

Public Document Pack

NOTICE OF EXTRAORDINARY COUNCIL MEETING 27 JUNE 2016

Dear Councillor,

A meeting of Cambridge City Council will be held in the Council Chamber, The Guildhall, Market Square, Cambridge, CB2 3QJ on Monday, 27 June 2016 at 6.00 pm and I hereby summon you to attend.

Dated 17 June 2016

Yours faithfully

A handwritten signature in black ink, appearing to read 'AP Jackson', with a large, stylized initial 'A'.

Chief Executive

Agenda

- 1 Apologies for Absence**
 - 2 Declarations of Interest**
 - 3 Public Questions Time - see at the foot of the agenda for details of the scheme**
 - 4 Devolution to Cambridgeshire and Peterborough**
- (Pages 5 - 80)*

Information for the Public

Location The meeting is in the Guildhall on the Market Square (CB2 3QJ).

Between 9 a.m. and 5 p.m. the building is accessible via Peas Hill, Guildhall Street and the Market Square entrances.

After 5 p.m. access is via the Peas Hill entrance.

All the meeting rooms (Committee Room 1, Committee 2 and the Council Chamber) are on the first floor, and are accessible via lifts or stairs.

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- For questions and/or statements regarding items on the published agenda, the deadline is the start of the meeting.
- For questions and/or statements regarding items NOT on the published agenda, the deadline is 10 a.m. the day before the meeting.

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Devolution to Cambridgeshire and Peterborough

To: **Full Council**

Date: **27th June 2016**

From: **Chief Executive**

1 Purpose

- 1.1 The purpose of this report to present to Full Council the outcome of negotiations with government about a Devolution Deal for Cambridgeshire and Peterborough so it can consider whether to approve the deal.
- 1.2 If the Council approves the deal it will need to consider new governance arrangements for Cambridgeshire and Peterborough as part of the deal.
- 1.3 The report also presents relevant documents relating to the establishment of an elected Mayor and Combined Authority across Cambridgeshire and Peterborough including the results of a Governance Review and a draft Governance Scheme and seeks approval of Council to the content of the two governance documents and authority to submit them to Government and to undertake an appropriate consultation process.
- 1.4 The Leader of the Council will need to take the final decision on these issues as it is an Executive decision therefore this report includes recommendations to both Council and the Leader.

2 Recommendations

To Full Council

- 2.1 It is recommended that Full Council considers whether it wishes to
 - i) Approve the content of the Devolution Deal proposal (attached at Appendix A).
 - ii) Endorse the conclusions and outcome of the Governance Review (attached at Appendix B), that the establishment of a Combined Authority with a Mayor for the Cambridgeshire and Peterborough area would be likely to improve the exercise of statutory functions in that area.
 - iii) Approve in principle, the Governance Scheme (attached at Appendix C) and request the Chief Executive to undertake appropriate consultation on its content.

If (ii) and (iii) are approved

- iv) To resolve to convene, if appropriate, a further meeting of Full Council to take place in October 2016 to consider whether to support, in principle, the granting of consent for the Secretary of State to bring forward such an Order to establish a Mayoral Combined Authority covering the area of Cambridgeshire and Peterborough.

To the Leader of the Council

- 2.2 Following the outcome of the Council's deliberations on i)-iv) above, the Leader of the Council is recommended to:
- v) Approve or reject the content of the Devolution Deal proposal (attached at Appendix A).
 - vi) Endorse or reject the conclusions of the outcome of the Governance Review (attached at Appendix B) that the establishment of a Combined Authority with a Mayor for the Cambridgeshire and Peterborough area would be likely to improve the exercise of statutory functions in that area.
 - vii) Approve or reject the Governance Scheme (attached at Appendix C) and request the Chief Executive undertakes appropriate consultation on its content if appropriate.
 - viii) Approve, if appropriate, the arrangements for public consultation on the Governance Scheme and authorise the Chief Executive in consultation with the Leader of Council to provide the Secretary of State with a summary of the consultation responses in due course.

3 Background

- 3.1 Cambridge City Council has been engaged, since late 2014, in developing a devolution proposal with government covering all the councils in Cambridgeshire and Peterborough. The main themes of this have been ensuring the continued economic success of the region; addressing deficits in transport; jobs and skills and housing. In mid-February the Government announced an intention to seek a wider devolution agreement which could join Cambridgeshire and Peterborough with Norfolk and Suffolk. The proposed deal was considered by the Council on 23 March 2016 and rejected.
- 3.2 At the same meeting the Council confirmed it was committed to continuing discussions on devolution with the other councils in Cambridgeshire and Peterborough to seek a devolution deal that meets the needs of Cambridge, the Greater Cambridge economy, and Cambridgeshire and Peterborough. Council also agreed to press Government for the funding and flexibilities to replace the homes lost in the city through Right to Buy and High Value Sales over the next five years, to at least maintain the number of council and other social rent properties. The Council also expressed a need to strengthen the governance of the Greater Cambridge City Deal whether a devolution scheme acceptable to the City Council was agreed or not.
- 3.3 Those conversations and negotiations with government have continued since March and the government has now proposed two deals one for Cambridgeshire and Peterborough and one for Norfolk and Suffolk with joint working between the two on areas of mutual interest.

