

26 February 2015

**To: Members of the Greater Cambridge City Deal Joint Assembly:**

|                            |   |
|----------------------------|---|
| Councillor Tim Bick        | Cambridge City Council (Chairman)                     |
| Councillor Tim Wotherspoon | South Cambridgeshire District Council (Vice-Chairman) |
| Councillor Kevin Price     | Cambridge City Council                                |
| Councillor Martin Smart    | Cambridge City Council                                |
| Councillor Roger Hickford  | Cambridgeshire County Council                         |
| Councillor Maurice Leeke   | Cambridgeshire County Council                         |
| Councillor Noel Kavanagh   | Cambridgeshire County Council                         |
| Councillor Francis Burkitt | South Cambridgeshire District Council                 |
| Councillor Bridget Smith   | South Cambridgeshire District Council                 |
| Claire Ruskin              | Cambridge Network                                     |
| Sir Michael Marshall       | Marshall Group  |
| Andy Williams              | AstraZeneca   |
| Anne Constantine           | Cambridge Regional College                            |
| Jane Ramsey                | Cambridge University Hospitals                        |
| Helen Valentine            | Anglia Ruskin University                              |

Dear Sir / Madam

You are invited to attend the next meeting of the **GREATER CAMBRIDGE CITY DEAL JOINT ASSEMBLY**, which will be held in **COMMITTEE ROOMS 1 AND 2, THE GUILDHALL, CAMBRIDGE** on **FRIDAY, 6 MARCH 2015** at **10.00 a.m.**

## AGENDA

## PAGES

- |    |   |         |
|----|---|---------|
| 1. | <b>Apologies for absence</b><br>To receive any apologies for absence from Joint Assembly Members  |         |
| 2. | <b>Minutes of previous meeting</b><br>To authorise the Chairman to sign the minutes of the previous meeting held on 12 January 2015 as a correct record               | 1 - 14  |
| 3. | <b>Declarations of interest</b><br>To receive any declarations of interest from Members of the Joint Assembly in respect of any items on this agenda                  |         |
| 4. | <b>Questions by members of the public</b><br>To receive any questions from members of the public. The standard protocol to be observed by public speakers is attached | 15 - 16 |
| 5. | <b>Petitions</b><br>To consider any petitions received since the last meeting of the Joint Assembly   |         |

- 6. Public transport in Greater Cambridge**  
To receive a presentation from a representative of Stagecoach
- 7. REPORTS SCHEDULED FOR CONSIDERATION BY THE GREATER CAMBRIDGE CITY DEAL EXECUTIVE BOARD**
  - 7 (a) Proposal to establish a Greater Cambridge City Deal Housing Development Vehicle** **17 - 22**  
To consider the attached report by Alex Colyer, Executive Director (Corporate Services) at South Cambridgeshire District Council
  - 7 (b) Greater Cambridge City Deal partnership budget 2015/16** **23 - 34**  
To consider the attached report by Chris Malyon, Chief Finance Officer at Cambridgeshire County Council
  - 7 (c) Proposals for developing the next stages of the Greater Cambridge City Deal transport programme and city centre congestion** **35 - 40**  
To consider the attached report by Graham Hughes, Executive Director: Economy, Transport and Environment at Cambridgeshire County Council
- 8. REPORT FOR CONSIDERATION BY THE GREATER CAMBRIDGE CITY DEAL JOINT ASSEMBLY**
  - 8 (a) Greater Cambridge City Deal skills proposals** **41 - 44**  
To consider the attached report by Graham Hughes, Executive Director: Economy, Transport and Environment at Cambridgeshire County Council
- 9. Work programme and schedule of meetings** **45 - 46**  
To consider the attached work programme.

The Joint Assembly is recommended to:

- Agree that the next meeting of the Joint Assembly will be held on 3 June 2015 at 2pm
- Delegate confirmation of the schedule of meetings for the remainder of 2015 to the Democratic Services Team Leader at South Cambridgeshire District Council, in consultation with the Chairman

# Agenda Item 2



## GREATER CAMBRIDGE CITY DEAL JOINT ASSEMBLY

Minutes of the Greater Cambridge City Deal Joint Assembly held on  
Monday, 12 January 2015 at 3.30 p.m.

