



19 March 2015

To: Members of the Greater Cambridge City Deal Executive Board:

Councillor Lewis Herbert	Cambridge City Council (Chairman)
Councillor Ray Manning	South Cambridgeshire District Council (Vice-Chairman)
John Bridge	Cambridge Chambers of Commerce
Councillor Steve Count	Cambridgeshire County Council
Professor Jeremy Sanders	University of Cambridge

Dear Sir / Madam

You are invited to attend the next meeting of the **GREATER CAMBRIDGE CITY DEAL EXECUTIVE BOARD**, which will be held in the **SWANSLEY ROOM, SOUTH CAMBRIDGESHIRE HALL, CAMBOURNE** on **FRIDAY, 27 MARCH 2015** at **2.00 p.m.**

AGENDA

	PAGES
1. Apologies for absence To receive any apologies for absence from Members of the Executive Board.	
2. Declarations of interest To receive any declarations of interest from Members of the Executive Board in respect of any items on this agenda.	
3. Minutes of the previous meeting of the Executive Board To agree the minutes of the previous meeting of the City Deal Executive Board held on 28 January 2015 as a correct record.	1 - 8
4. Public questions To receive any questions from members of the public. The standard protocol to be observed by public speakers is attached.	9 - 10
5. Reports and recommendations from the Joint Assembly Councillor Tim Bick, Chairman of the Joint Assembly, will be in attendance to present the attached report and recommendations from the meeting of the Joint Assembly held on 6 March 2015.	11 - 16
6. Proposal to establish a Greater Cambridge City Deal Housing Development Vehicle To consider the attached report.	17 - 22
7. Greater Cambridge City Deal partnership budget To consider the attached report.	23 - 34

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| 8. | Proposals for developing the next stages of the Greater Cambridge City Deal transport programme and city centre congestion
To consider the attached report. | 35 - 40 |
| 9. | Greater Cambridge City Deal skills proposals
To consider the attached report. | 41 - 48 |
| 10. | Work programme
To consider the Executive Board's work programme. | 49 - 50 |

Agenda Item 3



GREATER CAMBRIDGE CITY DEAL EXECUTIVE BOARD

Minutes of the Greater Cambridge City Deal Executive Board held on
Wednesday, 28 January 2015 at 2.00 p.m.

PRESENT:

Members of the Greater Cambridge City Deal Executive Board:

John Bridge	Cambridgeshire Chambers of Commerce
Councillor Steve Count	Cambridgeshire County Council
Councillor Lewis Herbert	Cambridge City Council
Councillor Ray Manning	South Cambridgeshire District Council
Professor Jeremy Sanders	University of Cambridge

Members of the Greater Cambridge City Deal Joint Assembly and Executive Board substitutes in attendance:

Councillor Tim Bick	Cambridge City Council
Councillor Simon Edwards	South Cambridgeshire District Council
Claire Ruskin	Cambridge Network
Councillor Bridget Smith	South Cambridgeshire District Council

Officers/advisors:

Antoinette Jackson	Cambridge City Council
Andrew Limb	Cambridge City Council
Aaron Blowers	Cambridgeshire County Council
Graham Hughes	Cambridgeshire County Council
Dearbhla Lawson	Cambridgeshire County Council
Mark Lloyd	Cambridgeshire County Council
Chris Malyon	Cambridgeshire County Council
Alex Colyer	South Cambridgeshire District Council
Jean Hunter	South Cambridgeshire District Council
Graham Watts	South Cambridgeshire District Council
Neil Darwin	Greater Cambridge Greater Peterborough Enterprise Partnership
Greg Callaghan	Peter Brett Associates (representing the University of Cambridge)

CO-OPTION OF MEMBERS

The Executive Board **AGREED** to co-opt John Bridge (Chief Executive of the Cambridgeshire Chambers of Commerce) and Professor Jeremy Sanders (Pro-Vice Chancellor for Institutional Affairs at the University of Cambridge) onto the Board, with Mark Reeve (Chairman of the Greater Cambridge Greater Peterborough Enterprise Partnership) being allocated as Mr Bridge's named substitute.

1. APPOINTMENT OF CHAIRMAN

Councillor Lewis Herbert was **APPOINTED** as Chairman of the Executive Board.

2. APPOINTMENT OF VICE-CHAIRMAN

Councillor Ray Manning was **APPOINTED** as Vice-Chairman of the Executive Board.

3. APOLOGIES FOR ABSENCE

No apologies for absence were received.

4. DECLARATIONS OF INTEREST

No declarations of interest were made at this stage of proceedings.

5. NOTES OF THE PREVIOUS MEETING OF THE CITY DEAL SHADOW BOARD

The notes of the meeting of the Greater Cambridge City Deal Shadow Board held on 10 December 2014 were **AGREED** as a correct record.

6. PUBLIC QUESTIONS

Questions were asked and answered as follows:

Question by Antony Carpen

Mr Carpen asked:

“What conversations will the Executive be having with the Haverhill Rail Campaign and Suffolk and Essex County Councils regarding their highly advanced proposals to re-link Haverhill to Cambridge and further link it to Colchester and Chelmsford, making a possibility of direct rail services between two ARU campuses a possibility?”

Graham Hughes, Executive Director of Economy, Transport and Environment at Cambridgeshire County Council, highlighted that one of the potential schemes around the A1307 involved linking towards Haverhill, as he had outlined at the meeting of the Joint Assembly on 12 January 2015, and all options along the corridor would be explored as part of the scheme. He added that this particular issue had been looked at over a number of years and some difficult practical issues to overcome had already been identified, but that discussions would continue to be held on this matter.

Question by Antony Carpen

Mr Carpen asked:

“I have not seen any publicity around explaining to people what this Board or the Assembly is – feedback on social media hasn’t been positive and has reflected lack of communications and democratic legitimacy. Any comments?”

Councillor Lewis Herbert, Chairman, outlined that meetings of the Shadow Board had been held in public in the lead-up to this first meeting of the Executive Board which, together with meetings of the Joint Assembly, would also be held in the public domain.

It was also noted that a microsite was in the process of being developed for the Greater Cambridge City Deal and that this would be launched very shortly at www.greatercambridgecitydeal.co.uk

Councillor Steve Count, Leader of Cambridgeshire County Council, felt that the Executive Board and wider governance arrangements around the City Deal did have democratic accountability embedded within them. He had been democratically elected as a Councillor, as the other Council representatives had been, who had subsequently been appointed onto the Board at meetings of Full Council by their respective authorities. He argued that it was not clear how much more democratically accountable the body could be expected to be.

Councillor Count was also disappointed that people had not picked up on information about the Greater Cambridge City Deal. A range of stakeholder events had been held, numerous press releases had been issued and articles had been included in Council magazines on the subject of the City Deal. He added, however, that more people should be encouraged to engage.

Question by Antony Carpen

Mr Carpen asked:

“Are the Greater Cambridge City Deal Executive Board and Joint Assembly suitable for residents to hold Cambridge University and its member colleges accountable to the people of Cambridge and not just its members? What would Cambridge University’s decisions be like if within its core values it held itself responsible for all of the people of Cambridge and not just its members?”

Professor Jeremy Sanders, Pro-Vice Chancellor for Institutional Affairs at the University of Cambridge, outlined that the mission of the University was to contribute to society through the pursuit of education, learning and research at the highest international levels of excellence. He added that, in pursuing that mission, the University directly made major contributions to the economy, social fabric and culture of the Greater Cambridge area as well as attracting other vital employers and activities.

Professor Sanders highlighted, however, that the University was an independent, self-governing charity and was not democratically accountable through the City Deal Executive Board, which was why as the University’s representative on the Board he would be unable to vote on the Board’s spending decisions. The University’s nominees on the Joint Assembly represented three other important but distinct and independent constituencies in the local area. These were Anglia Ruskin University, Cambridge Regional College and the hospitals, who spoke for themselves and not necessarily for the University of Cambridge.

Question by Richard Taylor

Mr Taylor asked:

“What is the potential scope of the scheme described as: ‘on-line bus priority measures between the Milton Interchange and Mitcham’s Corner?’”

Mr Hughes explained that there was no particular scope for this project at this stage and it was only a concept. If the Executive Board agreed that this concept was an important scheme, further feasibility work would take place and the options relating to the scheme would be reported back for consideration to the Joint Assembly and Executive Board. Should the Board decide that none of the options were worth pursuing, the scheme would simply fall out of the prioritised programme.

Mr Taylor referred to the local Member of Parliament who was campaigning against cutting down trees on Milton Road to potentially make way for a dual-carriageway. Mr Hughes outlined that there were no plans for a dual-carriageway. A scheme for the road had been proposed approximately 15 years ago, but the scheme included as part of the City Deal was not looking to re-visit that proposal. He emphasised that the scheme would seek to focus on the effective and efficient flow of public transport in and out of the city rather than providing more facilities for private car users.

The Chairman took this opportunity to emphasise that a full public consultation process would be held on all schemes going forward.

7. JOINT ASSEMBLY CO-OPTED MEMBERS

The Executive Board **RATIFIED** the Shadow Board's endorsement of the following co-options onto the Joint Assembly:

Greater Cambridge Greater Peterborough Enterprise Partnership

Sir Michael Marshall (Marshall Group)
Claire Ruskin (Cambridge Network)
Andy Williams (AstraZeneca)

University of Cambridge

Anne Constantine (Cambridge Regional College)
Jane Ramsey (Cambridge University Health Partners – Addenbrookes)
Helen Valentine (Anglia Ruskin University)

8. REPORTS AND RECOMMENDATIONS FROM THE JOINT ASSEMBLY

Councillor Tim Bick, Chairman of the Greater Cambridge City Deal Joint Assembly, provided the Executive Board with a verbal report on the meeting of the Assembly held on 12 January 2015 and its recommendations to the Board. The draft minutes from that meeting were circulated, for information.

Councillor Bick reported that the main item considered by the Assembly was the 2015-20 prioritised infrastructure investment programme. The Assembly put forward the following amendments to the programme:

- (a) the removal of the Bourn Airfield / Cambourne busway scheme from the tranche 1 priority programme as a priority scheme, assuming that capital expenditure for delivery of this scheme did not occur in the first five years of the City Deal programme but that the technical evaluation work could still be undertaken on the full corridor;
- (b) the removal of the heading 'reserve schemes' so that the table included all schemes and did not refer to any as reserve schemes;
- (c) the estimated cost of the Foxton level crossing and interchange scheme being amended from £14 million to £0, to reflect that this would be funded by an external source and not from City Deal funding;
- (d) the amendment of the title of the A1307 bus priority / A1307 additional Park & Ride scheme to read "A1307 corridor to include bus priority / A1307 additional Park & Ride".

The programme, subject to these amendments, was recommended to the Board and had been reflected in table 1 of the covering report for item 9 at this meeting.