4 The Proposed Deal

- 4.1 A copy of the proposed Cambridgeshire and Peterborough deal is attached at Appendix A. In summary the deal delivers
- A new £20 million annual fund for Cambridgeshire and Peterborough for the next 30 years (£600 million) to support economic growth, development of local infrastructure and jobs.
 - An additional £70 million fund specifically for affordable housing in Cambridge which the council would have the freedom to use in its entirety to build new council homes.
 - £100 million for non-HRA affordable, rent and shared ownership across Cambridgeshire and Peterborough particularly in response to affordable housing issues in South Cambridgeshire and Cambridge City.
 - Transport infrastructure improvements such as the A14/A142 junction and upgrades to the A10 and the A47 as well as Ely North Junction. Also it would support development at Wyton and St Neots and Wisbech Garden Town and the Wisbech-Cambridge rail connection.
 - Rail improvements (new rolling stock, improved King's Lynn, Cambridge, London rail).
 - Investment in developing a Peterborough University with degree-awarding powers.
 - A local integrated job service working alongside the Department of Work and Pensions.
 - Co-design with government a National Work and Health Programme focussed on those with a health condition or disability, as well as the long-term employed.
 - Further integration of local health and social care resources to provide better outcomes for residents.
 - Devolved skills and apprenticeship budget – to give more opportunities to our young people.
 - Working with government to secure a Peterborough Enterprise Zone
- 4.2 This proposal is to be the first in a series of proposals which devolve more funding and powers from Government to the Cambridgeshire and Peterborough area.
- 4.3 A Cambridgeshire and Peterborough Combined Authority chaired by a directly elected Mayor would be created to oversee and deliver the deal. This is a requirement from government before such extensive powers and funding can be devolved.
- 4.4 As well as benefiting from the range of initiatives and funding covered in the deal listed above, Cambridge specifically benefits from the £70 million targeted investment in affordable housing which the Council can control and use to fund new council homes owned and managed through the Council's Housing Revenue Account (HRA). The grant will be made available to the City Council via the Combined Authority. A fuller summary of this detail is attached in Appendix D.
- 4.5 This grant would deliver at least 500 new social rented homes (defined as rents at Local Housing Allowance levels). The City Council would be able spend the grant over a five year period. £10 million of the £70 million grant would also be available to the City Council to replace any of the 500 subsequently sold through the Right to Buy. The Council will have the freedom to choose the extent that it provides the new homes on land that it owns or land owned by others (including through section 106 planning agreements).

- 4.6 The other £100 million housing grant elsewhere within the draft Devolution Agreement will also enable a range of affordable rented and shared ownership products across Greater Cambridge.
- 4.7 Delivery of the new homes from both pots will be undertaken in close liaison with South Cambridgeshire District Council in relation to their complementary affordable housing programme and through the Greater Cambridge Housing Development Agency, the shared housing delivery vehicle operated by the two Councils.
- 4.8 Council is asked to consider whether it approves or rejects this deal.

5 Governance of the Deal

- 5.1 A combined authority is a legal structure that may be established, at the request, or with the consent, of two or more local authorities, via an Order issued by the Secretary of State under S.103 of the Local Democracy Economic Development and Construction Act 2009. Before making such an order the Secretary of State must be satisfied that certain criteria are met, the most important of which is that the establishment of the combined authority is likely to improve the exercise of the statutory functions to be undertaken by the new body¹.
- 5.2 The legislation enables a variety of central and local government functions to be transferred to the newly formed combined authority and for it to carry out these functions within the geographical area covered by the combined authority.
- 5.3 The legislation currently provides for two models of governance, the first having an executive that consists of one representative of each member authority and the second where the executive includes one representative of each member authority plus a directly-elected mayor (a 'mayoral combined authority'). The proposed model for Cambridge and Peterborough Combined Authority, (C&PCA), is that of a mayoral combined authority.

