



**CAMBRIDGESHIRE  
& PETERBOROUGH**  
COMBINED AUTHORITY

## Cambridgeshire and Peterborough Combined Authority - Overview and Scrutiny Committee

DATE: 25<sup>th</sup> February 2019  
TIME: 11am  
LOCATION: Monkfield Room, South Cambridgeshire Hall ,Cambourne  
Business Park ,Cambourne, Cambridge , CB23 6EA

### Membership

Council	Member	Substitute
Huntingdonshire District Council	Clr Doug Dew Clr Tom Sanderson	Clr Jon Neish Clr Barry Chapman
East Cambridgeshire District Council	Clr Mike Bradley Clr Alan Sharp	Clr Julia Huffer Clr Chris Morris
South Cambridgeshire District Council	Clr Philip Allen Clr Grenville Chamberlain	Clr Pippa Heylings Clr Peter Topping
Fenland District Council	Clr Chris Boden Clr David Hodgson	Clr Maureen Davis Clr Sam Clark
Cambridge City Council	Clr Mike Sargeant Clr Markus Gehring	Clr Dave Baigent Clr Valerie Holt
Cambridgeshire County Council	Clr Lucy Nethsingha Clr David Connor	Clr Lina Joseph Clr David Jenkins
Peterborough City Council	Clr June Stokes Clr Ed Murphy	Clr Irene Walsh Clr Shaz Nawaz

# AGENDA

Item no:		LEAD	PAGE
1.	<b>Apologies</b> To receive apologies and details of any substitute members attending.	Chair	Verbal
2.	<b>Declaration of Interests</b> At this point Members must declare whether they have a disclosable pecuniary interest, or other interest, in any of the items on the agenda, unless it is already entered in the register of members' interests.	Chair	Verbal
3.	<b>Minutes of the meeting held on the 28<sup>th</sup> January 2019 and any matters arising</b>	Chair	Page 4
4.	<b>Public Questions</b>	Chair	Verbal
5.	<b>Mayor for the Combined Authority</b>	Chair	Verbal
6.	<b>Mayor's Charity Ball</b>	Chair	Pages 13
7.	<b>Affordable Housing Schemes Update</b> Committee to receive presentation from the Director for Housing	Director for Housing	Verbal
8.	<b>Overview and Scrutiny Project Stack</b>	Director for Strategy and Planning	Pages 19
9.	<b>Review of Combined Authority Board Agenda</b>  Members to review the Combined Authority Board agenda which was published on the 22 <sup>nd</sup> January 2019 and can be found <a href="#">here</a> .	Chair	Verbal
10.	<b>Mass Rapid Transport Task and Finish Group Final Report</b>	Vice Chair	Pages 22
11.	<b>Member Update on Activity of Combined Authority</b>  Members allocated to monitor the activities of the Combined Authority to provide a verbal update to the committee on any areas of interest.	Members	Verbal
12.	<b>Combined Authority Forward Plan</b>  Members to review the items on the Forward Plan and raise any items they may wish to be added to the work programme.  The CA Forward Plan is regularly updated – the most recent version can be found <a href="#">here</a> .	Chair	Verbal

13.	<b>Overview and Scrutiny Work Programme</b>	Chair	Page 77
14.	<p>Call in of Item 3 on the Employment Committee agenda for the meeting on the 13th February 2019 - Restructuring of the Management and Departments of the Cambridgeshire and Peterborough Combined Authority</p> <p>Appendix 1 to this report contains exempt information relating to the employment status of individuals as defined by Paragraphs 1 of Schedule 12A of Part 1 of the Local Government Act 1972:</p> <p>For members to discuss the appendix they should resolve: ‘that the press and public be excluded from the meeting on the grounds that the agenda contains exempt information under Paragraph 1 of Part 1 of Schedule 12A of the Local Government Act 1972, as amended, and that it would not be in the public interest for this information to be disclosed (information relating to any individual.)</p> <p>The purpose of this item is to provide an opportunity for consideration of the request to call in a decision. A Call-in request has been made in relation to the decision made by Employment Committee of the Combined Authority Board which was published on 15th of February 2019 to:</p> <p>I. Approve the proposals in Appendix 1 for consultations with affected staff subject to the changes agreed at the meeting.</p> <p>II. Instruct the Interim Chief Executive (John Hill) to provide a further update to the Committee on implementation of these proposals.</p>	Members	Page 83
15.	<b>Date of next meeting: 25<sup>th</sup> March 2019 at Cambridgeshire County Council</b>	Scrutiny Officer	Verbal

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For more information about this meeting, please contact Anne Gardiner at [anne.gardiner@cambridgeshirepeterborough-ca.gov.uk](mailto:anne.gardiner@cambridgeshirepeterborough-ca.gov.uk)

# **CAMBRIDGESHIRE & PETERBOROUGH COMBINED AUTHORITY – OVERVIEW AND SCRUTINY COMMITTEE**

## **DRAFT MINUTES**

**Date:** 28<sup>th</sup> January 2019

**Time:** 11am

**Location:** Huntingdonshire District Council

### **Present:**

Cllr Doug Dew	Huntingdonshire District Council
Cllr Tom Sanderson	Huntingdonshire District Council
Cllr Alan Sharp	East Cambs District Council
Cllr Peter Topping	South Cambs District Council
Cllr Philip Allen	South Cambs District Council
Cllr Mike Sargeant	Cambridge City Council
Cllr Markus Gehring	Cambridge City Council
Cllr Ed Murphy	Peterborough City Council
Cllr June Stokes	Peterborough City Council
Cllr Chris Boden	Fenland District Council
Cllr David Hodgeson	Fenland District Council
Cllr Lucy Nethsingha	Cambridgeshire County Council
Cllr David Connor	Cambridgeshire County Council

### **Officers:**

Patrick Arran	Interim Monitoring Officer
Noel O'Neil	Interim Chief Finance Officer
Chris Twigg	Interim Director of Transport
Luciano Panna Tronca	Transport Project Manager
Anne Gardiner	Scrutiny Officer

Councillor Count, Portfolio Holder for Finance for the Combined Authority was also in attendance.

## **1. Apologies**

- 1.1 Apologies received from:  
Cllr Bradley and Cllr Chamberlain substituted by Cllr Topping.

## **2. Declaration of Interests**

- 2.1 No declarations of interests were made.

## **3. Minutes**

- 3.1 The minutes of the meeting held on the 26<sup>th</sup> November 2018 were agreed as a correct record subject to the following addition:-

Under item 6 the Affordable Housing Update, Cllr Murphy requested that his point about the issue that only London Authorities and Homes England could finance affordable housing under current legislation be added.

- 3.2 Under paragraph 5.2, 4th bullet point Cllr Allen raised an issue around some information that had been released under a Freedom of Information Act about the work carried out by consultants Arup in regard to the location of the route for the CAM. The information released under the FOI request suggested that there was little evidence provided for a route change and that officers had been advised to 'pad out' the report.

The Committee agreed to express their concern at the Board meeting regarding this report done by Arup and whether there had been sufficient work carried out to warrant the Mayor's decision taken regarding the route options for the CAM.

## **4. Public Questions**

- 4.1 There were no public questions received.

## **5. Budget Report 2019/20 to 2022/23**

- 5.1 The Committee received the report from the Portfolio Holder for Finance, Cllr Count and from the Interim Chief Finance Officer.

- 5.2 The following points were raised during the discussion:-

- Members were advised that only the salaries within the budget were subject to inflation pressure.
- The new staffing structure would be taken to an Employment Committee soon; the figures in the budget are the most accurate figures that can be provided at this time.
- There was a recruitment process being carried out currently to get in more permanent staff.
- The Mayoral Capacity Fund was given to the Combined Authority to help with set up costs during the first two years of operation; there was no requirement to specify to government what the money was spent on and the plan was to spend the money in the third year of operation.

- In response to a question regarding the use of the Transforming Cities Fund being used for Soham Station the Committee were advised that the Transforming Cities Fund had as its overarching concept the provision of infrastructure and services to help alleviate congestion in cities. Central government recognises that the Combined Authority is best placed to make a judgement on how best to spend this funding in its own area and has provided a letter confirming this.
- In response to a question on borrowing; the members were advised that decisions around borrowing would depend on each individual scheme as each scheme would have different funding streams available to it. Best use of borrowing would be determined within each project brought forward.
- There would be monthly monitoring reports against this budget that would be brought to each Board meeting in the future.
- Members advised that it would be helpful if the LEP costs were shown separately to enable a comparison of the costs for the Combined Authority now as opposed to what it was before. However, the Interim Chief Finance Officer advised that one of the advantages of joining with the LEP had been that staffing and administrative costs could be shared and therefore it was difficult to now separate these out.
- Members requested some clarity around the housing loan that was identified within the report as it appeared to compare expenditure with cash flow, officers agreed to look at this.
- The Committee were advised that the CPIER report was being heavily relied upon to inform the decision making at the Combined Authority as it had helped to identify measures for refocusing the ideas on economic growth.
- In regard to CAM the officers and Portfolio Holder advised that the whole plan needed to be considered in stages and that while tunneling through the city would be an integral part of the project there would be a huge amount of work done outside of Cambridge City as well. As the project was progressed each part would be considered and signed off by the Board.
- The funding amount for the CAM project was subject to what each stage of the project required; currently the money outlined was for the stages that were in place.
- In response to a question on the transport levy the committee were informed that the levy had been determined after consultation and in agreement with Cambridgeshire County Council and Peterborough City Council; the figures were based upon the two budgets of these councils.

5.3 The Committee agreed to ask the following questions to the Board in reference to the budget items being discussed:-

Item 2.1 Budget Monitor Update

1) The Committee wanted to raise their concerns around the monitoring report as they did not feel that it was a helpful document; the committee would be considering the monitoring report at their April meeting.

2) The Committee wanted to express their concern around the Arup report regarding the CAM and ask for more detail on the brief that was given to Arup to discern whether there had been sufficient work done on that report to justify the change in decision from the Mayor regarding the route options?

#### Item 2.2 19/20 Budget and Medium Term Financial Plan 2019-2023

1) The Committee were pleased with the positive nature of the budget but felt that there was still some way to go and raised some concerns around the way cash flow and spending was outlined in the report.

2) The Committee expressed some concern around the passporting of funds and asked for there to be greater clarity around this.

3) The Committee expressed concern around the lack of prioritisation of the schemes.

#### Item 2.4 Budget 2019/20 (Mayors Budget)

1) The Committee wanted to understand the reasons for retaining the Mayor's office in Ely? Why wasn't the office based in Alconbury where the Combined Authority operates from?

5.4 The Committee thanked the Portfolio Holder for Finance and the Interim Chief Finance Officer for attending the meeting.

## **6. Strategic Bus Review**

6.1 The Committee received the report from the Interim Transport Director which outlined the updated bus review which would be considered by the Combined Authority Board at the meeting due to be held on Wednesday 30<sup>th</sup> January 2019.

6.2 The following points were discussed:-

- This report was a technical review which would build into the bus strategy; the recommendations ask for the Board to instruct that a bus reform task force be set up to consider the issues raised within the report and come up with a bus strategy. The task force would be made up of officers from Cambridgeshire County Council and Peterborough City Council.
- The report was a summary of a much larger, more extensive document that was the first step for determining the future strategy, the new task force would consider all the recommendations and would determine the best way forward.
- In terms of timings, some smaller projects that could make improvements could start immediately and work alongside the work being done by the task force.
- Developing a business case would take until 2021; two years to develop a brief and a business case was an ambitious timeline. While there was a

wish for this to be done quickly it also needed to be robust as this would put the authority in a good position with their partners.

- Members raised concerns around some of the recommendations as they didn't take into account people travelling to work at different times of day; workplace parking levies would act as a tax on those who could not use public transport and that there was no linkage between housing growth areas. Officers responded to say that these were all issues that would make up the remit of the task force.
- Transportation links for new housing projects would need to be discussed with the relevant planning departments at the local authorities.
- As the task force moved forward with proposals, factors such as reliability, attractiveness of the service to the public and the need to concentrate on rural areas would be work that would be undertaken.
- Of the £150k that had been allocated for the bus review there was approximately £30k left.
- In response to a question regarding concessionary fares the officer advised that part of the work being undertaken was gaining a greater understanding around costs and this would include having conversations with central government on concessionary fares and their implications.
- The Committee requested that there be member involvement on the task force for the bus strategy and officers advised this would be considered.

6.3 The Committee agreed to ask the following questions to the Board in reference to the Strategic Bus Review items being discussed:-

1) The Committee welcomed the report and were pleased that the Combined Authority were taking bus services seriously; the members hoped that the report would be approved by the Board to show a commitment to provide a better bus services for the area.

2) The Committee had serious concerns around the lack of detail around the availability of bus services for people getting to and from work; and also, around the cost of high bus fares in the area.

3) To ensure a decent rural bus service there would be a need for the service to operate with a subsidy and the committee would want further clarity on where this would come from.

4) The Committee expressed their concern at the proposed pace for the bus strategy and wanted to highlight to the Board that although it may take a while to get a full business case developed some discussions and work especially with bus operators could start sooner to ensure the services were improved.

5) The Committee requested that the task force being set up to develop the bus strategy had member involvement.

6.4 The Committee thanked the Interim Director for Transport for attending the meeting.



## **7. Review of the Combined Authority Board Agenda**

7.1 The Committee reviewed the agenda due to come to the Board on Wednesday 30<sup>th</sup> January 2019.

7.2 The following points were discussed:-

### Audit and Governance Committee Recommendations

The Committee raised some concerns around whether the HR processes had been dealt with since original concerns had been raised around this issue earlier in the year.

The Chair advised that this was an issue that the Audit and Governance Committee were considering and that she would discuss with the Audit and Governance Chairman any feedback they received.

### Budget Monitor Update

Cllr Allen raised the issue of the Mayor's Ball which had recently been in the local media and asked whether it was appropriate for the Combined Authority to have dealt with expenditure through its accounts. The Monitoring Officer advised that he was not aware of any specific prohibition against this but that he was not able to advise without checking. It was requested that the Monitoring Officer provide a written response to members on this.

The Committee raised a concern around the standard of the monitoring report and agreed they would review this as part of their future work programme.

### Transport Delivery – Appointment of Inner Circle

Concerns were raised by the members around the cost and use of interim consultants.

7.3 The Committee agreed to raise the following questions to the Board on Wednesday: -

#### Item 2.1 Budget Monitor Update

1) The Committee wanted to raise their concerns around the monitoring report as they did not feel that it was a helpful document; the committee would be considering the monitoring report at their April meeting.

2) The Committee wanted to express their concern around the Arup report regarding the CAM and ask for more detail on the brief that was given to Arup to discern whether there had been sufficient work done on that report to justify the change in decision from the Mayor regarding the route options?

#### Item 2.2 19/20 Budget and Medium-Term Financial Plan 2019-2023

1) The Committee were pleased with the positive nature of the budget but felt that there was still some way to go and raised some concerns around the way cash flow and spending was outlined in the report.

2) The Committee expressed some concern around the passporting of funds and asked for there to be greater clarity around this.

3) The Committee expressed concern around the lack of prioritisation of the schemes.

#### Item 2.4 Budget 2019/20 (Mayors Budget)

1) The Committee wanted to understand the reasons for retaining the Mayor's office in Ely? Why wasn't the office based in Alconbury where the Combined Authority operates from?

#### Item 3.1 Strategic Bus Review

1) The Committee welcomed the report and were pleased that the Combined Authority were taking bus services seriously; the members hoped that the report would be approved by the Board to show a commitment to provide a better bus services for the area.

2) The Committee had serious concerns around the lack of detail around the availability of bus services for people getting to and from work; and also around the cost of high bus fares in the area.

3) To ensure a decent rural bus service there would be a need for the service to operate with a subsidy and the committee would want further clarity on where this would come from.

4) The Committee expressed their concern at the proposed pace for the bus strategy and wanted to highlight to the Board that although it may take a while to get a full business case developed some discussions and work especially with bus operators could start sooner to ensure the services were improved.

5) The Committee requested that the task force being set up to develop the bus strategy had member involvement.

#### Item 3.2 Transport Delivery – Appointment of Inner Circle

1) The Committee wanted to express their concern around the use and subsequent costs of consultants being used by the Combined Authority and suggested that this should be managed differently in future.

### **8. Member Update on Activity of Combined Authority**

8.1 Cllr Sargeant the Chair for the Task and Finish Group on the CAM Project advised that the report from CFPS was completed and that they had suggested a range of questions and early engagement with the Director for Transport.

The report would come to the O&S meeting in February.

8.2 No further updates were received from members.

### **9. Combined Authority Forward Plan**

9.1 The Committee considered the Combined Authority Forward Plan and had no comments or suggestions at this time.

### **10. Overview and Scrutiny Work Programme Report**

- 10.1 The Committee received the report which outlined the work programme for the committee for the municipal year 2018/19.
- 10.2 The Committee requested that a briefing on transport arrangements between local authorities and the combined authority be provided at their next meeting.
- 10.3 The Committee requested that the Monitoring budget report be considered at their April meeting.
- 10.4 The Committee requested that the Chair for the Business Board be invited to attend the O&S March meeting to provide an update on how the Business Board was operating.

**11. Date of Next Meeting**

- 11.1 The Committee agreed that the next meeting would be held at South Cambs District Council with a start time of 11am and a pre-meeting starting at 10:15am on the 25<sup>th</sup> February 2019.

Meeting Closed: 13:13pm.

Action Sheet – Overview and Scrutiny Committee – 28<sup>th</sup> January 2019

Date	Action	Officer	Completed	Comment
28/01/19	Chief Finance Officer to provide some guidance around the financing of the levy between the Combined Authority and Cambridgeshire County Council and Peterborough City Council and the use of the term passporting.	Noel O'Neil		
	Presentation to be arranged for a future meeting by transport officers to take members through the transport arrangements between local authorities and the combined authority.	Chris Twigg/Luciano Panna Tronca		
	Add monitoring of last years budget to the O&S April work programme.	Anne Gardiner/Noel O'Neil	15/02/2019	
	Chair to discuss with the Audit Chair the committees concerns around HR processes, such as shortlisting and recruitment processes.	Cllr Nethsingha/Anne Gardiner	12/02/2019	
	Monitoring Officer to look into and provide a written response for members about whether there is any propriety around the Mayor using Combined Authority funds for charity events such as the Mayor's Ball.	Patrick Arran	25/02/2019	O&S Chair requested that the Monitoring Officer provide a report to the next O&S meeting.
	Invite the Chair of the Business Board to attend the O&S Committee in March to inform the members about the activities of the Business Board.	Anne Gardiner	8/02/2019	

<b>CAMBRIDGESHIRE AND PETERBOROUGH OVERVIEW &amp; SCRUTINY COMMITTEE</b>	<b>AGENDA ITEM No: 6</b>
<b>25<sup>th</sup> February 2019</b>	<b>PUBLIC REPORT</b>

## **MAYORS SUMMER BALL 2018**

### **1.0 PURPOSE**

- 1.1. At its meeting on the 28<sup>th</sup> of January 2019, the Committee requested that the Monitoring Officer provide his view as to the probity of the expenditure and income from the Ball being put through the Combined Authority accounts. Since the last Committee meeting, and because of media interest, the Chair has requested more detail. This report will therefore provide the factual background for the Committee.

