding principles or Investment Strategy.
- 3.9 The recommendations set out in paragraphs 4.2 – 4.5 propose the application of this principle against CPCA pipeline schemes.

### **3.10 INVESTMENT VS DEVELOPMENT**

- 3.11 Funding can be provided for either investment or development activities. Each have varying risk return profiles and timeframes. The CPCA Investment Fund should consider its approach to deploying capital in this regard.
- 3.12 Development (as opposed to investment) leads to the construction of new facilities that can be directly linked to growth (this will be defined by the economic strategy adopted by the CPCA) and therefore benefit Cambridgeshire and Peterborough. By contrast investing directly in assets will encumber liquidity, as would be the approach taken by investment funds purely seeking a financial return. This approach is unlikely to meet the CPCA objectives of facilitating growth.
- 3.13 A further benefit is that development funding is typically shorter term by its nature, enabling capital to be recycled and reinvested elsewhere (in line with the principle set out in paragraph 3.2 of this report).
- 3.14 There may be exceptions to this general principle, and the Investment Working Group will make recommendations for the deployment of the Fund on a case by case basis.

### 3.15 STRATEGIC VS TACTICAL PROJECTS

- 3.16 The Fund will be developed on the principle of making longer term strategic investments to achieve its objectives, alongside shorter term tactical investments to allow for efficient capital deployment and recycling.
- 3.17 **Strategic projects** – investments that directly contribute to the CPCA’s long term objectives. These may have longer term implementation periods, prolonged construction programmes, and less ‘tangible’ returns and therefore can be equity or debt investments.
- 3.18 **Tactical projects** – investment that align with CPCA objectives and also have shorter term implementation periods with fixed near-term maturity dates. These projects are typically debt investments and short term, enabling CPCA funds to be recycled and reinvested in future projects.
- 3.19 A balanced project prioritisation process will ensure capital is deployed into projects on a short term basis that meet our objectives, whilst a strategic rationale for longer term investment is developed across all programmes.



## 4. NEXT STEPS

- 4.1 It is recommended that the Board agree the following next steps in order to develop the Investment Strategy and establish the Investment Fund.
- 4.2. **Putting the Strategy into Practice**
- 4.3 It is important now that the principles and approaches of the Investment Strategy are put into practice, and that there is assurance that the Investment Fund can operate and be deployed in the way intended by the Combined Authority.
- 4.4 Specifically this relates to the use of innovative funding models to deliver key strategic projects. The Combined Authority has already committed support and funding to a number of strategic projects, and it is recommended that the following projects which set out at a high-level the aspirations of the Combined Authority are taken to market to assess the potential for private and public sector investment to unlock them:
- The dualling of the A47

- Wisbech Garden Town
- Cambridge Rapid Mass Transport

4.5 At an appropriate point in the development of the business case or feasibility study of these projects – they will be market tested to understand how well the strategic objectives set out by the Combined Authority can align with the deployment of private/public capital set out in this report. This will provide assurance against the principles of the Investment Strategy, as well as help advance these key strategic projects. A budget of no more than £25,000 is recommended to undertake this work.

#### 4.6 **Long-Term Fund Partner**

4.7. It is expected that the Investment Fund should in time be formulated and driven with the support of a long term private sector partner acting in an advisory function. This ensures that the Fund is managed with objective and expert support, and that there is an effective “front door” between the CPCA and the private sector.

4.8 It is proposed that the Investment Group oversees the strategic project assessment outlines in paragraphs 4.2 – 4.5, and considers the role of a Long-Term Partner based on results of that programme.

#### 4.8 **Further Strategy and Fund Development**

4.9 It is recommended that the CPCA Board approve the features and principles of the Cambridgeshire and Peterborough Investment Strategy as set out in this report, and ask the Investment Group to develop the next iteration of the Strategy on this basis.

4.10 It is recommended that the CPCA Board approve the establishment of the Cambridgeshire and Peterborough Fund, on the basis of the principles set out in this report, and ask the Investment Group to consider the next steps needed to bring the Fund to market. This will ensure that tactical projects can be funded in line with the principles of this Investment Strategy, alongside the market testing of key strategic projects set out in 4.2 – 4.5.

### 5.0 **FINANCIAL IMPLICATIONS**

5.0 The recommendations in this report total a proposed investment of up to £25,000 from the revenue element of the Combined Authority’s 2017/18 gainshare budget.