6 The Process of Establishing a Combined Authority

- 6.1 The process by which a combined authority is established varies slightly depending upon whether the process is initiated by the Secretary of State or by the local authorities themselves. In the case of Cambridgeshire and Peterborough, discussions between a number of local authorities and central government have resulted in a proposal for a mayoral combined authority covering the local authority areas of Cambridgeshire and Peterborough, being brought forward by the local authorities within that geography. In summary, the authorities must:
- i) Undertake a governance review within the functional economic area. (This has been completed.)
 - ii) Prepare a proposal for devolution and governance scheme based on the recommendations of the governance review. (This has been completed.)
 - iii) Undertake a consultation exercise on the proposed combined authority. (It is recommended that this take place during July and August 2016.)
 - iv) Submit the results of this consultation to the Secretary of State in order that they can decide whether to exercise their powers to establish a combined authority. (This would take place in September 2016.)
 - v) Consent to the draft Order produced by the Secretary of State being laid before parliament to establish the authority. (It is envisaged that this would happen at the end of October 2016.)

¹ S.110 Local Authority, Economic Development and Construction Act 2009

- 6.2 In order to meet the legislative timetable to enable a Combined Authority to be established in March 2017 so that elections for a Mayor may be held in May 2017, the Secretary of State must submit the Order to establish the Combined Authority by no later than 4 November 2016. This requires each constituent authority to endorse the conclusion of the governance review and to approve the scheme for consultation by no later than 4 July 2016 in order that consultation may be undertaken for a period of seven weeks over the summer period. Following the consultation, the Councils will be required to meet again in late October 2016 to approve the draft Order.
- 6.3 The local authorities are required to have considered the options for establishing a combined authority by carrying out a governance review and publishing the results of that review. The findings of the governance review for the proposed C&PCA is attached as Appendix B. Its key recommendation is that the functional economic area of Cambridgeshire and Peterborough will be best served by a Mayoral Combined Authority model of governance, bringing together local authorities, the LEP and other public service partners to drive growth and reform.
- 6.4 In the light of the results of the governance review a detailed devolution proposal and associated governance scheme has been produced to encapsulate the form and operation of the proposed combined authority. The devolution proposal is attached as Appendix A and the governance scheme is attached as Appendix C.

7 Consultation if the Council Accepts a Deal in Principle

- 7.1 As part of the required procedural steps towards establishing a combined authority the local authorities involved must undertake a public consultation exercise and it is proposed that this shall commence on 4 July 2016 and continue for 7 weeks until 22 August 2016.
- 7.2 The consultation is intended to seek views from the public and stakeholders on the additional functions proposed to be conferred on C&PCA as set out in the Scheme. Every resident, business and stakeholder in Cambridgeshire and Peterborough will have the opportunity to respond if they wish to do so. A number of organisations will also be contacted directly to invite them to make a response to the consultation. The proposed list of consultees to be contacted directly is attached at Annex C.
- 7.3 The consultation will be led jointly by the constituent councils' authorities aiming to raise awareness of the C&PCA and the effects of devolution to the area and to its residents. The draft Scheme will be accompanied by a plain English summary of what the proposed legal changes mean in practice.
- 7.4 Key messages to be reflected include: that the proposed changes are not about taking powers from individual councils but gaining additional powers from central government for the C&PCA; that the process of transferring / providing additional powers is being carried out in partnership with central government departments and agencies.
- 7.5 The consultation will be conducted primarily through digital channels with consultation feedback gathered via the C&PCA website, although respondents will be able to submit responses by letter or email should they wish to do so. Consultation documents and publicity materials will be made available in key local authority buildings. Proposed channels include: pro-active media releases and pro-active engagement of regional and local media throughout the consultation; web content for the C&PCA website, including a feedback form; similar, but locally

adapted content for local authority and partner websites; social media using C&PCA channels; staff messaging.

- 7.6 A toolkit will be developed to ensure that all Communications teams have draft content for websites, social media, printed publicity and staff messaging.
- 7.7 In addition to and alongside the consultation process the authorities will also be undertaking an assessment of proposed C&PCA with regards to potential impacts in relation to protected characteristics under the equalities legislation. This will be an iterative process with an initial assessment prior to receipt of consultation responses and a subsequent iteration in the light of those responses.

8 Legislative Background

- 8.1 The legislation on combined authorities is found in sections 103-113 of the Local Democracy, Economic Development and Construction Act 2009, (the 2009 Act), which has been substantially amended by the Cities and Local Government Devolution Act 2016. The recent legislation has greatly extended the range of powers and functions which may be delegated to a Combined Authority.