The Assembly also considered a report on the funding of City Deal non-project costs, and supported the recommendations contained within the report subject to the inclusion of a £150,000 cap in respect of the delegated authority given to the Chief Finance Officer at the County Council. It was therefore recommended to the Executive Board that:

- (a) the pooled resources of the three local authorities be used to fund those specific items set out in section 6 of the report for 2015/16;
- (b) a more detailed budget for 2015/16 be considered by the Joint Assembly at its next meeting;
- (c) the three local authorities be requested to make initial budgetary provisions within their respective medium term financial strategies in line with the contents of the report;
- (d) the Chief Finance Officer of the County Council be given delegated responsibility to incur any essential expenditure pending the agreement of a detailed budget appertaining to the functions contained within the report, subject to a cap of £150,000;
- (e) the Executive Board is asked to consider additional opportunities for the use of pooled resources at a future meeting.

9. 2015-20 PRIORITISED INFRASTRUCTURE INVESTMENT PROGRAMME

Consideration was given to a report which provided the Executive Board with an opportunity to agree priority schemes for the transport infrastructure investment programme for delivery from 2015/16 to 2019/20 as part of the Greater Cambridge City Deal.

Graham Hughes, Cambridgeshire County Council's Executive Director of Economy, Transport and Environment, delivered a presentation on the concept of the Greater Cambridge City Deal and the infrastructure investment programme. He highlighted that the Greater Cambridge area was a truly internationally competitive city and region, that it had unique characteristics known commonly as the 'Cambridge Phenomenon' and that it had a global scale concentration of high-tech industries but that future growth was threatened by congestion and housing.

The vision of the City Deal was noted as being to realise the economic potential of the area, to unleash the next wave of the 'Cambridge Phenomenon', to improve connectivity and enhance reliability of journeys.

The infrastructure investment programme had been drawn from Local Plans and the Transport Strategy and City Deal funding would be delivered in three tranches over 15 to 20 years. In terms of the first five years of investment, the focus would be on maximising network benefits, maximising economic benefits and deliverability.

It was noted that the Greater Cambridge City Deal Joint Assembly considered the schemes on 12 January 2015 and broadly accepted the recommendations for the prioritisation methodology and high priority schemes, as reported by the Chairman of the Assembly at this meeting in the previous item.

The process for assessing the prioritisation of schemes consisted of a high level economic analysis of schemes that had been undertaken to identify relative economic benefits and deliverability. The recommended programme drew together results of assessments to help inform a robust and deliverable programme to 2020 to achieve the aims of the City Deal. Taking into account the amendments put forward by the Joint Assembly, table 1 of the report set out a list of schemes totalling £260.59 million.

Mr Hughes confirmed the process for scheme development that would be followed going forward. Schemes would be developed via an iterative process with significant consultation, including a baseline survey, data gathering and options development, an options report and outline business case, a decision on the preferred option to develop, full business case development, a decision to deliver a scheme, statutory processes as applicable and construction. A shorter process for smaller schemes was likely to be introduced.

The need to develop schemes for later stages of the City Deal was emphasised. Technical work for schemes in years six to fifteen could run alongside the development of schemes in years one to five.

Councillor Lewis Herbert, Chairman, invited Members of the Board to consider the recommendations of the Joint Assembly. The Board supported the recommendations but felt that the priority list of schemes was too large at £260.59 million when only £100 million was available for the first five years of the Deal. It was acknowledged, however, that allocating schemes in excess of £100 million would be sensible in order that there were contingencies should some of the schemes be removed from the programme following the feasibility work. Members of the Board discussed the list of prioritised schemes and made the following points:

- the final list of schemes should not be set hierarchically as all schemes in the programme should have equal standing as priority schemes. Listing them in a specific order with priority numbers may be misleading;
- it was important that a pipeline of schemes was available for taking forward subsequent to years one to five of the Deal. The Board had to plan for the longer term and be confident that trigger points would be met to ensure the further tranches of City Deal funding from the Government;
- the priority list should focus on those big projects that would make a significant difference and long length cycle paths outside of the city did not necessarily reflect that approach;
- long length cycle routes were made up of various segments, from village to village for example. Each segment could deliver benefits in their own right, so a different approach to consider could be the development of individual segments of cycle routes rather than committing to deliver a long length cycle route as a single scheme;
- the priority programme should include city centre cycling and bus routes as priorities to alleviate the significant problems that currently existed there. Other cycling schemes based outside of the city centre should be included as longer term programme items;
- the key problem in relation to employment and economic growth was infrastructure. When looking at priorities, the focus should be on corridors to ensure that people were able to easily travel to and from places of work. This approach would support existing businesses and employers, as well as attract new businesses to the area;
- residents of and people working in South Cambridgeshire also had a significant interest in the priority schemes included in the City Deal programme, so some of the schemes needed to reflect that;
- the introduction of additional Park and Ride facilities could go a long way to address the congestion problems in Cambridge. More cycle ways would not make a significant difference to the number of private cars going in and out of the city in the same way that further Park and Ride facilities would;
- priority should be given to those routes that could free up buses and get the traffic in the city moving;

- there were priority schemes for cyclists that would result in lots of people transferring from their private cars to bicycles, such as the Chisholm Trail for example;
- the project for Hills Road in Cambridge would need to unlock buses and movement from the railway station;
- the city centre scheme was at the heart of the City Deal. Some of the changes required would be substantial but significant to the way in which the city worked;
- an item on the City Deal's extended programme, to include continuous pipeline schemes, would be considered by the Joint Assembly and Executive Board in due course.

The Chairman invited Members to consider which schemes to include as part of the 2015-2020 prioritised infrastructure investment programme. The Executive Board unanimously **APPROVED** the programme, made up of the following schemes totalling £180.52 million:

- Milton Road bus priority
- Madingley Road bus priority
- Histon Road bus priority
- A428 to M11 segregated bus route / A428 corridor Park and Ride
- City centre capacity improvements / cross-city cycle improvements (to include Hills Road in the scope)
- A1307 corridor to include bus priority / A1307 additional Park and Ride
- Chisholm Trail cycle links / Chisholm Trail bridge
- Year 1 to 5 pipeline development
- Year 6 to 10 programme development
- Programme management and early scheme development

10. FUNDING OF CITY DEAL NON-PROJECT COSTS

The Executive Board considered a report which sought agreement, in principle, to the pooling of local authority resources in order to provide the necessary resources to support the delivery of the programme that could not be capitalised through individual projects.

Chris Malyon, Cambridgeshire County Council's Chief Finance Officer, presented the report and referred the Board to the table in the report which set out the current projections of receipts that would derive from New Homes Bonus funding from the three partner Councils and could be made available for pooling purposes. It was emphasised that the allocation of these sums would be subject to the ratification of the respective Councils during their forthcoming budget deliberations and approvals.

At this stage, the following costs had been identified as non-project relating activity that would require funding to ensure the successful delivery of the City Deal programme:

- central coordination;
- strategic communications;
- economic assessments/triggers.

It was reported that the detailed resource requirements for the above functions had not been fully evaluated, but a detailed set of budget proposals would be developed and set out in a future report to the Joint Assembly and Executive Board. An initial budget would be available for reporting to the next meeting of the Assembly.

Other non-project costs that were already being, and would continue to be, absorbed by the three partner Councils were noted as follows:

- democratic governance;
- legal and audit services;
- financial services;
- programme leadership.

It was noted that the Joint Assembly had recommended that a cap of £150,000 should be put in place on any essential non-project relating expenditure incurred with regard to the delegated authority given to the County Council's Chief Finance Officer.

The Executive Board:

- (a) **AGREED** that the pooled New Homes Bonus resource, as set out in the report, be used to fund the non-project costs required to support the successful delivery of the City Deal programme.
- (b) **NOTED** that funding from this source was a commitment for 2015/16 only and that any further funding would be subject to a formal budget statement presented to the Board prior to the start of each financial year.
- (c) **AGREED** that a detailed budget for 2015/16 would be considered by the Executive Board at the next meeting.
- (d) **AGREED** that the three local authorities be requested to make initial budgetary provisions within their respective Medium Term Financial Strategies in line with the contents of the report, subject to the on-going availability of New Homes Bonus to the levels set out in the report.
- (e) **AGREED** that the Chief Finance Officer of the County Council be given delegated responsibility to incur any essential expenditure pending the agreement of a detailed budget appertaining to the functions contained in the report, subject to a cap of £150,000 for the financial year.
- (f) **AGREED** to consider additional opportunities for the use of pooled resources at a future meeting.

11. WORK PROGRAMME

The Executive Board **AGREED** the below schedule of meetings:

- Friday 27 March 2015, 2pm
- Wednesday 17 June 2015, 2pm
- Tuesday 4 August 2015, 2pm
- Wednesday 9 September 2015, 2pm
- Thursday 1 October 2015, 2pm
- Tuesday 3 November 2015, 2pm
- Thursday 3 December 2015, 2pm

The Meeting ended at 3.40 p.m.

Agenda Item 4

Questions by the public and public speaking

At the discretion of the Chairman, members of the public may ask questions at meetings of the Executive Board. This standard protocol is to be observed by public speakers:

- (a) notice of the question should be given to the Democratic Services team at South Cambridgeshire District Council (as administering authority) by 10am the day before the meeting;
- (b) questioners will not be permitted to raise the competence or performance of a member, officer or representative of any partner on the Executive Board, nor any matter involving exempt information (normally considered as 'confidential');
- (c) questioners cannot make any abusive or defamatory comments;
- (d) if any clarification of what the questioner has said is required, the Chairman will have the discretion to allow other Executive Board members to ask questions;
- (e) the questioner will not be permitted to participate in any subsequent discussion and will not be entitled to vote;
- (f) the Chairman will decide when and what time will be set aside for questions depending on the amount of business on the agenda for the meeting. Normally questions will be received as the first substantive item of the meeting;
- (g) individual questioners will be permitted to speak for a maximum of three minutes;
- (h) in the event of questions considered by the Chairman as duplicating one another, it may be necessary for a spokesperson to be nominated to put forward the question on behalf of other questioners. If a spokesperson cannot be nominated or agreed, the questioner of the first such question received will be entitled to put forward their question.

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Agenda Item 5

REPORT TO THE GREATER CAMBRIDGE CITY DEAL EXECUTIVE BOARD 27 MARCH 2015

Proposal to establish a Greater Cambridge City Deal Housing Development Vehicle (Agenda item 6)

The Assembly received clarification that this proposal would create a shared pool of project management expertise between the City Deal partners which would enable the delivery of new build housing programmes. The HDV would operate as a service provider to partners which wanted to bring forward their own housing plans, either individually or together. It was considered to have the potential to retain a critical mass of expertise which would avoid external costs, and/or duplicated internal resource, and be offset by transfer of some existing resources currently sitting with the partners. It would operate on a business basis, so that clients would pay for the service they used as part of their programme investment expense. This would require an initial subvention from the shared City Deal budget until the anticipated pipeline was full, when it would pay for itself and make a positive financial return.

The Assembly acknowledged the salience of the proposal, given context of the considerable current and projected future housing need in the Greater Cambridge area and the interest of all three councils in bringing forward new build plans.

It recommends the Board to approve the initial proposed investment, but to do so only in principle at this stage to allow appropriate member involvement within the 3 partner councils and scrutiny by the Assembly of the detailed business case and proposed staffing structure. The Assembly was advised that this could occur along with Board confirmation at the scheduled meetings in June, without delaying the anticipated implementation.