<b>Lead Member:</b>	<b>Councillor Lucy Nethsingha, Chair</b>
<b>Lead Officer:</b>	<b>Patrick Arran, Interim Monitoring Officer</b>
<b>Forward Plan Ref: N/A</b>	<b>Key Decision: No</b>
The Overview and Scrutiny Committee are recommended to:  (a) Note the report	Voting arrangements  No vote is required

### **2.0 BACKGROUND**

- 2.1 On the 29<sup>th</sup> of June 2018 the Mayor held an inaugural summer ball with the intention of raising money for a good cause. The good cause chosen was an organisation called PTSD999, which offers help and support to emergency workers suffering from mental illness arising from traumatic events they experience whilst carrying out their job.
- 2.2 On the basis that this was an inaugural event and that no Mayoral charity account was in existence, I understand that a decision was made that the financial administration for the Ball would be undertaken through the Combined Authority accounts. The reason for this is that there would be professional oversight of the running account and that this would be recorded in the Authority's published accounts. (Additionally, in accordance with the Local Government (Transparency Requirements) (England) Regulations 2015 any

expenditure over £500 would be published on the Authority's website). I further understand that whilst the Authority would make any necessary up-front payments, this was always to be underwritten by the Mayor personally and, in the unlikely event that there would be a shortfall, this would be met from the Mayor's allowance. As such, there was no risk to the public purse.

- 2.3 There has been comment in the media regarding the status of the organisation and the use of the word charity in Combined Authority publicity. The organisation is not a charity registered with the Charity Commission; it is a company limited by guarantee. The organisation describes itself as a 'community action'. I understand that the organisation has received two lottery funded grants.
- 2.4 Whilst I am satisfied that there is nothing untoward about raising money for a good cause that is not a registered charity, I understand that it was made very clear to anyone wishing to purchase tickets for the event that the beneficiaries of any donations would be PTSD999 and this is set out in the flyer for the event. There has been some criticism regarding posts on the Combined Authority website referring to this being a charitable event or funds raised for charity. It is clear to me that any references to the organisation being a charity were made in good faith albeit erroneously so. There is no further comment to be made on this point.
- 2.5 As mentioned above, the Combined Authority is required by the Transparency Regulations to publish all spend over £500. I understand that this spend was noted by Private Eye who then ran an article about the event. I understand that as a result of this article Cllr Van der Weyer raised some questions on social media which are set out below. The Authority also received some follow up questions from Private Eye which were responded to and are set out in Appendix 1. These questions related in the main to the propriety of the income and expenditure being dealt with through the Combined Authority accounts.
- 2.6 All sums paid out by the Combined Authority were repaid from payments made and received during July and August 2018. There has been no cost or loss to the public purse.
- 2.7 I understand that the sum of £1,600.00, which was raised in cash on the night of the Ball, was given to the organisation immediately. However, due to late payment for two tables with the funds not being received until January 2019, it was not possible to effect a final reconciliation. I am informed that arrangements are being made to pay the balance over to PTSD999.
- 2.8 Questions from Councillor Van der Weyer

The questions from Councillor Van der Weyer are set out below together with the responses.

- 2.8.1 Why is all the on the CA books anyway? Was it not meant to be a private ball? Even if in the event, it made a profit, it was effectively underwritten by the CA. Is this permissible?

As Monitoring Officer, I am satisfied that there was nothing unlawful or improper about the running account for the Ball going through the Combined Authorities accounts. The General Power of Competence allows the Authority, subject to limitations which are not applicable here, to do anything that “*individuals generally may do*”.

There was no basis on which the event was “effectively underwritten” by the Authority as, in the unlikely event of a shortfall, the Mayor was clear that he would indemnify the Authority out of his allowance.

- 2.8.2 Costs in the cash book are over £1k higher than stated in the breakdown sent out this morning:

Catering £14,914.00

Band £1,230.00

Venue £1,500.00

Total £17,644.00

Why is there a discrepancy?

The figure was £1,600 difference. Payments placed in the public domain by the Authority as part of the Transparency Regulations represent the invoice costs. However, the caterers had under invoiced and this had to be reconciled from a VAT perspective. The caterer issued a credit note which explains the difference.

- 2.8.3 Were there no other costs than these three items? Were any CA staff used for the event? Who did doors/security? Who did decor/flowers?

Flowers and décor were paid for by the Authority. As is usual, some staff were involved in assisting with the event, they did everything in their own time and were given free places in recognition of their efforts.

- 2.8.4 The post-ball press release says 200 guests were present at £120 (£24k). Today's figure suggests 150 people paid. So was attendance inflated, did 50 people go for free or were there discounts? Who got freebies/discounts?

The press release referred to the ball having ‘around 200 guests’ but the caterers were paid for a total of 180 covers. The revenue received equates to 150 places being paid for. Two tables of 10 were donated to PTSD999 which leaves a total of 10 spaces which were allocated to others. Taking everything into account the table sales generated a £1,345.67 surplus.

- 2.8.5 Have all auction prizes been paid for?

All auction prizes were paid for

- 2.8.6 Why did the PR say £12k raised when these figures say just over £9k? How much as *actually* been paid to charity?

The immediate post ball release gave a figure which was based on the fundraising pledges given at the event minus the costs. The fundraising figure has been revised based on the final amounts received.

There was a balance of £9,385.67 from receipts and, as stated above, £1600 was paid directly to PTSD999. The total raised was £10,985.67

- 2.8.7 The statement about money raised for social enterprise as a result of the ball is very cryptic. What social enterprise? How is this money connected to the ball?

PTSD999 describes itself as a community action organisation. Any reference to it being a social enterprise is an error.

### **3.0 LEGAL IMPLICATIONS**

- 3.1 I am satisfied that there was nothing unlawful or improper about the arrangements for the Ball being made through the Combined Authority. As stated above, the general power of competence provides the Authority with statutory authority, subject to limitations, to do anything that “*individuals generally may do*”.

- 3.2 However, as with arrangements in other Councils, it would be advisable for a Mayors charitable trust to be set up for raising money for good causes and charity. Any future events would then be dealt with through that trust.

### **4.0 FINANCIAL IMPLICATIONS**

- 4.1 There are no financial implications other than those raised in the main body of the report.

### **5.0 SIGNIFICANT IMPLICATIONS**

- 5.1 None

### **6.0 APPENDICES**

Appendix 1 – response to Private Eye

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



## **Appendix 1 – Questions raised by Private Eye**

*Q1) Why did Capca pay £16k+ for the band and catering for the ball at all?*

*Surely charity fundraising is not part of Capca's brief, however worthy the cause?*

*In effect the taxpayer was underwriting this event. If it had flopped for any one of a number of unlikely but quite possible reasons -- fire, flood, sickness, atrocious weather -- the taxpayer, via Capca, would have been left holding the bill.*

A) The Authority paid the upfront costs of the event on the basis that it would pay for itself. It was always anticipated that ticket costs would cover the event and ancillary activities such as the auction etc would generate money for the nominated cause. The revenue from table sales generated a £1,345.67 surplus. Ancillary events such as the auction and raffle generated £8,040.00.

The Authority has a general power of competence under S1 of the Localism Act 2011 "to do anything that individuals generally may do".

It is common for Mayors to hold annual Balls in conjunction with their Councils with the sole purpose of raising money for worthy causes.

The taxpayer was not at any time underwriting this event. If the event, for whatever reason, had not made a surplus, any shortfall would have been met from the Mayor's personal allowance. The taxpayer was therefore not underwriting the event.

*Q2) When (on what date) were the monies raised by the ball repaid to cover Capca's expenditure?*

A) Income from the Ball was paid into the CA bank account during July and August 2018.

*Q3) Will all the figures be included in Capca's audited end-of-year accounts?*

A) Yes.

*Q4) Why, in an article published on Capca's website, was the ball repeatedly referred to as a "charity" event, and PTSD999 referred to as a "charity"? PTSD999 is not a charity but a private limited company. This may have been an honest mistake, but is it not a criminal offence to claim that you are raising money for a "charity" when you are not? Again, however worthy the cause...*

A) The reference to charity on the Authority's website was an honest mistake by officers. We were referring to money raised for a good cause and the word charity was not used in its legal context. The digital flyer for the event simply referred to all profits being donated to PTSD999. The Ball also aimed to raise awareness of the work of PTSD999 and encourage people to find out more about the organisation and how it works.

*Q5) I note that PTSD999 shares an address with the South Cambridgeshire Conservative Association and that the chairman of the SCCA, Ben Shelton, is also a director of PTSD999. Does not this represent a conflict of interest -- i.e. Conservative politician using public funds to support an organisation closely linked to the Conservative Party?*

A) See above: there was no use of public funds to support PTSD999. A conflict of interest arises where an individual may use public office to benefit themselves or their associates; in this case the Mayor was using public office to raise money to benefit an organisation which helps emergency services workers suffering from post-traumatic stress, which is not a political cause.

<b>OVERVIEW AND SCRUTINY COMMITTEE</b>	<b>AGENDA ITEM No: 8</b>
<b>25 FEBRUARY 2019</b>	<b>PUBLIC REPORT</b>

## **OVERVIEW AND SCRUTINY PROJECT STACK**

### **1.0 PURPOSE**

1.1 To provide the Committee with an overview of the full list of CPCA projects.

<b><u>RECOMMENDATION</u></b>
<b>Lead Officer: Paul Raynes, Director of Strategy &amp; Assurance</b>
That the Committee note the full list of projects on the Cambridgeshire & Peterborough Combined Authority Single Project Register.

### **2.0 BACKGROUND**

2.1 At the Overview & Scrutiny meeting in November, Members asked to be given a quarterly update of the projects on the Combined Authority's Single Project Register. This update provides the first of these.

### **3.0 APPENDICES**

3.1 Appendix 1 – Combined Authority Single Project Register.

## Appendix 1 - Cambridgeshire & Peterborough Combined Authority

### Single Projects Register (as at 6<sup>th</sup> February 2019)

Table 1 – active projects

Project Reference	Project Name	Director
BUS005	Eastern Agri-tech Growth Initiative	John T Hill
BUS013	Market Town Masterplans	John T Hill
BUS018	Collusion (Digital Sector Skills)	John T Hill
BUS019	Growth Fund 3/ Growing Places	John T Hill
BUS020	Digital Connectivity Infrastructure Programme	Paul Raynes
ENGY001	Greater South East Energy Hub	John T Hill
HOUS001	£100m Affordable Housing Programme	Roger Thompson
HOUS002	£70m Affordable Housing Programme Cambridge City	Roger Thompson
HOUS003	East Cambs - Housing Loan	Roger Thompson
HOUS005	Strategic Housing Sites	Roger Thompson
SKILL005	University of Peterborough - TDAP Project	John T Hill
SKILL006	Peterborough University - Land and Infrastructure for build	John T Hill
SKILL008	AGE Grant	John T Hill
SKILL010	Health & Social Care Innovation Pilot - HCSWA	John T Hill
TRANS001	A10 Upgrade	Chris Twigg
TRANS003	A1260 Nene Parkway Junction 15	Chris Twigg
TRANS004	A1260 Nene Parkway Junction 32-3	Chris Twigg
TRANS006	A141 Huntingdon Capacity Enhancements	Chris Twigg
TRANS008	A16 Norwood Dualling	Chris Twigg
TRANS009	A47 Dualling Study	Chris Twigg
TRANS010	A47 Junction 18 Improvements	Chris Twigg
TRANS011	A47 Junction 18 Pedestrian Footbridge Replacement Scheme	Chris Twigg
TRANS012	A505 Corridor Royston to Granta Park	Chris Twigg
TRANS013	A605 Oundle Rd Widening - Alwalton-Lynch Wood	Chris Twigg
TRANS014	A605 Stanground - Whittlesea Access - Phase 2	Chris Twigg
TRANS016	Cambridge Autonomous Metro	Chris Twigg
TRANS017	Cambridge South Station	Chris Twigg
TRANS018	Cambridge South Station (interim solution)	Chris Twigg
TRANS019	Cambridgeshire Corridor Study	Chris Twigg
TRANS020	Coldham's Lane roundabout improvements	Chris Twigg
TRANS022	Ely Area Capacity Enhancements	Chris Twigg
TRANS023	Fengate Access Study - Eastern Industries Access - Phase 1	Chris Twigg
TRANS028	King's Dyke Level Crossing	Chris Twigg
TRANS029	Lancaster Way Phase 2 Grant	Chris Twigg

Table 1 – active projects (continued)

<b>Project Reference</b>	<b>Project Name</b>	<b>Director</b>
TRANS030	M11 Junction 8	Chris Twigg
TRANS034	Huntingdon Strategic River Crossing	Chris Twigg
TRANS036	M11 extension	Chris Twigg
TRANS037	March Junction Improvements	Chris Twigg
TRANS041	Regeneration of Fenland Railway Stations	Chris Twigg
TRANS042	Schemes, Studies and Monitoring	Chris Twigg
TRANS044	Soham Station	Chris Twigg
TRANS045	St Neots River Northern Crossing cycle bridge (St Neots Masterplan Scheme)	Chris Twigg
TRANS048	Wisbech Access Strategy	Chris Twigg
TRANS049	Wisbech Garden Town	Chris Twigg
TRANS050	Wisbech Rail	Chris Twigg

Table 2 – completed projects

<b>Project Reference</b>	<b>Project Name</b>	<b>Director</b>
-	Area Based 16+ Review NAPY	John T Hill
-	St Neots Market Town Masterplan NAPY	John T Hill
BUS006	Growth Funds A1139 Fletton Parkway	John T Hill
BUS007	Growth Fund Ashwell Business Park	John T Hill
BUS017	COSMOS (Skills)	John T Hill
HOUS004	Housing Strategy	Roger Thompson
SKILL003	Growth Funds iMET Phase 3	John T Hill
SKILL004	University of Peterborough Project Group	John T Hill
TRANS025	Growth Fund Bourges Boulevard Phase 2	Chris Twigg
TRANS027	Ely Southern Bypass (Growth Deal)	Chris Twigg
TRANS033	Whittlesea and Manea Railway Stations	Chris Twigg
TRANS039	Pothole/Drought Damaged Roads	Chris Twigg
TRANS046	Strategic Bus Review	Chris Twigg
TRANS053	Lancaster Way Phase 2 Loan	John T Hill

<b>OVERVIEW AND SCRUTINY COMMITTEE</b>	<b>AGENDA ITEM No: 10</b>
<b>25<sup>th</sup> FEBRUARY 2019</b>	<b>PUBLIC REPORT</b>

## **MASS RAPID TRANSPORT TASK AND FINISH GROUP FINAL REPORT**

### **PURPOSE**

- 1.1. The Task and Finish Group for the Overview and Scrutiny Committee was set up to consider the Mass Rapid Transport project at the start of 2018.
- 1.2. The Committee are asked to review and comment on the report produced by the Task and Finish Group and the Centre for Public Scrutiny and to agree to submit the report to the Board members for their consideration.

<b><u>RECOMMENDATION</u></b>	
<b>Lead Officer:</b>	<b>Vice Chairman – Cllr Mike Sargeant.</b>
<p>The Overview and Scrutiny Committee are recommended to:</p> <p>(a) Comment and note the report produced by the Task and Finish Group</p> <p>(b) Agree to recommend that the report be submitted to the Combined Authority Board for consideration as part of their discussions around the CAM report at the March meeting.</p> <p>(c) Review the questions to be put forward to the Director for Transport and the Chairman of the Transport Committee.</p> <p>(d) Invite the Director for Transport and the Chairman of the Transport Committee to the March Overview and Scrutiny Committee to discuss the CAM report alongside the report produced by the Task and Finish Group before this report is presented to the Combined Authority Board at their meeting on the 27<sup>th</sup> March 2019.</p>	

## **2.0 BACKGROUND**

- 2.1. The Overview and Scrutiny Committee set up the Task and Finish Group in February 2018 to consider the Mass Rapid Transport project being put forward by the Combined Authority.

2.2. The terms of reference for the Task and Finish group were to:

1) To review the processes, evidence gathering, consultation and decision making in the development of the MRT project including comparing and contrasting with the development of any similar infrastructure initiatives and any lessons therein learnt

2) To ensure that the MRT project fits within an integrated transport network which will deliver against the broader objectives of the Combined Authority, the analysis and recommendations of the CPIER Report and will align with schemes being delivered by GCP, the emerging Local Transport plan and the Bus Strategy?

2.3. The Overview and Scrutiny Committee agreed at their October meeting that they would engage the services of the Centre for Public Scrutiny to support the work of the Task and Finish Group to produce a report which could be considered by the Combined Authority Board when the Strategic Outline Business Case for the CAM was presented to them in March 2019. (Appendix 1)

2.4. The Task and Finish Group have also put forward suggested areas of questions to be submitted prior to the publication of the Strategic Outline Business Case for the CAM.

2.5. It is proposed that the Overview and Scrutiny Committee invite the Director for Transport and the Chairman of the Transport Committee to the March Overview and Scrutiny Committee to respond to these questions and discuss the CAM report alongside the report produced by the Task and Finish Group before this it is presented to the Combined Authority Board at their meeting on the 27<sup>th</sup> March 2019.

### **3.0 FINANCIAL IMPLICATIONS**

3.1. The cost of the service provided by the Centre for Public Scrutiny is expected to be £13.5k, which will be drawn down from the £20k budget ringfenced for the committee.

### **4.0 LEGAL IMPLICATIONS**

None

### **5.0 APPENDICES**

5.1. Appendix 1 – Centre for Public Scrutiny – Cambridgeshire and Peterborough Combined Authority Support to Task and Finish Group on Mass Rapid Transport Project.