9 Legal Status of the Decisions Contained in this Report

- 9.1 It is important that all elected members are aware of the status and implications of the recommendations contained in this report if formalised into decisions.
- 9.2 Under the current timetable for the devolution deal, consent to a draft Order from the Secretary of State will be sought from each authority in October 2016. This is because the latest date for laying the Order which will create a Mayoral Combined Authority (in order to comply with Electoral Commission deadlines for notification of a mayoral election) is 4th November 2016. At that point in October 2016 each authority will have to meet to decide whether to consent to the Order. The draft Order will be considered by both Houses of Parliament before being made.
- 9.3 Before this, however, all participating authorities are being asked to take a decision on devolution arrangements in June (i.e. in this report). The principal purpose of this decision is to approve the Scheme of Governance for publication and public consultation.
- 9.4 In this report the Council is also being asked to endorse the terms of the C&PCA proposal and the Governance Review as well as agree the Scheme of Governance.
- 9.5 The June decision is not the final decision in the process of establishing the Combined Authority. It does not legally commit an authority to consenting to a subsequent order to establish and be a part of a new CA. However, any significant change in the economic area (as set out in the proposal) after the public consultation has been undertaken during the summer, may give rise to the requirement that a new Scheme be prepared for consultation and this would impact upon the timetable for the creation of the CA.
- 9.6 There may of course be legitimate reasons for an authority not to subsequently consent to the Order. Those legitimate reasons to withdraw after the consultation could include the Secretary of State's draft Order not reflecting the C&PCA proposal or the weight of local consultation responses opposing the CA.

CAMBRIDGESHIRE AND PETERBOROUGH EAST ANGLIA DEVOLUTION PROPOSAL

17 June 2016



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Implementation of this agreement is subject to the completion of the statutory processes and approval of all local authorities which are party to the deal.

The agreement below sets out the devolution proposal that it is agreed Leaders will take to each council for full debate by no later than the 1 July 2016.

Cambridgeshire and Peterborough Combined Authority Devolution Deal

This document sets out the terms of a proposed agreement between Government, the seven local authorities covering Cambridgeshire and Peterborough and the Greater Cambridge Greater Peterborough Local Enterprise Partnership to devolve a range of funding, powers and responsibilities.

It should be considered as part of the Government's devolution to East Anglia.

This Devolution Deal marks the next step in the transfer of resources, powers and accountability from central Government to Cambridgeshire and Peterborough. The document below sets out the current devolution proposal, which it is agreed leaders will take to each council for full debate and consultation with relevant local stakeholders. This process will be completed by no later than 1st July. In return for this level of devolution and local control Cambridgeshire and Peterborough will establish a Combined Authority, with a directly elected Mayor in place by May 2017 with interim arrangements in place in 2016/17.

Overview and strategic context

Cambridgeshire and Peterborough is a world leader in science and technology, with unparalleled levels of cutting edge research, growth businesses and highly skilled jobs. The area is already a significant net contributor to the UK economy. Cambridgeshire and Peterborough local authorities, businesses, and universities have developed a bold vision for the future that will be enabled by this Devolution Deal. This includes:

- Delivering substantial economic growth – economic output will increase by nearly 100% over the next 25 years. Underpinned by a strong economic and productivity plan GVA will increase from £22bn to over £40bn
- Creating an area that is internationally renowned for its low-carbon, knowledge-based economy - Cambridgeshire and Peterborough will enhance its position as a global leader in knowledge and innovation, further developing its key sectors including life sciences, information and communication technologies, creative and digital industries, clean tech, high-value engineering and agri-business
- Accelerating the delivery of the mix of new homes and sustainable communities that Cambridgeshire and Peterborough residents demand – delivering 72,000 new homes over the next 15 years, including a number of major new settlements
- Transforming public service delivery – utilising the strong local partnerships of councils, business and public services that have a successful track record of working together. Specific examples include capitalising on the collaboration of police forces across Cambridgeshire, Bedfordshire and Hertfordshire, and the co-terminus boundaries of the Clinical Commissioning Group (CCG). The initial focus will be health and social care, community safety and employment
- Achieving a skills base that matches business needs - ensuring young people are sufficiently prepared for work and prioritising skills development where it is needed most i.e. in areas where there are genuine skills barriers to economic growth
- Providing world class connectivity and transport systems, fit for the 21st Century – that connects passengers and freight between Cambridge, Peterborough, our network of market towns and the rest of the country.

A new relationship between central and local partners

This Devolution proposal marks the start of a new relationship between Government and local partners where coterminosity with the CCG, Police, and Fire enables greater collaboration opportunities. Cambridgeshire and Peterborough Leaders and the Greater Cambridge Greater Peterborough Local Enterprise Partnership will work together over the next six months to develop:

- A strategic economic and productivity plan – to achieve the economic growth and higher national and local dividends that are expected
- A fiscal plan – including new models of public/private infrastructure funding to provide a firm basis for delivery of major and priority schemes
- Priority proposals for infrastructure and transport – this will underpin the economic and productivity plan and the fiscal plan, and focus on a step change in infrastructure delivery, with an integrated approach to planning of road, rail and digital connectivity alongside land for new housing and business
- Proposals for a second Devolution Deal for Cambridgeshire and Peterborough – identifying additional areas for transfer of powers and funding that will further unlock economic growth
- Areas of joint collaboration with Norfolk and Suffolk – to include features such as transport, infrastructure and skills where solutions are required across East Anglia
- Arrangements with other areas that represent the recognised economic growth opportunities. This will include Bedfordshire, Hertfordshire, Lincolnshire, Northamptonshire, Rutland and Essex.