### 6.0 **LEGAL IMPLICATIONS**

6.1 Establishing the Investment Fund (and developing the proposed Investment Strategy) is in accordance with the Combined Authority's general powers of competence under Section 1 of the Localism Act 2011 giving it the powers to do or enter into arrangements which any natural person may undertake. The general power of competence is conferred by the Cambridgeshire and Peterborough Combined Authority Order 2017.

- 6.2 The CPCA can also rely upon its powers as the Local Transport Authority for the region (Art 8 of the Order) and functions relating to the promotion of economic development and regeneration (Art 10 of the Order), in relation to the Fund's broader objectives outlined in paragraph 4 of this report.

## 7.0 EQUALITIES IMPLICATION

- 7.1 There are no significant equalities implications associated with this report.

## 8.0 APPENDICES

None

<u>Source Documents</u>	<u>Location</u>
<i>None</i>	



<b>CAMBRIDGESHIRE AND PETERBOROUGH COMBINED AUTHORITY BOARD</b>	<b>AGENDA ITEM No: 2.8</b>
<b>26 JULY 2017</b>	<b>PUBLIC REPORT</b>

## **THE NON-STATUTORY SPATIAL PLAN FOR CAMBRIDGESHIRE & PETERBOROUGH**

### **1.0 PURPOSE**

- 1.1 The Non Statutory Spatial Plan enables the Combined Authority to reflect spatially across Cambridgeshire and Peterborough its vision, objectives, and growth and investment priorities.
- 1.2 The Mayor's 100 Day Plan includes a commitment to 'Commission the Non-Statutory Spatial Plan for Cambridgeshire and Peterborough'. In accordance with this commitment, the paper recommends the approach to developing the Non-Statutory Spatial Plan (NSSP) for the Combined Authority area; a broad programme for delivering the plan based on this approach; and the initial resources and budget required to do so.

<b><u>DECISION REQUIRED</u></b>	
<b>Lead Member:</b>	<b>Cllr Lewis Herbert, Portfolio Holder for Spatial Plan</b>
<b>Lead Officer:</b>	<b>Martin Whiteley, Chief Executive</b>
<b>Forward Plan Ref: 2017/015 Key Decision: Yes</b>	
<p>The Board are asked to:</p> <ol style="list-style-type: none"> <li>1. Note the purpose and value of the Non Statutory Spatial Plan (NSSP) for the achievement of the Combined Authority's vision and objectives</li> <li>2. Agree the approach outlined to undertake the development of the Non-Statutory Spatial Plan for the Combined Authority area;</li> <li>3. Note that work on producing the first part of the NSSP is to be completed by no later than February 2018 in parallel with other key workstreams; and</li> <li>4. Approve a budget of up to £150,000 to support the necessary work to develop the first part of the NSSP,</li> </ol>	<p>Voting arrangements</p> <p>General power of competence exercised by the Mayor requiring the unanimous consent of all constituent council members</p>

including sufficient officer capacity and external support.	
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## **2.0 CONTEXT**

- 2.1 Strategic Planning in Cambridgeshire and Peterborough is operating from a strong foundation and track-record. The formation of the Combined Authority builds upon long-term joint working across the seven councils; a Joint Strategic Planning Unit (JPSU) was formed by all partners in 2012 to efficiently and collaboratively inform strategic planning work across the area.
- 2.2 All devolved areas have an agreed commitment with Government to produce a Strategic Spatial Plan, this responsibility has been devolved to the Mayor. This is a critical document because it enables the Mayor and the Combined Authority to reflect spatially the vision, objectives, and growth and investment priorities for the area. The NSSP will achieve:
- Oversight of the supply of land for new homes and jobs – including the delivery of 100,000 new homes over the next 20 years
  - Mapping of the totality of new infrastructure requirements, including; road, rail, utilities and public services
  - Connecting of our plans with those beyond Cambridgeshire and Peterborough's boundaries
  - Achievement of sustainable growth to the benefit of our whole area - meeting the CPCA's commitment to double GVA over the next 25 years
- 2.3 The development of the NSSP as a whole will need to be informed by the relevant evidence to be developed by the independent Economic Commission; as well as by strategic infrastructure and other investment priorities.