5.2. Appendix 2 – Suggested areas of questions put forward by the Task and Finish Group

<b>Source Documents</b>	<b>Location</b>
O&S January Minutes	<a href="http://cambridgeshirepeterborough-ca.gov.uk/meetings/overview-and-scrutiny-committee-29-january-2018/?date=2018-01-29">http://cambridgeshirepeterborough-ca.gov.uk/meetings/overview-and-scrutiny-committee-29-january-2018/?date=2018-01-29</a>
O&S October Minutes	<a href="http://cambridgeshirepeterborough-ca.gov.uk/assets/Uploads/OS-Draft-Minutes-291018.pdf">http://cambridgeshirepeterborough-ca.gov.uk/assets/Uploads/OS-Draft-Minutes-291018.pdf</a>





**Centre for Public Scrutiny**

**CAMBRIDGESHIRE AND PETERBOROUGH COMBINED AUTHORITY**

**SUPPORT TO SCRUTINY TASK GROUP ON CAMBRIDGE MASS RAPID TRANSIT**

8 February 2019

Authors: Lisa Smart  
Ed Hammond

Contact: [ed.hammond@cfps.org.uk](mailto:ed.hammond@cfps.org.uk) / 020 3866 5100

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<b>What are the principal components of an SOBC?</b>	<b>8</b>
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<b>Managing scrutiny of the SOBC.</b>	<b>16</b>
We recommend a particular focus on five corporate risk factors.	
<u>Issue 1: Political will must be present.</u>	
<u>Issue 2: Benefits need to be aligned with decision-making.</u>	
<u>Issue 3: Focus on contracting and procurement is critical.</u>	
<u>Issue 4: Networks can be delivered iteratively.</u>	
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*This document has 49 pages*

## **The Task Group's objectives**

Proposals for a mass rapid transit system for the Cambridge area are under discussion, and an outline business case will be presented to the CPCA Board in March 2019. The proposal has been developed by the Greater Cambridge Partnership and the CPCA and is the product of an options appraisal exercise carried out earlier in 2018. CfPS has had regard to this background in the preparation of this report.

The option being progressed is the Cambridge Autonomous Metro (CAM) option. This option would see autonomous-capable tyred vehicles being introduced working on segregated routes and guideways which would in time include a central tunnelled section in Cambridge itself. Delivery of the proposal would be between 2021 and 2027.

The overall objectives of the Task and Finish Group are:

“1) To review the processes, evidence gathering, consultation and decision making in the development of the CAM project including comparing and contrasting with the development of any similar infrastructure initiatives and any lessons therein learnt

2) To ensure that the CAM project fits within an integrated transport network which will deliver against the broader objectives of the Combined Authority, the analysis and recommendations of the CPIER Report and will align with schemes being delivered by GCP, the emerging Local Transport plan and the Bus Strategy”

The design, development and delivery of the CAM will take place over a number of years, and the work being undertaken now will be the beginning of an ongoing process of scrutiny and oversight. Members need the assurance, at this stage, that the issues on which they propose to focus are the right ones.

It is important to note that the information provided in this briefing is intended to reflect a general approach to scrutiny of these kinds of projects, presented as far as possible to reflect the needs of CPCA scrutiny and what is currently known about the CAM project. It is likely that the content of the SOBC, when made public, will provoke revisiting some of the issues, concepts and questions raised in this report.

## CfPS's objectives

Discussions with the Task Group have highlighted the long term nature of scrutiny's likely involvement in, and oversight of, the CAM from now on. As such CfPS agreed with the Task Group that the focus of our involvement should be to:

1. Draw lessons from the development of other mass transit schemes in the UK.
2. Focus on the corporate risks attached to the proposed scheme and the way that those risks will be mitigated.

This, it is proposed, will allow for scrutiny to move to a more forensic, technical examination of the specific proposals as and when they come to be refined following the publication of the Strategic Outline Business Case and the later Outline Business Case.

This work should not be interpreted as presenting a scrutiny of the CAM project itself or as taking any view of the CAM proposals.

## Drawing lessons from the development of other mass transit schemes

Technically the CAM proposal is distinct from others, and what is proposed is not a technical comparison between different schemes. Such a comparison was carried out as part of the original options appraisal and we anticipate that future scrutiny activity will look at these issues (including routing proposals).

Our review is focused on reviewing other schemes (in the UK) – how they were developed and delivered. The intention has been to identify common pressures, pitfalls and opportunities.

We have focused our work on the UK because other schemes, in continental Europe and beyond, were delivered under different legislative and regulatory frameworks; while comparison is not impossible it is beyond the immediate scope of this research.

In saying "other schemes", we recognise that the CAM proposal is technically innovative and has no obvious analogue within the UK. As such, our work focuses on:

- Governance: how oversight and management of the development and delivery of proposals was planned and operated;
- Funding: how capital investment was secured and how ongoing revenue managed in order to assure the ongoing sustainability of a network with or without subsidy;
- Modelling: understanding how ridership will impact on the wider local transport situation and on economic development in the region more generally;
- The development process: including the working up of more detailed plans, and particularly focusing on the way that the public are consulted and engaged (particularly plans for engagement before and during construction works);
- Iteration of the original network: how expansion of an initial network was planned for in the design stages (focus on this issue has been more limited, recognising that technical matters beyond the scope of this work are likely to influence this).

Our "issues", presented in the next sections, are not presented to align with these bullets – they merely provided the framework for our research and evidence-gathering.

It is worth emphasising that this review is not intended to provide definitive answers on these issues for the CAM, but they will help the scrutiny committee and the CPCA more generally to engage with the right issues once the outline business case comes to the Board.

We have reviewed the below schemes in light of the above main topics. The name of the main operator / sponsor of the work is in brackets:

- Nottingham (Tramlink Nottingham)
- Croydon (London Trams division of TfL)
- London Docklands (Docklands Light Railway division of TfL)
- Blackpool (Blackpool Transport)
- Edinburgh (Transport for Edinburgh)

We have reviewed schemes which have not been developed (or where development has proved particularly challenging) such as those in Preston, and the development of the Metropolitan Line extension project to Watford Junction (managed by Hertfordshire County Council and TfL).

We have reviewed guided busway and bus rapid transit (BRT) schemes such as East London Transit, the Leigh guided busway in Greater Manchester, the Cambridgeshire Guided Busway and FTR-branded semi-segregated busway schemes previously operated in cities such as Swansea by FirstBus. We have also examined the Belfast “Glider” bus rapid transit scheme.

#### Focusing on corporate risk

The development of a strategic outline business case will mean that an understanding of the broad risk factors associated with the proposals will also be under development. Scrutiny can seek to understand:

- The exposure of the combined authority to risk (for example, around funding);
- The exposure of the CPCA’s partners to risk – in particular, the CPCA’s constituent authorities and other public sector bodies, including Government;
- Steps being put in place to mitigate these risks, and the oversight mechanisms being put in place to understand how risk will be managed as the project develops.

The review of other examples of mass transit schemes will help members develop a more nuanced sense of where the areas of greater risk lies. This research can only introduce some of the areas around risk where members might wish to focus their efforts.

#### How CfPS has carried out its work

We have:

- Carried out a desktop review of publicly available paperwork to understanding common themes and features in how other transit schemes were developed, particularly relating to the risk appetite and governance systems of the commissioning authority/ies and their partners;
- Carried out telephone interviews with individuals working on those projects to obtain a fuller and more nuanced picture (possibly involving councillors);
- Reviewed work carried out on these subjects by national experts include looking at documentation prepared by the Infrastructure and Projects Authority.

We anticipate a two stage process for how members will wish to carry out their scrutiny of the SOBC specifically:

Stage 1: the study of the SOBC itself, on publication, and the submission of questions relating to the SOBC, its evidence base and how it has been developed. This is covered in the next section.

Stage 2: questioning (likely to be in public) based on the five key issues that we have identified for further study. This will focus scrutiny's work and allow the earlier scrutiny of the SOBC to be more forensically directed to those issues that matter most.

## **An introduction to large-scale transport infrastructure projects**

The development of any mass rapid transit plan involves a significant degree of planning, design and consultation. Such projects also involve a fairly long lead time, and rigorous modelling of likely ridership. As such, governance (in particular, consistency in the objectives of a project and in the direction of political leadership) is critical to success; a crucial part of good governance is good scrutiny, exerted both by elected politicians and by the public at large.

Large-scale transport projects can often be classified as “megaprojects” – projects whose total costs exceed \$1 billion (around £750 million). CAM falls into this category. Such projects are often characterised by technical complexity and innovation, emphasising this need for a focus on governance from the outside.

For these kinds of projects to be developed and delivered effectively, governance needs to look different at every stage. Different stages of design and construction will, for example, require different approaches to governance – this dynamic approach to management and oversight will mean that scrutiny’s own role will need to be rethought and reconsidered as delivery continues. The long-term, large-scale nature of this project makes this necessity all the more acute. As such, this opening phase of scrutiny should be considered exploratory in nature – seeking to understand more about the core concepts underpinning the SOBC, the impacts and objectives of the project, existing and planned governance arrangements and so on. This will allow scrutiny to identify gaps – now and in the future – on governance and oversight, which it may be able to fill.

## **An introduction to the concept of the SOBC and to overall scrutiny of the SOBC itself**

The preparation of a Strategic Outline Business Case, and any subsequent Outline Business Case, provides the basis on which scrutiny can be carried out and by which future decisions on project governance can be made. It presents an opportunity for proposals, and their associated assumptions, to be tested, challenged and evaluated. The process makes a project more likely to succeed – should the decision be taken to go ahead.

The approach taken to the development of (S)OBCs and their evaluation inevitably appears cautious. The approach that we have taken (which specifically focuses on risk) reflects that but should not be taken as an explicit or implicit criticism of the CAM project itself, its governance or other aspects of its development.

The DfT has made available a tool called WebTAG, which allows decision-makers (and those scrutinising them) to appraise and evaluate the development of business cases.

## **What are the principal components of an SOBC?**

The Department for Transport has published “Transport business case: assessment and process procedures” (latest edition: 2017). It should be noted that this document is intended to provide guidance on the process adopted by Ministers and DfT on evaluating such proposals, although it does follow the Treasury Green Book process which applies across Government. The guidance applies to the development of business cases from the strategic outline business case (SOBC), through the outline business case (OBC), to the full business case (BC). Alongside sits the WebTAG appraisal process which we will cover in more detail in the next section.

It should be noted that, for some projects and schemes, the outline business case process can be elided; the level of detail in the strategic OBC, the OBC and the final BC may vary significantly, and there is little consistency in what can be expected. For example, in some schemes, fuller economic and financial appraisals are undertaken as part of the SOBC process than might otherwise be expected. The DfT guidance provides a framework for the content of each phase of the process but it does not provide a template for exactly what readers can expect.

The DfT BC guidance is based on a “five case model” approach. Schemes should be supported by a:

- Strategic case. This is the “case for change”, the overall way by which need is assessed and evaluated. Questions that scrutiny might ask here include:
  - Who is the target population for the project (to what extent have plans, modelling and planning assumptions been based on the needs of those within the city of Cambridge, those within the Greater Cambridge area, those within the wider area covered by the combined authority and/or those within what Cambridge’s broader “functional economic area”)?
  - Are the needs of different classes of individuals/organisations within these geographical areas accounted for – residents, commuters, businesses?
  - Have tensions been identified between the specific needs of these groups?
  - What are the constraints and dependencies in delivery overall (particularly bearing in mind other CPCA / GCP commitments)?
  - What specific strategic and operational benefits are envisaged (at each stage in the delivery of the network) – for local people and for the CPCA?
  - What are the principal risks, how have they been evaluated and how will they be mitigated? (These last three questions specifically invite further analysis and study relating to the five areas discussed below).
- Economic case. This hinges on the “benefit cost” ratio of a project – a measure used by the Treasury to establish the value for money of project. BCR has been criticised as – on its own – a sterile method for establishing the wider social and environmental impacts of a project.
  - Exactly how does the CPCA propose to establish the value for money of the project?
  - What specific economic, social and environmental measures will be included, and excluded, from consideration as the BC is developed?
  - How will different elements be weighted, and on what assumptions will this be based?
  - How, if at all, does the SOBC propose to develop and evidence a clear BCR and how will this then be used to influence and direct how the project is planned and delivered?
  - How has the CPCA and its partners modelled how a different approach to any of the assumptions and prioritisation decisions made above might impact



upon the BCR (or upon associated aspects of the economic case making decision)?

- Financial case. This is about affordability, and how funding will be identified and used. It also covers technical accounting issues, and on these points we would suggest liaison with the CPCA's audit function to ensure read-across with member scrutiny of those more granular issues.
  - What is the proposed funding mix for the project?
  - To what extent is funding mutually dependent (i.e., committed funding from certain sources may only be unlocked once others commit)?
  - How can the Mayor, the CPCA and others provide assurance on the continued commitment of funding as the work progresses, and how might this affect the phasing (and consequently the broader BCR) of the whole project?
  - How will revenue (from fares) be managed and to what extent does the viability of the project overall depend on that revenue?
  - How have the principal risks associated with (for example) the potential for borrowing, the use of private sector contributions or the impact of state aid rules been considered?
  - How might economic changes affect the commitment of funds from the private sector?
  - Will the CPCA depend on commitments from other partners (e.g. in terms of changes to policies or priorities around strategic planning policy) in order to secure private investment?
- Commercial case. We have identified this as a particular issue for further scrutiny given the fact that the CPCA is developing this proposal from a "standing start", there having historically been no strategic transport planning authority in Cambridgeshire and Peterborough and hence, we assume, a limit to which local skill in major contracting and procurement can be combined with local knowledge of the area's specific transport needs. More detailed questions are presented below; these would only provide the framework for that further study.
  - How will a clear, consistent and transparent procurement framework be developed?
  - To what extent does a developed and mature market exist in Cambridge / the CPCA area / East of England / the UK for the services being procured?
  - How will risk relating to delivery, and management of the critical path, be managed between the CPCA and its partners?
  - What are the overall governance plans around procurement, commissioning and contracting?
- Management case. This is about feasibility, deliverability and practicality. It hinges on project management and governance.
  - Assuming that the Mayor is the principal sponsor, how will these sponsorship responsibilities be managed within the formal legal framework of the CPCA?
  - If the CPCA overall is the sponsor, how will the risk of different views and objectives within the CPCA be managed (see "political will", below)?
  - Who are the principal stakeholders, how and why will they be represented on a project board or similar "directing authority"?
  - What will the scrutiny and oversight arrangements be (in addition to audit)?
  - How might the stipulations of external funders on governance and oversight intersect with local accountability arrangements?
  - Who will programme and project manage? To whom will they be accountable? Will they have the skills, capacity and capability to carry out their work effectively?

It may be that the SOBC, in this case, is presented and formulated differently. We anticipate that if this is the case members will need to understand why this is the case and how the matters raised are address, even if the overall headings used are different.

### **Understanding the financial and governance underpinning of the SOBC**

Finance – and assumptions about finance – are a critical component of any business case. At SOBC stage the detail of this is likely to be at an early stage, but the financial headlines should be beginning to emerge.

As this detail emerges (as the business case develops) the BCR (benefit cost ratio) will be refined further. Sometimes this can be challenging. With entirely new networks (ego the construction of a new transport mode in an area not previously served by such a mode) assumptions about passenger usage can be difficult to make, as the attractiveness of the new mode compared to existing modes (bus and private car, for example) will be difficult to compare. This challenge is expanded on further in the section below on BCR.

We have been asked to comment on a range of areas relating to finance, and we pose some questions that might be asked of those producing and taking forward plans further to the SOBC. It should be stressed that, once the SOBC is published, it may well answer some of these questions. The questions are posed to be exploratory in nature. More specific questions relating to the SOBC itself can be developed using these exploratory questions as a framework. We have suggested general, exploratory questions at this stage for three reasons – firstly, because this is the start of the process, secondly, because part of this process involves discovery of what other accountability and governance systems are being put in place (thereby allowing scrutiny's ongoing involvement in future stages to be more forensic) and thirdly, giving members the background knowledge to enable them to engage more intelligently in the substantive detail of the BC as it develops. Some of the questions below inevitably overlap with those that we have posed above on the SOBC.

It is likely that these questions in particular will be best posed outside of the committee room, as guides to officers in the preparation of reports and as ways to tease out specific subjects for scrutiny in public. Committee time can therefore be focused on more direct scrutiny and analysis.

Providing a direct like-for-like comparison between different geographical areas on these issues is difficult if not impossible – particularly with larger, “megaprojects”. The scope and scale of many of the schemes we have looked at is very different. The funding mix also varies substantially, which influences governance. The interdependence of many of these factors makes comparative analysis a challenge (one of the reasons why the governance of large-scale transport infrastructure projects can be so complex, and why people with the right skills – and knowledge of the area – are needed in senior positions).

Governance – it is convenient to simplify slightly the different demands that different stages of the project will place on governance. There are three obvious phases – setup and planning, construction itself, and ongoing governance once a service is open.

Cost projections for setup (which includes planning for future governance stages) vary significantly. Where a project is being taken forward by an existing strategic transport commissioner or provider, some of the start-up costs can be lessened because of existing, on-site expertise and knowledge. Ramping up capacity and knowledge from a very low base, on the other hand, can be expensive, and can also significantly increase risk.

This is also the point at which clear timescales and deadlines for various stages of the project begin to be properly interrogated. It can be expected at this point that previously

expressed dates for completion of the project become less likely, and more conservative timescales begin to be discussed.

Questions to ask include:

- What is the practical timescale and process leading from SOBC, through OBC, to the full business case (FBC)?
- Are there plans to derogate in any way from DfT guidance – for technical reasons, for economic reasons or for any other reason?
- To what extent are expectations – the objectives for the CAM, measures of success etc – fully articulated, and to what extent is that articulation clearly owned by the Mayor and CPCA?
- Given the delays to the expected publication of the SOBC, how can scrutiny and the CPCA at large assure itself that – overall – timescale projections for the project at this stage are reasonable and realistic, and what potential risk factors have been identified around this?
- How is expertise being drawn in – in a planned and directed way – into the project? How will the need for a) expert knowledge of large transportation projects and b) knowledge of the local area be balanced and managed within a single team?

Governance during construction is also complex. It relates to the organisation and management of an extremely complex contractual chain, alongside the delivery of a programme critical path which demands extraordinary levels of precision – and accountability. The current significant delay and cost overruns on London's Crossrail project encapsulate the huge challenge of this. These problems happened despite the fact that the two project sponsors, DfT and TfL, are veteran sponsors, leaders and deliverers of a slew of major transport infrastructure projects going back decades.

The requirements of governance during construction are very different to those that apply once revenue service begins; as such thought will need to be given to transitional arrangements, the establishment of shadow bodies for delivery and the winding down of other arrangements, as things progress. These “weak points” in the process are where areas of greatest risk arguably occur.

Questions to ask include:

- Who will the main sponsors be?
- Who will own the critical path; how will governance flex and change through the construction process?
- How will safety issues be managed, overseen and directed?
- How will managers have the confidence that the culture is in place to ensure that delays, issues or concerns with delivery against the path will be reported upwards accurately and in a timely way, and in a manner that scrutiny can potentially oversee?

Governance once a service is open presents distinct challenges, although at this stage discussion on this point is likely to be somewhat more speculative. The SOBC and OBC can be expected to point towards a direction of travel on this point; this will have an impact on funding arrangements. Existing models include joint ventures, wholly-owned council companies and statutory agencies. These bodies can often subcontract the delivery of the service to another body (for example, through the concession model used by Transport for London for operation of the London Overground, or through a standard contracting / tender process like that used for Nottingham Express Trams. (While operational contracts often

involve contracts that can be decades-long, it is worth pointing out that substantial changes to the network – including expansion – can lead to retendering).