This document provides for the transfer of significant resources and powers for infrastructure, housing, economic development, employment and skills, that will positively impact on the lives of residents by helping create more jobs, improving the skills and employment prospects of residents and boosting the productivity of Cambridgeshire and Peterborough.

Summary of the proposed Devolution Deal between Government and the seven local authorities with the support of the Greater Cambridge Greater Peterborough Local Enterprise Partnership.

A new, directly elected Cambridgeshire and Peterborough Mayor will act as Chair to the Cambridgeshire and Peterborough Combined Authority and will exercise the following powers and functions devolved from central Government:

- Responsibility for a multi-year, consolidated and, devolved transport budget
- Responsibility for an identified Key Route Network of local authority roads that will be managed and maintained by the Combined Authority on behalf of the Mayor
- Powers over strategic planning, control of a £100m housing and infrastructure fund, the responsibility to create a non-statutory spatial framework for Cambridgeshire and Peterborough and to develop with Government a Land Commission and to chair The Cambridgeshire and Peterborough Joint Assets Board for economic assets

The Cambridgeshire and Peterborough Combined Authority (including the Greater Cambridge Greater Peterborough LEP), working with the Mayor will receive the following powers:

- Control of a new additional £20m million a year funding allocation over 30 years, to be invested to the Cambridgeshire and Peterborough Single Investment Fund, to boost growth. Recognising the exceptional housing market conditions in Greater Cambridge, Government will provide the Combined Authority with an additional £70m over five years ring fenced for Cambridge to meet housing needs.
- Responsibility for chairing an area-based review of 16+ skills provision, the outcomes of which will be taken forward in line with the principles of the devolved arrangements, and devolved 19+ adult skills funding from 2018/19
- Joint responsibility with government and the single Employment and Skills Board covering the Cambridgeshire and Peterborough Combined Authority and the Norfolk and Suffolk Combined Authority to co-design the new National Work and Health Programme designed to focus on those with a health condition or disability and the very long term unemployed
- More effective joint working with UKTI to boost trade and investment through agreement of a Joint Export Plan.

Further powers may be agreed over time and included in future legislation.

GOVERNANCE

1. As part of this proposed agreement, Cambridgeshire and Peterborough will establish a Combined Authority and introduce a directly elected Mayor over the Combined Authority's area with the first elections in May 2017. This takes the next step in transferring resources and powers from central Government to Cambridgeshire and Peterborough. There is no intention to take existing powers from local authorities without their agreement. The agreement will protect the integrity of local authorities in Cambridgeshire and Peterborough. The Combined Authority shall consist of 9 members at the outset: the Mayor, the seven council leaders/representatives and the Local Enterprise Partnership representative. This devolution deal cannot be altered without the consent of all participating authorities together with Government.
2. The local authorities of Cambridgeshire and Peterborough recognise and have agreed that the principle of subsidiarity should apply to the discharge of functions by the Mayor and Combined Authority and governance of this devolution deal. This includes the delegation of responsibility from the Combined Authority to individual Councils or appropriate bodies, such as City deal mechanisms, for delivery.
3. The directly elected Mayor for Cambridgeshire and Peterborough will autonomously exercise new powers. The Mayor will chair the Cambridgeshire and Peterborough Combined Authority, the members of which will serve as the Mayor's Cabinet, which will include a senior representative from Greater Cambridge Greater Peterborough LEP. The Mayor and the Cambridgeshire and Peterborough Combined Authority will be scrutinised and held to account by the Cambridgeshire and Peterborough Overview and Scrutiny committee. The Cambridgeshire and Peterborough Mayor will also be required to consult the Cambridgeshire and Peterborough Combined Authority on his/her strategies, which it may reject if a 2/3 majority of the members present and voting, vote to do so. The Cambridgeshire and Peterborough Combined Authority will also examine the Mayor's spending plans and will be able reject his/her plans, if a 2/3 majority of the members present and voting, vote to do so. All decisions will be taken at public meetings and open to full scrutiny.
4. The Cambridgeshire and Peterborough Mayor will be required to consult the Cambridgeshire and Peterborough Combined Authority on his / her transport plan which it may reject if a 2/3 majority vote to do so, subject to that majority including the votes of Cambridgeshire County Council and Peterborough City Council.
5. The Mayor or any Cabinet Member may put forward proposals for decision by the Combined Authority forward. The Mayor will have one vote, as will other voting members. Any questions that are to be decided by the Combined Authority are to be decided by a majority of the members present and voting, subject to the majority including the vote of the Mayor, unless otherwise set out in legislation, or specifically delegated through the Authority's Constitution.
6. The Cambridgeshire and Peterborough Mayor and the other members of the Combined Authority will be required to work closely together. Specifically:
 - a. The Mayor will provide overall leadership and chair Combined Authority meetings;