## **3.0 DEVELOPING THE NON-STATUTORY SPATIAL PLAN**

- 3.1 As set out above, the purpose of the NSSP is to provide a spatial context for the Combined Authority's objectives as a whole. This will mean that the development of the Plan will bring together key activity for the Combined Authority:

- Needs analysis – understanding what our people and places require to meet our vision and ambitions
  - Jobs, Housing, and Infrastructure Strategy development – ensuring each area critical to spatial planning has a clear and well-evidenced strategic direction
  - Engagement with communities, local leaders, partners, and Government to align the priorities of the CPCA with key stakeholders
- 3.2 As the agreement with government makes clear, the approach to the NSSP must not delay the production of Local Plans. Therefore, it needs to avoid significantly changing or undermining the context for existing statutory plans in preparation, but it should also provide a vehicle for the Combined Authority's vision and spatial priorities for further growth.
- 3.3 Against this background, it is recommended that the NSSP is developed in two phases, which reflect the timescales of current Local Plans in preparation and longer term growth ambitions beyond this. These are:
- Phase 1: would set out the existing development strategy from adopted and emerging local plans (to 2031/36), including strategic development sites/locations and dependent strategic infrastructure. This first part would include a particular emphasis on delivery of the existing planned strategy, linking to the Housing, Transport/Infrastructure and Investment strategies. It would also pick up on the early work of the independent Economic Commission. It could include an overarching vision for the area's growth, a spatial portrait and settlement strategy, growth/transport corridors within and outside the area, a set of strategic spatial priorities, plus a delivery plan.
  - Phase 2: The first phase will act as a baseline for developing a strategic spatial approach in Phase 2 for growth beyond 2031/36 (probably to 2050). This will be important for all plans beyond the current ones, but particularly the Greater Cambridge joint plan, which will be the first to come forward for review. This will enable the evidence and spatial priorities/principles to inform the approach to identifying issues and options for further growth, with the potential to identify strategic development locations and supporting infrastructure.
- 3.4 Phase 1 described above can be developed predominantly from existing information and relatively quickly. This will provide a platform for the more challenging work involved in Phase 2, which will require an understanding of future levels of growth and the options to accommodate these. This will

require some commissioning of new evidence as well as engagement with other key initiatives (for example, the Greater Cambridge Partnership, Cambridge Ahead, Oxford-Cambridge corridor, etc). Officers and members from the constituent authorities will help to refine the approach to the NSSP over coming weeks. Due regard will also need to be given to any technical or legal implications arising from the non-statutory status of the Strategic Plan when preparing statutory Local Plans.

3.5 A pragmatic approach is to agree the resources needed to deliver Phase 1 of the work, with the second phase to be subject to further detailed consideration and agreement later in the year. The anticipated costs of the necessary work to complete Phase 1 are in the order of £150,000. This will provide for:

- funding for a dedicated consultant resource to project manage and undertake the reporting work on Phase 1;
- input from all of the Local Plans teams across the area through the County Wide Planning Policy Forum which comprises a group of Planning Policy Manager from across the County;
- The costs of workshops with members and officers and the costs of document preparation, production and consultation/engagement reflecting the need for a high quality end product.
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3.6 An important input into the Non Statutory Spatial Plan at both Phase 1 and Phase 2 is the work of the Land Commission which the CPCA and Government have committed to form. The Land Commission will map the availability of public and private land, identify barriers holding back its use for development, and address those barriers to bring forward land for housing and employment sites.

3.7 As part of the 100 Day Plan the CPCA is committed to progressing the Land Commission, and it is recommended that the Board ask the Portfolio Holder for Strategic Planning to bring forward recommendations for the Terms of Reference and Membership of the Land Commission.

3.8 The proposed timetable for the work is as follows, although this will be subject to further refinement, with a particular need to develop soon a more detailed project plan for Phase 2.

2017	July	Combined Authority Board approves recommendations for NSSP
	August, September	Appointment of consultant and further scoping and finalisation of content and approach, including development of more detailed project plan



		Approve the Terms of Reference and Membership of the Land Commission
	September to February 2018	Development of Phase 1 document; development in parallel of evidence for Phase 2
2018	February to December	Main work on Phase 2, taking account of other key strategies and inputs

- 3.9 Governance and oversight will be provided through a high-level steering group, including the Portfolio Holder and Chief Executive, who will provide regular updates to the Board.

#### **4.0 FINANCIAL IMPLICATIONS**

- 4.1 The Board is asked to approve a budget of £150,000 in 2017/18 to fund the anticipated costs of preparing Phase 1 of the NSSP outlined in section 3.0 above. The funds would be met from the revenue gainshare allocation (£8m for 2017/18) received from the Department for Communities and Local Government. The Board will be asked to approve any additional budget requirements to cover the costs of developing Phase 2 of the NSSP at a future Board meeting.