FORMAL RECOMMENDATION:

That the Executive Board approves funding, in principle, of £200,000 in 2015/16 and £200,000 in 2016/17 to support the establishment of a City Deal Housing Development Vehicle, subject to further details being made available on the business case and the specification of personnel required to establish the Joint Development Vehicle.

Greater Cambridge City Deal partnership budget 2015/16 (Agenda item 7)

The Board is asked to note the following points from the Assembly's discussion:

- Central leadership and co-ordinating functions:
 - As it was understood that this budgetary item is effectively an authorisation to recruit, there is a need for very careful consideration is suggested around the 'person specification' for the appointment of Programme Director
 - Clarification was sought and received that the new posts would be available to support the Assembly as well as the Board in the discharge of both bodies' terms of reference within the City Deal governance

- Strategic communications:
 - Clarification was also sought and provided that the new post would be available to support the Assembly as well as the Board, especially in the light of its emerging role as recipient of public representations and media requests in relation to the work of the City Deal
- Skills – dealt with separately
- Inward Investment
 - It was recognised that Greater Cambridge needs to ensure that the city region's current position is maintained and enhanced and that new entrants and developing businesses are supported within an agreed local economic strategy. It was recognised that this proposed resource is not currently present for Greater Cambridge. We learned that it is a public sector activity in many parts of the country and around the world. The advantage of the proposed scheme is that it is supported with effort and funding from the private sector and has the opportunity to become a self-sustaining model, predicated on start-up funding from the public sector (which if given would be matched with funding from other sources), and that it would be managed from within a business context with regular critical review. The proposal is supported, subject to the qualifications suggested in the report, as a means of overcoming a potential obstacle to local economic growth which is critical to the City Deal overall objectives.

FORMAL RECOMMENDATION:

That:

- (a) The following options in relation to the functions set out in the report be adopted and that budgetary provision be made within the 2015/16 Greater Cambridge City Deal non-project costs budget for:
 - central coordinating functions in the sum of £150,000 per year for two years;
 - strategic communications in the sum of £60,000 for two years;
 - economic assessments in the sum of £10,000 per year for two years;
 - Smart City in the sum of £20,000 per year for two years;
 - inward investment team to a maximum sum of £150,000, subject to the conditions set out in that section of the report;
 - support for the delivery of additional housing in the sum of £200,000 per year for two years.
- (b) The City Deal budget for non-project costs as set out in section 6 of the report be approved for the financial year commencing 1 April 2015.
- (c) The currently unutilised funding, as set out in section 8 of the report, be retained for other needs that are expected to arise to progress the City Deal objectives, including potential investment in infrastructure schemes, and be carried forward at the year-end subject to any further demands that may be agreed by the Board within the financial year.

- (d) These allocations be reviewed at the mid-year point and any amendments to these sums or additional elements be made at that point.

Proposals for developing the next stages of the Greater Cambridge City Deal transport programme and city centre congestion (Agenda item 8)

(a) *Developing the next stages of the City Deal transport programme*

The Board is asked to note the following points from the Assembly's discussion:

- The Assembly accepts the proposed early process to reconsider schemes not included as part of the tranche one prioritised list; however it was given assurance that these schemes would not in principle have precedence over new schemes which may emerge from subsequent deliberations and may add greater value to the City Deal objectives
- The Assembly requests that the report on tranche two schemes scheduled for the Autumn should include all known and forecast funding streams available to transport investment relevant to the City Deal objectives

The Assembly received a number of representations expressing concern about the future of the three rural cycling schemes which had not been included in the tranche one prioritisation process, including a letter signed by a significant number of local business leaders.

The Assembly approved the following proposition:

The Joint Assembly welcomes the success of the County Council's bid to the Cycling City Ambition Fund and notes that it should enable parts of the rural cycling projects, considered at the last meeting, to proceed independent of the City Deal. It also recommends to the Executive Board that the originally tabled cycling infrastructure schemes (or parts of them) that are not funded from the Cycling City Ambition Fund or any other external source should be treated as reserve projects within tranche one of the City Deal programme, due to the acknowledged high risk of many of the bigger prioritised schemes, the cycling projects' attractive value for money in terms of enabling economic growth, their deliverability and 'spade ready' status and the role they can play in connecting people with jobs within the specific demographic of the Cambridge technology cluster.

Assembly members felt that this was a practical and positive suggestion which was consistent with the Board's recent decision not to include the rural cycling projects in the forthcoming priority programme, but would enable the City Deal to maintain its foundation commitment across sustainable transport modes in both rural and urban areas. The Board is requested to adopt the proposal to incorporate the balance of the three schemes (after external funding) as reserve projects within the tranche one programme.

With this qualification, the Assembly recommends the Board to approve the transport programme for the next stage of the City Deal and to address congestion in Cambridge.

(b) City Centre Congestion

The Assembly agrees that this is one of the most challenging aspects of the City Deal transport vision and requires innovative and potentially radical thinking. It welcomes the proposed open-minded thematic structure for exploration of approaches to congestion in the city centre and the opportunity for a period of public debate before definitive schemes are defined. The Assembly looks forward to helping to shape options and inform public debate by drawing on the range of expertise of its members and its ability to provide a critical platform for the evaluation of alternatives.

To ensure highest level of contribution and most balanced responses, the Board is suggested to ensure that any stage in public engagement is not confined to the summer period when a lot of the population, including much of the large academic community, was not resident.

The Assembly recommends the Board to approve the process to commence the development of proposals to address congestion in Cambridge.

FORMAL RECOMMENDATION:

That the Executive Board:

- (a) Approves the process for developing the transport programme for the next stage of the City Deal and to address congestion in Cambridge.
- (b) Approves the process to commence the development of proposals to address congestion in Cambridge.
- (c) Supports the proposition in italics, as above.

Greater Cambridge City Deal Skills proposals (Agenda item 9)

The Assembly noted the strengths of current provision but nevertheless noted that there are systemic weaknesses. Members recognised the positive contributions made to aspects of this work by a variety of bodies. It felt that the skills strand within the City Deal was present to ensure that the formation of learner aspirations in schools and vocational training provision were aligned to actual and forecast skills needs within the local economy. Without optimising this, skills shortages could become a constraint on Greater Cambridge's economic success and some young people could find themselves unwittingly in careers that left them disconnected from the area's prosperity.

It was recognised that the Skills Service model had been tried and tested around the country and was already operating in the Fenland area of Cambridgeshire. It sought to engage and connect the ownership of employers (recognising that big and small employers may have different kinds of contributions to make), training providers (of which Cambridge Regional College was a leader in our area) and young people (through schools, building on the work of the Cambridge Area Partnership). It added an independent research dimension through which skills needs could be aggregated and used to inform young people and providers, in particular guiding the allocation of public money through the Skills Funding Agency.

There was general concern among Assembly members that the scale of the proposals seem quite modest. This is a complex field with numerous active players and as well as more passive players whose interests and perspectives all needed to be considered to achieve the right method of implementation and level of resourcing. Accordingly the Assembly proposed to make a positive preliminary recommendation to the Board, whilst an informal group of its members work with officers to develop a more detailed proposal for approval in June.

FORMAL RECOMMENDATION:

That the Executive Board:

- (a) Approves the principle of the Skills Service model as the basis for the achievement of the City Deal objective on skills and requests a further report containing the detailed proposals for the Skills Service for submission to the June meetings of the Joint Assembly and Executive Board.
- (b) Establishes an informal group of Assembly members to meet and work with officers, key partners and stakeholders, that will feed into the report for submission to the June meetings of the Joint Assembly and the Executive Board.
- (c) Allocates a minimum of £250,000 per annum, in principle, as the estimated gross cost of funding the model and the availability of contributions towards this from the County Council (£50,000) and the Local Enterprise Partnership (£75,000), therefore approving a minimum net budgetary provision of £125,000 per annum.

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Agenda Item 6



Report To: Greater Cambridge City Deal Executive Board

27 March 2015

Lead Officer: Alex Colyer, Executive Director (South Cambridgeshire District Council)

Proposal to establish a Greater Cambridge City Deal Housing Development Vehicle

Purpose

1. To seek Board approval for funding to support the establishment of a City Deal Housing Delivery Vehicle (HDV) to take forward the building of new homes in the City Deal area.
2. The City Deal contains a commitment from the partners to deliver an additional 1,000 dwellings on exception sites by 2031. This paper sets out proposals to facilitate this commitment.

Recommendations

3. It is recommended that the Board:
 - a) Approves funding of £200,000 in 2015/16 and £200,000 in 2016/17 to support the establishment of a City Deal HDV

Reasons for Recommendations

4. The establishment of an HDV would enable the effective and efficient delivery of the various new build programmes associated with the City Deal including: the development of County Council land holdings, Housing Revenue Account (HRA) developments for South Cambridgeshire and Cambridge City, including the recent proposal for the city council to invest General Fund (GF) capital in housing, Ermine Street Housing, other City Deal Joint Ventures (JVs) or Special Purpose Vehicles (SPVs).

This would ensure good project management and control over costs as well as generating a potential revenue surplus for the City Deal partners. An HDV would maximise the benefits of both HRA build programmes and other new build programmes being channelled through the agency and would share costs and risks.

Background

5. In 2012 Cambridge City Council and South Cambridgeshire District Council each approved HRA new build strategies that identified the delivery of around 2,000 new homes.

6. In November 2013 South Cambridgeshire District Council approved the creation of a public limited company called South Cambs Ltd (now trading as Ermine Street Housing). If the long term plans are approved in 2015 this shall require the building of around 1,000 new homes.
7. The Greater Cambridge City Deal announced in March 2014 secured investment of £500m. The City Deal negotiation housing 'asks' were about releasing public sector finance capacity to complement and sometimes lead what is largely a private sector led housing development process. The most significant of these 'asks' was principally a licenced exception to borrow more money against the HRAs. Despite these housing 'asks' not being granted, the City Deal partners committed to deliver an extra 1,000 homes in addition to those identified in the local plans for Cambridge City and South Cambridgeshire.
8. At the same time, the County Council has undertaken a review of the commercial development opportunities for its own land holdings with a view to retaining a long term stake in any subsequent development and the draw down of revenue income streams. This portfolio could form part of the land required to deliver the build programmes identified by the district councils.
9. Taken together this represents a build programme of at least 4,000 homes with the potential to deliver up to 8,000 if the business plans allow. Over a 16 year period this equates to at least 250 homes per year.

Considerations

10. Both Cambridge City and South Cambridgeshire District Councils have a need to deliver their own HRA build programmes. The early stages of these developments have involved a relatively small but a growing number of properties and have been delivered by a small in house team together with support from external agencies to help provide the technical advice and assistance required to take schemes forward.
11. The County Council need to identify development partners to unlock the potential of their land holdings.
12. The volume of new builds to be delivered through HRA funding is projected to grow exponentially requiring extra staff resources which would push up staffing costs to both councils in addition to paying fees to external agencies of at least £240k pa on a £8m programme. In addition the same technical skills will be required to take forward the build programme of the County Council, Ermine Street Housing and any of the JVs or SPVs set up.
13. To coordinate the efficient project management of this delivery programme it is proposed that Cambridgeshire County Council, Cambridge City Council and South Cambridgeshire District Council establish a shared HDV. Establishing the HDV in partnership would allow start up cost and risks to be shared but in return for more effective and efficient delivery of new housing.
14. The district councils have housing development staff capacity that has been developed in relation to their respective local contexts. Discussions have already started about how the teams can work more closely together and how a shared service could potentially evolve. It has been agreed to start work on a single Local Plan in 2019 and this, together with discussions around shared planning services, sets the timeframe for a move towards shared housing development services.