Questions to ask include:

- How much has been done, and what assumptions have been made in the SOBC, about the overall governance structure once the service is live?
- When will evaluation between competing models be carried out and on what basis?
- To what extent might judgements on those issues influence decisions coming to be made now on practical matters such as service patterns, service frequency and stabling arrangements – which might have an impact on the way that a service might ultimately be tendered?

Cost – comparability of capital costs is challenging because of differences in the complexity of different projects (tunnelling, for example, makes a huge difference to overall costs; prevailing land values and inflation (which affects capital costs for projects which are particularly long in gestation) will also be factors. Depending on the transport mode, costs to mitigate for blight, and costs for “incidentals” such as archaeology, can have a profound effect on capital costs (and a huge corresponding effect on BCR). Understanding what is and what isn’t included is critically important.

Funding mix for infrastructure projects can be complex. Local and central direct contributions will play a part; developer contributors (depending on the project) will also form a part (for example the Community Infrastructure Levy). A significant proportion of capital outlay is often raised through debt – for example, the Public Work Loan Board or the recently-established Municipal Bonds Agency. The attractiveness of these funding sources is obviously dependent on factors such as the prevailing level of interest rates, and this will be factored into the risk profile for the project.

Revenue income will include ticket costs; the task of setting these is itself a science, particularly in areas with no history of directly comparable transport use. For the CAM, this is likely to prove a particular challenge as the scheme has no technical precedent in the UK.

Questions to ask include:

- On capital cost what is the funding mix? How much of the capital cost is proposed to be funded by debt and what are the risk factors associated with this?
- What has been included in the capital cost at SOBC stage? Where have assumptions been made – for example, about the likely value of the civils contract, the likely nature and spread of subcontracts – which might have a material effect on the total capital cost?
- How has the specification for the capital work influenced projections on revenue cost? To what extent does the fact that this work has no direct technical precedent in the UK influence assumptions on capital and revenue costs?

Passenger usage – any transport project is going to involve some assessment of likely usage, and growth over time. Planners will be able to make assessments about things like latent/induced demand – the theory that when supply increases, so does consumption. With some projects, unexpected latent demand has led to infrastructure “filling up” earlier than expected. On the other hand, poor planning can lead to the construction of white elephants – projects whose utility is marginal compared to other, cheaper alternatives and which will never operate at their expected level. Making an effective judgement on likely demand and use is central to the ultimate BCR figure.

The DfT's WebTAG guidance is designed to provide assistance to modelling professionals as they consider these issues. Modelling data should be appraised, before a decision-maker comes to a judgement about the relative VfM of particular models. The TAG guidance is designed to closely reflect the "five case" business case process referred to in more detail below, and to connect closely to the BCR process also described in more detail in the section below this one. An introduction to the basic principles sitting behind transport modelling can be found at

[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/427118/webtag-tag-unit-m1-1-principles-of-modelling-and-forecasting.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/427118/webtag-tag-unit-m1-1-principles-of-modelling-and-forecasting.pdf). However, it is probably unproductive to ask detailed questions about modelling in a substantive sense at this stage in the process. Of particular use in framing local conversation is likely to be the specific TAG guidance on forecasting and uncertainty - [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/712788/tag-unit-m4-forecasting-and-uncertainty-may-2018.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/712788/tag-unit-m4-forecasting-and-uncertainty-may-2018.pdf).

Questions to ask include:

- What kind of transport modelling has been carried out, and how will this continue as the BC is refined?
- How will modelling be appraised, and how will this appraisal be fed into the BCR and the wider BC process?
- What will the oversight be in this process – how is it envisaged that decision-makers will be involved at each stage, either as observers or as substantive participants?
- How can modellers, appraisers and decision-makers give themselves and each other assurance about uncertainty, particularly at SOBC stage, where proposals relate to an entirely new transport mode as-yet-untested in the UK, combined with a general mass transit model with will be new to the Greater Cambridge area?

BCR – benefit cost ratio is fundamental to making an informed judgement about the prospects of success for a large project. The use – and accuracy – of BCR is a matter of some controversy. In particular, as transport infrastructure projects tend to be long in gestation and delivery, and because the benefits are consequently assessed on a long term basis, unknown external factors can have a significant effect. A downturn (or upturn) in economic activity, a shift in the nature of economic activity or other factors (the impact of climate change, or policy changes around the use of private vehicles for example) all have the potential to have significant impact.

The specific calculation of BCR is also a factor of uncertainty. DfT frameworks specify particular approaches, but local interpretations (and the transposition of national calculation assumptions on locally specific circumstances) all produce room for error. This presents especial challenges when trying to ascribe a monetary value to non-monetary impacts.

Finally, it is worth considering that BCR can and does change between first assessment, and when plans are refined – and can continue to change as a project is delivered.

The value for money of different levels of benefit cost ratio is established by DfT guidance. Generally, BCR below 1.0 will be poor, and will not justify investment. BCR between 1.0 and 2.0 is moderate – anything above 2.0 is generally considered high.

Questions to ask include:

- How will the BCR continue to be refined as the full business case is developed?
- What assumptions are made about the way that non-monetary factors are assigned a monetary value through the BCR process?

- How will the BCR be reviewed as it develops, and how will refinements impact on overall leadership of the project – including the potential decision not to proceed or to discard particular options?
- Who will “own” the BCR? Who is responsible for analysis, and for making judgements? Will this process be independent, and to what extent will CPCA officers (and politicians) influence and direct it?

## Managing scrutiny of the SOBC

We anticipate that scrutiny will wish to ask questions about the framing and development of the SOBC and how it will be developed into a fuller OBC and BC.

We anticipate that these questions, and those set out above, may be best posed and answered *in advance* of a public session at which questions relating to the key issues below might be posed. This is because, for scrutiny, getting a clear and unambiguous sense of the framework within which decisions will come to be made will be critical in ensuring that more detailed questions are relevant and correctly framed.

As such, the questions above are framed to allow scrutiny to develop and follow a line of questioning – with the SOBC as a starting point – which takes them into the detail of the five key issues identified below in a more forensic manner. It could well be that a number of the questions above will be answered on the face of the OBC itself once published (certainly, a number are addressed in the SOBC and options appraisal).

### Key issues

We think that there are five principal issues – which could be articulated as corporate risks to governance. These are issues which are interpreted and acted on differently for different schemes – there is no obvious, clear pathway for how “good” schemes manage these issues, that others can follow. Local, independently developed mitigation measures are the only things that are likely to make a difference, and to lessen the associated risks.

- **Political will must be present.** Throughout the project, leaders must have clarity individually and collectively on its objectives. Provision must be in place, through governance systems, for changes in political control (and, therefore, priority) to be taken into account. Projects like this, with lengthy lead times, have to maintain their justification as the local and national economy develops and changes, and this needs to be taken account of in how decision-making is at a political level.
- **Benefits need to be aligned with decision-making.** Those making the decisions need to be those who will experience the impacts – positive and negative – of those decisions. Geographically, certain projects may have more negative than positive impacts at a local level. Governance is about balancing these competing interests, but this is at risk where those leading the project do not represent the area/areas which will see the most benefit.
- **Focus on contracting and procurement is critical.** Skills and capacity to procure well, and then deliver against a challenging critical path / timetable, are crucial. There is a challenge for authorities delivering these projects to scale up their capacity in this area, especially where they begin from a low base.
- **Networks can be delivered iteratively.** The BCR for a whole network, and for the individual components of that network, may differ. Iterative development of a network can make things easier from the perspective of capital risk (and in terms of bedding in a network and service over time) but this gradual construction can have impacts on BCR and on the construction of future elements of the network alongside, and connecting to, live infrastructure.
- **Stakeholders should be actively involved in the decision-making process.** Linked to point 2 above, a large number of individuals and organisations have a stake in the successful delivery of megaprojects, going beyond public bodies and their traditional partners. This is particularly the case where funding comes from private sources. It is important that decision-making actively involves those stakeholders without diluting the need for political will.

The sections below explore these issues in more detail and highlight principal questioning areas and themes against each one. We have set out against each issue:

1. A introduction, which introduces and explores the broad policy context of the issue to assist in understanding;
2. Key lessons from schemes across the UK, where we draw out learning points from areas that we have studied that relate to each specific issue;
3. Principal risk areas, a bulleted summary of where constraints and tensions might lie;
4. Questions to ask, which sets out how the matters raised in the section as a whole might be framed as questions.

Once the SOBC has been published and the way towards an OBC and the eventual full business case has been set out, it may be possible and desirable to begin to align issues raised in this section with the “PESTEL” model for further risk analysis (see last page of appendix). However, whether or not the use of this model is appropriate will depend on the content and detail of the SOBC and the considered view of CPCA officers and scrutiny councillors about the ongoing role of member-led scrutiny as an element of this project.



## **Issue 1: Political will must be present**

### Introduction

Political will begins with a clear understanding of need, a reflection on how that need might be constrained by other options and by the status quo, and a recognition that a specific option represents.

Political will therefore needs to be framed by a reliance on a clear, robust evidence base. If not, then a change in political leadership will result in a dissipation of that will and direction.

A clear understanding of where different actors and stakeholders (both locally and nationally) stand on the project is key with stakeholders being brought in early.

### Key lessons from schemes across the UK

Following the local elections in 2009, and a resulting change of administration, Nottinghamshire County Council indicated that it was no longer willing to contribute financially to the tram project, so Nottingham City Council decided to cover the shortfall and be the sole promoter. Nottinghamshire County Council confirmed that it would not obstruct the project.

Edinburgh's tram system went through a similarly challenging time following a change of administration at the Scottish Parliament. The new SNP minority government had a manifesto pledge to cancel the project and so decided that no further public funding would be provided. The scale of the project was reduced and the plans continued at a reduced scale.

There are clear links here to Issue 2 (Benefits should be aligned with decision making) and having a robust, evidence-based business case.

### Principal risk areas

Political change at both local and national levels can bring different priorities. Working to anticipate and influence those priorities over time and building a sufficiently robust, evidence based SOBC can help to mitigate such change.

Election timings are generally known and can therefore be planned for and budgeted into any project plans.

### Questions to ask and issues to address

1. Would a change in the political balance of the Combined Authority (or within the constituent authorities) lead to a substantial change in transport priorities?
2. Has the case for change been made? Is the evidence base that has been built to support this proposal sufficiently robust to withstand political scrutiny and challenge?
3. Is the project overly associated with or reliant upon one political grouping or one individual? If so, is that the best way to deliver the project?

## **Issue 2: Benefits should be aligned with decision-making**

### Introduction

Those making the decisions need to be those who will experience the impacts – positive and negative – of those decisions. Geographically, certain projects may have more negative than positive impacts at a local level. Governance is about balancing these competing interests, but this is at risk where those leading the project do not represent the area/areas which will see the most benefit.

### Key lessons from schemes across the UK

The plans to extend the Metropolitan Line out to Watford demonstrate what can happen when the decision maker (in this case the Mayor of London) and the people he represents (residents of London) are not those who would see the main benefits of the project for themselves. With competing demands on the resources available to the Mayor, it is perhaps unsurprising that projects which would more obviously benefit Londoners would be given a higher priority.

This lack of alignment, and lack of formal representation of Hertfordshire residents who would benefit most from the project's completion on TfL, have been suggested as possible reasons why the Mayor is not more supportive of the project.

The Nottingham Tram project went through a challenging period following a change in political control at the county council. Those county councillors representing areas some distance away from the planned tram lines clearly didn't have the same attachment to the project as those representing areas closer to the line of route. The political will was present within the City Council (see issue 1) to ensure that the project would go ahead with the City Council as the leading authority.

### Principal risk areas

As with issue 1, political will and political balance should always be considered with large projects of this nature. A change in political balance may lead to elected representatives from different geographical areas taking on new roles and new responsibilities. Ensuring that any decision making body has sufficient representation from all affected areas can help to mitigate such eventualities.

Projects being seen as being done to a community, not by a community are typically less successful with politicians' eyes being on the next election rather than the project's delivery date. If the community an elected politician represents is behind a project, they are clearly going to find it easier to support it. Decision makers should hear the views of those impacted by a project both positively and negatively.

### Questions to ask and issues to address

1. Are those most positively and negatively impacted by the project formally represented around the decision making table?
2. Are the different geographical areas affected by the project adequately represented around the decision making table?

3. Has the business case used sound evidence to make the case for the project? Can it be demonstrated how the project links up with other related projects and how more than simply those future passengers of the CAM will benefit?
4. Is there strong evidence of how the community feels about the project? Does everyone taking the decision know how different groups will be impacted?

### **Issue 3: Focus on contracting and procurement is critical**

#### Introduction

Skills and capacity to procure well, and then deliver against a challenging critical path / timetable, are crucial. There is a challenge for authorities delivering these projects to scale up their capacity in this area, especially where they begin from a low base.

#### Key lessons from schemes across the UK

Adequate skills and capacity need to be in place from the procurement stage of any project right through to completion. The required level of such resources will not be steady throughout the lifecycle of the project, of course, but building sufficient capacity for the procurement should help to reduce the risk of substandard contracts, unrealistic timeframes or poorly planned project management.

Delays and legal costs were incurred by the Edinburgh Trams project because of legal disputes with contractors at various stages of the project's delivery. The Cambridgeshire Guided Busway project saw disputes with BAM Nuttall, the main contractor which was eventually settled out of court.

Project management skills, especially managing the project and performance indicators from the client side should be built into any project plan and any ongoing resource allocation decisions.

#### Principal risk areas

It is not uncommon for large scale capital projects to have disputes between the parties which can end up in court. Using professional legal support during the early stages of a project to manage contract risk

Any such project should be embarked upon only with the understanding that substantial resource will need to be committed for it to be delivered successfully. When local government finance is under pressure, a balance must be sought between having the right level of resource and minimising costs.

#### Questions to ask and issues to address

1. Is there a clear plan of where the ownership and management of the project will lie? Is the relationship between all parties clearly laid out and understood?
  - a. during procurement?
  - b. during implementation?
2. Is there sufficient resource with sufficient expertise (e.g. legal, financial, procurement, project management) both to set up the project and to manage it as it is implemented?
3. Is there sufficient capacity within the organisation alongside other projects which may compete for attention or resource?

## **Issue 4: Networks can be delivered iteratively**

### Introduction

The BCR for a whole network, and for the individual components of that network, may differ. Iterative development of a network can make things easier from the perspective of capital risk (and in terms of bedding in a network and service over time) but this gradual construction can have impacts on BCR and on the construction of future elements of the network alongside, and connecting to, live infrastructure.

### Key lessons from schemes across the UK

The Edinburgh Tram project was scaled back from the original network as a response to the changing political landscape. A minority SNP administration in Holyrood had pledged to scrap the project in its election manifesto which led to a substantial decrease in available funds. An initially planned wider network was scaled back to a much shorter length for the first phase and an iterative approach taken to the rest of the network.

The Preston Tram project has been clear since 2010 that it intends to build a pilot tramline acting as a “proof of concept”. The project team have made clear that further benefits would come with a second phase built at a later stage. Despite having been discussed since 2010, Preston does not yet have a tram system.

### Principal risk areas

Setting expectations too high at the outset can lead to over-promising and under-delivering – possibly through factors entirely out of the project team’s control. As such, being clear about the value added by each element or phase of the project allows decision makers to take evidence-based decisions about priorities and the order of different project stages.

Linking different elements or phases together may be a way of addressing concerns raised elsewhere such as political challenge or connectivity.

### Questions to ask and issues to address

1. Can sufficient benefits be seen in the first phase of the project to weather challenges, political or otherwise?
2. Is the cost:benefit ratio clear and understood for each phase of the project, and for the additionality of future phases?
3. Would aligning several phases or stages reduce the challenges mentioned elsewhere in this report e.g. political, legal etc.?
4. Are stakeholders for each phase brought into the decision making process?

## **Issue 5: Stakeholders should be actively involved in the decision-making process**

### Introduction

Linked to point 2 above, a large number of individuals and organisations have a stake in the successful delivery of megaprojects, going beyond public bodies and their traditional partners. This is particularly the case where funding comes from private sources. It is important that decision-making actively involves those stakeholders without diluting the need for political will.

### Key lessons from schemes across the UK

The planned extension of the Metropolitan Line to Watford is a good example of a scheme where some stakeholders are not involved in the decision-making process. Transport for London and the Mayor of London do not have formal representation from Hertfordshire County Council or other relevant local authorities on its decision making bodies.

This can lead to there being an absence of strong advocates for the scheme (or indeed strong dissenters) around the decision-making table.

Conversely, the DLR extension to Lewisham had a coalition of interested parties drawn together to support the project including TfL, relevant local authorities, DLR Limited, Deptford City Challenge, the University of Greenwich and the National Maritime Museum.

### Principal risk areas

A risk lies in only bringing in key stakeholders at a late stage of the project. In the short term, increasing the number of decision-makers or voices around the table can feel like it's slowing things down but in the longer term it can provide opportunities to iron out issues earlier and more cheaply.

Repeating a point made earlier, projects done *to* communities rather than *with* communities can have more resistance and more political challenge.

### Questions to ask and issues to address

1. Is a key voice or point of view missing from the list of decision makers?
2. Are those who are most going to be impacted (both positively and negatively) represented in these discussions?
3. Are the formal and informal stakeholders represented e.g. Greater Cambridge Partnership, local authorities, combined authority, local business, residents?
4. Has enough been done to seek out the views of these stakeholders, not just those who are motivated enough to let us know?

## Appendix

### Nottingham Express Transit (NET)

#### Introduction

**Nottingham Express Transit (NET)** is a 32-kilometre-long (20 mi) tram system in Nottingham, England. The system opened to the public on 9 March 2004 and a second phase, that more than doubled the size of the total system, opened on 25 August 2015, having been initially planned to open two years prior.

The network is operated and maintained by **Nottingham Trams Ltd** on behalf of the **Tramlink Nottingham** consortium. It was operated by **Arrow Light Rail**, another consortium, from 9 March 2004 until 16 December 2011. Arrow Light Rail had been contracted to operate the system for 30 years; the addition of lines to the system led to retendering.

#### Funding

In 1998, the Minister of State for Transport, confirmed the availability of £167 million funding for a new tram system, to be known as Nottingham Express Transit, to run between Nottingham and Hucknall.

In March 2000, the joint promoters, Nottingham City Council and Nottinghamshire County Council, awarded a 30-year Private Finance Initiative concession to the Arrow Light Rail Ltd consortium, with responsibility for the design, funding, building, operation and maintenance of the line. The consortium was made up of Adtranz (later subsumed into Bombardier Transportation), who were responsible for the trams, Carillion, who were responsible for the infrastructure, Transdev and Nottingham City Transport (NCT).

As built, the system was 14 kilometres (8.7 mi) long and served 23 tram stops. Construction cost a total of £200 million, a sum equivalent to £282 million at 2016 prices.