#### **5.0 LEGAL IMPLICATIONS**

- 5.1 The Mayor has a general power given by the Cambridgeshire and Peterborough Combined Authority Order 2017 for the preparation and publication of a non-statutory spatial plan. The Mayor has allocated this responsibility to the Portfolio Holder for Strategic Planning. The approval of the non statutory spatial plan is subject to the unanimous agreement of all constituent council members.
- 5.2 The Land Commission formed a part of the devolution deal signed by the constituent councils and Government in June 2016. The Combined Authority has a general power of competence under section 1 Localism Act 2011 to enable a Lands Commission to be established

#### **6.0 EQUALITIES IMPLICATION**

- 6.1 There are no specific equalities implications arising from this report.

#### **7.0 APPENDICES**

None

<u>Source Documents</u>	<u>Location</u>
None	None



<b>CAMBRIDGESHIRE AND PETERBOROUGH COMBINED AUTHORITY BOARD</b>	<b>AGENDA ITEM No: 3.1</b>
<b>26 JULY 2017</b>	<b>PUBLIC REPORT</b>

## **BUDGET UPDATE REPORT 2017/18**

### **1.0 PURPOSE**

- 1.1 Constituent members when agreeing to the establishment of the Cambridgeshire and Peterborough Combined Authority Board (CPCA) considered the resource allocations from central government and the initial expenditure plans which have since been further developed. This report provides an update of the 2017/18 budget.

<b><u>DECISION REQUIRED</u></b>	
<b>Lead Member:</b>	<b>Cllr Steve Count Portfolio Holder for Fiscal Strategy</b>
<b>Lead Officer:</b>	<b>John Harrison, Interim Chief Finance Officer</b>
<b>Forward Plan Ref: Not applicable</b>	<b>Key Decision: No</b>
<p>The Combined Authority is asked to approve the following recommendations:</p> <ol style="list-style-type: none"><li>1. Note the budget updates as requested for approval in other Board reports on this meeting's agenda.</li><li>2. Note the updated budget and indicative resources for 2017/18 and 2018/19 as set out in Appendix A</li></ol>	<p>Voting arrangements</p> <p>Simple majority of the members including the LEP</p>

## **2.0 BACKGROUND**

- 2.1** This report is an update to the 'Budget Report 2017/18 to 2018/19' as presented to the Board on 28 June 2017.

## **3.0 MAIN ISSUES**

### **3.1 STATEMENT OF ACCOUNTS 2016/17**

- 3.1.1 The Combined Authority is required to prepare a Statement of Accounts each financial year, and it must be prepared in accordance with statutory timelines and accounting practices. Since 2010/11 those accounting practices have been based on International Financial Reporting Standards (IFRS) which facilitate the production of accounts in a standardised and consistent format across all industries, public and private sectors, providing greater transparency to all stakeholders.
- 3.1.2 The Chartered Institute of Public Finance and Accountancy (CIPFA) set out the accounting practices in the 2016/17 Code of Practice (the Code) and are followed in the preparation of the 2016/17 Statement of Accounts.
- 3.1.3 Legislation requires the Authority to consider and approve its Accounts. The Council's Constitution delegates this matter to the Audit and Governance Committee.
- 3.1.4 This is in accordance with the Committee's Terms of Reference to review the statement of accounts, specifically, to consider whether appropriate accounting policies have been followed and whether there are concerns arising from the financial statements or from the audit that need to be brought to the attention of the Combined Authority Board.
- 3.1.5 The Combined Authority Audit and Governance Committee met on 26th June 2017 and Members were asked to review and comment on the draft Statement of Accounts prior to the Chief Finance Officer's certification by the 30th June 2017. It was resolved to note the draft Statement of Accounts for 2016/17.
- 3.1.6 The Audit and Governance Committee was also asked to agree the Audit Plan for the external audit of the Statement of Accounts for the period ended 31 March 2017, as presented by Ernst & Young, the external auditors. It was resolved that the Audit plan be agreed.
- 3.1.7 The Accounts were signed and certified by the due date, 30 June 2017, by the Authority's Interim Chief Finance Officer (CFO), in accordance with the Accounts and Audit Regulations 2015.
- 3.1.8 The Draft 2016/17 Statement of Accounts were published on the Combined Authority's website on 29<sup>th</sup> June 2017.

