



CAMBRIDGESHIRE & PETERBOROUGH COMBINED AUTHORITY: MINUTES

Date: Wednesday, 29 November 2017

Time: 10.00am – 10.50am

Present: J Palmer (Mayor)

G Bull – Huntingdonshire District Council, J Clark – Fenland District Council, S Count – Cambridgeshire County Council, W Fitzgerald (substituting for J Holdich) - Peterborough City Council, L Herbert – Cambridge City Council, C Roberts – East Cambridgeshire District Council, and N Wright (substituting for P Topping) – South Cambridgeshire District Council

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

101. APOLOGIES AND DECLARATIONS OF INTERESTS

Apologies received from Councillors J Holdich and P Topping. There were no declarations of interest.

102. MINUTES – 25 OCTOBER 2017

The minutes of the meeting held on 25th October 2017 were agreed as a correct record and signed by the Mayor.

103. PETITIONS

No petitions were received.

104. PUBLIC QUESTIONS

No public questions were received.

105. FORWARD PLAN

The Board noted the Forward Plan of Executive Decisions dated 20 November 2017. The Mayor stated that the Forward Plan was updated on a regular basis and was available online for public inspection 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.

106. MEMBERSHIP OF THE COMBINED AUTHORITY - AMENDMENTS

The Mayor reported that this item had been prompted by the resignation last month of Councillor Robin Howe as Deputy Mayor. Councillor Howe had also resigned as Huntingdonshire District Council's representative on the Board. He had been replaced by Councillor Graham Bull with Councillor Ryan Fuller replacing Councillor Bull as the substitute member. Members were advised by the Mayor that he had exercised his powers under the Constitution to appoint Councillor Charles Roberts as his new Deputy Mayor. He drew attention to the fact that he had also made some changes to the allocated portfolios. A copy of the changes was circulated at the meeting and would be available on the Combined Authority's website. The Mayor reported that the Authority's legal advisor would be writing to members of the Overview and Scrutiny and Audit Committees to advise them of the changes.

It was resolved unanimously to note the following appointments made by Huntingdonshire District Council for the remainder of the municipal year 2017/2018:

- (a) Councillor Graham Bull to replace Councillor Robin Howe as its Member to the Combined Authority;
- (b) Councillor Ryan Fuller as Councillor Graham Bull's substitute to the Combined Authority.

The Board also noted that the Mayor had appointed Councillor Charles Roberts as his statutory Deputy Mayor.

107. CAMBRIDGESHIRE AND PETERBOROUGH STRATEGIC BUS REVIEW

Before asking the Portfolio Holder for Transport and Infrastructure to introduce the report, the Mayor drew attention to a correction to paragraph 2.4 on page 28. He reported that the bus subsidy actually paid by the County Council was in the region of £2.5m and not £258,000.

The Portfolio Holder for Transport and Infrastructure explained that the review would not be looking in detail at bus routes in the Combined Authority's area. Instead it would provide a strategic review as to how they were provided, which would include looking at franchising and enhanced partnerships. The review would engage with all stakeholder groups across the area in order to help identify the most appropriate model. The Board was reminded that Transport Authority powers had been transferred to the Combined Authority from Cambridgeshire County and Peterborough City Councils. Attention was drawn to the current bus subsidies provided by both Councils, and support by district councils. Whilst many bus services were run on a commercially successful basis, a significant minority, particularly in rural areas, were not commercially viable.

The Transport and Infrastructure Director highlighted the economic and social benefits of buses. He acknowledged that bus companies were working hard to improve services but suggested that the review would identify further improvements by possibly doing something different. It was important to base the future of bus provision in the context of wider changes in the Combined Authority area. For example, there were likely to be increased requirements on developers to create more sustainable developments, and

there were also plans to develop a mass rapid transport solution for Cambridge City. Consequently there were likely to be different solutions for different areas.

The Director focussed on the scope of the review which would cover current bus service provision, strategic options for bus services of the future, assessing franchising models, and transition arrangements. It was noted that the study would form the basis of a future Combined Authority Bus Strategy which would be developed in parallel with the future Local Transport Plan. In particular, he drew attention to the importance of stakeholder and public engagement in the review. It was noted that a total sum of £150,000 had been allocated for the study.