#### Governance

Current governance arrangements include the “Greater Nottingham Light Rapid Transit Advisory Committee”

The Greater Nottingham Light Rapid Transit Advisory Committee usually meets 4 times a year to advise on issues relating to Nottingham’s tram system. The City Council has 5 seats on the Committee, alongside 5 County Councillors and independent representatives from PEDALS, Nottinghamshire Chamber of Commerce and Industry, Midlands Rail Passenger Committee, Nottingham Trent University, Nottingham Transport 2000 and Nottingham Transport Partnership. Meetings are open to the public.

#### Capacity and Skills to design and deliver

##### Opening of phase one

Nottingham Express Transit began operation in March 2004, with a line operating north from a terminal at Station Street, just to the north of Nottingham railway station, through the city centre, branching to serve twin termini at Hucknall and Phoenix Park. Once the line was complete, operation was sub-contracted by Arrow Light Rail to the Nottingham Tram Consortium (NTC), an equal partnership between Transdev and Nottingham City Transport.

The new line proved successful, leading to an increase of public transport use for the Nottingham urban area of 8% in the five years to 2008, together with a less than 1% growth in road traffic, compared to the national average of around 4%. The line itself exceeded expectations, with 8.4 million journeys in 2004-5 and 9.7 million in 2005-6, against targets of 8 million and 9 million respectively. By 2007-8, ridership had reached 10.2 million journeys. This bolstered the case for the construction of new lines.

#### Planning and construction of phase two

In January 2003, even before the first phase had opened, the two councils had decided to start consultation on a second phase to serve the urban areas south and west, with routes to Clifton via Wilford, and to Chilwell via Beeston.

Approval for phase two was given on 25 October 2006 with the UK Government agreeing to provide up to £437 million in Private Finance Initiative (PFI) credits. The local councils will also provide up to £141 million in PFI credits. The two local councils (Nottinghamshire County and Nottingham City Councils) voted on 22 February 2007 and 3 March 2007 respectively to table an application for a Transport & Works Act Order. The City and County Councils' application for the order were available to view from 26 April 2007 to 7 June 2007 when it was submitted to the Secretary of State for Transport for consideration.

Following the local elections in 2009, Nottinghamshire County Council indicated that it was no longer willing to contribute financially to the project, so Nottingham City Council decided to cover the shortfall and be the sole promoter. Nottinghamshire County Council confirmed that it would not obstruct the project. Funding was approved by the government on 31 July 2009. Selecting and appointing the contractor was expected to take two years. Building work was expected to begin in 2011, in two phases, with trams running from 2014. The scheme survived the 2010 Comprehensive Spending Review ordered by the government, and on 24 March 2011 the government confirmed that funding had been approved.

As part of this process, the concession to operate the existing system was terminated. A new concession put out to tender to design and build phase two, to operate and maintain the existing system in the meantime, and to operate and maintain the extended system once completed. Although Arrow Light Rail bid, they lost out to a new consortium known as Tramlink Nottingham Limited, made up of Meridiam (30 per cent), OFI InfraVia (20 per cent), Alstom Transport (12.5 per cent), Keolis (12.5 per cent), Vinci Investments (12.5 per cent), and the Wellglade Group (12.5 per cent). As with the previous consortium, operation was further sub-contracted to a consortium of Keolis (80%) and Wellglade (20%), with maintenance sub-contracted to Alstom Transport. As a result of Wellglade's ownership of Trent Barton, who operate bus services in the Nottingham area, the new concession was referred to, and approved by, the Office of Fair Trading. The finalised contract was signed on 15 December 2011.

The severing of the link between NET and Nottingham City Transport, which affected joint ticketing arrangements, may have contributed to a fall in passenger numbers on phase one. This started in 2008 with the recession of that year, reducing the total number of journeys to a minimum 7.4 million by 2013. By 2014-15, passenger numbers had rebounded to 8.1 million.

Construction of phase two started in 2012. There were construction delays and by the end of 2014 it was at least 6 months behind schedule. There were complaints from residents affected by works and traders whose businesses have been damaged by the late running construction. Track laying was completed on 11 December 2014.

#### Public Input

A public inquiry was held in December 2007. The project was given the go-ahead by the government on 30 March 2009.



## Hertfordshire Metropolitan line extension

### Introduction

The **Croxley Rail Link**, or the **Metropolitan Line Extension**, was a proposed railway engineering project in the Watford and Three Rivers districts of Hertfordshire, England, that would have connected the London Overground and the London Underground's Metropolitan line at Watford Junction. The Metropolitan line's terminus at Watford Underground station would have closed and the line would have been diverted and extended from Croxley to Watford Junction via a reopened section of closed line. The main proponent of the scheme is Hertfordshire County Council but failed to win the support of Transport for London (TfL) which owns the Watford branch. The engineering works would have consisted of the realignment of the disused Watford and Rickmansworth Railway's line between Croxley Green and Watford High Street, with the construction of a viaduct over the Grand Union Canal, River Gade and A412 road and two new stations before branching into the London Overground line near Watford High Street and continuing to Watford Junction.

The project was approved by the Government on 14 December 2011 and clearing vegetation started during 2013. The project received final Government approval through an Order of the Transport and Works Act on 24 July 2013 and was signed off and formally given the green light by the government on 17 March 2015 when it was confirmed that Transport for London would be responsible. Work on the extension stopped in 2016 due to anticipated cost overruns and an unresolved dispute over funding.

### Funding

In 2005 Transport for London (TfL) tentatively committed to providing up to £18m of the estimated cost of £65m, predicting that the link would be operational by 2010. Difficulties arose in securing the remaining funding from the Department for Transport (DfT) and a revised project submission, under new guidelines, was prepared, with a view to obtaining Programme Entry status. A business case was submitted to the DfT in February 2008, with revised costs of £95m. The proposal was rejected in March on the basis that no guarantee of financial backing had been received from TfL. In July 2008 the East of England Regional Assembly declared the scheme a "priority" and agreed to contribute £119.5m towards the estimated cost, now £150m. Hertfordshire County Council (HCC) agreed to allocate £25.8m which it hoped to recover through ticket sales and other London Underground revenue. It was predicted that the link could be operational within seven years.

A revised business case was produced in autumn 2009 and the costs and scope reviewed. Following the government's Comprehensive Spending Review the project was placed in the pre-qualification pool and a further submission made to the Department for Transport in January 2011. In February 2011 the Department for Transport placed the project into a qualification pool of works that would be subjected to further assessments in order to bid for funding. A Best and Final Funding Bid was submitted to the Department in September 2011. On 14 December 2011, the Department for Transport agreed to fund £76.2m of the £115.9m cost, with the remainder from the local authorities (£33.7m) and third parties (£6.86m).

In December 2014, Hertfordshire County Council announced that the projected cost of the scheme would rise to £230 million. It was also reported that London Underground could take over construction of the link from Network Rail. According to TfL, HCC had significantly underestimated the costs and the project was faced with "significant project slippage and cost escalation", and for this reason an agreement was reached with the DfT and HCC whereby London Underground would assume full responsibility for the project, subject to a

suitable funding package. Hertfordshire County Council will now contribute £230m, £34m will be provided by central government, and LU is to contribute £16m. The opening date was put back to 2020.

On 25 January 2017, the *Watford Observer* newspaper published an update on the Croxley Rail Link, supplemented in March, confirming work had stopped as there was an ongoing funding issue; Transport for London were stating that more than £50m additional funding was required. A Freedom of Information request revealed that £130m of the £284m funding had already been spent, but the only works that have actually been delivered are some utility diversions and route clearance. The future of the project was now ambiguous.

In September 2017, Sadiq Khan, the Mayor of London, gave more clarity to the issue, relieving Transport for London of any obligation imposed on it by the previous Mayor, Boris Johnson, to fund a cost overrun. It was noted that at the budgeted cost of £284.4m, the cost benefit ratio of the project was only 0.4, so funding a cost overrun now estimated at £73.4m on top of the £49.2m Transport for London were already contributing, would not give value for money. It stated that Transport for London's sunk expenditure on the project is £71.2m, of which £15.5m was for buying an additional train, which has been delivered and put into service.

In 2018, the government offered Transport for London the £73.4m additional funding it was apparently asking for, taking total funding available to £357.8m, subject to Transport for London accepting cost overrun risk again. This arrangement was turned down by the Mayor. The parties were later reported to be examining cheaper alternative schemes such as a rapid bus transit scheme and light rail.

### Governance

Each of the local authority stakeholders voted through the appropriate motions and decisions.

One of the issues identified is the unequal power and unequal funding of the various stakeholders along with a lack of shared objectives. Why would the Mayor of London prioritise public transport for a group of people who can't vote in London elections?

### Lessons Learned

Issues of decision-making power aligning with interests seem to be the biggest learning point from this example - the need to have some "skin in the game" as a way of motivating people to implement the project.

A recommendation from a long-standing Hertfordshire County Councillor was to ensure that there is adequate representation from neighbouring local authorities appointed to the TfL boards and committees.

Here is a timeline of the project so far (from *Watford Observer*):

**October 2010** – Proposed government funding programme for new scheme known as **Croxley Rail Link** is announced by the Department for Transport.

**September 2011** – **Hertfordshire County Council**, with support from London Underground and Network Rail, submit Best and Final Bid (BAFB) to DfT.

**December 2011** – DfT confirms £76m of central government funding that would finally allow the Croxley Rail Link to go ahead and be up and running by January 2016.

In 2011, the project was expected to be delivered under the management of Hertfordshire County Council at a cost of £116.8m.

**February 2012** – Watford Met closure is announced and the public is told two new stations will be re-established on the Croxley Green branch named Cassio-bridge Station and Watford **Vicarage Road** Station.

**May 2012** – Secretary for State for Transport announces decision to hold an inquiry into the application for a Transport and Works Act Order.

**October 2012** – Inspector rules the application for an exchange land certificate in relation to the land at Lavrock Lane in Croxley is no longer required.

**April 2013** – Hertfordshire County Council appoint Watford-based Vinci Construction UK Ltd to carry out detailed design.

**June 2013** – Start of initial on-site works following the appointment of Watford-based Taylor Woodrow

**July 2013** – Hertfordshire County Council and London Underground granted legal powers needed to build, operate and maintain the Croxley Rail Link

**January 2014** – Planning applications for the two new stations, viaduct and electricity substation for the Croxley Rail Link submitted to **Watford Borough Council** and **Three Rivers District Council**.

**September 2014** – Final bid for funding approval for the project sent to the Department for Transport

**December 2014** – The plans are approved and construction begins. The scheme is projected to cost £230m.

**March 2015** – Hertfordshire County Council designated to lead consortium of local funding partners, including the Hertfordshire LEP and Watford Borough Council, which combined, promise to contribute £128.08m to the total scheme costs. The department for Transport agrees to provide £109.82m and Transport for London will provide £46.5m for the rail link.

**August 2015** – Transport for London take over control of the scheme from Hertfordshire County Council.

**November 2015** – Croxley rail link secures final funding and is renamed Metropolitan Line Extension.

TfL took over the scheme after costs rose to £280m and the funding deal was agreed between the DfT, TfL and the council.

**December 2016** – the plans are left out of the Mayor of London's travel agenda.

**March 2017** – A £50m shortfall is announced leaving the future of the project in doubt.

A Freedom of Information request by *The Watford Observer* in March last year revealed that almost £130m of taxpayers' money had been spent on the project.

Before transferring the project to Transport for London in 2015, Hertfordshire County Council contributed £30.9m, Watford Borough Council gave £9.6m and the Hertfordshire Local Enterprise Partnership gave £87.9m

**July 2017** - Plans for a new station in Watford were still being amended and updated despite no further funding being put forward at this point.

Following discussions between London Underground and Watford Borough Council, plans outlining amendments to the design of the proposed Vicarage Road station were submitted. The plans included new "back of house" and escape routes to the north and south of the station, revisions to cycle stand arrangements, and amendments to external lighting.

**October 2017** – Crunch talks to discuss the future of MLX were arranged between Mayor of London Sadiq Khan and Watford MP Richard Harrington.

The cost estimation has now also spiralled, with Transport for London (TfL) now quoting a delivery figure closer to £360 million instead of the previous £284m.

The project received £49million from previous Mayor of London Boris Johnson, but recent TfL cost projections show that a further £50m will be required before construction work can progress.

**December 2017** - Watford Borough Council welcomed Jules Pipe, the deputy mayor of London for Planning, Regeneration and Skills, and Fiona Fletcher-Smith, director of Development Enterprise and Environment, to Watford for a “productive” meeting about MLX.

**January 2018** - Richard Harrington offered the £73million shortfall needed to make the project work to start the building work, as well as control over the tracks and air space. However, Mayor of London Sadiq Khan says "no".

## **DLR (Lewisham extension)**

### Introduction

The **Docklands Light Railway (DLR)** is an automated light metro system opened in 1987 to serve the redeveloped Docklands area of East London, England. It reaches north to Stratford, south to Lewisham across the River Thames, west to Tower Gateway and Bank in the City of London financial district, and east to Beckton, London City Airport, and to Woolwich Arsenal south of the river.

The system uses minimal staffing on trains and at major interchange stations; the four below-ground stations are staffed to comply with underground station fire and safety requirements.

The DLR is operated under a franchise awarded by Transport for London to KeolisAmey Docklands, a joint venture between transport operator Keolis and infrastructure specialists Amey plc. It was previously run for over 17 years by Serco Docklands, part of the Serco Group. The system is owned by Docklands Light Railway Ltd, part of the London Rail division of Transport for London. In 2017/18 the DLR carried 119.6 million passenger journeys, down from 122.3m the previous year. It has been extended several times and further extensions are under consideration

Early on, Lewisham London Borough Council commissioned a feasibility study into extending the system under the River Thames. This led the council to advocate an extension via Greenwich and Deptford, terminating at Lewisham railway station. The ambitions of the operators were supported by politicians in Parliament, including the future Labour Deputy Prime Minister John Prescott, and Lord Whitty; and by 1996 construction work had begun.

The Lewisham extension opened on 3 December 1999. It left the Island Gardens route south of the Crossharbour turn-back sidings, and dropped gently to Mudchute, where a street-level station replaced the high-level one on the former London & Blackwall Railway viaduct. The line then entered a tunnel, following the route of the viaduct to a shallow subsurface station at Island Gardens, accessible by stairs or a lift. It crossed under the Thames to Cutty Sark in the centre of Greenwich, and surfaced at Greenwich railway station, with cross-platform interchange between the northbound track and the London-bound main line. The line snaked on a concrete viaduct to Deptford Bridge, before descending to Elverson Road at street level, close to Lewisham town centre, terminating in two platforms between and below the main-line platforms at Lewisham railway station, with buses stopping outside the station. The extension quickly proved profitable.

### Funding

Opening two months ahead of schedule and within its £200m budget, the Lewisham extension has been described by Ian Brown, Chief Executive of holding company DLR Ltd, as a 'showpiece' for light rail and for harnessing private finance to build public transport infrastructure.

Under the previous government's Private Finance Initiative, a 24 1/2 year concession to finance, build and maintain the Lewisham extension was awarded on October 1 1996 to CGL Rail. Owned by Hyder Investments (40%), John Mowlem & Co (40%), London Electricity (8%) and Mitsui & Co Ltd (12%), CGL Rail raised a total of £268m to meet the £200m construction cost and interest. A bond issue underwritten and placed by BZW raised £165m, and the government provided a grant of £50m. This was to offset a cap imposed in 1995 on increases in the price of multi-operator Travelcard season tickets. The London Borough of Greenwich, Deptford City Challenge, the University of Greenwich and the

National Maritime Museum also contributed funding. Property development above Cutty Sark station met part of the building cost.

#### Governance

The local authorities involved worked alongside TfL, DLR Limited with other stakeholders including Deptford City Challenge, the University of Greenwich and the National Maritime Museum. A coalition of interested parties was drawn together to support the project.

## Edinburgh Trams

### Introduction

**Edinburgh Trams** is a tramway in Edinburgh, operated by Transport for Edinburgh. It is a 14-kilometre (8.7 mi) line between York Place in New Town and Edinburgh Airport, with 16 stops.

Construction began in June 2008, and after encountering delays it opened on 31 May 2014. The scheme had an initial estimated cost of £375 million in 2003, but by May 2008, when contracts were signed, the cost had risen to £521 million. The final cost after delays was £776 million.

Proposals for a tram network were made in the 1990s, and a plan to build a line along Princes Street and Leith Walk to Newhaven was proposed in 1999 by the City of Edinburgh Council, Lothian and Edinburgh Enterprise and the New Edinburgh Tramways Company.

### Business Plan Development

A 2001 proposal envisaged three routes, lines 1, 2 and 3. The first was a circular route around the northern suburbs, and the others were radial routes to Newbridge in the west and Newcraighall in the south. All lines would have passed through the city centre. In May 2004, a 15-year operating contract was awarded to Transdev, to operate and maintain the tram network. This contract was cancelled in 2009.

Two bills to reintroduce a tram network were passed by the Scottish Parliament in March 2006. Lines 1 and 2 received parliamentary permission, but funding the entire network was deemed impossible. Line 3, to be paid for by a proposed Edinburgh congestion charge, was scrapped when the charge was heavily defeated in a referendum and construction of the remaining two lines was split into four phases:

- **Phase 1a** 18.5-kilometre (11.5 mi) from Newhaven to Edinburgh Airport via Princes Street, combining parts of lines 1 and 2
- **Phase 1b** 5.6-kilometre (3.5 mi) from Haymarket to Granton Square via Crewe Toll, comprising most of the remainder of line 1
- **Phase 2** linking Granton Square and Newhaven, completing the line 1 loop
- **Phase 3** extending the airport line to Newbridge, completing line 2



A map of the planned tramway

The future of the scheme came under threat in 2007, when the Scottish National Party (SNP) published its manifesto for the Scottish Parliamentary election. The party made clear its intention to cancel the scheme, along with the Edinburgh Airport Rail Link, to save £1.1 billion.

Following a lost vote in the Scottish Parliament, the SNP-led minority Scottish Government agreed to continue the line from the airport to Leith on condition that no more public money would be supplied. A report by Audit Scotland, commissioned by the Scottish Government, confirmed that the cost projections were sound. The cost of the scheme in 2003 was estimated at £498 million, £375 million in funding from the Scottish Government and £45 million from Edinburgh Council.

On 25 October 2007, the council approved the final business case. Approval was given on 22 December 2007 for TIE to sign contracts with CAF to supply vehicles and BBS (a consortium of Bilfinger Berger and Siemens) to design and construct the network. Contract negotiations finished in April 2008, and construction started in June 2008. By this stage the cost of the project was estimated at £521 million. Funding problems and political disputes led to the scaling back of the original plans. In April 2009, the council cancelled phase 1b, citing revenue shortfall created by the economic slowdown to save an estimated £75 million. The Granton extension was also cancelled.