### PRESENT:

#### Members of the Greater Cambridge City Deal Joint Assembly:

|                            |                                       |
|----------------------------|---------------------------------------|
| Councillor Tim Bick        | Cambridge City Council                |
| Councillor Kevin Price     | Cambridge City Council                |
| Councillor Martin Smart    | Cambridge City Council                |
| Councillor Roger Hickford  | Cambridgeshire County Council         |
| Councillor Maurice Leeke   | Cambridgeshire County Council         |
| Councillor Noel Kavanagh   | Cambridgeshire County Council         |
| Councillor Francis Burkitt | South Cambridgeshire District Council |
| Councillor Bridget Smith   | South Cambridgeshire District Council |
| Councillor Tim Wotherspoon | South Cambridgeshire District Council |
| Sir Michael Marshall       | Marshall Group                        |
| Andy Williams              | AstraZeneca                           |
| Anne Constantine           | Cambridge Regional College            |
| Jane Ramsey                | Cambridge University Hospitals        |
| Helen Valentine            | Anglia Ruskin University              |

#### Members and substitutes of the Greater Cambridge City Deal Executive Board:

|                          |                                       |
|--------------------------|---------------------------------------|
| Councillor Lewis Herbert | Cambridge City Council                |
| Councillor Ian Bates     | Cambridgeshire County Council         |
| Councillor Simon Edwards | South Cambridgeshire District Council |
| Councillor Ray Manning   | South Cambridgeshire District Council |
| Neil Darwin              | GCGP Enterprise Partnership           |
| Professor Jeremy Sanders | University of Cambridge               |

#### Officers/advisors:

|                 |                                       |
|-----------------|---------------------------------------|
| Andrew Limb     | Cambridge City Council                |
| Aaron Blowers   | Cambridgeshire County Council         |
| Graham Hughes   | Cambridgeshire County Council         |
| Dearbhla Lawson | Cambridgeshire County Council         |
| Chris Malyon    | Cambridgeshire County Council         |
| Jeremy Smith    | Cambridgeshire County Council         |
| Alex Colyer     | South Cambridgeshire District Council |
| Jean Hunter     | South Cambridgeshire District Council |
| Graham Watts    | South Cambridgeshire District Council |

### 1. APPOINTMENT OF CHAIRMAN

Councillor Tim Bick was **APPOINTED** as Chairman of the Greater Cambridge City Deal Joint Assembly.

## **2. APPOINTMENT OF VICE-CHAIRMAN**

Councillor Tim Wotherspoon was **APPOINTED** as Vice-Chairman of the Greater Cambridge City Deal Joint Assembly.

## **3. APOLOGIES FOR ABSENCE**

An apology for absence was received from Claire Ruskin (Cambridge Network).

## **4. DECLARATIONS OF INTEREST**

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

## **5. QUESTIONS BY MEMBERS OF THE PUBLIC**

Questions were asked and answered as follows:

### **Question by Jim Chisholm**

Mr Chisholm set out the health benefits of walking and cycling and stated that they had not been included as part of the report or appendices published with the agenda for this meeting in respect of the prioritised infrastructure investment programme. He therefore asked:

“Why were these benefits from such active travel not included in the assessment?”

Graham Hughes, Cambridgeshire County Council’s Executive Director of Economy, Transport and Environment, agreed that the health benefits of activities such as walking and cycling were well recognised and important. He explained, however, that the purpose of the appraisal for the prioritised infrastructure investment programme was to focus on the economic dimension of the schemes as the City Deal was primarily about growing the local economy. He emphasised that this approach in no way took away from those schemes any of the health benefits Mr Chisholm had referred to.

### **Question by Jim Chisholm**

Mr Chisholm referred to the Chisholm Trail appearing high on the list of prioritised schemes. Reflecting on the original Chisholm Trail, which took cattle to slaughter in Chicago, he understood that it was proposed for a different name to be used when submitting applications for funding. Mr Chisholm therefore asked:

“Is there an agreement of the proposed formal name to be used, even if it fails to roll off the tongue in the same way as ‘Chisholm Trail’?”

Mr Hughes answered the question and recognised that there was a need to think of a more strategic sounding name for the scheme, especially since it involved bidding for money from the Government. The revised name would need to reflect the characteristics of the scheme as well as making it clear what the scheme was seeking to deliver.

### **Question by Julian Huppert MP**

Julian Huppert, Member of Parliament for Cambridge, welcomed the City Deal as a huge opportunity but was particularly interested to know how the Joint Assembly and Executive Board would make sure it protected the character of Cambridge as well as support the sense of community that made Cambridge what it was.

He made specific reference to a scheme at Milton Road that had been included in the prioritised infrastructure investment programme and highlighted some sensitivities regarding historical proposals to cut down trees for the introduction of a dual-carriageway. Julian Huppert MP asked what assurances could be given for any proposals put forward to ensure that the tree-lined boulevard aspect of Milton Road would be kept in place. He was also keen to ensure that any proposals did not sever communities, acknowledging how important it was to retain community interaction.

