

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

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

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

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

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

FORMAL RECOMMENDATION:

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

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

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

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

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

FORMAL RECOMMENDATION:

That:

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

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

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

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

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

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

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

The Assembly approved the following proposition:

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

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

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

(b) City Centre Congestion

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

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

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

FORMAL RECOMMENDATION:

That the Executive Board:

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

Greater Cambridge City Deal Skills proposals (Agenda item 9)

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

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

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

FORMAL RECOMMENDATION:

That the Executive Board:

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