15. As a starting point the district authorities have agreed to share the funding of a Housing Development post for a year. The postholder started work in January 2015. The key activities of the post will be;
 - Consider JV and SPV models that will capture new funding to optimise housing delivery, for example, a model that may work with the University as a partner. The JVs and SPVs can be specific to one partner or may involve all partners.
 - Work up the options for a shared development team i.e. from a 'collaboration model'; through a 'shared service'; to a separate legal entity – a Housing Delivery Company.
 - Work on the feasibility and viability of the first set of County owned sites in South Cambs that could be developed to contribute towards the 1000 new homes.
 - Contribute to early work on larger sites in the City Deal partners ownership should they move into development.
 - Work on new opportunities to bid for funding related to housing delivery - for example through the LEP.
16. Advice from an independent development consultant obtained by South Cambridgeshire in 2014 suggested that the scale of public sector led housing delivery in the City Deal area could support a bespoke development team; a Housing Development Vehicle (HDV).
17. Using an assumption of a 300 unit delivery year, a rate of 3.5% of build costs (currently in use on the Cambridge Southern Fringe sites) and at an assumed build cost rate of £140,000 per unit (unit costs are currently higher in the City), it is estimated that the HDV could be self funding and have the potential to produce a surplus income. (Note, the fee charged by the HDV could vary depending on the objectives of the partners as they contract with the HDV on a scheme by scheme or venture by venture basis). This HDV would also give the City Deal partnership much greater oversight of the delivery of the development programme and could enable a faster delivery of the sites. There is only partial in house capacity at present to take this work forward and programme delivery would have to be contracted out or grown incrementally if an in house HDV were not established.
18. Work has now begun on a more detailed analysis of this outline business model including a review of the development pipeline. It is planned that findings by June 2015.
19. The HDV is intended to be a non-asset owning project management service provider, which would undertake the following key housing development activities:
 - Seeking new housing development opportunities – either from partners or by acquisition from the market on behalf of the partners.
 - Securing financial commitments for schemes/programmes, from partners and funding agencies such as the HCA.
 - Undertaking appraisal and risk analysis of potential schemes for presentation to, and approval by, partners.
 - Appointment and management of consultants, valuers, legal advisors etc.
 - Procurement and contract management of building construction on behalf of the partners.
 - Achievement of Planning and other consents.
 - Handover of completed stock into management, dealing with post-contract defects etc.

- Sale of shared ownership and market sale stock.

Options

20. If the Board chooses not to help fund the establishment of the HDV then Cambridge City and South Cambridgeshire Councils could try and form a closer working partnership to share skills and capacity to deliver the HRA programmes. This approach however is likely to have the following problems:
- They will still require procurement of contracts with specialist agencies
 - Potential duplication of work.
 - Would not necessarily provide the capacity to work with the County Council
 - Would not provide a platform for delivering the service for other City Deal JVs
 - Does not provide the opportunity of a financial return to the City Deal partners.
 - The cost of professional fees would leave the City Deal partners to be spent on external agencies.
 - Lack of oversight over development pipeline.
 - Would not be able to generate the full income stream until the development pipeline was sufficiently developed and the councils may not be able to afford the full team required.
21. The danger is therefore that the HDV would not be able to get established leaving the delivery of new housing fragmented.
22. If the Board chooses to help fund the HDV then it would have the following advantages:
- Partners would benefit from expertise within the new team.
 - Provides useful separation of roles for council delivery and regulation functions such as planning.
 - Has potential to provide a financial return to the City Deal partners if desired, or reinvested in housing programmes.
 - Initial set up costs shared.
 - Provides a strong platform to develop useful partnerships with external agencies and the ability to offer a service to City Deal JVs and SPVs.
 - Offers greater certainty over delivery of the City Deal 1,000 new homes target.

Implications

23. In the writing of this report, taking into account financial, legal, staffing, risk management, equality and diversity, climate change, community safety and any other key issues, the following implications have been considered: -

Financial and other resources

24. Based on initial models, the cost of a fully staffed team would be around £350k per year. There will also be other on costs and other initial set up costs. Fee income may initially be around £140k per year with the likelihood that the HDV will run at a loss in the early years before a full pipeline is established.
25. To bridge this shortfall, funding from the City Deal is sought for £200k per year for two years.
26. When the flow of work is sufficient to be met by a percentage fee the HDV has the ability to raise income from its activities by levying a charge against the transactions it

processes. The income stream will vary depending on the nature of the programme but there is the potential to generate on which could then be reinvested in the priorities identified by the partners.

27. Further clarity will be needed to be developed on the sharing of any surpluses generated.
28. Specialist tax advice will be sought in finalising the business model.

Legal

29. Separate advice is required on the exact form that the HDV takes; principal options include a trading company or retained as a type of shared service team or some other arrangement.
30. The principal Council powers to participate in new housing development through the HDV are the general power of competence under Section 1 of the Localism Act 2011 and the ancillary power of local authorities under Section 111 of the Local Government Act 1972.
31. If either council is to transfer any HRA land to a JV or SPV, its power to do so is contained in Section 32 of the Housing Act 1985 (the 1985 Act). The use of the Section 32 power is conditional upon obtaining the prior consent of the Secretary of State.
32. The council's power to transfer general fund land to a JV or SPV is contained in Section 123 of the Local Government Act 1972 (the 1972 Act). The use of this power is also conditional upon obtaining the prior consent of the Secretary of State in certain circumstances.
33. If the council intends to provide financial assistance to a JV or SPV by granting or loaning it money, guaranteeing its obligations, or transferring land to the JV or SPV at an undervalue, and the financial assistance is in connection with the provision of housing accommodation to be let by the JV or SPV, the Council must use its power under Section 24 of the Local Government Act 1988 to do so. Again, the exercise of this power is subject to Secretary of State consent. This power would not apply to financial assistance provided by the Council to the JV or SPV in connection with land to be developed by the JV or SPV for shared ownership (or outright sale). Reliance would therefore need to be placed on the general power of competence if the JV or SPV were to carry out such activities
34. The HDV will require its own governance arrangements. These need to reflect the complementary housing aspirations of the partners to meet the range of housing needed in Greater Cambridge – from social rent to market options - and the investments of any of the participating JVs, SPVs or other partners, that will, in effect, contract with the HDV.

Staffing

35. This will depend on the scale of the programmes but to date considerations have been for a team typically requiring around seven staff that could include for example:
 - a lead manager/director,
 - two development managers,
 - a sales and marketing manager,
 - a programme manager (to provide programme management support, governance and audit co-ordination, reporting and monitoring systems) and

- two support officers.
36. To progress the development of the HDV, around five staff will need to be recruited as soon as possible. In part, this may be met from current in-house staff that may be able to transfer into the HDV. To this end some up front funding is required and without which it would not be possible to build this area of work.

Risk Management

37. By establishing an HDV the councils would be placing themselves in potential competition with other housing associations and developers. Care will need to be taken in managing these relationships for example to avoid inflating the price of land.
38. The HDV will need to establish its own development viability and financial appraisal tools as well as a risk template. These core tools will also need to be shared by the investor partners.
39. A formal process of decision making will also need to be established to ensure that all projects are full risks assessed and a clear sign up process is in place reflecting the scale and complexity of the proposal under consideration.

Consultation responses and Communication

40. None

Background Papers

No background papers were relied upon in the writing of this report.

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Agenda Item 7



Report To: Greater Cambridge City Deal Executive Board

27 March 2015

Lead Officer: Chris Malyon, Chief Finance Officer,
Cambridgeshire County Council

Greater Cambridge City Deal Partnership Budget 2015/16

1. Purpose

To agree a budget for non-project costs for the 2015/16 financial year. These are costs associated with delivering the broad range of City Deal outcomes, beyond the capital costs associated with delivering the infrastructure investments.

These outcomes include the delivery of additional affordable housing in the Greater Cambridge area, the creation of over 400 new apprenticeships, exploration of smart / digital solutions to the area's economic barriers, assessment of the economic impact of the City Deal programme and the co-ordination, leadership and communication of the initiative overall.

2. Recommendations

It is recommended to the Executive Board that: -

- a) The following options in relation to the functions set out in this report be adopted:-

Budgetary provision is made within the 2015/16 Greater Cambridge City Non-Project costs budget for:

- Central coordinating functions in the sum of £150,000 per year for two years. (Section 6.1);
- Strategic communications in the sum of £60,000 for two years (Section 6.2);
- Economic assessments in the sum of £10,000 per year for two years (Section 6.4);
- Smart City in the sum of £20,000 per year for two years (Section 6.5);
- Inward Investment team to a maximum sum of £150,000 (Section 6.6); subject to the conditions set out in that section;
- Support for the delivery of additional Housing in the sum of £200,000 per year for two years (Agenda item 7a).

- b) Subject to the agreement of the recommendations set out above the City Deal budget for non-project costs as set out in section 6 of this report be approved for the financial year commencing 1st April 2015;
- c) The currently unutilised funding, as set out in section 8 of this report, be retained for other needs that are expected to arise to progress the City Deal objectives, including potential investment in infrastructure schemes and carried forward at the year-end subject to any further demands that may be agreed by the Board within the financial year.
- d) These allocations be reviewed at the mid-year point and any amendments to these sums or additional elements be made that point.

3. Reasons for Recommendations

The Board is requested to agree the recommendations in this report in order to create a budget for the forthcoming financial year. The budget will enable funds to be released to support the delivery of the overall programme for activities that are essential to the programme but not directly attributable to any of the individual schemes.

4. Background

The Greater Cambridge City Deal Partnership will be incurring significant costs in the delivery of a number of major transport improvement schemes for the area. The individual projects will be supported through a grant mechanism but will still require a detailed budget that is profiled over the life of the projects. This will ensure that the Assembly and the Board can monitor progress against delivery. The Executive Board approved the first five years of the programme at their January meeting and this programme is set out in this report.

At this point there is insufficient detail to produce a profiled capital programme for the first five years. This will however be the subject of a further report as the information becomes available.

It has been well documented that a programme of this nature will also require some non-project activity to be resourced to ensure the successful delivery of the programme in a sustainable and efficient way. Some commitments were also made in the bid to Government that secured the £500m funding package. These commitments therefore also require funding.

One of the commitments made in the submission was to develop a pooled resource of local funding. The Assembly and the Executive Board considered a paper on this matter at the January meetings and agreed to the pooling of New Homes Bonus in order to fund non-project costs associated with the programme. It is recognised that this funding source cannot be guaranteed beyond 2015/16 and therefore it is important that any financial commitment is considered against this financial backcloth. This reports sets out a budget for non-project costs for 2015/16 and an initial budget projection of non-project costs for Phase 1 of the programme.