- b. The Cabinet Model, where the leaders have a clear portfolio of responsibilities, will act as a supporting and advisory function to the Mayor and Combined Authority in respective policy areas.
 - c. The Mayor will also be a member of the LEP, alongside the other members of the Combined Authority, recognising the importance of the LEP role and the private sector in growth strategies or delivery.
7. Economic growth is a shared endeavour and the Mayoral Combined Authority will continue to work very closely with the Greater Cambridge Greater Peterborough Local Enterprise Partnership and with the Government to drive productivity and for the benefit of the public.
 8. The Cambridgeshire and Peterborough Combined Authority will work with the Norfolk and Suffolk Combined Authority on a range of strategic issues that deliver economic growth to East Anglia. The areas of strategic economic importance for joint working will include Transport, Infrastructure Higher Education and Skills. This will be recognised through the governance arrangements for both Combined Authorities, and specifically through the establishment of the Cambridgeshire, Norfolk, Peterborough and Suffolk Joint Committee.
 9. The Combined Authority will create a seek to develop arrangements with other Combined Authorities and other areas in order to progress strategic regional issues, and to accelerate growth in recognised areas of economic geography.

FINANCE AND FUNDING

10. The Combined Authority will create and manage a single pot of infrastructure investment funding which will be used by the Combined Authority to invest in its economic growth, helping to accelerate housing delivery and job creation. The Government will work with the Combined Authority to agree specific funding flexibilities that will be pooled into the infrastructure investment fund. This will comprise a flexible, multi-year settlement providing the freedom to deliver its growth priorities, including the ability to re-direct funding to reflect changing priorities, whilst upholding their statutory duties. Government will disburse this agreed settlement to the Combined Authority annually in advance.
11. The Government agrees to allocate an additional £20m per annum of 60% capital and 40% revenue for 30 years, which will form part of and capitalise the Combined Authority single pot. This will be invested in Cambridgeshire and Peterborough. The Combined Authority will use this fund to unlock investment in infrastructure and deliver economic growth. Recognising the exceptional housing market conditions in Cambridge, Government will provide the Combined Authority an additional £70m capital over five years ring fenced for Cambridge to meet housing needs. The funds will be subject to 5-yearly gateway assessments to evaluate whether spend has contributed to national growth. The fund will also be delivered in line with the single pot assurance framework guidance.
12. Following the implementation of the necessary primary legislation, the Mayor will be given the power to place a supplement on business rates to fund infrastructure, with the

agreement of the local business community through business members of the Greater Cambridge, Greater Peterborough Local Enterprise Partnership up to a cap.

13. The Government will work with local authorities in Cambridgeshire and Peterborough to shape and influence the design of the new Local Government Finance system based on the localisation of business rates in advance of its universal introduction in 2020.

NEW HOMES AND SUSTAINABLE COMMUNITIES

14. The Combined Authority, with its partner authorities, will use the powers and infrastructure resources devolved from central government, alongside public and private investment, to substantially increase housing delivery.
15. They will support an ambitious target for increasing new homes delivery, jointly agreed with the Department for Communities and Local Government, which reflects latest assessments of housing need, and will report annually on progress against this target.
16. They will bring forward proposals as an integrated part of the business plan by the summer on how they will do this. This will include proposals to deliver the 29,000 homes needed over the period 2016-2021 and 72,000 homes over the longer period of Local Plans.
17. In addition to gain share funding as part of this, local authorities will bring forward within six months a non-statutory strategic infrastructure delivery plan that identifies infrastructure needed to support the increased funding of new homes, and proposals to fund this through devolved infrastructure funds, through national programmes and through local funding.
18. The Combined Authority will work with Government and its agencies to co-invest in new homes, unlock barriers to growth, and plan and prioritise investment in associated infrastructure (including transport, schools and healthcare).
19. All planning authorities in Cambridgeshire and Peterborough commit to have adopted or published Local Plans by 2017 that reflect overall assessments of housing need.
20. Recognising the high levels of growth and exceptional housing market conditions in Greater Cambridge, the Government will provide £100m housing and infrastructure fund to help deliver infrastructure for housing and growth and at least 2,000 affordable homes. The combined authority will have flexibility over the right tenure mix to meet the needs of Cambridgeshire and Peterborough, which could include affordable rental homes as well as affordable home ownership. The fund would be subject to a business case, targeted at areas with the most significant affordability challenges, and would be delivered in line with the single pot assurance framework guidance and via section 31 grant agreement.
21. The Mayor will exercise strategic planning powers to support and accelerate these ambitions. These will include the power to:

- a. Create a non-statutory spatial framework, which will act as the framework for planning across the Combined Authority area, and for the future development of Local Plans. The spatial framework will need to be approved by unanimous vote of the members appointed by constituent councils of the mayoral Combined Authority. This approach must not delay the production of Local Plans.
 - b. Create supplementary planning documents, that can act as material considerations in the determination of planning applications within the Combined Authority area, subject to the approval process [above].
 - c. Create Mayoral Development Corporations or similar rural vehicles, with planning and land assembly powers, which will support delivery of strategic sites in the Combined Authority area. This power will be exercised with the consent of the cabinet member in which the development corporation is to be used.
22. To support delivery of these commitments the Combined Authority and Government agree to:
- a. Establish a Joint Investment and Assets Board to review all land and property (including surplus property and land) held by the public sector (including central Government departments and agencies, Local Authorities, the NHS, MoD, and HCA), building on the success of the One Public Estate Programme and to work together to invest in our strategic infrastructure priorities. The Board will include senior representatives from Government. Only assets which are agreed by Local Authorities and members of the Board will be in scope for review.
 - b. The Board will ensure there is a sufficient, balanced supply of readily available sites for commercial and residential development to meet the demands of a growing economy. It will create a Land Commission to develop a comprehensive database of available public and private sector land (prioritising large sites), identify barriers to its disposal/development, and develop solutions to address those barriers to help the Combined Authority meet its housing goals and to unlock more land for employment use.
 - c. Strong partnership to support key large housing sites with brokerage at the local (through Homes and Communities Agency support) and central government level to help resolve barriers, with utility companies, or government agencies, which are holding up the development process. There will be continued discussions to secure longer-term frameworks for funding of key sites, subject to the development of a business case, value for money and other funding criteria.
 - d. Work with local areas' ambitions for new housing settlements. [Subject to Parliament, the Government intends to strengthen legislation to make it easier to set up new town style vehicles]. This includes a potential new settlement in Fenland based on garden town principles aligned with improved road (A47) and potentially railway (Wisbech to Cambridge line) connectivity, and a new Community Land Trust Scheme in East Cambridgeshire (Kennett 500 – 1,000 new homes). A Fenland garden town will also be aligned with sustainable urban extension delivery as

detailed in the Fenland Local Plan, with the Combined Authority to work on proposals such as a western link road, a third river crossing and a new south access road for Wisbech.

- e. Work with Community Land Trusts to deliver new schemes recognising the benefits these schemes bring to the community.
 - f. Stronger partnership and strategic decision-making arrangements with the Homes and Communities Agency to ensure that the strategic housing objectives are delivered, and that centrally and locally managed investment is in strategic alignment.
 - g. Support the development of proposals for ambitious reforms in the way that planning services are delivered, and which can enable greater flexibility in the way that fees are set, with a particular focus on proposals that can streamline the process for applicants and accelerate decision making.
 - h. Government will work with the Combined Authority and LEP to support local regeneration by helping the Combined Authority to create a strong portfolio of investment opportunities.
23. Cambridge is internationally renowned for its world-leading university and its global strengths in technology and life sciences. In addition to the commitments to support housing delivery outlined above, the Combined Authority will also work with Government and Greater Cambridge partners to support delivery of the existing Greater Cambridge City Deal which is ensuring the future success of the city and surrounding district of South Cambridgeshire by investing in housing, transport infrastructure, and skills needed to see future economic growth.
24. Peterborough is one of the fastest growing cities in the country, with strengths in environmental goods and services, financial services, digital and food and drink. Local partners want to work with Government to build on this, and will discuss how to make use of Single Pot funds made available through the devolution deal, including support for the regeneration of Peterborough City Centre, developing and funding plans for University Centre Peterborough to attain Taught Degree Awarding Powers by 2019 and, as outlined below, Government will be discussing with them how best they might progress their aspirations in this area.

CONNECTIVITY - TRANSPORT AND DIGITAL

25. Cambridgeshire and Peterborough recognise that for the Combined Authority to meet and exceed its ambitious targets for growth and wealth creation it needs to connect people and places. Better connecting the whole of Cambridgeshire and Peterborough has the potential to reduce city pressures and give the Cambridge hub access to wider areas of housing growth.
26. Cambridgeshire and Peterborough will work with local partners to consider how best to establish a Sub-national Transport Body (STB) to ensure that Cambridgeshire and

Peterborough and its neighbouring areas, notably Norfolk, Suffolk, Lincolnshire, Northamptonshire, Rutland, Essex, Hertfordshire, Bedfordshire and the Cambridge-to-Oxford arc, can best work together to influence strategic national transport investment. This includes making the case for East-West Rail, in line with the STBs being progressed in other parts of the country, such as Transport for the North (TfN) and Midlands Connect. It could also accelerate and support local partners in making the case to reopen Soham Railway Station and for double tracking, reinstating the loop known as the Newmarket Curve, in the context of a potential bid to the Local Growth Fund. We recognise that Ely North Junction scheme area capacity improvements provide a key opportunity to open up East Anglia and deliver significant economic value and improve connectivity. Government will work with local stakeholders and Network Rail to deliver the required upgrade commencing work in Control Period 6 (2019-24).