3.1.9 The Audit and Governance Committee is required to approve the Accounts no later than 30 September 2017 following, and in the knowledge of, the audit findings.

3.1.10 A final version of the statement of accounts will be presented to the Audit and Governance Committee meeting to be held on 21st September 2017 at which the Committee will be asked to consider the annual external audit of the Combined Authority's accounts, including the Annual Audit Letter and to assess the implications and monitoring managers' response to concerns

## **3.2 VAT**

3.2.1 We have requested the Department for Communities and Local Government (DCLG) for an Order to be laid before parliament to specify the Combined Authority for the purpose of section 33 of the Value Added Tax Act 1994, which will enable CPCA to recover input tax against non-business revenue.

3.2.2 We have engaged Grant Thornton to advise the Combined Authority in relation to the treatment of VAT incurred on costs incurred from the time of its formation until such time as it is classified as a local authority for VAT purposes under the terms of Section 33 of the VAT Act 1994 (Section 33). Once this occurs, the Combined Authority will be able to recover VAT incurred on its statutory activities under the special legal regime applicable to local authorities.

3.2.3 Until then, there is currently no statutory mechanism for allowing the recovery of VAT on Combined Authority purchases. We have met with the HM Revenue & Customs Customer (HMRC) Relationship Manager for Combined Authorities and are working with HMRC and Grant Thornton to agree an interim solution to mitigate the VAT issues, until the Section 33 Order is made.

3.2.4 The Chief Executive of the Combined Authority has also written to the Director General, Decentralisation and Growth asking him to urge HM Treasury and HMRC to arrange a Section 33 VAT Order for Cambridgeshire and Peterborough Combined Authority at the earliest opportunity.

3.2.5 A further report will be brought to the Board in September providing an updated assessment of the potential unrecoverable VAT liability.

## **BUDGET APPROVAL REQUESTS FROM OTHER BOARD REPORTS**

### **3.3 Rapid, Mass Transport Strategic Options Appraisal**

3.3.1 In Agenda paper 2.3, the Board was recommended to commission a strategic options appraisal study into rapid, mass transport options for Cambridge City and the surrounding travel to work area in conjunction with the Greater Cambridge Partnership Board and to agree a total budget allocation of up to **£100,000** in 2017/18 for the delivery of the strategic options appraisal study.

To be funded from: Gainshare - Revenue

### **3.4 Housing Investment Fund Programme – Quick Wins**

3.4.1 The Board paper for agenda item 2.5 recommended the Board to grant funding of **£4.56m** for the initial portfolio of ‘Quick Wins’ affordable housing schemes.

3.4.2 The aggregate of providers best current forecasts of grant drawdown, based upon their delivery programmes and the payment trigger events is as follows:

2017/18     £2.57m

2018/19     £1.82m

2019/20     £0.17m

**Total           £4.56m**

3.4.3 It is recognised that support costs will be incurred as each of the projects commences in the form of overall monitoring and financial control of the delivery of the projects. A paper will be presented to the next meeting of the Board outlining these costs.

To be funded from: Housing - General

### **3.5 Housing Strategy**

3.5.1 The Mayor’s 100 day plan included a commitment to launch the development of a strategy to accelerate delivery and sustainability of 100,000 new homes across the Combined Authority Area.

3.5.2 The Housing Strategy Board paper outlined plans to:

- Articulate the housing and housing-related opportunities and challenges
- Set out the Combined Authority’s objectives
- Establish priorities for action
- Create a SMART action plan

3.5.3 The paper recommended that a budget allocation of **£150k** in 2017/18 is committed to the development of the Housing Strategy.

To be funded from: Gainshare - Revenue

### **3.6 Investment Strategy**

3.6.1 The Investment Strategy Board paper (agenda item 2.7) proposed:

- Approval of the features and principles of the Cambridgeshire and Peterborough Investment Strategy
- Approval of the establishment of a Fund to attract further public and private sector investment

- Agreement that the following key strategic projects in the CPCA pipeline are taken to market to test the principles of the Investment Strategy, at the appropriate point in their development:

1. Phase Two of Peterborough University
2. Dualling of the A47
3. Wisbech Garden Town
4. Cambridge Rapid Mass Transport

3.6.2 For each of these projects it is proposed to carry out soft market testing that will understand the market's ability to put together innovative funding packages that maximise the overall resource available to the Combined Authority at the same time as delivering strategic objectives. A budget of **£25k** is requested for approval by the Board to fund this market testing.