5. Capital Expenditure

The Executive Board of 28 January agreed a programme of priority capital schemes for the first five years of the Greater Cambridge City Deal partnership. The programme is significantly in excess of the grant that is available and this is to reflect that the grant resources will be supplemented by additional funding from developer contributions resources and other funding streams. Furthermore there is a possibility that some of the projects within the programme will not progress either to the level outlined or within this timeline.

The agreed projects are set out in the table below.

Project	£m
Milton Road bus priority	23.04
Madingley Bus Priority	34.56
Histon Road Bus Priority	4.28
A428/M11 bus segregation	24.48
City Centre Improvements/cross City cycle improvements	22.66
A1307 Corridor including bus priority	39.00
Chisholm Trail	8.40
Year 1 to 5 pipeline development	10.60
Year 6 to 10 programme development	9.00
Programme management and early scheme development	4.50
Total	180.52

The Executive Board will receive a profile of the anticipated expenditure against these schemes, and the potential additional funding sources, when greater clarity becomes available. Monitoring reports will then be provided to the Assembly and the Executive Board on a regular basis going forward.

6. 2015/16 Non Project Costs

There are a number of activities that play a supportive but important role in the long term success of the overall City Deal programme. The level of investment in these activities will however be significantly influenced by the Boards appetite to for promotion and engagement in the broader issues that will contribute to the wider success of the City Deal programme. These activities are set out below: -

6.1 Central leadership and co-ordinating functions

- 6.1.1 The City Deal is a complex and expanding partnership programme. There will be a need for a strong central co-ordinating and leadership function to be carried out to effectively deliver this ambitious programme. It will be particularly important if we move, as we hope, toward the creation of a combined authority, potentially by April 2017.
- 6.1.2 Cambridge City Council currently provides the Senior Lead Officer and Cambridgeshire County Council the Project Manager. All three authorities are also investing significant staff resources in developing and delivering a number of work-streams. Each Council will need to continue to make strategic input on a number of issues, and provide a senior lead to do this.
- 6.1.3 There is a high level of expectation from all stakeholders that this whole enterprise will be managed and co-ordinated effectively, knitting together complex decision-making processes and structures, member expectations and public/media interest.
- 6.1.4 A prudent but realistic resource to carry out the functions set out in Appendix A would be a full-time, dedicated senior post (potentially titled "Programme Director") and a full-time Project Manager.
- 6.1.5 Providing £150,000 per year would allow for the recruitment of a Programme Director, a Project Manager and associated on costs.

6.1.6 In the short term it is proposed that any additional staff would be hosted by one of the Councils and managed within that organisation's existing management structure. Depending on the detail of future proposals for joint teams (and/or a combined authority), it may be appropriate to move these staff into that structure.

6.2 Strategic Communications Functions

6.2.1 This section refers to the need for some dedicated City Deal communications resource at a strategic level, as opposed to dealing with the more scheme-specific communications/engagement work. 'Strategic communications' here refers to these more high-level communications and coordination functions.

6.2.2 The functions that it is felt need to be covered and which would not be covered by other work-streams include:

- Forward planning of communications work.
- Working with the Board before and after meetings to confirm and disseminate key messages.
- Horizon-scanning to ensure issues that may prove to be newsworthy are identified early.
- Ongoing partner/stakeholder engagement.
- Maintenance and oversight of City Deal website.
- Managing social media.
- Internal communications.
- Media management.
- Chair and lead the partner communications group.
- Support scheme-specific communications where necessary.
- Communications activity on housing, skills and other work-streams
- Provide communications support to the Executive Board.
- Support MP/Ministerial engagement.

6.2.2 Experience shows that for complex programmes and processes, if there are not effective measures in place to communicate and manage information, overall costs and timescales increase. It will be important not just to communicate and consult on the individual schemes, but to build a degree of understanding and engagement in the local area that is supportive of the programme overall. Having dedicated capacity will help ensure that the goals and benefits of the programme and projects are understood, and that the positive purpose of the City Deal programme is pro-actively communicated.

6.2.3 To ensure there is sufficient capacity to develop and deliver a communications strategy appropriate to a programme as complex and ambitious as this, adequate resource (potentially in the form of a City Deal Communications Lead Officer) should be provided to exercise these functions. Any new post or consultant would need to be overseen by existing communications managers.

6.2.4 Hosting of a post could be at any of the Councils, but given the scale of the communications function at the County Council, it would probably be best for the hosting to be there.

6.2.5 In summary, it is considered that there is a need for a strong strategic communications function to ensure the purpose of the programme and overall logic of what we are doing is well communicated and that potential issues and queries are dealt with as swiftly as possible. If supported the additional resource will provide the capacity for the Executive Board to share its vision and maintain excitement in the

programme. This is beyond the capacity of the current communications resource and so if no additional resource is provided, there will be significant limitations to what can be achieved.

- 6.2.6 Having sufficient capacity would increase the ability to be responsive and pro-active. This would increase the breadth of activity and impact that any post or consultant could be expected to deliver.

6.3 Skills

- 6.3.1 As part of the City Deal, the Department for Business, Innovation and Skills has agreed to let the local area influence the local spend of the Skills Funding Agency (SFA) on training to fit better with the needs of employers. To achieve this and the delivery of an additional 420 apprenticeships over five years, we have committed through the Deal to set up a Skills Service to provide a link between employers, learners and providers. It is anticipated that delivering our commitments in this way will facilitate a significantly increased level of control over the £30 million annual SFA budget in Greater Cambridge.

- 6.3.2 The Skills Service model is tried and tested through the LEP, and the pilot Skills Services in the north of the LEP area has won a global award for its work. Its activities can be broken down as follows:

- Work with schools and business links – in Greater Cambridge this is currently undertaken through the Cambridge Area Partnership and has proven to be very successful, although that body's funding will have ceased at the end of 2014.
- Managing the programme – including researching business needs, marketing the programme, working with providers and managing the SFA/BIS data requirements.
- Working with businesses on their training plans and acting as broker with the stakeholder group of providers.
- Apprenticeship events and marketing.

- 6.3.3 The exact model for delivering our objectives on skills remains to be determined, with the Assembly being invited to advise the Board on options by June in a separate report to the Assembly's 6 March meeting.

6.4. Economic Assessment

- 6.4.1 Following discussions with HM Treasury (HMT) via Cabinet Office (CO) on the independent economic assessment process that is required by the Deal, we will need to procure a panel of experts to devise an appropriate methodology and undertake the economic assessments in 2019 and 2024. It is expected that we will procure this independent expertise jointly with other cities that have similar infrastructure funds. The exact details are still being worked through, ahead of an anticipated procurement in Spring / Summer 2015.

- 6.4.2 Until it is clear whether we are procuring jointly, and what precisely the panel is required to do, it is difficult to give a detailed prediction of costs.

- 6.4.3 However, one can assume that specialist knowledge will come at a significant day rate, and that even if this work is shared among 3-4 cities, it would be prudent to allow for up to £10,000 per city per year.

6.4.4 The Officer's recommendation is that at this stage that budgetary provision should be made in the sum of £10,000 per year for five years in the City Deal budget.

6.5. Smart Greater Cambridge

6.5.1 The Board has shown an interest in developing a smart city/digital work-stream, and a workshop is arranged for 11 March. If the Board wishes to develop that work-stream further, a working group is likely to be needed to take that work forward, under the governance of the City Deal Board.

6.5.2 To kick-start the work-stream and provide a small budget for events, bid development and related project costs, it is proposed to put a place-holder in the City Deal budget for £20,000 per year for two years.

6.5.3 The Officer's recommendation to the Board is that budgetary provision should be made in the sum of £20,000 per year for two years in the City Deal budget, with the option to review at the mid-year stage.

6.6. Inward Investment and account management

6.6.1 Cambridge Network (CN) are leading development of a project to promote Greater Cambridge as a place to find products and services to buy; a place to invest and a place to do research and development; support Greater Cambridge companies in trading and bringing in investment; and be a gateway and advisory service for those wishing to locate and invest here.

6.6.2 This would be achieved by

- Providing good support for the business visitors that come to local partners;
- Diverting opportunities that are currently lost to the right place;
- Developing compelling story(s) with facts to broadcast, share and customise;
- Inclusion in heavily funded stories such as MedCity and TechCity;
- Activities to retain and develop existing investors;
- International promotion via UKTI, Cambridge alumni and visitors.

6.6.3 This would cost around £200,000 per year to run, in the first instance, until income comes in. Cambridge Network is suggesting that the City Deal councils contribute £60,000 in 2015/16; and £90,000 in 2016/17. These figures are dependent on CN receiving funding from other bodies (e.g. LEP, University) too.

6.6.4 Success measures would ultimately include jobs created or retained plus inward investment, but as initial measures Cambridge Network will use meetings held, feedback from those and repeat visits. The Chief Executive of Cambridge Network proposes that they will also measure quality of material produced and quality of thinking, plus coverage that generates leads. At the beginning they might want to focus on responsiveness rather than raising new awareness but this will switch as soon as the service is good at being responsive.

6.4.5 In doing so the Board will however want to satisfy itself that it is obtaining best value before any resources are committed that. Any agreement between the parties must therefore be subject to the outcome and qualitative measures highlighted in paragraph 6.6.4. The Board will also need to satisfy itself that other funding sources are in place before any commitment is made to ensure that further requests for funding are not made. The Board may also wish to make its funding conditional on the existing business networks and promoting bodies to commit to rationalising their structures. There may also be scope to explore alignment or integration of this

function with existing business support or economic development functions in due course in the context of the Growth Hub concept.

- 6.6.6 Officers recommend that the Board make provision of £60,000 in the 15/16 budget and £90,000 in 16/17. It is further recommended that this funding be subject to the parties being able to agree the necessary qualitative outcome measures upon which performance will be measured in a Memorandum of Understanding or Service Level Agreement. Confirmation that the proposed agency and its promoters are able to confirm that their alternative funding sources are in place will also be a pre-requisite before any formal commitment is made, as may be a commitment to structural rationalisation between the existing bodies.

7. Non Project Costs Budget

Should the Board agree to the levels of funding recommended in this report the budget for non-project costs for 2015/16 would be as follows:-

Activity	Cost £000
Programme Central Co-ordination Function	150
Strategic Communications	60
Economic Assessment	10
Smarter Greater Cambridge	20
Inward Investment & Account Management	60
Housing	200
Total	500

8. Non Project Costs Funding

As agreed at the last meeting 40% of the New Homes Bonus Grant for 2015/16 will be used by the three local authorities as the funding source for the forthcoming financial year. It was also highlighted at the last meeting that given the uncertainties of this funding source going forward this could only be a commitment for one year. This position will be reviewed once the outcomes of the forthcoming Spending Review are known. As a result the funds available for 2015/16 are set below.

Authority	2015/16 £000
Cambridge City Council	1,986
South Cambridgeshire District Council	1,683
Cambridgeshire County Council	917

This provides a total resource pool of £4.586m. A firm commitment was given to the Executive Board that resources would only be committed if required. Given the uncertainty of the future of this funding source it is intended to carry forward any unutilised sums to future years in order to provide some certainty of funding for the key activities set out in this paper.

