

## SOUTH CAMBRIDGESHIRE DISTRICT COUNCIL

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**REPORT TO:** Leader and Cabinet

3 June 2013

**AUTHOR/S:** Director of Planning and New Communities

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### GREATER CAMBRIDGE CITY DEAL – UPDATE REPORT

#### **Purpose**

1. To inform members of the progress of work to date on a Great Cambridge city deal, and to seek approval for continuing negotiations with local partners and Government.
2. This is not a key decision.

#### **Recommendations**

3. Cabinet is recommended to:
  - (a) Delegate to the Chief Executive in consultation with the Leader of the Council, to continue work on a full City Deal with the Government and partners; bringing core aspects of the negotiating position to a future meeting of Cabinet, and any final City Deal to full Council for approval;
  - (b) Note progress on work on a City Deal.

#### **Reasons for Recommendations**

4. To provide a progress report to Cabinet and facilitate consideration of corporate implications arising from the proposed city deal.

#### **Executive Summary**

5. City Deals are a series of devolutions of powers, responsibilities and funding streams negotiated between Government and partners in individual city-regions. Those partners are required to integrate a range of their own economic growth levers into a combined, strengthened and binding decision-making framework.
6. The Greater Cambridge partners, Cambridgeshire County Council, Cambridge City Council and South Cambridgeshire District Council together with Cambridge University and the Greater Cambridgeshire and Greater Peterborough Local Enterprise Partnership, have worked together on the Greater Cambridge City Deal proposal.
7. An Expression of Interest was submitted to Government in January 2013. The Expression of Interest was received positively, and work has continued to develop a proposition in readiness for negotiations with Government over the summer. A key event will be a Ministerial meeting on 4 July.

#### **Background**

8. City Deals are agreements between government and a city region that devolve greater powers and funding to promote sustainable economic growth. The first City

Deals were negotiated during 2012 with the Core Cities (the eight largest cities outside London). The eight existing Deals vary in their nature, but all include some element of devolution from Whitehall to the city region, and some strengthening of local governance arrangements relating to economic powers within the city region.

9. Following the success of this first wave, the Government announced in Autumn 2012 that they were inviting a second wave of 20 city regions to compete for a City Deal for their areas. These 20 comprise the next 14 largest cities, and the 6 cities with the highest population growth during 2001 to 2010. It is on this latter category that the Greater Cambridge area was invited to participate. Greater Cambridge brings together the combined area of Cambridge City Council and South Cambridgeshire District Council and has a combined population of around 280,000, with a shared Travel to Work and economic area.
10. In January 2013 an Expression of Interest was submitted to Government by the five core partners promoting the City Deal (Cambridgeshire County Council, Cambridge City Council, South Cambridgeshire District Council, the Local Enterprise Partnership and the University of Cambridge). This was well received by Government, and following the assessment of all 20 Expressions of Interest, Greater Cambridge was invited to progress to the next stage, as one of the first group of Wave 2 Cities.

### **Considerations**

11. Following on from the positive reaction to the Expression of Interest, the joint team working on the City Deal from the three local authorities, the Local Enterprise Partnership and the University of Cambridge have developed the proposition in readiness for negotiations with Government over the summer. The key event will be a meeting with a Ministerial Group chaired by the Deputy Prime Minister on 4 July.
12. The narrative of this Council's proposition builds on the EOI, and points out that whilst Cambridge has traditionally succeeded in bringing many of the best brains in the world to come and live, study and work here, this is not guaranteed to remain the case. It also makes the case that many of this district's most important businesses are, because they depend on intellectual more than physical capital, extremely footloose, both nationally and internationally and so the right frameworks need to be in place to encourage them to stay and grow here, and to attract new businesses to the area.
13. The city-region needs to grow if it is to be able to support further business development and help the wider UK economic recover, but it needs to grow in a way that protects the quality of life for existing and new residents and business. In particular that requires a means of delivering enhanced transport infrastructure to allow people to move quickly and reliably from where they live to where they work, and for the major employment hubs to be connected to each other far more effectively than they are now. And the evidence put together shows that the funding for that infrastructure cannot be met from existing funding sources available locally under the current systems, even where those existing funding sources are combined more effectively under a City Deal Board where the existing authorities pool some of their current funding and powers.
14. The proposition the Council is working up to negotiate with Government therefore builds itself around a series of "offers" and "asks".

15. The timeframes remain similar to those reported in January, and are as shown below.

DATE	ACTION
15 January 2013	Submission deadline for final expression of interest.
February 2013	Announcement of successful second-wave city-regions.
March 2013	Announcement of the core package for city deals.
February-July 2013	Successful city-regions will work up full proposals with government, including presentations to Ministers and negotiations around the proposal details.
September-November 2013	Agreeing and signing off implementation plans.

16. The next steps are to work up a Negotiation Document ready to present to a Ministerial meeting currently scheduled for 4 July 2013.
17. The negotiated deal will be brought back to full Council for a decision before an implementation plan is agreed with Government. This timetable has changed since January, and is now anticipated to be July - September 2013. The Council will be able to withdraw from the process up to this point if this is felt to be necessary.

### Implications

18. There are no financial implications from submitting an expression of interest and working on a city deal with the Government. A signed city deal would have considerable financial, risk and other implications; the nature of which would vary according to the aspects included, but likely to include the pooling of funds currently held separately by the respective signatories to any Deal. Further detail will be brought to a future meeting of Cabinet, and a report will be considered by full Council in the event that Greater Cambridge is successful in negotiating a city deal.

19. Financial	There are no financial implications from submitting an expression of interest and working on a city deal with government.
Legal	There are no legal implications arising from submitting an expression of interest and working on a city deal with government.
Staffing	Developing the proposal has required staff input from a number of senior officers, and this will continue through the negotiation phase if the bid is successful. If a deal is concluded, it may have implications for staff in relevant services to ensure the desired degree of co-ordination and sharing between the partner authorities and other signatories.
Risk Management	There are small risk management implications at this stage.
Equality and Diversity	There are no equality and diversity implications at this stage.
Equality Impact Assessment completed	An initial EIA has been carried out on the proposals in the draft expression of interest, by Cambridge City Council on behalf of all partners. This EIA will be revised in the event that Greater Cambridge is selected to negotiate a city deal as more detail becomes clear.
Climate Change	There are no climate change implications at this stage.

## **Consultations**

20. The development of the city deal proposition has been a largely internal process within the proposed partnership of local authorities, Cambridge University and the Greater Cambridge Greater Peterborough Local Enterprise Partnership.

### **Consultation with Children and Young People**

21. There has been no consultation with children and young people to date.

### **Effect on Strategic Aims**

22. The proposed City Deal is intended to support the Council's Aim to 'work with partners to create and sustain opportunities for employment, enterprise, and world-leading innovation.' Its purpose is to enable the infrastructure that will unlock the potential of the Cambridge city region, build on its track record of success and launch a new phase of stronger and sustainable international competitiveness.

**Background Papers:** the following background papers were used in the preparation of this report:

- Letter of invitation from Rt Hon Greg Clark MP dated 5 November 2012
- Initial Equalities Impact Assessment
- Cambridgeshire County Council Cabinet Report on 18 December 2012
- Cambridge City Council Strategy and Resources Scrutiny Committee on 20 December 2012
- South Cambridgeshire District Council Cabinet Report on 13 January 2013

**Appendices:** Draft Expression of Interest – Greater Cambridge City Deal

**Contact Officer:** Jo Mills, Director of Planning and New Communities  
Telephone: (01954) 713350