Mr Hughes responded by saying that the character of the area would be recognised and taken into account in the development of any proposals relating to the prioritised infrastructure schemes. No proposals had currently been developed, but it was the intention, subject to the views of the Assembly and Executive Board, to take forward a process in relation to developing proposals for schemes that would be very consultative. This would provide elected members and local communities with opportunities to engage with the development of proposals as they emerged.

## **6. PETITIONS**

No petitions had been received.

## **7. 2015-20 PRIORITISED INFRASTRUCTURE INVESTMENT PROGRAMME**

Consideration was given to a report which provided the Joint Assembly with an opportunity to consider proposals 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, firstly 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. Key principles of the investment were noted as being:

- a major axis of movement, north to south in the city;
- a major axis for early housing growth, particularly along the A428 corridor;
- smaller schemes to deliver wider benefits.

Members of the Assembly were invited to make any general comments at this stage of proceedings prior to consideration of individual schemes within the infrastructure investment programme. The following points were noted:

- flexibility and regular reviewing had to be built into this process so that individual projects not delivering as anticipated could be changed or stopped altogether if necessary and replaced with new projects;
- the city centre was in danger of being overwhelmed, with it being very difficult to get into the city by any means whether that be via private car or public transport;
- the city and its surrounding areas needed to be looked at in conjunction with the schemes in the infrastructure investment programme to ensure that people could move around the city, but that as much traffic as possible was kept out of the city centre itself;
- there needed to be assurances that the development of schemes did not move problems or create problems elsewhere;
- in terms of the Bio-Medical Campus, 10,500 additional jobs were about to be created that had not been included in the weighting set out in the report. It was vital that these additional jobs in that area were reflected;
- the triggers for the next wave of funding were yet to be agreed with Government, yet the Assembly and Board were being asked to consider priority schemes at this moment in time.

Mr Hughes agreed that flexibility was crucial, however, there was a need to commence with delivering schemes. He expected there to be a number of instances where schemes would be re-considered and reviewed by the Joint Assembly and Executive Board, but made it clear that if a particular scheme was deemed as being unacceptable or was not delivering then it could be dropped or amended. Any decision to this effect would be in the gift of the Executive Board. Similarly, new schemes could also be added to the programme.

Mr Hughes explained that some schemes would take a few years to develop and that it was important to get some of those schemes under development quickly so that the City Deal had a rolling programme. The City Deal programme comprised of a range of schemes, with some deliverable in the short term and some deliverable in the longer term in excess of the first five years of the Deal. Triggers had to be met in order for further funding to be released from the Government as part of subsequent tranches. Details of the criteria for the triggers were still being finalised through negotiations with the Government but it was noted that the first set of triggers would be about delivery on time, delivery on budget and realisation of benefits identified in the individual scheme business cases.

There was a clear expectation from the Government for the first tranche of funding to be spent and for schemes to be delivered on the ground by 2020. The list of prioritised schemes set out in table 1 of the report sought to ensure that this expectation was met, as well as plan for the development of some longer term schemes.

The Chairman invited Mr Hughes to present the prioritised City Deal transport infrastructure programme.

Mr Hughes referred Members of the Assembly to table 1 of the report, which set out the prioritised programme, and highlighted that the total cost of the schemes purposefully exceeded the amount of funding that was available as part of the first tranche of the City Deal. This provided flexibility, acknowledging that some schemes may drop out of the programme or change throughout the process. The programme was also made up of schemes where other sources of funding would contribute to their delivery, such as through the Local Enterprise Partnership growth deal or developer contributions for example. The programme also sought to plan for the subsequent programme for years six to ten so that a series of schemes were ready to be delivered.

The second half of table 1 in the report set out schemes that had been identified as reserve schemes following the economic benefit and deliverability prioritisation work. It was noted that feasibility work and scheme options would be developed for all of the schemes in table 1, including those identified as reserve schemes which could still be delivered in the first five year programme or carried over for delivery as part of the programme for years six to ten.

Presentations were made and debate ensued on groups of individual schemes included in the prioritised City Deal transport infrastructure programme as follows:

### **Milton Road / Histon Road**

The Milton Road scheme was proposed as a bus priority from the Busway to Mitcham's Corner, and onto the city centre. Histon Road was also a bus priority scheme between Kings Hedges Road and Castle Street, and onto the city centre. The main existing problems for these two roads were journeys that were slow and unreliable in peak periods, the Busway being prevented from fulfilling its potential and limited connectivity to key sites. Outputs and outcomes sought from schemes on these roads included:

- improved connectivity;
- faster, more reliable bus journeys;
- increased bus patronage and new services;
- reduced costs for users.