9. Ongoing Provision

All of the above activities have some degree of ongoing commitment. The risk of New Homes Bonus not being an ongoing funding source have been well documented and therefore the Board will be advised that at this point entering into commitments beyond the existing resource envelope should be avoided. Whilst many of the activities set out in paragraph 6 would be expected to be a continuing support, the Board have the ability to shape and scale according to the funding that is made available. Both activities and funding to support these activities will be the subject of an annual budget statement.

Although there is a clear risk associated with New Homes Bonus as a funding source beyond 2015/16, any unallocated sum from the existing resource pool will be carried forward as a funding source beyond the current year. Using the financial requirements set out in other papers on this Agenda the following 2 year budget for non-project costs has been drafted. This is not formalising the budget for the 2 year period as this will be subject to an annual process.

Activity	2015/16 £000	2016/17 £000	Total £000
Available Funding	4,586	4,086	4,586
Programme Central Co-ordination Function	150	150	750
Strategic Communications	60	60	300
Economic Assessment	10	10	50
Smarter Greater Cambridge	20	20	40
Inward Investment & Account Management	60	90	170
Housing	200	200	400
Total Annual Budget	500	530	1,030
Funding to be carried forward	4,086	3,556	3,556

10. Considerations

Only activities that are directly related to, and contribute to the delivery of, a project can be treated as capital costs and therefore charged directly to individual projects that are funded from the capital programme. Other activities that are required to ensure the success of the whole programme therefore need to be funded through an alternative source of funding.

11. Implications

In the writing of this report, taking into account financial, legal, staffing, risk management, equality and diversity, climate change, community safety and any other key issues, the following implications have been considered: -

Financial

The financial implications are set out in body of the report.

Legal

The agreement of a funding methodology does not set a legally binding agreement. This can therefore be reviewed and adjusted at any point by agreement of the Executive Board.

Staffing

There will be some staffing implications in relation to the specific proposals set out in this paper. This relates to the recruitment of staffing to support the central co-ordination and communication functions.

Risk Management

There is a risk that the New Homes Bonus will not exist after the 2015 Spending Review. Furthermore if NHB does continue in its existing form, the pressures arising from continued austerity measures may necessitate the three local authorities to review the level of funding that is allocated to this activity. Further consideration of the funding of the non-project costs set out in this report will be needed once the future of New Homes Bonus is known. This will be undertaken as part of an annual budget report that will be presented to the Executive Board for approval.

Consultation responses

The three local authorities that will be contributing the funding set out in this report have been fully engaged in the drafting of this report.

12. Background Papers

January Executive Board Papers. DCLG 2015/16 Grant Settlement Papers

Report Author: Chris Malyon – Chief Financial Officer, Cambridgeshire County Council. Telephone: 01223 699796

Programme Director (Full time)

- Comprehensive, pro-active stakeholder engagement (including with senior partners, businesses, Government, other cities, think-tanks etc.)
- Representing the City Deal on appropriate groups, e.g. Skills Stakeholder Partnership, Local Enterprise Partnership (LEP), Cambridge Ahead etc.
- Ongoing work with Cambridge Promotion Agency (if appropriate)
- Point of contact for those seeking to engage with the Greater Cambridge economy, for instance from UK Government, other UK councils or similar, overseas Governments
- Ongoing work with Economic Development Officers to maximise opportunities arising from LEP/European funding, and other projects/initiatives
- Horizon scanning for opportunities to lobby/campaign/promote a manifesto for Greater Cambridge
- Preparation and coordination of proposals for devolution (if appropriate)
- Lead negotiator with Government
- Planning and co-ordinating Executive Board, Joint Assembly and Chief Executives' forward plans/work programme, ensuring issues for decision are brought forward in a timely and co-ordinated manner
- High level liaison between Programme Board members, with workstream leads and other key officers, with Board and Assembly chairs & members and other councillors and stakeholders, to ensure a properly planned, delivered and resourced programme of work
- Preparation and co-ordination of proposals around Combined Authority legislation
 - Initiating formal "Governance Review"
 - Liaising with senior offices and elected members on options and preferences for new governance arrangements
 - Liaising with Government and local partners on powers, processes and structures
 - Leading process of decision-making through full councils etc.
- Ensuring workstreams provide timely and appropriate monitoring reports to members
- Commissioning additional support and expert advice as appropriate
- Tendering and oversight of the economic assessment panel and its work
- Oversight of plans to create joint teams, liaising with service directors and councillors to ensure coherent and efficient structures
- Liaison between Members, workstream leads and stakeholders

Project Manager

- Support Lead Officer in negotiations with Government
- Acting as lead point of contact for information requests, democratic services, audit, etc.

- Research and provide advice on governance options, constitutional issues and related matters
- Support the Workstream leads in planning, managing, delivering and reporting their projects
- Support the lead officer in researching and articulating economic opportunities in the region, providing or commissioning data and analysis as appropriate
- Manage procurement processes, for instance on economic assessment panel
- Work with lead officer and democratic services team to ensure meetings are planned, arranged and managed effectively, and reports are produced and circulated on time
- Managing monitoring and reporting of progress, risks and issues
- Supporting lead officer in taking forward process of applying for and creating combined authority
- Ensure actions from the various groups are recorded and progressed
- Contribute to the design and implementation of new arrangements for efficient joint working
- Support delivery of the communications strategy, including communications within and between the partners

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Agenda Item 8



Report To: Greater Cambridge City Deal Executive Board

27 March 2015

Lead Officer: Graham Hughes – Cambridgeshire County Council

Proposal for developing the next stages of the Greater Cambridge City Deal transport programme and city centre congestion

Purpose

1. To outline for the Board the proposed process for developing the transport programme for the next stages of the City Deal and specifically, to identify how the Cambridge congestion issues will be dealt with in the context of the wider transport strategy for the Greater Cambridge area. This work will contribute towards the City Deal objective of delivering £1bn of additional transport infrastructure and thus facilitating growth in the local economy.

Recommendations

2. It is recommended that the Board:
 - a) Approves the process for developing the transport programme for the next stage of the City Deal and to address congestion in Cambridge; and
 - b) Approves the process to commence the development of proposals to address congestion in Cambridge

Reasons for Recommendations

3. The City Deal is a programme of at least 15 years and has an important role, alongside other measures, to develop improved transport infrastructure to support growth in the Greater Cambridge area. The Executive Board has selected the schemes to be promoted in the first five years of the City Deal and to ensure a continuous pipeline of schemes, it is necessary now to consider the process for developing the programme of measures to be delivered in the period from year five of the Deal onwards.
4. As part of this process, there is a requirement to consider more radical measures for managing congestion in Cambridge City and the process for developing such measures needs to be understood and integrate with the wider transport strategy for the area.

Background

5. The Executive Board at its meeting on 28 January 2015 agreed the prioritised tranche 1 transport programme to be worked up in further detail, drawing upon the advice of the Joint Assembly from its 12 January 2015 meeting. Within that prioritised programme was an allocation for year 6-10 programme development, recognising the importance of working up detail around the schemes to be delivered from 2020 onwards as well.
6. Tranche 2 of the City Deal funding will amount to up to £200 million in five annual instalments from 2020/21-2025/26. The precise allocation will be determined by an assessment undertaken in 2019 of the tranche 1 programme and the achievement of agreed triggers. There is an ongoing requirement that the schemes that are prioritised are those that deliver the greatest economic benefits for the city-region.

Process of developing major schemes and tranche 2 of the City Deal

7. The development of transport schemes, particularly of a complex nature, is a long process and typically includes the following stages:
 - (a) High-level sift of schemes using DfT's Early Assessment and Sifting Tool (EAST)
 - (b) Decision on corridors/schemes to investigate (e.g. the decision taken by the Executive Board on 28 January 2015)
 - (c) Options development
 - (d) Public consultation on options
 - (e) Decision on preferred option to develop
 - (f) Full Business Case development
 - (g) Public consultation on detailed scheme proposal
 - (h) Statutory processes (e.g. planning, Traffic Regulation Orders, etc.)
 - (i) Final approval to deliver the scheme
 - (j) Construction
8. Now that the programme for the first five years has been identified, most of the available officer resource will be focussed on taking the chosen schemes through these stages of development towards delivery, which for most schemes is likely to be from at least year 3 onwards.
9. There is, however, also a need to start to generate the project pipeline of schemes such that as soon as the second tranche of City Deal funding is confirmed, schemes are ready for implementation and there is not a gap in delivery as schemes go through the above processes of preparation. This is important for the growth of the local economy and particularly so in order to assist in the achievement of the second of the likely City Deal triggers.
10. There are two broad areas of work that need to be completed to develop this project pipeline (1) agreeing the list of schemes to be delivered as part of the second tranche of the City Deal programme and (2) developing those schemes to a point where they can be implemented, using most of the stages of work noted in paragraph 7.
11. For the first of these areas of work and in order to develop the programme of schemes for delivery in the second tranche of the City Deal, it is proposed that all of the schemes not so far prioritised be reconsidered using the prioritisation tool developed for the Councils by Cambridge Econometrics and SQW. This would involve considering the impact of the schemes on housing delivery and the ability to promote jobs growth in the area. This assessment would take account of the

schemes that have already been prioritised and the planned developments emerging through Cambridge City and South Cambridgeshire District Council's Local Plans. It is proposed that this prioritisation work is undertaken over the summer and is reported to the Assembly for consideration in the Autumn before proceeding to the Board.

12. During this period of work, should opportunities arise, outside of the City Deal process to deliver schemes not prioritised for the first tranche of delivery, these will be investigated. For example, some of the rural cycle schemes that are included in the overall City Deal list are also the subject of a Cycle City Ambition Grant bid, the outcome of which will be known shortly. If funding is secured through that mechanism, the schemes can be delivered in that way. Otherwise, they will need to be considered through the above prioritisation process alongside all of the other schemes.
13. The second of these areas of work is to undertake the detailed processes of scheme development that will enable the schemes to be delivered. It is proposed in the short term, that officer capacity be focussed on the prioritisation work and the detailed development of the tranche 1 schemes. Detailed development of the tranche 2 schemes can then commence from mid 2017 onwards. This will mean that these schemes will be ready for implementation as soon as the second tranche of City Deal funding is secured. The exception to this is the schemes in tranche 1 where there is a clear link to schemes that may be prioritised in tranche 2. For example, improvements to bus priority on Madingley Road were prioritised for tranche 1 of the programme, but because this scheme needs to be seen as part of a wider A428 package, the details of the whole route are currently being worked up although a significant amount of this will not actually be implemented until at least tranche 2.
14. As well as making the most effective use of the available resources, this approach will also allow for any changes in circumstances that will have emerged through the Local Plan examination process to be taken into account.