To be funded from: Gainshare - Revenue

### 3.7 Local Transport Plan

3.7.1 Agenda item 2.4 recommends the Board to commission the development of a new Local Transport Plan for the Combined Authority with a total budget allocation of **£500k** with spending in 2017/18 of **£200k** and **£300k** in 2018/19.

To be funded from: Gainshare - Revenue

### 3.8 Non Statutory Spatial Plan

3.8.1 Agenda item 2.8 asked the Board to agree the approach to undertake the development of the Non-Statutory Spatial Plan for the Combined Authority area and budget approval of **£150,000** to support the necessary work to develop the first part of the plan, including sufficient officer capacity and external support.

3.8.2 The Board will be asked to approve any additional budget requirements to cover the costs of developing Phase 2 of the NSSP at a future Board meeting.

To be funded from: Gainshare - Revenue

### 3.9 Centre for Skills

3.9.1 Agenda item 2.1 requested the Board to approve funding of **£692,000** for stage one of the Apprenticeship Training Agency, in order to continue to offer the Apprenticeship Employer Grant (AGE) for Small and Medium Enterprises, across the Combined Authority area with a review 6 months in to assess the impact of the grant and to make a recommendation for future grants.

3.9.2 The **£692,000** is for the period August 2017 to July 2018 and covers the following:

Activity	Cost (£)
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Continuation of funding for SMEs to take on an apprentice.	675,000
Maintenance of the Website	2,000
Administration cost (administered by an apprentice)	15,000
<b>Total</b>	<b>692,000</b>

3.9.3 The allocation of costs by financial year on a pro-rata basis is as follows:

2017/18 - £461k

2018/19 - £231k

To be funded from: Gainshare - Revenue

### **3.10 Innovation Pilot**

3.10.1 The Innovation Pilot Board paper (2.2) notes that the Combined Authority has been awarded £5.2m grant funding from Government to deliver a Pay and Progression Pilot for the Health and Care Worker Sector. The funding is being awarded through a grant from the Department of Work and Pensions.

3.10.2 The grant will support the development and delivery of the Innovation pilot to test interventions that will address career progression issues in the Health and Social Care sector and to evaluate their effectiveness at getting people into the sector as well as progressing within it..

3.10.3 The paper requests the Board to note the award of the funding and the Board is asked to approve the expenditure against the funds as they become available.

To be funded from: DWP Grant

### **3.11 Officer Staffing Structure**

3.11.1 The indicative costs for the roles set out in Officer Staffing Structure report (item 1.7) is £1,817.5k for 2018/19. This is £946.5k on top of the existing budgetary provision for the year. For the financial year 2017/18 the indicative costs for these roles will be £1,185.9k, an increase of £354.9k on the existing approved budget. The request for increased budgetary provision for 2017/18 is lower than for 2018/19 and future years, because the new roles will only be filled part way through this financial year.

3.11.2 We will review activities of staff to determine whether the cost of time involvement in Projects can be capitalised

### **3.12 FINANCIAL IMPLICATIONS**

3.12.1 There are no other matters to bring to the Board's attention other than those highlighted in other sections of the report



#### **4.0 LEGAL IMPLICATIONS**

- 4.1 The Combined Authority is required to prepare a Statement of Accounts each financial year, and it must be prepared in accordance with statutory timelines and accounting practices and in accordance with the Accounts and Audit Regulations 2015.