Until August 2011, the project was overseen by Transport Initiatives Edinburgh (TIE), a company wholly owned by the City of Edinburgh Council, who were responsible for project-managing the construction of the tramway.

After the draft business case was accepted by the Scottish Government in March 2007, initial construction work commenced in July 2007, with the diversion of underground utilities in preparation for track-laying in Leith. These works followed a plan by System Design Services (SDS), a joint design team led by Parsons Brinckerhoff and Halcrow Group.

In May 2008, final contracts to build the tram system were awarded to BSC, a consortium of Bilfinger Berger, Siemens and Spanish tram builder Construcciones y Auxiliar de Ferrocarriles (CAF).

The tramway uses a mix of street running and segregated off-road track, with conventional tram stop platforms. Stops are fitted with shelters, ticket machines, lighting and CCTV. The network is operated from a depot in Gogar, close to the A8 roundabout, north of Gyle Centre tram stop.

The route of the line required the construction of bridges to cross railway lines at Edinburgh Park and Stenhouse, and a tunnel under the A8 near the Gogar roundabout. A bridge at Balgreen was widened. Works to build a tram interchange at Haymarket station involved the demolition of a Category C(S) listed building, the former Caledonian Alehouse on Haymarket Terrace.

Some on-street track was laid in a special foundation with cobbled road surfacing designed to be sympathetic with the style of Edinburgh streets but was removed in many places due to objections from cyclists. The trams are powered by overhead cables attached to purpose-built poles or mounted on the sides of buildings. Nine electrical sub-stations were planned for the line to Newhaven, both underground and above-ground but only five were built after the line was truncated at York Place.

In 2008 and 2009, the project met with delays to work on tramway infrastructure. Phase 1b of the project was cancelled because of a funding shortfall in April 2009. Contractual disputes delayed track-laying in the city centre. In December 2009, media reported that the project budget was running over £545 million, and the system was unlikely to come into operation until February 2012 or later. The operating contract with Transdev was cancelled in December 2009 to reduce costs and it was announced that the trams would be operated by Edinburgh Trams Limited, a subsidiary of Transport for Edinburgh. In March 2010, Bilfinger Berger announced that the estimated completion date would be in 2014.

In February 2009, work on the Princes Street section stopped due to contractual disagreements between TIE and BSC after the latter submitted a request for an additional



£80 million of funding. Edinburgh Council believed the contractors' claims were unjustified as they had agreed to fixed-price contracts. After negotiations, BSC agreed to commence construction in March 2009 within the original budget, although disagreements remained. Work restarted and line construction went ahead.

In August 2009, TIE began legal proceedings against the BSC consortium over delays to the project, and track-laying on Leith Walk, Shandwick Place and Haymarket was suspended. At issue were alleged changes to BSC's work specification, including track works on Princes Street and £5 million additional costs for foundation work near Murrayfield Stadium. The BSC consortium alleged that TIE had not diverted the underground utilities in time for track-laying to begin, breaching contractual agreements and costing the consortium additional staffing expenditure.

In January 2010 the independent arbiter found in favour of TIE on some points, but on most of the disputed issues ruled in favour of BSC and awarded the consortium 90% of its additional costs, estimated to be up to £80m.

Delays in track laying and depot construction affected vehicle testing. By September 2009, construction was reported to be nine months behind schedule, and CAF was due to deliver the first trams from its factory in Spain. With key project dependency out of synchronisation, TIE held discussions with Transport for London about delivering the trams to Croydon to conduct operational tests on the Tramlink network. Tram vehicle testing commenced in March 2010 on the Siemens test track in Wildenrath, Germany. The tests included recreating the steep gradients of Leith Walk, and using weights to simulate the heavy passenger load expected during a Murrayfield match day.

### *Funding*

Following further disputes and delays, it was reported in March 2010 that Edinburgh Council was considering cancelling the contract with Bilfinger Berger. By June 2010, the project's cost had risen to £600 million. Council project managers were reported to be in crisis talks, considering options including: borrowing £55 million to fund the increased costs; phasing the introduction of the tram line, so that trams would initially run between the airport and Haymarket; and terminating the contract with Bilfinger Berger. The council asked TIE to draw up costs for truncating the line at four places: Haymarket station, York Place, the foot of Leith Walk or Ocean Terminal.

Work resumed in May 2011 at priority locations, Haymarket Yards and Gogar, while the project's future was decided by the council. In August 2011 it was announced TIE would be disbanded and consultants Turner & Townsend would manage the project.

On 30 June 2011, Edinburgh Council voted to continue the line between Edinburgh Airport and St Andrew Square. Costs rose to an estimated £770m, leaving the council with a shortfall of more than £200m. The option to scrap the project was considered, but rejected at a meeting of the Full Council. On 25 August 2011, the council voted to cut the line to run between the airport and Haymarket, reducing the expected cost to £715m. A week later, after the Scottish Government threatened to withhold £72 million of funding, the council reversed its decision, restoring the terminus at St Andrew Square. On 29 November 2011 it was announced that the eastern terminus would be at York Place instead of St Andrew Square; the intention had been to build the tracks to a reversing point at York Place (without a stop for passengers). Extending passenger services from St Andrew Square to York Place would enable Broughton Street, Picardy Place and the surrounding area to be better served at comparatively little additional cost.

The first electric wires were energised in October 2011 within the depot at Gogar. Testing trams began in December 2011 near the depot at Gogar, on a 500 metres (550 yd) length of track. On 15 December 2011, the contractors handed the depot to the City of Edinburgh Council.

The first completed section of line, between the depot and Edinburgh Airport, was used to test a tram at full speed on 19 December 2012.

With extra interest payments factored in, the cost of the line is expected to exceed £1 billion.

### Additional political challenges

The Scottish Government refused to pay for concessionary travel for the tram scheme, as it does for all bus routes in Scotland. Talks between the Scottish Government and Edinburgh Council eventually decided that concession cards should be valid for tram travel, but that they should be paid for by the Council instead of the Government. It was revealed on 15 August 2013 that the cards would be valid, and that travel would be paid for by Edinburgh Council. However, only people with cards issued in Edinburgh would be able to use them. This compromise upset many people in the Lothians, who often commute or travel into Edinburgh.

### Public Involvement

A non-statutory public inquiry to scrutinise the delivery of the project was announced on 5 June 2014. This was subsequently upgraded by the Scottish Government on 7 November 2014 to a statutory inquiry to ensure that key personnel would provide evidence.

## Preston tram scheme

### Introduction

Plans to bring trams back to Preston for the first time in over 80 years were first tabled back in 2010, but faced a series of rejections at planning committee. The plans, which would see a stretch of the former Longridge to Preston railway line reinstated in Deepdale, were approved by Preston City Council's planning committee in 2016.

Contractors to deliver the project were appointed in January 2018. No tramline has been built at the time of this report's production.

### Background

Lancashire-based planning consultancy PWA Planning was brought in earlier in 2016 to advise applicant Preston Trampower on achieving a successful planning consent and a new planning application was submitted in April 2016.

Under the approved proposals, the tram operation will not be open to paying customers, but will be used for training purposes, as a demonstrator for other local authorities, and to raise public awareness of trams as a sustainable mode of transport.

Under the proposals a new tram station, platform and tram depot shed would be built on a former coal yard while the section of the disused train line between Skeffington Road and Deepdale Street would be reinstated as a tram line.

The pilot project was planned to not involve paying passengers, but focus on staff training with members of the public being invited to ride on the tram as part of an awareness raising process. It would also provide educational visits to school children.

Preston Trampower's wider vision would see the company seeking approval to extend the project with the ultimate objective of linking up to the railway station with the north of the city, as well as serving UCLan and the Lancashire Enterprise Zone at Samlesbury.

**Tram Power** is a privately owned British Company dedicated to the design, development and promotion of light rail technology that is Safe, Efficient, Reliable and Affordable.

Tram Power has been involved with the designs of trams, tracks and overhead systems, and has had direct involvement in the design of network routes in cities around the U.K., making use of disused or underused rail lines.

Detailed information on the vehicle, track and overhead line systems can be found on the Tram Power website; [www.trampower.co.uk](http://www.trampower.co.uk).

Tram Power states that Preston was selected for a new privately funded tramway for a number of reasons;

- Like many cities, Preston is faced with increasing congestion and parking problems in and around the city centre.
- The growing student base and proposed city centre developments in the retail, business and residential sectors suggest that the problems may become even greater in the future.
- The new tramway system could ease these problems by enhancing the use of the Park & Ride sites surrounding the city and reducing the number of journeys made by road.
- The existing network of disused and underused railways in Preston could account for two thirds of the intended tramway network. In many areas, therefore, much of the infrastructure is largely in place, minimising disruption and additional construction work required to develop the network.

Tram Power projects are financed through private investment, without direct public funding.

Tram Power describes its plans as:

**Phase One** of the project is to open a demonstrator line. This will both show the public how the trams will operate and allow investors to view the tram's benefits. See also [www.prestontrampower.co.uk](http://www.prestontrampower.co.uk)

Following a successful launch of the demonstrator line, **Phase Two** will encompass the first Preston (GUILD) line, which is hoped to support the Guild celebrations. The Guild Line is the first of a possible four-line network, which will connect many key parts of the city with Park & Ride stations outside the city centre. It will also connect many areas of the city to the railway station, retail parks, hospitals, football stadium and the University. All projects depend on being financially viable.

### Funding

Snowball Alternative Finance was appointed to secure the £25m funding for the scheme in 2018 with funding being described as “the last part of the jigsaw” by the director of Preston Tram Power.

The appointment intends to see Snowball advising on funding strategy as well as producing business plans and financial models for the project.

### Lessons Learned

In discussion with an experienced councillor sitting on both Preston City Council and Lancashire County Council, it was suggested that a “lack of political will” was the main barrier to the successful implementation of this project.

## **Cambridgeshire guided busway.**

The **Cambridgeshire Guided Busway**, known locally as **The Busway**, connects Cambridge, Huntingdon and St Ives in the English county of Cambridgeshire. It is the longest guided busway in the world, overtaking the O-Bahn Busway in Adelaide, South Australia.

Two guided sections make up 16 miles (25 km) of the route. The northern section, which uses the course of the Cambridge and Huntingdon railway, runs through the former stations of Oakington, Long Stanton and Histon. The southern section, which uses part of the former Varsity Line to Oxford, links Cambridge railway station, Addenbrooke's Hospital and the park and ride site at Trumpington, via housing on the Clay Farm site.

Services are operated by Stagecoach in Huntingdonshire and Whippet Coaches, which have exclusive use of the route for five years in exchange for providing a minimum service frequency between 07:00 and 19:00 each week day. Specially adapted buses are used: the bus driver does not need to hold the steering wheel on the guided sections of the busway. A total of 2,500,000 trips were made in the first year of operation.

Proposed initially in the 2001 Cambridge-Huntingdon Multi-Modal Study, which recommended widening of the A14 road and construction of a guided busway along the old railway lines, construction began in March 2007 and it was opened on 7 August 2011 after a succession of delays and cost overruns.

The original cost estimate of £64 million rose to £181 million by December 2010. An independent review of the project was announced on 21 September 2010, in which the Cambridge MP Julian Huppert at the time described the busway as a "white elephant". A court case with BAM Nuttall, the main contractor, was settled by Cambridgeshire County Council in August 2013.

The scheme links Cambridge, in East Anglia, with St Ives, Huntingdon and Northstowe (a proposed new town) to the north-west, and with the M11 motorway to the south. The route includes two sections of guided operation, a bus-only road and other places with on-street operation in conventional bus lanes. New park and ride sites have been built at Longstanton and at St Ives, with a tarmac cycle track/bridleway alongside some sections of the route.<sup>[6]</sup> The final scheme includes bus priority and real-time passenger information system displays at busway bus stops; and subsequent separate funding and works to better link those stops to local businesses for pedestrians and cyclists.

A total of 2,500,000 trips were made in the first year of operation, which Atkins reported was 40% higher than the predicted figure. Bus ridership along the corridor was estimated to have increased by 33% over the same period. Before opening, the contractor had predicted that an estimated 11,500 journeys per day would be made on the busway. The scheme was predicted to cause a direct reduction in traffic on the busy parallel A14 road of 5.6% (rising to 11.1% with the new Park & Ride sites), although as other traffic re-routes to the freed-up road space from other parts of the local road network, the net reduction is predicted to be 2.3%. The overall scheme was "not intended to solve the congestion problems on the A14" by itself, but will rather have an overall effect across the local road network, and be complementary to planned improvements on the A14

Two operators, Stagecoach in The Fens and Go Whippet, committed to buying new buses and running commercial services on the scheme. The council had previously held talks with Cavalier (Huntingdon and District) and another operator. As with all other UK busway schemes, the Council owns the infrastructure, allowing bus operators to use it on their registered services, subject to quality contracts specifying vehicle and service standards (Euro IV and low-floor buses). During peak hours of 07:00–19:00 Monday–Saturday operators are charged for using the busway.

Originally seven buses per hour ran between St Ives and Cambridge Science Park during the day, reducing to hourly in the evenings and on Sundays. Figures published during 2004 by Cambridgeshire County Council proposed that it would begin operation with six buses per hour and build up to 20 buses per hour into Cambridge during peak periods by 2016.

In January 2012, a report to Cambridgeshire County Council suggested opening up the operation of the five Park & Ride sites to companies in addition to just Stagecoach Cambridgeshire in a bid to recover some of the £617,000 annual cost.

## Planning

In 2001 the Cambridge-Huntingdon Multi-Modal Study (CHUMMS) recommended widening of the A14 road and building a guided busway along the old Cambridge and Huntingdon railway, which had been closed to passengers since 1970 and to all traffic since 1993. Since closure there had been proposals to reinstate the rail service, and for a light railway network, a bus lane, a road with limited access, a bus-way, a cycle path and a nature walk. A local group, CAST.IRON, was set up in July 2003 after being inspired by the Wensleydale Railway to promote and undertake reinstatement of the route for trains and to resist other proposals, referring to the guided bus as the 'misguided bus'. A private consortium that had proposed a guided bus scheme, SuperCAM, abandoned their plans in 2003. Arup prepared the Transport and Works Act (TWA) application presented in late 2003.

A public inquiry was held in September–October 2004. The scheme was supported by five bus and coach operators, and 20 other organisations and individuals. A total of 2,735 objections were received: from local councils, public bodies, transport interests, local pressure groups and individuals who criticised the Environmental Impact Assessment, supported the rail alternative or objected to the scheme in principle. The scheme was approved by the Government in December 2005.

## Construction

In March 2007, the then Transport Secretary Douglas Alexander officially opened a manufacturing plant at Longstanton that would produce the 6,000–7,000 concrete beams for the busway. Each beam was 350 millimetres thick with a further 180-millimetre lip for the glide wheels to press against. A total of 50,000 tonnes of concrete was cast to a precision of plus or minus one millimetre. Supports below the beams were under-pinned by 2,150 piles along a 2.5 miles (4 km) length of the busway.

In the same year a viaduct of maintenance-free steel was built over the River Great Ouse as a replacement for the 200-tonne wrought-iron railway viaduct removed in 2007. There would later be a dispute between the Conservative-controlled County Council and opposition Liberal Democrat councillors as to whether the structure was structurally sound, with a claim that water draining off the track over the viaduct could lead to crumbling.

In March 2008 existing guided vehicles were trialled along a section near Oakington. The vehicles tested included a Wrightbus-bodied single decker owned by FirstGroup, a Plaxton President-bodied Dennis Trident 2 double decker from Lothian Buses, and a white Alexander Dennis Enviro500 triple-axled double decker. The test vehicles were fitted with sensors to assess vibration levels and ride quality. Hot weather testing of the track took place during May/June 2010. In addition to the bus fleet, Cambridgeshire County Council trialled and purchased a specially adapted "guided gritter" lorry for use during periods of cold weather, which will spray salt water rather than rock salt. In November 2011 this was augmented with a customised "Multihog" gritter/snowplough vehicle from Ireland designed for clearing the accompanying maintenance track and cycleway. The Multihog is powered by 90-horsepower engine allowing it to travel at up to 40 km/h and features a brine tank, rather than solid grit.

By August 2008 approximately 6 miles (10 km) of the busway had been constructed, between Longstanton and Milton Road (Science Park). On 30 November 2009, road signs directing traffic from the A14 towards the future busway park and ride sites started to be installed. Other signage related to the busway had required subsequent height adjustments, and spelling corrections. Trees had also blown over, blocking the busway route near Swavesey. The twelve junctions on the route fitted with bus priority traffic signals were tested on 16 December 2010 and worked as expected.

### Delays

In January 2009 it was announced that the scheduled opening of the scheme had been delayed until late summer 2009 owing to bad weather and flooding in the Fen Drayton area. As a result of complications with a bridge at Hills Road in Cambridge, traffic restrictions there continued throughout the summer of 2009. Flooding and drainage issues affected the limestone-covered cycleway during late 2009 and early 2010.

In August 2009 a further delay until late November 2009 was announced for the opening of the northern section, with no date given for the southern section.

On 16 November 2009 the project was delayed for the third time when Cambridgeshire County Council announced that the northern section would not open on the previously advertised date of 29 November 2009. An opening date of "the end of the year" 2009 for the northern section was announced later in the same month,<sup>[96]</sup> followed four days later by "hopefully in the new year [2010]". Initial busway services would only reach Huntingdon railway station and not serve Hinchingsbrooke Hospital as had originally been promoted during the public inquiry; neither would they continue southwards to Cambridge railway station.

In January 2010, the contractors and Cambridgeshire County Council were still in discussions about what required finishing. During February 2010 the directors of both the signed-up bus operators—Andy Campbell of Stagecoach in Cambridge, and Peter Lee of Whippet coaches—expressed their companies' frustrations at the busway not being usable by the new buses they had bought to run on it. Shortly afterwards Stagecoach altered the slogan displayed on their fleet of buses for the busway, changing it from reading "I'll be on the busway soon, will you?" to a new slogan of "Will I be on the busway soon?". In the same month, South Cambridgeshire District Council demanded of Cambridgeshire County Council a comprehensive public statement giving clarity over rising costs. In mid-June 2010, none of the listed outstanding issues had been fixed and a public review was announced.

At the start of July 2010, it was reported that neither section would open before 2011; the bus operators reacted to the news angrily, suggesting that they might seek to reduce the minimum level of service that had been previously committed to. At a council meeting on 9 July 2010, a decision was taken to concentrate on completion of the southern section in order to get the whole route opened, rather than aiming for a phased introduction. During late September 2010 BAM Nuttall missed deadlines for providing construction certificates needed by the Council, forcing it to begin its own inspections.

### Trials

On 21 April 2011 the busway was officially handed over to Cambridgeshire County Council, triggering a 28-day period for any remedial works to be undertaken by BAM Nuttall. This period expired without BAM Nuttall having completed any of the required work. The County Council contracted Jackson Civil Engineering to finish the busway, at BAM Nuttall's expense, with a view to opening the busway in August 2011. The County Council served a legal notice on BAM Nuttall that they were not willing to pay for the budget overrun.