The following points from Assembly Members were noted:

- improvement of the busway should be implicit in these schemes, as well as top quality cycle provision along both of the roads;
- the main problem was one of congestion caused by traffic, which would only worsen with the introduction of more houses, so the focus should be on reducing congestion;
- a proposition that took people out of their cars to use public transport as their preferred way to travel would need a quantum shift in terms of faster journey times and reliability;
- reliability was a huge factor, which was why the guided busway was so popular;
- it was disappointing that cycling was not explicitly mentioned in the schemes for these two roads and that they only referred to buses.

Mr Hughes responded by saying that these schemes were not narrowly defined and provided opportunities to ensure that all user needs were acknowledged and reflected in the redesign of the respective roads. The routes had at this stage been defined as being problematic from the perspective of buses but other issues would be picked up and included as part of developing the schemes.

In terms of traffic congestion, Mr Hughes was of the opinion that serious thought needed to be given to restricting the movement of traffic in the city and actively discouraging people from driving their cars in the city centre in particular. He emphasised that this would be a very sensitive issue and that it could feature as part of the city centre capacity scheme.

## **Chisholm Trail**

The Chisholm Trail was a north-south cycle / pedestrian route between Cambridge Station and Cambridge Science Park. It included a new bridge over the River Cam in Chesterton and an underpass of the railway at Mill Road. The main existing problems with this link were a disjointed and patchy network between the north and south of the city that created barriers to people wishing to undertake journeys on foot or by bicycle. Outputs and outcomes sought from this scheme included:

- a safe, largely off-road cycle and pedestrian route;
- increased pedestrian and cycle usage;
- new capacity for trips to the Science and Business parks;
- shortened journey times north-east of the city to the new station.

It was noted, as referred to earlier at this meeting in answer to a question by a member of the public, that the title of this scheme was in the process of being reviewed.

The following points from Assembly Members were noted:

- the route and the bridge had historically been looked at as two separate projects for this trail and both would be required in order for it to work. A question was asked as to whether the two would be delivered together as part of this scheme;
- secure cycle parking for people working and living at either end of the trail would be required as part of the scheme.

Mr Hughes agreed with the point in respect of provision for secure cycle parking. In terms of development of the route and bridge it was noted that this would need to be undertaken in stages, but Mr Hughes was of the view that this could be delivered relatively quickly. Some funding had already been secured so, ideally, both aspects could be delivered as part of this single scheme to ensure full connectivity as soon as possible.

## **A428 corridor public transport**

This group of schemes reflected a high-quality, segregated bus-based public transport corridor between Cambourne and Bourn Airfield and Cambridge city centre, including Park and Ride provision. The main existing problems consisted of unreliability, with the A1303 in particular that could add half an hour or more onto a journey for which buses mainly suffered, and the Madingley Road Park and Ride site after two miles of the most congested section of the A1303. Outputs and outcomes sought from these schemes included:

- faster, more reliable bus journeys;
- increased bus patronage;
- new route options on the corridor;
- reduced costs for residents, businesses and workers.

It was noted that South Cambridgeshire District Council's Local Plan, which was currently going through its inspection process, outlined significant proposals for development along this corridor.

The following points from Assembly Members were noted:

- the total cost of these schemes was nearly £100 million on their own, so a question was raised regarding delivery and phasing;



- individual proposals relating to these schemes should give careful and sensitive consideration to the fact that Maddingley Rise was an exceptionally beautiful area which also included the American Cemetery;
- a question was asked as to whether a segregated bus link on the A428 was necessary at this stage in view of the fact that, for the majority of the day, the road was working and relatively free-flowing;
- Maddingley Road was impossible to travel on at either end of the working day and these schemes did not seek to address the congestion problems;
- the introduction of more bus lanes could add to congestion problems.

Mr Hughes responded by acknowledging that this was a very large package of schemes and the analysis work would be extremely important, enabling options to be properly drawn up for consideration. In answer to a question he added that all of these schemes would not necessarily be delivered at the same time, but the analysis work would provide some indication as to which parts of specific schemes could go forward.

With regard to Maddingley Rise and the American Cemetery, Mr Hughes agreed with the sensitivities in this respect and stated that working closely with the Assembly on this issue, as well as with other interested parties as part of the consultation process, would be very important.

### **Rural cycle route corridors**

Saffron Walden and Haverhill corridor cycle and pedestrian routes would provide cycle links between Saffron Walden, Haverhill, business parks, villages and railway stations on the A1301 and A1307 corridors and Cambridge.

The Cambridge to Royston cycle link would provide links between Royston, business parks, villages and railway stations on the A10 corridor and Cambridge.