#### **5.0 EQUALITIES IMPLICATION**

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

#### **6.0 APPENDICES**

- 6.1 The updated 2017/18 and 2018/19 budgets are shown at Appendix A

<b><u>Source Documents</u></b>	<b><u>Location</u></b>
<b>None</b>	

## Appendix A

	<u>Budget</u> <u>2017/18</u> <u>£k</u>	<u>Gain</u> <u>Share</u> <u>Revenue</u> <u>£k</u>	<u>Gain</u> <u>Share</u> <u>Capital</u> <u>£k</u>	<u>Housing -</u> <u>General</u> <u>£k</u>	<u>Housing -</u> <u>Cambridge</u> <u>£k</u>	<u>Total</u> <u>£k</u>
<b>CPCA Budget Approvals 2017/18</b>						
Balances b/fwd 1 April 2017		7,057	12,000	10,000	10,500	39,557
Earmarked Reserve						27
Revenue Reserve						419
Funds receivable - 2017/18		8,000	12,000	30,000	10,500	60,500
<b>20th March 2017</b>						
General Set up Costs**	481	481				481
Elections	1,044	1,044				1,044
Combined Authority Establishment Costs	599	599				599
Combined Authority Running Costs	126	126				126
Mayoral Office Costs	137	137				137
Transfer to Housing Capital**	-146	-146		146		0
Investment Fund Strategy	25	25				25
Market Towns Strategy	75	75				75
Approved Budget as at 20 March 2017	2,341	12,716	24,000	39,854	21,000	98,016
<b>26th April 2017</b>						
Insurance	19	19				19
Approved Budget as at 26 April 2017	2,360	12,697	24,000	39,854	21,000	97,997
<b>28th June 2017</b>						
Combined Authority Establishment Costs	251	251				251
Combined Authority Running Costs	204	204				204
Mayoral Office Costs	12	12				12
Developing Economic Strategy	145	145				145
Transport and Infrastructure Schemes*	4,200		4,200			4,200
National Productivity Investment Fund*	3,290		3,290			3,290
Modular Housing	25	25				25
University of Peterborough Business Case	3,840	3,840				3,840
Approved Budget as at 28 June 2017	14,327	8,220	16,510	39,854	21,000	86,030
<b>26th July 2017</b>						
Local Transport Plan	200	200				200
Rapid Mass Transport Strategic Options	100	100				100
Development of Housing Strategy	150	150				150
Housing Investment Fund - Quick Wins	2,570			2,570		2,570
Centre for Skills	461	461				461
Non Statutory Spacial Plan	150	150				150
Investment Fund Strategy - Market Testing	25	25				25
Additional Staffing Costs	355	355				355
Budget for approval as at 26th July	18,338	6,779	16,510	37,284	21,000	82,019

\* Budgets originally assumed to be funded through Revenue Gainshare - now reallocated to Capital Gainshare  
Further analysis on the detail of expenditure proposed will take place throughout the year to review the allocation of budgets against Capital and Revenue Funds.

\*\* 50% (£120k) of the £240k Delivery Support for Housing Programme is assumed to be capitalisable - hence transfer against Housing General Fund, included within the £146k

	<u>Budget</u> <u>2018/19</u> <u>£k</u>	<u>Gain</u> <u>Share</u> <u>Revenue</u> <u>£k</u>	<u>Gain</u> <u>Share</u> <u>Capital</u> <u>£k</u>	<u>Housing -</u> <u>General</u> <u>£k</u>	<u>Housing -</u> <u>Cambridge</u> <u>£k</u>	<u>Total</u> <u>£k</u>
<b>CPCA Budget Approvals 2018/19</b>						
Balances b/fwd 1 April 2018		6,779	16,510	37,284	21,000	81,573
Earmarked Reserve						27
Revenue Reserve						419
Funds receivable - 2018/19		8,000	12,000	15,000	17,000	52,000
<b>20th March 2017</b>						
Combined Authority Establishment Costs	655	655				655
Combined Authority Running Costs**	322	322				322
Mayoral Office Costs	148	148				148
Transfer to Housing Capital**	-120	-120		120		0
Approved Budget as at 20 March 2017	1,005	13,774	28,510	52,164	38,000	132,894
<b>26th April 2017</b>						
Insurance	19	19				19
Election cost provision	260	260				260
Approved Budget as at 26 April 2017	1,284	13,495	28,510	52,164	38,000	132,615
<b>28th June 2017</b>						
Combined Authority Establishment Costs	237	237				237
Mayoral Office Costs	15	15				15
Transport and Infrastructure Schemes*	3,250		3,250			3,250
Approved Budget as at 28 June 2017	4,786	13,747	31,760	52,164	38,000	136,117
<b>26th July 2017</b>						
Local Transport Plan	300	300				300
Housing Investment Fund - Quick Wins	1,820			1,820		1,820
Centre for Skills	231	231				231
Additional Staffing Costs	947	947				947
Budget for approval as at 26th July	8,084	12,269	31,760	50,344	38,000	132,819

\* Budgets originally assumed to be funded through Revenue Gainshare - now reallocated to Capital Gainshare  
Further analysis on the detail of expenditure proposed will take place throughout the year to review the allocation of budgets against Capital and Revenue Funds.

\*\* 50% (£120k) of the £240k Delivery Support for Housing Programme is assumed to be capitalisable - hence transfer against Housing General Fund