A number of preview trials of the busway were held, during which some problems were encountered, particularly with cyclists using the busway. In one incident a cyclist cycling on the guide beams, rather than the cycle path next to the busway, was struck by a bus coming

in the opposite direction. Trials of recovery procedures should a bus break down were also held, with the test finding that a stranded bus could be connected up and removed within five to ten minutes of a specially-adapted breakdown vehicle reaching the scene. During one preview journey held for journalists on 28 July 2011, Hugh Morris of the *Cambridge First* newspaper staged a race between the guided bus and a car travelling from Cambridge to St Ives to see which was quickest to reach the end of the track. The car beat the bus by ten minutes, although he noted that the trip had not been held during rush hour, during which the A14 road is noted for congestion. A journey from St Ives to the Cambridge Science Park was found to take 20 minutes.

### Construction costs

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The project was budgeted to cost £116.2 million,<sup>1</sup> with central government providing £92.5 million. Cost-benefit analysis of the scheme had variously assessed the expected ratio as 4.84, 2.28 (1998 prices) and 1.968, (a higher ratio is better), with the cost rising from an initial estimate of £54 million. In December 2008, the County Council assessed the financial risks of the project as "high"; None of the £12.7 million funding—out of £23.7 million—due to come from property developers had been received by the promoters. In November 2009 the backers of the "cb1" redevelopment scheme around Cambridge railway station frontage, Ashwell Property Group, had been due to make their £927,000 contribution towards the busway scheme, but were given permission to defer, and entered administration in December 2009. The taxpayer was expected to have to make up any funding shortfall. Cambridgeshire County Council announced it was budgeting £1 million per year to cover potential ongoing costs associated with the busway, through the reorganisation of other transport related budgets.

Repayments for the loans and associated interest would then be recovered from the contractors and future housing developers after the scheme had been completed. Contributions from developers were also used to pay for artworks and time capsules along the route.

### BAM Nuttall dispute

In 2008, BAM Nuttall claimed that it would cost more than the original budgeted amount to finish the work, perhaps £6 million more. Another report suggests that the overrun could be £30 million on a construction cost of £90 million. Cambridgeshire County Council stated that it had been confident that the scheme would come in on budget because of the terms of its contract with BAM Nuttall. By December 2009, the project had been forecasted to be £1.3 million over budget, the Council's extra liabilities being limited to £5 million over the originally agreed price—with the right to impose penalties upon the contractors for late delivery; since February 2009, the contractors had been amassing a fine of £14,000 per day for late delivery, amounting to £6 million by June 2010 and estimated in December 2010 to be £9 million. On 29 January 2010, Cambridgeshire County Council's head of audit and risk management stated that uncertainty over the final construction price had been causing cash flow issues for the council.

The County Council's performance bond with BAM Nuttall was limited to £7.5 million, plus a further "unlimited guarantee" from Koninklijke BAM Groep, BAM Nuttall's parent company based in The Netherlands.

The original price for the engineering works conducted by BAM Nuttall had been £88 million, and estimates in mid-February 2010 projected costs to have increased to £120 to 140 million. The main issue was structural repairs necessary to the new Great Ouse Viaduct to prevent water ingress. Later that month, Cambridgeshire County Council stated that the council was due to borrow £41 million during 2010 and then £10.2 million the year after, payable to BAM Nuttall in order to complete the project.



Cambridgeshire County Council brought in Atkins as consultants to manage the project. Following the delivery delays, Atkins' bill increased from an expected £2.9 million to £9.6 million. The cost of this would be offset by the £10.8-million fine imposed on BAM Nuttall over the same time-period.

A court date of January 2014 was scheduled for proceedings to begin at the Technology and Construction Court in London. Cambridgeshire County Council stated that it had set aside £6.5 million for legal costs for pursuing the £60 million claim against BAM Nuttall. In May 2012 BAM Nuttall launched a £43-million counterclaim. On 30 August 2013, Cambridgeshire County Council announced that it had reached an out of court settlement with BAM Nuttall, paying them £84.7 million, up from the £83.9 million original fee. Legal costs and other charges would set the total cost at £152 million, £26 million of which would have to come from the Council budget.

## Leigh Guided Busway

### Introduction

The **Leigh-Salford-Manchester Bus Rapid Transit** scheme in Greater Manchester, England provides transport connections between Leigh, Atherton, Tyldesley, Ellenbrook and Manchester city centre via Salford. The guided busway and bus rapid transit (BRT) scheme promoted by Transport for Greater Manchester (TfGM) opened on 3 April 2016. Built by Balfour Beatty at a total cost of £122 million to improve links from former coalfield towns into Manchester city centre, the busway proposal encountered much opposition and a public enquiry in 2002 before construction finally started in 2013. The branch route from Atherton and extension to the Manchester Royal Infirmary were added to the original scheme.

Twenty-five purple-liveried Wright Eclipse Gemini 3 bodied Volvo B5LH hybrid double-decker equipped with CCTV and next stop audio and visual announcements operate the service. Stops on the guided busway section have level-boarding from platforms equipped with passenger information display screens.

From Leigh, the V1 limited-stop bus service joins seven kilometres of guided busway to Ellenbrook, six kilometres of bus lanes on the East Lancashire Road and sections of reserved bus lanes through Salford and Manchester city centres. The V2 service from Atherton to Manchester joins the guided busway at Tyldesley. Both services run via the University of Manchester and Manchester Metropolitan University before terminating at Manchester Royal Infirmary.

### Funding

TfGM (Transport for Greater Manchester) spent £122 million on bus priority investment of which the guided busway track and infrastructure cost £68 million and the rest was spent upgrading associated local roads, bus lanes and junctions. The Greater Manchester Transport Fund provided most of the funding and the Department for Transport contributed £32.5 million.

### Governance

A long legal process preceded the busway's construction, including a public inquiry in 2002. The decision of the public inquiry was delayed because of great crested newts occupying a site on the route. The Department for Transport granted powers to build the busway in 2005 and it was projected to be built by 2009 but preliminary work only started in 2012. Powers to build it are set out in the *Greater Manchester (Leigh Busway) Order 2005* in the Transport and Works Act. The Greater Manchester Passenger Transport Executive had estimated that the busway would generate around 2 million passenger trips per annum. After the public inquiry, a branch bus route from Atherton to Tyldesley and an extension from Manchester city centre to the Manchester Royal Infirmary were added to the scheme.

The scheme was the subject of a lengthy Public Inquiry held in 2002. The Public Inquiry Inspector concluded in 2005 that the preferred busway option provided the best Cost Benefit Ratio of all the options considered, including heavy and light rail. Furthermore the PI Inspector concluded that a heavy rail link would be impracticable because of the lack of adequate forecast patronage to support the anticipated construction and ongoing revenue costs to support such a solution; the reduced frequency that a heavy rail option would support; the physical barriers to connecting into the wider heavy rail or light rail network; and the increased level of benefits offered by a high quality, high frequency and flexible bus

service that would diminish the benefits of higher running speeds offered by a heavy rail solution.

In 2009 the scheme was prioritised for inclusion within the Greater Manchester Transport Fund (GMTF) and was successful in securing the required funding to deliver the scheme. The key drivers for inclusion within the GMTF were the transport need and projected economic growth.

Once funding had been secured in 2009 the busway scheme was developed to a sufficient level where a reference design and performance specification could be established that could be used in the procurement of a contractor to construct the guided section of the scheme. The design and construct responsibilities post reference design were then handed to the contractor.

### Capacity & skills to design and deliver

The Busway scheme was implemented through a number of contracts. These faced the following challenges:

Infrastructure / service delivered	Description	Contract awarded to	Contract managed by	Key challenges
Guided section – Leigh to Ellenbrook	High quality sustainable public transport link connecting destinations in Wigan, Salford and Manchester	Balfour Beatty	TfGM	<ul style="list-style-type: none"> <li>• Significant negative community feeling towards the scheme</li> <li>• Significant quantity of earthworks material that needed to be moved</li> <li>• The innovative nature of the construction techniques</li> <li>• Significant environmental challenges</li> <li>• The formation and planting of a 25,000 tree community woodland on an adjacent site</li> <li>• The level of direct interface with key stakeholders and</li> </ul>

Infrastructure / service delivered	Description	Contract awarded to	Contract managed by	Key challenges
				<p>the general public along the corridor</p> <ul style="list-style-type: none"> <li>• Minimising disruption in the interface with 8 highway junctions and the highway network.</li> <li>• Significant utility diversions were required</li> </ul>
Leigh, Atherton and Tyldesley town centres	Range of on-highway junction, bus, pedestrian and cyclist improvements	North Midland Construction	Wigan Council	<ul style="list-style-type: none"> <li>• Agreeing the final schemes and associated highway changes with stakeholders initially and</li> <li>• Managing the construction of the various scheme elements whilst still operating a live highway network and maintaining town centre activity.</li> </ul>
Leigh Bus Station	£1 million of investment in the fabric and facilities at the bus station	Jamieson Contracting	TfGM	<ul style="list-style-type: none"> <li>• Delivering the improvements whilst maintaining an operational bus station</li> </ul>
A580	Delivery of a range of bus priority, junction and pedestrian improvements between Ellenbrook and Pendleton in Salford	Galliford Try	Salford City Council	<ul style="list-style-type: none"> <li>• Managing the construction of the works whilst maintaining through flow along and across the A580 for the large numbers of vehicles that use the corridor</li> </ul>

Infrastructure / service delivered	Description	Contract awarded to	Contract managed by	Key challenges
				<ul style="list-style-type: none"> <li>• Completing a significant programme of utility diversions</li> <li>• Managing the design and construction of the scheme in close proximity to Highways England infrastructure.</li> </ul>
Busway service		First Manchester	TfGM	n/a

Despite these challenges, the scheme was delivered successfully. Lessons have been learned for future delivery, and the construction techniques have been refined so that future slip formed busways should be easier to build.

The busway service was procured through a Competitive Dialogue procurement process and was awarded to First Manchester in October 2014. The service commenced on 3 April 2016.

### Public input

The scheme was the subject of a lengthy Public Inquiry held in 2002. The Public Inquiry Inspector concluded in 2005 that the preferred busway option provided the best Cost Benefit Ratio of all the options considered, including heavy and light rail. Furthermore the PI Inspector concluded that a heavy rail link would be impracticable because of the lack of adequate forecast patronage to support the anticipated construction and ongoing revenue costs to support such a solution; the reduced frequency that a heavy rail option would support; the physical barriers to connecting into the wider heavy rail or light rail network; and the increased level of benefits offered by a high quality, high frequency and flexible bus service that would diminish the benefits of higher running speeds offered by a heavy rail solution.

In 2009 the scheme was prioritised for inclusion within the Greater Manchester Transport Fund (GMTF) and was successful in securing the required funding to deliver the scheme. The key drivers for inclusion within the GMTF were the transport need and projected economic growth.

Once funding had been secured in 2009 the busway scheme was developed to a sufficient level where a reference design and performance specification could be established that could be used in the procurement of a contractor to construct the guided section of the scheme. The design and construct responsibilities post reference design were then handed to the contractor.

## How business cases were developed and refined

Detailed modelling and appraisal of the scheme has been undertaken and was updated in October 2011.

The scheme has a Benefit to Cost Ratio (BCR) of 2.1:1, showing high value for money, using a methodology consistent with that used by DfT, and a BCR up to 2.8 if wider economic benefits are included.

The key driver of the overall value for money (BCR) of the busway scheme is the net revenue position, as the surplus revenues off-set the capital costs. This net revenue position is sensitive to assumptions regarding the operating costs of the LSM service and the revenues taken on the service.

The table below summarises the key appraisal ratings for the busway against a range of economic, environmental, safety, accessibility and integration metrics.

### **Summary of Appraisal**

	<b>Objective</b>	<b>Rating</b>
ECONOMY	Benefit to Cost Ratio (BCR)	2.1
	BCR uplifted for wider economic benefits	2.3 - 2.8:1
	Estimated impact on GVA	£130m by 2021
	Reliability	Beneficial
	Wider Economic Impacts	Beneficial
ENVIRONMENT	Noise	Slight Adverse
	Local Air Quality	Slight Adverse
	Greenhouse Gases	Moderate Beneficial
	Landscape	Slight Adverse
	Townscape	Neutral
	Heritage of Historic Resources	Neutral
	Biodiversity	Slight Adverse
	Water Environment	Neutral
	Physical Fitness	Moderate Beneficial
	Journey Ambience	Moderate Beneficial
SAFETY	Accidents	Slight Beneficial

	Objective	Rating
	Security	Strong Beneficial
ACCESSIBILITY	Option values	Moderate Beneficial
	Severance	Neutral
	Access to the Transport System	Moderate Beneficial
INTEGRATION	Transport Interchange	Moderate Beneficial
	Policy	Beneficial

Please note: As part of project proposals, TfGM worked with the Forestry Commission to plant 25,000 trees to create a 10ha Community Forest at Higher Folds. The forest includes compensatory habitat and Hibernacula as part of mitigation proposals for Great Crested Newts. The introduction of 25,000 trees in this development will introduce prime habitat for wildlife in the area and would improve this rating to Moderate Beneficial.

Focusing on the corporate risks attached to the proposed scheme and the way that those risks will be mitigated.





Appendix 2

Number	Question	Type	Page
1	Please provide information about how the SOBC has been framed and developed and how it will be developed into the full BC	BC process	
2	Please confirm that the DfT 5 Case Model has been followed in developing the Business Case and if not the reasons why this has not been followed	BC process	
3	Who is the target population for the project and to what extent have plans, modelling and planning assumptions been based on the needs of: - those within the city of Cambridge, - those within the Greater Cambridge area, - those within the wider area covered by the combined authority - those within what Cambridge's broader "functional economic area	Strategic Case	8
4	Are the needs of different classes of individuals/organisations within these geographical areas accounted for – residents, commuters, businesses?	Strategic Case	8
5	Have tensions been identified between the specific needs of these groups?	Strategic Case	8
6	What are the constraints and dependencies in delivery overall (particularly bearing in mind other GCP / CPCA commitments)?	Strategic Case	8
7	How does the SOBC take account of other local strategies including the CPCA Bus Strategy, the emerging CPCA Local Transport Plan and the local authority Local Plans?	Strategic Case	
8	How does the SOBC take into account other local developments such as the Cambridge, Milton Keynes, Oxford rail and road developments?	Strategic Case	
9	What specific strategic and operational benefits are envisaged (at each stage in the delivery of the network) – for local people and for the CPCA?	Strategic Case	8
10	What are the principal risks, how have they been evaluated and how will they be mitigated?	Strategic Case	8
11	How does the SOBC take account of the CPIER Report recommendations particularly 1,2,3,5,7,8,12?	Strategic Case	
12	Exactly how does the CPCA propose to establish the value for money of the project?	Economic Case	8
13	What specific economic, social and environmental measures will be included, and excluded, from consideration as the Business Case is developed?	Economic Case	8
14	How will different elements be weighted, and on what assumptions will this be based?	Economic Case	8
15	How, if at all, does the OBC propose to develop and evidence a clear Benefit Cost Ratio and how will this then be used to influence and direct how the project is planned and delivered?	Economic Case	8
16	What modelling has and will be done in determining the network requirements and the Benefit Cost Ratio	Economic Case	8
17	How has the CPCA and its partners modelled how a different approach to any of the assumptions and prioritisation decisions made above might impact upon the Benefit Cost Ratio (or upon associated aspects of the economic casemaking decision)?	Economic Case	8
18	How have other potential developments such as Bus Enhanced Partnership / Franchising, Cambridge North East Fringe, Market Towns been taken into account?	Economic Case	
19	What is the proposed funding mix for the project?	Financial Case	9
20	To what extent is funding mutually dependent (i.e., committed funding from certain sources may only be unlocked once others commit)?	Financial Case	9

21	How can the Mayor, the CPCA and others provide assurance on the continued commitment of funding as the work progresses, and how might this affect the phasing (and consequently the broader Benefit Cost Ratio) of the whole project?	Financial Case	9
22	How will revenue (from fares) be managed and to what extent does the viability of the project overall depend on that revenue? What other ongoing funding will be required such as subsidies and where will they be sourced from?	Financial Case	9
23	How have the principal risks associated with (for example) the potential for borrowing, the use of private sector contributions or the impact of state aid rules been considered?	Financial Case	9
24	How might economic changes affect the commitment of funds from the private sector?	Financial Case	9
25	Will the CPCA depend on commitments from other partners (e.g. in terms of changes to policies or priorities around strategic planning policy) in order to secure private investment?	Financial Case	9
26	How will a clear, consistent and transparent procurement framework be developed?	Commercial Case	9
27	To what extent does a developed and mature market exist in Cambridge / the CPCA area / East of England / the UK for the services being procured?	Commercial Case	9
28	How will risk relating to delivery, and management of the critical path, be managed between the CPCA and its partners?	Commercial Case	9
29	What are the overall governance plans around procurement, commissioning and contracting?	Commercial Case	9
30	Assuming that the Mayor is the principal sponsor, how will these sponsorship responsibilities be managed within the formal legal framework of the CPCA?	Management Case	9
31	If the CPCA overall is the sponsor, how will the risk of different views and objectives within the CPCA be managed (see "political will", below)?	Management Case	9
32	Who are the principal stakeholders, how and why will they be represented on a project board or similar "directing authority"?	Management Case	9
33	What will the scrutiny and oversight arrangements be (in addition to audit)?	Management Case	9
34	How might the stipulations of external funders on governance and oversight intersect with local accountability arrangements?	Management Case	9
35	Who will programme and project manage? To whom will they be accountable? Will they have the skills, capacity and capability to carry out their work effectively?	Management Case	9
36	What is the practical timescale and process leading from SOBC, through OBC, to the full business case (FBC)?	Governance for Business Case	11
37	Are there plans to derogate in any way from DfT guidance – for technical reasons, for economic reasons or for any other reason?	Governance for Business Case	11
38	To what extent are expectations – the objectives for the CAM, measures of success etc – fully articulated, and to what extent is that articulation clearly owned by the Mayor and CPCA?	Governance for Business Case	11
39	Given the delays to the expected publication of the SOBC, how can scrutiny and the CPCA at large assure itself that – overall – timescale projections for the project at this stage are reasonable and realistic, and what potential risk factors have been identified around this?	Governance for Business Case	11
40	How is expertise being drawn in – in a planned and directed way – into the project? How will the need for a) expert knowledge of large transportation projects and b) knowledge of the local area be balanced and managed within a single team?	Governance for Business Case	11
41	Who will the main sponsors be?	Governance in construction	11