The Bourn Airfield and Cambourne cycle and pedestrian routes would provide cycle links between Cambourne and Bourn Airfield and the ring of surrounding villages.

Existing problems with the routes included poor or absent pedestrian and cycle facilities in the areas and insufficient connectivity for short or medium length journeys between housing and research parks. These issues forced greater car use. Outputs and outcomes sought from the schemes included:

- more people walking or cycling to access employment or services;
- improved access to rail and bus interchanges;
- reduced congestion on the corridors.

The following points from Assembly Members were noted:

- it was unclear how many of the 19,000 daily users of the A1307 would use the walking or cycle routes instead of their cars as a result of these schemes being delivered;
- these schemes acknowledged that not all journeys in the Greater Cambridge area involved getting in and out of the city and that people wanted to travel between villages;
- the schemes addressed proper transport networks and segregated cycleways and also went some way to preserve the quality of life for residents in South Cambridgeshire;

- these schemes should be welcomed. In opening the cycle route at Babraham it was immediately clear that people wanted to use their bicycles as a preferred mode of transport;
- there was a need for secure cycle parking provision at stations, something which there had historically been disagreement over in terms of who responsible for providing such a facility. Clear accountability should be included as part of these schemes;
- according to the latest statistical information, Cambridge was the top city in the country in terms of the percentage of people that used a bicycle. This statistic should be acknowledged as part of any decision-making regarding these priority schemes.

Mr Hughes agreed that cycling was embedded as part of the culture of Cambridge in particular, but also the wider county. He reflected on the busway cycle path and reported that over 1,000 people per day used the route when it was introduced and that there had been a huge increase in cycling in Cambridge as a result.

The provision of secure cycle parking at stations was usually the responsibility of the Train Operating Company, but it was noted that they could potentially be included as part of negotiations through the City Deal.

Mr Hughes reflected on the relatively low priority score of these schemes, based on economic benefit, in comparison to other schemes. He explained, however, that they were still considered as priority schemes due to their deliverability, relatively low resource and the fact that they were in areas with significant villages where employment already existed, meaning that lots of people along the corridor would benefit.

### **Foxton level crossing**

Foxton level crossing was a scheme that was proposed to be fully funded by Network Rail, incurring no City Deal funding. It sought to improve passenger facilities, safety and congestion.

Assembly Members made no comments on this scheme.

### **City centre capacity**

The city centre capacity scheme would improve sustainable transport capacity, traffic management measures and support public realm improvements. The main existing problems were limited capacity and too many cars, with growth likely to exacerbate this problem unless action was taken, and a disjointed and patchy cycle network. Outputs and outcomes sought from the scheme included:

- effective management of travel demand within the city;
- better flows of pedestrians, cyclists and buses;
- viable choice of modes other than the private car;
- improved streetscape and urban realm.

The following points from Assembly Members were noted:

- reflecting on the proposal to deliver this scheme as two separate phases, a question was raised as to whether that was due to the grid-lock that could be caused as a result of delivery in one phase or due to the cascading of funding;

- the reality of the situation was that if Cambridge wanted to work as a city in five years time, something needed to be done differently;
- the importance of what could be achieved as a result of this scheme should not be underestimated.
- consideration had to also be given to tourism and the 4.5 million visitors that the city of Cambridge attracted each year, which in itself was an important economic driver. Tourists also needed to get in and out of Cambridge efficiently.

Mr Hughes outlined that the scheme would be delivered in two phases, not solely because of the potential grid-lock that could occur as a result of delivering it in one phase, but because the overarching scheme would be made up of a series of carefully planned projects. The scheme itself, or individual projects as part of the scheme, could be shaped to be as radical as the Joint Assembly and Executive Board wished in order to achieve the outcomes as set out above. However, it was noted that the implications of any proposals would need to be carefully considered.

In response to the Chairman, Mr Hughes agreed that a future agenda item could be envisaged to establish the Assembly's guidance on the direction and parameters for the working up of schemes to address city centre capacity.

### **Reserve schemes**

The following schemes had been included in the prioritised City Deal transport infrastructure programme as reserve schemes:

- Bourn Airfield and Cambourne cycle and pedestrian routes (phase 2) – continuation of rolling programme;
- city centre capacity improvements (phase 2) – continuation of rolling programme;
- Airport Way Park and Ride – early delivery of scheme ahead of the remainder of the Newmarket Road bus priority;
- Western orbital – orbital bus route around the west of the city;
- A1307 bus priority and A1307 additional Park and Ride;
- Project Cambridge (Hills Road) – bus, cycle pedestrian and streetscape scheme.