In considering the report, the Board raised the following issues:

- welcomed the proposal to carry out a review by using the new powers given to the Mayor measured against existing provision.
- the need to involve Health as a stakeholder, particularly given the three major strategic health sites in the area which impacted directly on both staff and patients. The timescale for the engagement process was also queried. The Director acknowledged the importance of involving Health and highlighted some current links with the Total Transport project. He explained that the options for the review needed to be identified first to enable engagement to take place this and next financial year.
- the use of the £150,000 allocated for the study. The Director reported that he was working with Cambridgeshire County and Peterborough City Councils to identify consultants with specialist knowledge in this area.
- requested more information on bus franchising particularly as provision was dependent on private investment. The Director reported that bus franchising did deliver benefits. However, it was important to understand the implications, which was why he was seeking specialist advice in order to balance the alternative delivery models.
- the need to consider the social benefit of buses particularly in isolated rural communities where some people had no access to vehicles rather than just considering the numbers. There was also a need to consider the impact of bus services on older and disabled people.
- the regulatory difficulties associated with setting up a bus company, and the difficulty of finding small companies to run services in rural areas.
- noted that South Cambridgeshire District Council had been proposing to do a similar review of its own.
- the need to use and avoid cutting across community transport, which had a lot of volunteers, in the districts.
- acknowledged that the strategic review would look at the way bus services operated and not actual routes. However, it was unclear how the Combined Authority would be able to understand whether what was operating currently was acceptable if it did

not consider routes. It would also not be able to make recommendations in relation to existing subsidies. It was therefore suggested that 'heat maps' should be prepared detailing access to jobs and public health in order to improve understanding. This would also assist with areas under subsidisation highlighting the difference between demand and finance. The Director reported that the study would not include a detailed assessment of routes, and as such, the use of 'heat maps' was welcomed. The level of detail regarding subsidies would follow after the project.

- queried how the study, which was part of a two year programme, would be prioritised to deliver its recommendations on time. The Director reported that the study would take six months from the initial inception meeting to final reporting.

It was resolved unanimously to:

- a) Agree to undertake a Bus Review within the scope and terms of reference set out in this report.
- b) Agree a total budget allocation of £150,000 to undertake the Bus Review.
- c) Note the intention to use this Bus Review to inform a future Combined Authority Bus Strategy which would be developed as part of the future Local Transport Plan.
- d) Note that the Bus Review would seek to recognise the issues faced in certain areas of Cambridgeshire following the recent withdrawal of some commercial services.

108. TRANSPORT UPDATE

The Portfolio Holder for Transport and Infrastructure introduced a report setting out how transport functions were currently delivered, the consideration of future delivery models, and the approval of a statutory instrument (SI) which would enable the Combined Authority to levy the upper tier authorities for the cost of delivering transport functions.

The Transport and Infrastructure Director reminded the Board of the background to the transfer of transport functions to the Authority. These functions were currently being delivered by Cambridgeshire County and Peterborough City Councils. However, there were a number of options available to deliver these functions from 18/19 onwards, and the Board would receive a report at its next meeting. Attention was drawn to the responsibility for these functions within the Combined Authority. It was noted that a proposed SI would enable the Authority to determine the levy to be placed on Cambridgeshire County and Peterborough City Councils. However, approval of this SI had to be given before the end of November to meet the requirements of the Parliamentary timetable.

The Portfolio Holder for Fiscal Strategy highlighted the importance of the power to levy in relation to the Authority's ability to borrow against revenue streams to deliver transport and housing infrastructure.

It was resolved unanimously to:

- a) Note that the Cambridgeshire and Peterborough Combined Authority, as the local transport planning authority, delegated its transport powers and transport funding to Cambridgeshire County Council and Peterborough City Council for 2017/18;
- b) Agree to report back to the Board in December on the implications of the Combined Authority assuming the decision making powers for strategic transport planning matters and the impact of that for the upper-tier authorities and other bodies;
- c) Approve the draft Statutory Instrument (**Appendix 1**) enabling the Combined Authority to levy the upper tier authorities for delivery of the transport functions.

109. ADULT EDUCATION BUDGET DEVOLUTION: TRANSITIONAL ARRANGEMENTS AND RESOURCING

The Portfolio Holder for Employment and Skills reported that the devolution of the Adult Education Budget (AEB) represented a central component of the skills agenda for the Authority. The AEB comprised the following three separate funding streams: the non-apprenticeship part of the Adult Skills Budget; community learning; and discretionary learner support. Although full devolution was scheduled for the 2018/19 academic year, this was no longer feasible without substantial risks to learners and providers. The Department for Education (DfE) was therefore proposing two transitional options for the 2018/19 academic year before full devolution in 2019/20. The report detailed and contextualised the options available and recommended the basis for how the Authority should work with the DfE during the 2018/19 academic year. It also outlined the level of additional resource required to ensure that the Authority had the specialist knowledge and capacity to prepare for AEB devolution.

The Mayor introduced Stephen Rosevear, Interim Skills Director, who highlighted the importance of this transitional year and the ability of the Authority via its relationship with the DfE to influence debates. All Combined Authorities with the exception of Cornwall had come to the same conclusion. He acknowledged that there would be some difficult challenges over the next 12 months in developing a deal.