Addressing congestion issues in Cambridge

15. The full City Deal programme of transport schemes is based on a mix of objectives that will link areas of housing with jobs, improve radial movement into Cambridge, improve orbital movement around Cambridge and free up movement within Cambridge. The tranche 1 allocation of schemes focuses largely on the first two of these objectives although in that package a significant allocation of £22.6m was also made towards City Centre capacity improvements. The Councils have commissioned consultants to undertake this work and it is proposed that this looks at a wide range of measures to free up movement within Cambridge and thus connect with the other schemes being developed through the City Deal.
16. Over the last 20 years, a lot of schemes have been completed within the city centre that have been focussed on tackling congestion and improving capacity for sustainable transport. Whilst there are still congestion issues to be addressed, it is considered that the primary focus for the City Deal programme should be in the remaining part of the central area between the inner and outer ring roads, along with some selected key routes linking the radial routes, which are likely to be well used by bus services and other sustainable forms of transport.
17. There are various themes that it is suggested should be explored in undertaking this work. Officers suggest that these could be categorised as:

- (a) More restrictions on movement – such as the current access controls through the Core Traffic Scheme (e.g. rising bollards);
 - (b) Demand management – which could be fiscal (such as workplace parking levies) or physical (such as additional parking restrictions);
 - (c) Capacity enhancement – for example further bus priorities, which are likely to be at the expense of capacity for cars in the most central areas; and
 - (d) Behavioural measures – to encourage use of other modes of transport.
18. To commence this work, it is suggested to the Board that officers undertake some initial work to develop in a little more detail potential options under each of these themes. This would not at this stage, be a list of schemes to be implemented but more the range of options available to enable a debate to take place on measures that could be undertaken. This work would take account of the wider transport strategy for the area in the *Transport Strategy for Cambridge and South Cambridgeshire* and the expected impact of other schemes that are currently being developed such as the A14 improvements and the proposed improvements to the A428.
19. Once this initial work has been undertaken it is suggested that the Assembly and Board be involved in discussion around the options to influence the more detailed work which would then follow.
20. The key to delivering what is likely to be a challenging set of schemes is to ensure that there is full public and stakeholder engagement throughout the process. It is therefore proposed that initial public engagement and consultation on these themes and potential options be undertaken during the summer to scope the more detailed work that will follow in the latter part of this year. Engagement with a range of other key stakeholders will also be undertaken to seek their views on what is important for the continued growth of the Cambridge area. The Assembly will have an important role in shaping these options and advising the Board throughout this process.

Implications

21. In the writing of this report, taking into account financial, legal, staffing, risk management, equality and diversity, climate change, community safety and any other key issues, the following implications have been considered:

Financial

Funding for the development of later stages of the City Deal transport provision has been identified by the Executive Board. It is important that this is used effectively and that resources are deployed to in the most effective way if a full programme of schemes for tranche 2 of the deal is to be developed.

Staffing

Additional staff are likely to be required to deliver this work but that can be minimised if the tranche 2 and tranche 1 scheme development is programmed to avoid unnecessary peaks in workload.

Risk Management

It is necessary to develop a robust and effective package of schemes for the remainder of the City Deal if the full level of potential funding is to be drawn down and the greatest impact on economic growth are to be realised. In the long term, as identified in the original City Deal bid, if congestion problems in and around Cambridge are not addressed, the level of economic growth may diminish and the full potential of the area may not be realised.

In terms of delivery, it is vital that full engagement with stakeholders is undertaken to ensure the vision that is developed matches the needs of local people and businesses. If this work is not undertaken, schemes may be delayed or may not be deliverable.

Climate Change

The City Deal programme is based on the development of sustainable modes of transport which should deliver climate change benefits.

Background Papers

Greater Cambridge City Deal Joint Assembly 12 January 2015 paper and appendices on 2015-20 prioritised infrastructure investment programme:

<http://scams.moderngov.co.uk/ieListDocuments.aspx?CId=1073&MId=6512&Ver=4>

Greater Cambridge City Deal Joint Assembly 12 January 2015 draft minutes:

[http://scams.moderngov.co.uk/documents/g6527/Printed%20minutes%20Monday%2012-Jan-](http://scams.moderngov.co.uk/documents/g6527/Printed%20minutes%20Monday%2012-Jan-2015%2015.30%20Greater%20Cambridge%20City%20Deal%20Joint%20Assembly.pdf?T=1)

[2015%2015.30%20Greater%20Cambridge%20City%20Deal%20Joint%20Assembly.pdf?T=1](http://scams.moderngov.co.uk/documents/g6527/Printed%20minutes%20Monday%2012-Jan-2015%2015.30%20Greater%20Cambridge%20City%20Deal%20Joint%20Assembly.pdf?T=1)

Greater Cambridge City Deal Executive Board 28 January 2015 draft minutes:

[http://scams.moderngov.co.uk/documents/g6529/Printed%20minutes%20Wednesday%2028-Jan-](http://scams.moderngov.co.uk/documents/g6529/Printed%20minutes%20Wednesday%2028-Jan-2015%2014.00%20Greater%20Cambridge%20City%20Deal%20Executive%20Board.pdf?T=1)

[2015%2014.00%20Greater%20Cambridge%20City%20Deal%20Executive%20Board.pdf?T=1](http://scams.moderngov.co.uk/documents/g6529/Printed%20minutes%20Wednesday%2028-Jan-2015%2014.00%20Greater%20Cambridge%20City%20Deal%20Executive%20Board.pdf?T=1)

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Agenda Item 9



Report To: Greater Cambridge City Deal Executive Board

27 March 2015

Lead Officer: Graham Hughes, Executive Director,
Cambridgeshire County Council

Greater Cambridge City Deal Skills proposals

Purpose

- 1 To outline for the Executive Board a proposal by which the skills element of the City Deal can be achieved. This will contribute towards the City Deal objective of creating an additional 420 apprenticeships over five years and increasing the skill levels of the local workforce.

Recommendations

- 2 It is recommended that the Executive Board:
 - a) Approves the principle of the Skills Service model as the basis for the achievement of the City Deal objective on skills and requests a further report containing the detailed proposals for the Skills Service for submission to the June meetings of the Joint Assembly and Executive Board.
 - b) Establishes an informal group of Assembly members to meet and work with officers, key partners and stakeholders, that will feed into the report for submission to the June meetings of the Joint Assembly and the Executive Board.
 - c) Allocates net budgetary provision of £125,000 per annum for delivery of the Skills Service, subject to satisfactory agreement of the model at the June cycle of meetings of the Joint Assembly and Executive Board.

Reasons for Recommendations

- 3 The City Deal commits the partners to creating 420 additional apprenticeships over five years and increasing skill levels in the area. A mechanism is needed to achieve this and this paper suggests a means by which this can be achieved and the process by which that proposal can be refined to a model for delivery.

Background

- 4 The current skills provision operates on what could be termed a devolved model with no single body having overall control over what courses are provided in an area and how this relates to the needs of the local economy.
- 5 The current flow through the skills system is shown diagrammatically in figure 1. The top level of this process is the overall Skills Strategy that is produced by the Department for Business, Innovation and Skills (BIS). This guides on a national/regional level, the framework to which the skills providers work and will be funded.
- 6 At a local level, the Greater Cambridge Greater Peterborough Local Enterprise Partnership (GCGPLEP) has a strategy for skills and Cambridgeshire has a skills strategy that sits under that. The Cambridgeshire strategy has been developed by the Learning and Skills Board that has representatives from the six District and County Councils as well as the Skills Funding Agency (SFA), business (Chambers of Commerce) and the training providers. Although this is a forum for businesses and training providers to share ideas and expectations, this is not in a structured way. Further, business engagement at present is limited and does not cover all sectors.
- 7 In terms of funding, this is provided by BIS via SFA to training providers against their funding criteria, with which the Cambridgeshire strategy is consistent. This funding goes to Further Education Colleges such as Cambridge Regional College (CRC), and Private Training providers and a limited amount to the County Council to provide direct training.
- 8 In terms of the courses actually provided, the individual providers have the final say as the model we operate under is market driven. However, they are individual businesses and so need to respond to demand coming from the learners, which doesn't always match with the requirements of business. This is largely because the learners are not aware of or sufficiently interested in, the opportunities that are available in the area.
- 9 So in summary, learners choices are not sufficiently well informed. The funding then follows these choices but the resultant skills delivered are not necessarily ones that local employers need. Consequently, learners and employers risk not reaching their full potential. It is this potential disconnect between the aspirations of learners and employer needs that causes problems in the current system. There are a range of measures in place to try and address these issues, particularly through the Learning and Skills Board as shown in figure 1, but without better information flow and intelligence, these have limited success.
- 10 There is already a significant amount of skills activity across our area and this can broadly be divided into training and processes. That said, the landscape is a complicated one given the current devolved model of skills provision.

Training

- 11 The County Council through the Adult Learning and Skills Service, receives grant from the SFA as part of the process in figure 1 and provides a universal range of services including community learning, apprenticeships, basic skills, employability courses and digital inclusion courses. These are delivered through local partnership groups and are targeted generally at those who are furthest away from learning and work. As such, whilst a vital part of the overall skills picture, it is not really an element of the City Deal proposal.
- 12 There is also a general offer of training across Cambridgeshire from the Further Education and private training providers. This, as noted above, aims to meet market demand and offers for example, apprenticeships, other vocational qualifications, employability and key skills. This makes up the bulk of skills activity in the area and is the key focus of the City Deal proposal.
- 13 Some of our major employers such as Marshall, identify their training needs themselves, largely provide for themselves and where necessary contract directly with training providers. This is the exception, however, and this is not generally available to small and medium sized enterprises (SMEs) that make up the bulk of companies in the area.

Processes

- 14 The National Careers Service is a universal offer to learners and is provided under contract by the County Council. The GCGP LEP provides a Skills Service in the northern part of their geography which for Cambridgeshire, covers just Fenland. This:
 - Works with schools and learners to make them aware of opportunities in the area;
 - Works with training providers to influence the courses they provide;
 - Works with businesses on their training plans;
 - Develops apprenticeship events and marketing;
 - Manages the overall skills service programme
- 15 In the Cambridge area, the Cambridge Area Partnership (CAP) provides a reduced version of the GCGPLEP Skills Service to local schools and learners. This is funded by the CAP member schools. This funding was due to finish at the end of 2014, but has been extended for one further year. CAP has stated that they can't fund the programme beyond that point.
- 16 Huntingdonshire has a "skills hub" as their current model, to link employers, training providers, schools and Department for Work and Pensions. This is delivered with the GCGPLEP but in the long term, it is anticipated that this may develop into the Skills Service as offered in Fenland. This is funded by Huntingdonshire District Council with some input from the GCGPLEP.