The following points from Assembly Members were noted:

- in wanting to be radical and looking at the future, in terms of the A1307 and the south-east of Cambridge, the A1307 scheme currently within the reserve list should be included as a priority scheme;
- looking at the western orbital scheme, currently within the reserve list, the A428 scheme was a very important link;
- it was important to note that a considerable number of interim construction workers would be in operation at the new Papworth hospital, which would also be the case for new developments when work commenced. This could cause significant movement in the area in terms of people and activity and would only add to congestion problems if not carefully managed.

The Assembly was reminded that feasibility work and scheme options would be developed for all of the reserve schemes, alongside the other priority schemes set out in table 1 of the report, as they may still be delivered in the first five year programme or be carried over for delivery as part of the programme for years six to ten.

In terms of additional construction workers expected to be on site, Mr Hughes agreed that this was an important point and he indicated that he would be discussing this with colleagues to potentially make further use of Park and Ride facilities and consider any other ways of managing the issue.

The Chairman invited Mr Hughes to briefly outline the respective processes for scheme development, the remaining schemes, further programme development and next steps, further to which the following points were noted:

- schemes would be developed via an iterative process with significant consultation which would include 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 followed;
- remaining schemes not included in the priority list fell into four broad packages as follows:
  - Hauxton Park and Ride and Hauxton to Trumpington Busway;
  - Newmarket Road bus priority;
  - Eastern Orbital bus priority between Cambridge Biomedical Campus and Cambridge Science Park;
  - a package of improvements for the proposed new town at Waterbeach.
- early scheme development could take place in years one to five of the programme;
- the programme could be modified over time but changes would require an Executive Board decision, informed by the Joint Assembly;
- the Joint Assembly and Executive Board would receive reports and updates on scheme development throughout the programme;
- next steps would consist of an Executive Board decision on 28 January 2015 followed by development of individual schemes, with more developed schemes to be brought back to the Joint Assembly and Executive Board over time.

The Chairman invited the Joint Assembly to consider any recommendations to the Executive Board in relation to the prioritised City Deal transport infrastructure programme.

A suggestion was made to remove the Bourn Airfield and Cambourne busway scheme from the prioritised list of schemes due to the fact that this would not need to be delivered in the first five years of the City Deal programme. Mr Hughes explained that it would still be advantageous to undertake technical evaluation work along the full corridor. It was therefore proposed that the Executive Board be recommended to remove this scheme from the tranche one list with no capital expenditure for delivery occurring in the first five years of the programme, but that the technical evaluation work along the corridor continued to be undertaken as originally planned. The Chairman took this to the vote and with the votes tied at 6 votes in favour and 6 votes against he used his casting vote and supported the proposal, which was therefore carried.

Discussion ensued on reserve schemes and whether it was necessary to include schemes in the programme under this title, since all schemes within the prioritised City Deal transport infrastructure programme would have the same feasibility study work carried out on them regardless of whether they were priority schemes or reserve schemes. The Joint Assembly unanimously agreed that the heading 'reserve schemes' should be removed so that none of the schemes were referred to as reserve schemes.

The Joint Assembly unanimously agreed that the capital cost of the Foxton level crossing and interchange scheme should be reflected as £0 rather than £14 million in the programme since this would be funded by an external source and not from City Deal funding.

A suggestion was put forward to change the name of the A1307 scheme from “A1307 priority / A1307 additional Park & Ride” to “A1307 corridor to include bus priority / A1307 additional Park & Ride”. The Assembly unanimously supported this proposal.

A proposal was put forward to remove the Western orbital scheme from the programme, along the same principles as the removal of the Bourn Airfield and Cambourne Busway scheme. Mr Hughes accepted that the two schemes were similar in character but explained that the Western orbital was an important scheme that was different with regard to its need and wider ramifications for other schemes going forward. With 1 vote in favour and 10 votes against, the proposal was lost.

Voting on the substantive motion and final recommendations to the Executive Board, the Joint Assembly unanimously **RECOMMENDED** the prioritised infrastructure investment programme, as set out in table 1 and explained in paragraphs 50-52 of the report, subject to the following amendments:

- (a) The removal of the Bourn Airfield / Cambourne busway scheme from the tranche one priority programme as a priority scheme, assuming that capital expenditure for delivery of this scheme does not occur in the first five years of the City Deal programme but that the technical evaluation work can still be undertaken on the full corridor.
- (b) The removal of the heading ‘reserve schemes’ so that the table includes all schemes and does 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 will 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”.

## 8. FUNDING OF CITY DEAL NON-PROJECT COSTS

The Joint Assembly 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 Assembly Members 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.