42	Who will own the critical path; how will governance flex and change through the construction process?	Governance in construction	11
43	How will safety issues be managed, overseen and directed?	Governance in construction	11
44	How will managers have the confidence that the culture is in place to ensure that delays, issues or concerns with delivery against the path will be reported upwards accurately and in a timely way, and in a manner that scrutiny can potentially oversee?	Governance in construction	11
45	How much has been done, and what assumptions have been made in the SOBC, about the overall governance structure once the service is live?	Governance as a service	12
46	When will evaluation between competing models be carried out and on what basis?	Governance as a service	12
47	To what extent might judgements on those issues influence decisions coming to be made now on practical matters such as service patterns, service frequency and stabling arrangements – which might have an impact on the way that a service might ultimately be tendered?	Governance as a service	12
48	On capital cost what is the funding mix? How much of the capital cost is proposed to be funded by debt and what are the risk factors associated with this?	Capital Cost	12
49	What has been included in the capital cost at SOBC stage? Where have assumptions been made – for example, about the likely value of the civils contract, the likely nature and spread of subcontracts – which might have a material effect on the total capital cost?	Capital Cost	12
50	How has the specification for the capital work influenced projections on revenue cost? To what extent does the fact that this work has no direct technical precedent in the UK influence assumptions on capital and revenue costs?	Capital Cost	12
51	What kind of transport modelling has been carried out, and how will this continue as the BC is refined?	Modelling	13
52	How will modelling be appraised, and how will this appraisal be fed into the BCR and the wider BC process?	Modelling	13
53	What will the oversight be in this process – how is it envisaged that decision-makers will be involved at each stage, either as observers or as substantive participants?	Modelling	13
54	How can modellers, appraisers and decision-makers give themselves and each other assurance about uncertainty, particularly at SOBC stage, where proposals relate to an entirely new transport mode as-yet-untested in the UK, combined with a general mass transit model with will be new to the Greater Cambridge area?	Modelling	13
55	How will the BCR continue to be refined as the full business case is developed?	BCR	13
56	What assumptions are made about the way that non-monetary factors are assigned a monetary value through the BCR process?	BCR	13
57	How will the BCR be reviewed as it develops, and how will refinements impact on overall leadership of the project – including the potential decision not to proceed or to discard particular options?	BCR	13
58	Who will “own” the BCR? Who is responsible for analysis, and for making judgements? Will this process be independent, and to what extent will CAPCA officers (and politicians) influence and direct it?	BCR	13
59	Would a change in the political balance of the Combined Authority (or within the constituent authorities) lead to a substantial change in transport priorities?	Is there going to be long term political will?	17
60	Has the case for change been made? Is the evidence base that has been built to support this proposal sufficiently robust to withstand political scrutiny and challenge?	Is there going to be long term political will?	17
61	Is the project overly associated with or reliant upon one political grouping or one individual? If so, is that the best way to deliver the project?	Is there going to be long term political will?	17

62	Are those most positively and negatively impacted by the project formally represented around the decision making table?	Are the benefits aligned with decision making	18
63	Are the different geographical areas affected by the project adequately represented around the decision making table?	Are the benefits aligned with decision making	18
64	Has the business case used sound evidence to make the case for the project? Can it be demonstrated how the project links up with other related projects and how more than simply those future passengers of the CAM will benefit?	Are the benefits aligned with decision making	18
65	Is there strong evidence of how the community feels about the project? Does everyone taking the decision know how different groups will be impacted?	Are the benefits aligned with decision making	18
66	Is there strong evidence of how the community feels about the project? Does everyone taking the decision know how different groups will be impacted? a. during procurement b. during implementation	How will the CAM be managed including contracting and procurement	20
67	Is there a clear plan of where the ownership and management of the project will lie? Is the relationship between all parties clearly laid out and understood?	How will the CAM be managed including contracting and procurement	20
68	Is there sufficient resource with sufficient expertise (e.g. legal, financial, procurement, project management) both to set up the project and to manage it as it is implemented?	How will the CAM be managed including contracting and procurement	20
69	Is there sufficient capacity within the organisation alongside other projects which may compete for attention or resource	How will the CAM be managed including contracting and procurement	20
70	Can sufficient benefits be seen in the first phase of the project to weather challenges, political or otherwise?	How will CAM be rolled out?	21
71	Is the Benefit Cost Ratio clear and understood for each phase of the project, and for the additionality of future phases?	How will CAM be rolled out?	21
72	Would aligning several phases or stages reduce the challenges mentioned elsewhere in this report e.g. political, legal etc.?	How will CAM be rolled out?	21
73	Are stakeholders for each phase brought into the decision making process?	How will CAM be rolled out?	21
74	Is a key voice or point of view missing from the list of decision makers?	Will all stakeholders be actively involved in the decision-making process	22
75	Are those who are most going to be impacted (both positively and negatively) represented in these discussions?	Will all stakeholders be actively involved in the decision-making process	22
76	Are the formal and informal stakeholders represented e.g. Greater Cambridge Partnership, local authorities, combined authority, local business, residents?	Will all stakeholders be actively involved in the decision-making process	22
77	Has enough been done to seek out the views of these stakeholders, not just those who are motivated enough to let us know?	Will all stakeholders be actively involved in the decision-making process	22

<b>OVERVIEW AND SCRUTINY COMMITTEE</b>	<b>AGENDA ITEM No: 13</b>
<b>25 FEBRUARY 2019</b>	<b>PUBLIC REPORT</b>

## **OVERVIEW AND SCRUTINY WORK PROGRAMME**

### **1.0 PURPOSE**

- 1.1 To provide the Committee with the draft work programme for the Overview & Scrutiny Committee for the remainder of the 2018/19 municipal year and to ask the committee to comment and make suggestions.

<b><u>RECOMMENDATION</u></b>	
<b>Lead Officer:</b>	<b>Patrick Arran, Interim Legal Counsel and Monitoring Officer</b>
<p>That the Committee discuss items that they would like to be added to the work programme for the Overview &amp; Scrutiny Committee for the 2018/19 municipal year attached at Appendix 1.</p>	

### **2.0 BACKGROUND**

- 2.1 In accordance with the Constitution, the Overview & Scrutiny Committee is responsible for setting its own work programme.
- 2.2 A draft work programme which shows the items to be considered over the forthcoming year is attached at Appendix 1.

### **3.0 APPENDICES**

- 3.1 Appendix 1 – Work Programme.

**OVERVIEW AND SCRUTINY  
WORK PROGRAMME 2018/19**

Meeting Date	Item	COMMENTS
25 <sup>th</sup> February 2019 South Cambs DC	<b>Minutes</b> Committee to approve the minutes for accuracy from the last meeting and discuss any matters arising.	
	<b>Public Questions</b> Committee to receive any questions received from members of the public in line with the public question scheme set out in the Combined Authority constitution.	
	<b>Mayor of the Combined Authority</b> Mayor James Palmer to attend to respond to questions submitted from the committee.	
	<b>Housing</b> Committee to receive a housing session where detailed schemes can be discussed.	
	<b>CPCA Project Register</b> Committee to receive a quarterly summary list of projects to review and discuss.	
	<b>Mass Rapid Transport – O&amp;S Task and Finish Group Report</b> Committee to receive and consider the report compiled by the Task and Finish Group and discuss the recommendations to be put forward to the	

Meeting Date	Item	COMMENTS
	Combined Authority Board.	
	<b>Review of Combined Authority Upcoming Agenda</b> Standing item for the Committee to review the upcoming agenda for the Combined Authority Board meeting.	
	<b>Combined Authority Forward Plan</b> Standing item where the Committee can review the Combined Authority's Forward Plan and identify any relevant items for inclusion within their work programme.	
	<b>Member Update on Combined Authority Activity</b> Members allocated to each theme covering the work of the Combined Authority to provide an update to the committee.	
	<b>Overview and Scrutiny Work Programme</b> To consider the work programme for the year 2018/19.	
<b>25<sup>th</sup> March 2019 Cambridgeshire County Council</b>	<b>Minutes</b> Committee to approve the minutes for accuracy from the last meeting and discuss any matters arising.	
	<b>Public Questions</b> Committee to receive any questions received from members of the public in line with the public question scheme set out in the Combined Authority constitution.	

Meeting Date	Item	COMMENTS
	<p><b>Land Value Capture – Presentation</b> Committee to receive a presentation from the Mayor and Legal Counsel on Land Value Capture at the Combined Authority.</p>	
	<p><b>CAM Report</b> Committee to discuss the CAM report with the Interim Director for Transport and Transport Committee Chairman.</p>	
	<p><b>Skills Strategy</b> Committee to discuss the Skills Strategy going to the March Board meeting</p>	
	<p><b>Business Board Chairman</b></p>	
	<p><b>Review of Combined Authority Upcoming Agenda</b> Standing item for the Committee to review the upcoming agenda for the Combined Authority Board meeting.</p>	
	<p><b>Combined Authority Forward Plan</b> Standing item where the Committee can review the Combined Authority's Forward Plan and identify any relevant items for inclusion within their work programme.</p>	
	<p><b>Member Update on Combined Authority Activity</b> Members allocated to each theme covering the work of the Combined Authority to provide an update to the committee.</p>	
	<p><b>Overview and Scrutiny Work Programme</b></p>	



Meeting Date	Item	COMMENTS
	To consider the work programme for the year 2018/19.	
18 <sup>th</sup> April 2019 Peterborough City Council	<b>Minutes</b> Committee to approve the minutes for accuracy from the last meeting and discuss any matters arising.	
	<b>Public Questions</b> Committee to receive any questions received from members of the public in line with the public question scheme set out in the Combined Authority constitution.	
	<b>Mayor of the Combined Authority</b> Mayor James Palmer to attend to respond to questions submitted from the committee.	
	<b>Transport Briefing</b> Committee to receive a presentation from Transport Officers on the arrangements between the Combined Authority and Cambridgeshire County Council and Peterborough City Council.	
	<b>Monitoring Update Report</b> The Committee to consider the monitoring update report received by the Board at the January meeting.	
	<b>Review of Combined Authority Upcoming Agenda</b> Standing item for the Committee to review the upcoming agenda for the	

Meeting Date	Item	COMMENTS
	Combined Authority Board meeting.	
	<p><b>Combined Authority Forward Plan</b> Standing item where the Committee can review the Combined Authority's Forward Plan and identify any relevant items for inclusion within their work programme.</p>	
	<p><b>Member Update on Combined Authority Activity</b> Members allocated to each theme covering the work of the Combined Authority to provide an update to the committee.</p>	
	<p><b>Overview and Scrutiny Work Programme</b> To consider the work programme for the year 2018/19.</p>	

<b>OVERVIEW AND SCRUTINY COMMITTEE</b>	<b>AGENDA ITEM No: 3</b>
<b>25<sup>th</sup> February 2019</b>	<b>PUBLIC REPORT</b>

**Call in of Item 3 on the Employment Committee agenda for the meeting on the 13<sup>th</sup> February 2019 - Restructuring of the Management and Departments of the Cambridgeshire and Peterborough Combined Authority**

**1.0 PURPOSE**

- 1.1 The purpose of the report is to consider a request to call-in a key decision made by the Combined Authority Board regarding the restructuring of the management and departments of the Cambridgeshire and Peterborough Combined Authority.

<b><u>Decision Required</u></b>
<b>Lead Officer: John Hill, Interim Chief Executive</b>
<p><b>Recommendations</b></p> <p>It is recommended that:</p> <ol style="list-style-type: none"> <li>1) The Committee considers the request to call-in a decision taken by the Employment Committee regarding Item 3 on its agenda for the 13<sup>th</sup> February 2019 meeting relating to the proposed restructure (Appendix 1) <ol style="list-style-type: none"> <li>a) if the Committee accepts the call in, the decision will be referred back to the Employment Committee for reconsideration, setting out its concerns.</li> <li>b) if the Committee does not agree the call in the decision will be implemented.</li> </ol> </li> <li>2) The Committee considers any response provided by the interim Chief Executive of the Combined Authority at the meeting.</li> </ol>

**2.0 BACKGROUND**

- 2.1 On the 13<sup>th</sup> of February 2019, the Employment Committee made a key decision relating to the proposed re-structure of the management and departments of the Authority. In accordance with the constitution this decision was published on the 15<sup>th</sup> February 2019.
- 2.2 A request to call in a key decision requires at least five members of the committee to provide a written request setting out their reasons.

On the 15<sup>th</sup> of February 2019, the Chair, Councillor Lucy Nethsingha submitted an email to the Monitoring Officer setting out the reasons below for the call in. This was supported by Councillors; Sargeant, Murphy, Allen, Gehring, Bradley:

1. That the proposals do not include a director of finance
  2. That the proposals do not include a director of transport
  3. That the proposals do include a significant expansion of the Mayor's private office and a significant increase in the number of politically appointed staff.
  4. That it would be better to wait until the new Chief Executive is in post before making decisions about the staffing structure, as the skills and experience of the Chief Exec could have important implications for staffing structure needed to support them.
- 2.3 A copy of the email requesting a call in is attached as Appendix 1, the report considered by the Board is attached at Appendix 2. The Appendix to the report to the Employment Committee is exempt.
- 2.4 After considering the request to call-in and all relevant advice, the Committee may either:
- (a) not agree to the request to call-in, the decision shall take immediate effect;
  - (b) refer the decision back to the Board for reconsideration, setting out its concerns.

The Constitution states:

(i) A decision which has been endorsed by the Committee may be implemented immediately.

(ii) Where a decision has been referred back, the Combined Authority Board shall hold a meeting to reconsider the decision no later than 10 days after the date on which the recommendations of the Committee were received by the Combined Authority unless it is dealt with under the urgency provisions within the Constitution, where the matter becomes urgent.

(iii) The Combined Authority Board may confirm, amend or rescind the decision.

### **3.0 APPENDICES**

- 3.1 Appendix 1 – Email from the Chair of Overview and Scrutiny  
Appendix 2 – Employment Committee Paper – Item 3 - Restructuring of the Management and Departments of the Cambridgeshire and Peterborough Combined Authority

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

**From:** Lucy Nethsingha <[lucynethsingha@icloud.com](mailto:lucynethsingha@icloud.com)>  
**Sent:** Friday, February 15, 2019 3:12 pm  
**To:** Anne Gardiner; Patrick Arran; Kim Sawyer  
**Cc:** Alan Sharp; C Boden; David Connor; D Hodgson; Douglas Dew; Ed Murphy; Cllr Chamberlain; June Stokes; Markus Gehring; Mike Bradley; Mike Sergeant; Cllr Allen; Tom Sanderson; Barry Chapman; Chris Morris; Dave Baigent; David Jenkins; Irene Walsh; Jon Neish; Julia Huffer; Lina Joseph; Maureen Davis; Peter Topping; Pippa Heylings; Sam Clark; Shaz Nawaz; Valerie Holt  
**Subject:** Call in of Staffing re-structure proposals

Dear Patrick,

I am writing to request that the decision of the Employment Committee on Wednesday 13th on the consultation on a staffing restructure be called in for Scrutiny by the Scrutiny Committee.

The reasons I would like to request this call in are:

1. That the proposals do not include a director of finance.
2. That the proposals do not include a director of transport.
3. That the proposals do include a significant expansion of the Mayor's private office and a significant increase in the number of politically appointed staff.
4. That it would be better to wait until the new Chief Executive is in post before making decisions about the staffing structure, as the skills and experience of the Chief Exec could have important implications for staffing structure needed to support them.

Yours sincerely  
Lucy Nethsingha



<b>CAMBRIDGESHIRE AND PETERBOROUGH COMBINED AUTHORITY BOARD</b>	<b>AGENDA ITEM No: 3</b>
<b>WEDNESDAY 13 FEBRUARY 2019</b>	<b>PUBLIC REPORT:</b> Appendix 1 to this report contains exempt information relating to the employment status of individuals as defined by Paragraphs 1 of Schedule 12A of Part 1 of the Local Government Act 1972.

## **RESTRUCTURING OF MANAGEMENT AND DEPARTMENTS OF THE CAMBRIDGESHIRE AND PETERBOROUGH COMBINED AUTHORITY – CONSULTATION DRAFT**

### **1.0 PURPOSE**

The detail proposals for the restructuring of the Cambridgeshire and Peterborough Combined Authority.

<b><u>DECISION REQUIRED</u></b>	
<b>Lead Member:</b>	<b>Mayor James Palmer</b>
<b>Lead Officer and Author:</b>	<b>John Hill, Interim Chief Executive</b>
<b>Forward Plan Ref:</b> N/A	<b>Key Decision:</b> No
The Employment Committee are requested to:-  <ul style="list-style-type: none"> <li>(i) approve the proposals in Appendix 1 for consultations with affected staff</li> <li>(ii) instruct the Interim Chief Executive (JH) to provide a further update to the Committee on implementation of these proposals.</li> </ul>	<b><i>Voting arrangements</i></b>  <i>Simple Majority</i>

### **2.0 BACKGROUND**

**2.1** On 27 June 2018 the Combined Authority approved the management and organisational structure. The Leaders of the constituent Councils have instructed the Interim Chief Executive to undertake a review of the CPCA organisation.

### 3.0 PROPOSALS

3.1 The consultation document detailed in Appendix 1 presents the Interim Chief Executive's proposed restructuring of the departments of the Combined Authority from 2019/20.

3.2 The consultation document includes key information to inform responses from affected staff, specifically:-

- Reasons and rationale for change
- Summary of proposals (Collective and specific individual staffing responses)
- Consultation Process
- Financial Appraisal
- Redundancy Process and Information including support to affected staff
- Appendices as detailed; specific individual staffing proposals, proposed organisational structure and draft job profiles.

3.3 All posts in the revised CPCA structure have been evaluated as a result of this exercise. Appendix 1 details these staff subject to the revised pay protection arrangements.

### 4.0 FINANCIAL IMPLICATIONS

4.1 In the structure report of June 2018, the full cost of that structure including Energy Hub and AEB posts was £6.3m. The gross salary costs (including NI and pensions) of these proposals are estimated at £4.8m, including assumption of 1.5% pay award, which represents a 24% reduction from the completed review. For information, the salary costs of the incorporated LEP staff (now within Business and Skills directorate) the Energy Hub for the wider South East area and newly dissolved AEB function amount to £1.8m (37% of the total salary budget).

### 5.0 APPENDICES (EXEMPT)

These appendices relate to the employment status of individual and is therefore exempt from disclosure.

5.1 Appendix 1 - Consultation Document (EXEMPT).

Annex 1 - Collective and specific individual staffing proposals

Annex 2 - Draft management and departmental structures

Annex 3 - Draft job profiles (New posts)

Annex 4 - Summary of new and deleted posts

Annex 5 - The New Combined Authority (First Principles)

<b><u>Source Documents</u></b>	<b><u>Location</u></b>
Cambridgeshire & Peterborough Combined Authority Board 27 June 2018 - Agenda Item 2.4	The Incubator 1st Floor Alconbury Weald Enterprise Campus
Employment Committee 14 November 2018 - Agenda Item 5	Alconbury Weald Huntingdon PE28 4WX