The City Deal Skills Service proposal

- 17 Through the negotiations on the City Deal, the skills element was agreed with BIS and this includes a further 420 apprenticeships in the first five years of the Deal and a 'Skills Service' model to bridge this gap between employer needs and aspirations of learners.
- 18 The proposal is that this will mirror and be part of what is currently being delivered through the LEP with the formation of a team of people who would:
 - Visit schools and colleges and work with their internal careers services and youngsters to explain what opportunities there are in the area in terms of training and jobs, thus seeking to influence the choices that those youngsters make;
 - Work with businesses to understand their needs now and emerging and relay this back to the youngsters and the training providers;
 - Connect with the training providers to assist them in developing and providing appropriate courses to meet the needs of local businesses;
 - Undertake research into current and future needs;
 - Market the opportunities available in terms of apprenticeships.
- 19 The providers have all bought in to the strategy and so have committed to a process that links what they provide more closely to what skills business wants.
- 20 As noted above, this process is already partially underway through the Cambridge Area Partnership (CAP), who through their one member of staff are providing support for schools and the links with employers and providers. This is a highly regarded service.
- 21 The Skills Service model is the standard means across the country of achieving the linkage between businesses, learners and training providers and there are many examples of how this achieves results. These are not instant, however, as the focus is on changing perceptions and when fully operational this activity will start with year 9 students as they are making GCSE choices.
- 22 The full service was costed in the Deal Document at around £250,000 per year. This would cover mainly staff costs for research, engagement with business and providers and a work directly with schools and learners.
- 23 As there is some cross over between this work and activity already in the Adult Learning and Skills service, as already highlighted, the County Council can offer staff time equivalent to around £50,000 per year. As this service could be joined with that already provided by the GCGPLEP, it has agreed that a range of the resources, particularly around research can be shared and the current estimate is that this will reduce the cost by a further £25,000 per year. The GCGPLEP has also offered to provide £50,000 funding per annum to support the service. This means that the net annual cost of the service would be around £125,000.
- 24 As there are already a number of players involved in this area of work, discussion with The City Deal Assembly has suggested that assuming the Executive Board agrees the principle of the Skills Service, a group of Assembly members with an interest or knowledge in skills meet with officers to develop the details of these proposals for consideration at the June cycle of meetings after which the service can be established.

Implications

- 25 In the writing of this report, taking into account financial, legal, staffing, risk management, equality and diversity, climate change, community safety and any other key issues, the following implications have been considered: -

Financial

The Skills element of the City Deal will require an investment of up to £125k per year. However, the implications of not delivering improved skills are significant for the area.

Staffing

Additional staff will be required for the Skills Service but there will also be some joint use of existing resources to minimise this.

Risk Management

The main risk is on not delivering the skills element of the City Deal. We have committed to government to deliver some form of skills service and it is important that we have addressed that part of the deal.

Equality and Diversity

Increased skills will allow a larger part of our communities to access work and benefit from the growth of the local area.

Background papers

No background papers were relied upon in the writing of this report.

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Figure 1 Current Situation

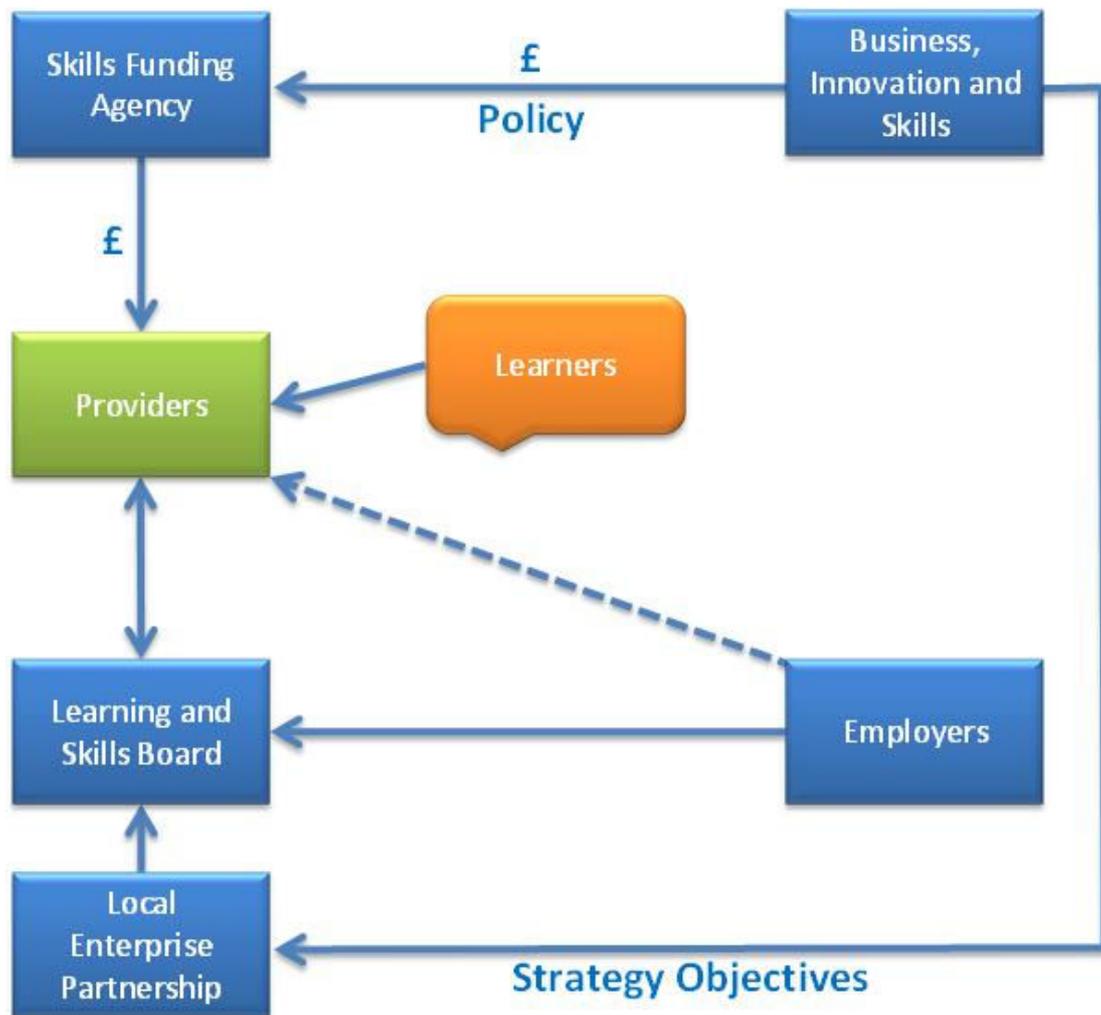
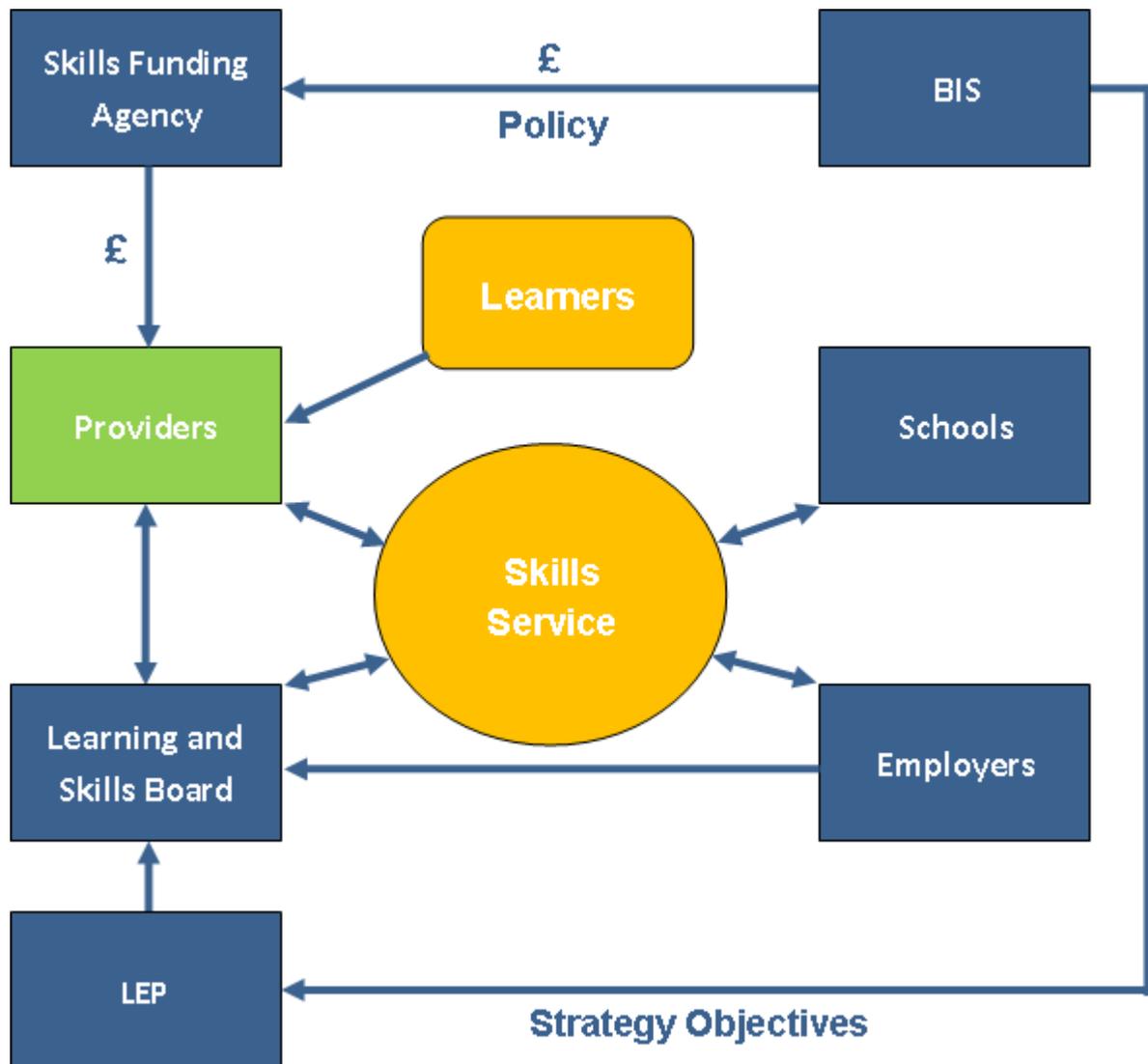


Figure 2 Potential Future Situation



Agenda Item 10

Greater Cambridge City Deal Executive Board Work Programme 2015

17 June	Lead Officer(s)
A428-M11 bus priority – options and approval to consult	Graham Hughes
Madingley Road bus priority – options and approval to consult	Graham Hughes
Workstream update	Andrew Limb Alex Colyer Graham Hughes
Consultation on themes for tackling congestion	Graham Hughes
Housing	Alex Colyer
Skills	Graham Hughes
4 August	
Cross-city cycle improvements – options and approval to consult	Graham Hughes
Workstream update	Andrew Limb Alex Colyer Graham Hughes
Q1 Quarterly financial monitoring report	Chris Malyon
9 September	
Chisholm Trail bridge – options and approval to consult	Graham Hughes
Workstream update	Andrew Limb Alex Colyer Graham Hughes
1 October	
Chisholm Trail cycle links – options and approval to consult	Graham Hughes
Workstream update	Andrew Limb Alex Colyer Graham Hughes
3 November	
Milton Road bus priority – options and approval to consult	Graham Hughes
Histon Road bus priority – options and approval to consult	Graham Hughes
[provisional] Six-monthly monitoring report on Housing	Alex Colyer
[provisional] Six-monthly monitoring report on Skills	Graham Hughes
Q2 Quarterly monitoring report on budget	Chris Malyon
Workstream update	Andrew Limb Alex Colyer Graham Hughes
3 December	
A1307 corridor to include bus priority – options and approval to consult	Graham Hughes
Initial Prioritisation of schemes for Phase 2 – report on further economic appraisal	Graham Hughes
Workstream update	Andrew Limb Alex Colyer Graham Hughes

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