The Joint Assembly unanimously agreed that there should be a limit or cap on any essential non-project relating expenditure incurred, and recommended a cap of £150,000.

The Joint Assembly **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. AFFORDABLE HOUSING DELIVERY**

Alex Colyer, South Cambridgeshire District Council's Executive Director (Corporate Services), provided the Joint Assembly with a presentation on affordable housing delivery.

It was noted that access to housing, especially affordable housing, was a barrier to economic growth and there was an implicit target to deliver up to 13,000 extra homes in the period to 2031. Cambridge City Council and South Cambridgeshire District Council were also planning to provide up to 4,000 new council houses by 2045. Both Councils were keen to deliver more, however, it was not possible for the Councils to raise new borrowing to finance this. As part of City Deal negotiations the Government was asked to remove the debt cap, however, the Government had a clear priority to reduce national debt and since all local authority borrowing counted as national debt, the cap had remained in place.

In terms of the offer within the City Deal, partners had committed to provide an additional 1,000 affordable units on rural exception sites which were in addition to the numbers included in the Local Plans. These would be built on windfall sites, predominantly or wholly within South Cambridgeshire.

The following new vehicles for local solutions to housing delivery were noted:

- Property management, consisting of:
  - a limited company structure;
  - investment in and management of stock directly;
  - acquisition of sites for development;
  - the provision of loan and equity finance from partners;
  - the transferring of land holdings in exchange for equity by partners;
  - the charging of rent to cover operational and financing costs.
- A strategic housing delivery vehicle, which would:
  - identify specific sites;
  - appraise schemes;
  - consult with local communities and residents;
  - undertaken design and planning;
  - commission building works;
  - be paid for from a charge per unit.

It was reported that 27 new homes had been delivered to the end of 2013/14, including 20 new apartments for older people, with 69 new homes due to be complete by the end of March 2014/15 on a mix of garage and small in-fill sites including the redevelopment of existing poorest standard housing. In addition, 83 further homes were due to be completed by the end of 2015.

Sites where housing had already been delivered or was planned for delivery included Linton, Swavesey, Bourn and Foxton. Assembly Members also noted that the development at Northstowe would include investment in a Joint Venture with the Homes and Community Agency to develop a proportion of affordable housing on-site.

South Cambridgeshire District Council's housing company, called Ermine Street Housing, had been established and was now operating in the private rental market. The University had also committed £30 million to in-principle investment in the City Deal Housing Joint Venture. Exception sites were already being identified by the partner Councils, with the first site confirmed as coming forward at Littleington.

The Chairman thanked Mr Colyer for the presentation and in view of the lengthy duration of the meeting it was **AGREED** that debate on this item would be referred to the next meeting of the Joint Assembly.

## 10. JOINT ASSEMBLY WORK PROGRAMME AND SCHEDULE OF FUTURE MEETINGS

It was **AGREED** that items on affordable housing delivery and skills would be included on the agenda for the next meeting of the Joint Assembly.

---

**The Meeting ended at 7.35 p.m.**

---

This page is left blank intentionally.



# 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 Joint Assembly. 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 Joint Assembly, 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 Assembly 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.

This page is left blank intentionally.

# Agenda Item 7a



**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.

**Report Authors:** Alan Carter – Head of Strategic Housing, Cambridge City Council

Telephone: 01223 457948

Stephen Hills – Director of Housing, South Cambridgeshire District Council

Telephone: 01954 713412



# Agenda Item 7b



**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.

| <b>Project</b>   | <b>£m</b>     |
|--|---------------|
| 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          |
| <b>Total</b>   | <b>180.52</b> |

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        |
| <b>Total</b>                             | <b>500</b> |

## 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<br>£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.

| <b>Activity</b>                          | <b>2015/16<br/>£000</b> | <b>2016/17<br/>£000</b> | <b>Total<br/>£000</b> |
|--|-------------------------|-------------------------|-----------------------|
| 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                   |
| <b>Total Annual Budget</b>               | <b>500</b>              | <b>530</b>              | <b>1,030</b>          |
| <b>Funding to be carried forward</b>     | <b>4,086</b>            | <b>3,556</b>            | <b>3,556</b>          |

## 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

This page is left blank intentionally.

# Agenda Item 7c



**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 Maddingley 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://scambs.moderngov.co.uk/ieListDocuments.aspx?CId=1073&MId=6512&Ver=4>

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

<http://scambs.moderngov.co.uk/documents/g6527/Printed%20minutes%20Monday%2012-Jan->

[2015%2015.30%20Greater%20Cambridge%20City%20Deal%20Joint%20Assembly.pdf?T=1](http://scambs.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://scambs.moderngov.co.uk/documents/g6529/Printed%20minutes%20Wednesday%2028-Jan->

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

**Report Author:** Graham Hughes – Executive Director: Economy, Transport and Environment  
Telephone: 01223 715660

This page is left blank intentionally.