Members welcomed the fact that education was on the Authority's agenda. One Member highlighted the fact that the AEB would be key in helping to address deprivation by providing people with key life skills, and the ability to support offenders by offering choices and opportunities. Another Member commented that upskilling was not just about supplying a workforce for business but played an integral part in raising productivity and the health and social wellbeing of individuals. He was of the view that the national skills agenda did not fit the modern world in relation to specific areas. It was therefore important that any decision was driven locally and he felt that the Authority was moving in the right direction. He was concerned that disparate factions in the local area were causing delay and raised the need to remove some of these barriers.

The Mayor commented that an educated and upskilled adult workforce was key to feeding the future economy of Cambridgeshire.

It was resolved unanimously to:

- (a) Note the steps taken to prepare the Combined Authority for full devolution of the Adult Education Budget in time for the 2019/20 academic year;
- (b) Agree the Combined Authority's approach to working with the Department for Education during the proposed 'transitional' 2018/19 academic year; and
- (c) Agree £40,000 of extra resource to ensure that the Combined Authority was equipped to prepare for AEB devolution.

110. APPOINTMENT OF LEGAL COUNSEL & MONITORING OFFICER, AND LOAN OF CHIEF EXECUTIVE

Before discussion of this item, the Mayor invited the Authority's legal advisor to leave the room.

The Mayor presented a report asking the Board to appoint Kim Sawyer as Legal Counsel and Monitoring Officer. It was noted that the Authority's Employment Committee was recommending the appointment following a meeting and interview on 15 November 2017. He informed the Board that any member of the Employment Committee was able to speak and vote on this issue if they considered that they had an open mind in relation to this decision.

The Portfolio Holder for Fiscal Strategy informed the Board that, as a member of the Employment Committee, he endorsed the recommendations to the Board. Other Members also made some favourable comments.

It was resolved unanimously to:

- (a) appoint Kim Sawyer as Legal Counsel and Monitoring Officer,

The Mayor invited the Authority's legal advisor to return to the meeting.

He reported that since the last meeting of the Board, the Local Enterprise Partnership (LEP) had made a request that the Authority should share its Chief Executive with the LEP. He informed the Board that he had exercised his general power of competence on behalf of the Authority to agree the loan on a temporary basis. Although he had already made this decision, the Mayor wanted the decision reported openly, so that the Board and the public were aware of the arrangement.

The Portfolio Holder for Fiscal Strategy drew attention to the fact that financial implications of the 'loan' of the Chief Executive to the LEP were not known at this stage. He asked the Board to endorse the principle to seek full reimbursement of costs, if possible, from the LEP particularly as the Authority would need to enhance capacity for the Chief Executive whilst taking this role.

It was resolved unanimously to:

- (b) note that the Mayor had exercised his general power of competence on behalf of the Combined Authority to agree to loan the Chief Executive to the Greater Cambridgeshire Greater Peterborough Enterprise Partnership on a part time and interim basis.

111. BUDGET UPDATE REPORT 2017-18

The Portfolio Holder for Fiscal Strategy presented an update report of the 2017/18 budget. He drew attention to the current situation regarding VAT liability. Following discussions with Government, it had been expected that an Order would be laid before parliament to specify the Combined Authority for the purpose of section 33 of the Value Added Tax Act 1994, which would enable the Authority to recover VAT on Combined Authority expenditure. Unfortunately, this Order had been delayed. The Chief Executive had written to Government requesting the S33 Order be re-timetabled as a matter of urgency. At the moment, there was no financial impact on the Authority as costs incurred by the Constituent Bodies would be “rolled-up” and then invoiced once S33 status had been received.

He also drew attention to the business case submitted by the seven constituent councils to the Authority for a pooled membership of the 100% business rate retention pilot with the Combined Authority being the lead Authority. He reported that this pooling mechanism could result in additional funding of £16m. He took the opportunity to highlight further opportunities for adding funding to the pot.

The Mayor acknowledged the importance of additional funding and informed the Board of £74m of new government funding for infrastructure to help deliver key projects. Members were also informed that £5m had been received for Cambridge South Station, and £2m from the Capacity Fund which would help deliver schemes. The Mayor reported that the Combined Authority was bringing finance into Cambridgeshire and Peterborough which would make a difference to how people lived and moved around the county.

It was resolved unanimously to:

1. Note the budget updates as requested for approval in other Board reports on this meeting’s agenda.
2. Note the budget update made under delegated authority as set out in paragraph 3.5.
3. Note the updated budget and indicative resources for 2017/18 and 2018/19 to 2020/21 as set out in Appendices A and B.

112. DATE OF NEXT MEETING

It was resolved to note the date of the next meeting – Wednesday 20 December 2017 at 10.30am in Committee Rooms 1 & 2, Cambridge City Council, Guildhall, Cambridge.

Mayor