# Agenda Item 8a



**Report To:** Greater Cambridge City Deal Joint Assembly

6 March 2015

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

---

## Greater Cambridge City Deal Skills proposals

### Purpose

- 1 To outline for the Assembly potential means by which the skills element of the City Deal can be achieved and to seek views on whether this or another mechanism is the appropriate way forward. 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 Assembly:
  - a) Notes the potential to introduce the Skills Service model;
  - b) Identifies any alternative models to achieve the skills commitments in the City Deal; and
  - c) Recommends a course of action on skills to the 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 invites the Assembly to consider whether this is the best approach or there are other means by which this can be achieved.

### Current skills system

- 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 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 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 reps 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 our strategy is consistent. This funding goes to Further Education Colleges such as 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 In simple terms then, 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.

#### **Who does what in our area**

- 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 FE 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 SMEs.

## **Processes**

- 14 The National Careers Service is a universal offer to learners and is provided under contract by the County Council. The LEP provides a Skills Service in the northern part of their geography which for Cambridgeshire, covers just Fenland. This is funded through ESIF and:
  - 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 LEP 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 LEP but in the long term, it is anticipated that this may morph into the Skills Service as offered in Fenland. This is funded by Hunts District Council with some input from the LEP.

## **The City Deal proposal**

- 17 Through the negotiations on the City Deal, the skills element was agreed with BIS and this includes a 'Skills Service' model to bridge this gap between employer needs and aspirations of learners. As part of the City Deal, the partners have also agreed a further 420 apprenticeships in the first five years of the Deal.
- 18 This could be delivered by, for example, mirroring what is currently being delivered by the LEP through their Skills Service model. This would involve 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 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.
- 20 The full service was costed in the Deal Document at around £250k per year. This would cover mainly staff costs for research, engagement with business and providers and a work directly with schools and learners.

- 21 As there is some cross over between this work and activity already in the County Council Adult Learning and Skills service, the County Council can offer staff time equivalent to around £50k per year. As this service would be joined with that already provided by the LEP, 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 £25k per year. The LEP Board also decided on 27<sup>th</sup> January to provide funding of £50k for skills delivery in the Greater Cambridge area. This means that the net cost of this model would be no more than £125k per year.
- 22 The Assembly, with its business and academic expertise is asked to consider whether this is an appropriate means of achieving the skills objectives in the City Deal or indeed whether there are other ways of delivering this. It is suggested therefore, that the Assembly consider this proposal and other potential means of delivering the improved skills needed in the area to develop a recommendation for the Executive Board.

### **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***

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

#### ***Staffing***

Depending on the model chosen, some additional staffing may be required.

#### ***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.

**Report Author:** Graham Hughes, Executive Director, Cambridgeshire County Council.  
Telephone: 01223 715664

# Agenda Item 9

## Greater Cambridge City Deal Assembly Work Programme 2015

| <b>3 June</b>   | <b>Lead Officer(s)</b>                      |
|---|---|
| Transport (provisional - likely to be A428 corridor consideration of options and approval to consult) | Graham Hughes                               |
| Workstream update   | Andrew Limb<br>Alex Colyer<br>Graham Hughes |
| Congestion  | Graham Hughes                               |
|   |   |
| <b>July</b>   |   |
| Transport (provisional – options and approval to consult on schemes X & Y)                            | Graham Hughes                               |
| Workstream update   | Andrew Limb<br>Alex Colyer<br>Graham Hughes |
| Q1 Quarterly financial monitoring report  | Chris Malyon                                |
|   |   |
| <b>August</b>   |   |
| Transport (provisional – options and approval to consult on schemes X & Y)                            | Graham Hughes                               |
| Workstream update   | Andrew Limb<br>Alex Colyer<br>Graham Hughes |
|   |   |
| <b>September</b>  |   |
| Transport (provisional – options and approval to consult on schemes X & Y)                            | Graham Hughes                               |
| Workstream update   | Andrew Limb<br>Alex Colyer<br>Graham Hughes |
|   |   |
| <b>October</b>  |   |
| Transport (provisional – options and approval to consult on schemes X & Y)                            | 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<br>Alex Colyer<br>Graham Hughes |
|   |   |
| <b>November</b>   |   |
| Transport (provisional – options and approval to consult on schemes X & Y)                            | Graham Hughes                               |
| Workstream update   | Andrew Limb<br>Alex Colyer<br>Graham Hughes |

This page is left blank intentionally.