27. The Government commits to engaging with the Mayor and Combined Authority on a number of specific initiatives to improve the physical and digital connections within the area with the ambition of making the Cambridgeshire and Peterborough a truly connected region with two principal themes:
 - a. Transport & the physical connections between communities, which is the key to unlocking sustainable growth.
 - b. Digital Infrastructure and the connected economy with the objective of making a truly digitally connected region of the UK.
28. A new, directly elected Mayor of the proposed Combined Authority will:
 - a. Take responsibility for a devolved and consolidated multi-year local transport budget for the area of the Combined Authority (i.e. the areas of the constituent councils). This will form part of the single pot to be controlled by the directly elected Mayor. Functions will be devolved to the proposed Combined Authority accordingly and exercised by the Mayor. The devolved budget will not form part of the Investment fund's gateway reviews.
 - b. Take responsibility for a new Key Route Network of local authority roads; the management and maintenance of which will be undertaken by the proposed Combined Authority on behalf of the Mayor. To support this all relevant local roads maintenance funding will be devolved as part of the Mayor's consolidated multi-year local transport budget. This will support the delivery of a single asset management plan, working towards shared procurement frameworks and operational delivery for road maintenance amongst all partners across the Key Route Network and local authority network in the Combined Authority area.
 - c. Have the ability to franchise bus services in the combined authority area, subject to necessary legislation and local consultation and agreement. This will be enabled through a specific Buses Bill that will provide for the necessary functions to be devolved. This will support the Combined Authority's ambitions in delivering a high quality bus network and in enhancing the local bus offer, including emissions standards although the Combined Authority will also be exploring the use of an

‘Enhanced Partnership’ model for local bus services in the constituent local authorities subject to local consultation.

29. In addition to and as part of the deal:

- a. In order to meet the needs of local communities, the Combined Authority seeks to adopt an integrated approach to local buses, community based transport, the local network of car clubs, walking and cycling and, in partnership with rail operators and Network Rail, rail services, including community rail partnerships.
- b. The Combined Authority will build on existing smart ticketing knowledge and expertise to determine the best method for a smart and integrated ticketing system across its area.

30. In establishing the Combined Authority, appropriate local transport functions will be conferred to the Combined Authority and exercised by the Mayor. In addition, a single policy and delivery body will be created covering the same area in order to determine, manage and deliver the Mayor's transport plans and the delivery of integrated public transport networks for the region.

31. In order to maximise the important connections Cambridgeshire and Peterborough has in all directions, and its position as a cross roads of Eastern England, Government commits to work towards replacing rolling stock as part of the new Greater Anglia franchise. Government also commits to assist the West Anglia Main Line Task Force as it develops a business case for improving the rail corridor between Kings Lynn and London via Cambridge. The Combined Authority will make the case for improvements to the Thameslink Great Northern Franchise, and improvements to create a parkway station for Peterborough at Whittlesea. This will unlock sustainable housing and employment growth and support the wider Peterborough transport network needed for a fast growing city.

32. The Combined Authority recognises the significance of the development at Wyton Airfield and will work on plans to provide sustainable transport links to and from the airfield, including Wyton infrastructure requirements. The Combined Authority also recognises the important economic value of St. Neots, the fastest growing town in Cambridgeshire, and will develop plans to provide infrastructure and transport solutions to further enable its economic growth.

33. The Combined Authority recognises the significance of Ely Southern Bypass, the A14/A142 junction and upgrades to the A10, and the potential to unlock commercial and housing growth in East Cambridgeshire and beyond. The Combined Authority also recognises the significance of the A47 for east-west connectivity. The A47 Alliance as a joint public and private sector partnership recognises the importance of this route to unlock commercial and housing growth across Suffolk, Norfolk, North Cambridgeshire and Peterborough. The Combined Authority recognises the importance of development at March and will develop plans for sustainable transport, key road junctions and March railway station to unlock commercial and housing growth in that part of Fenland.

LEARNING AND SKILLS

35. To ensure continued collaboration the Combined Authority will establish an Education Committee with the Regional Schools Commissioner and other key local education stakeholders. The Regional Schools Commissioner will work with the committee to provide strategic direction on education across the Combined Authority area.
36. The Government commits to an Area Review of post-16 education and training, currently expected to start in November 2016. The outcome of the Area Review will be taken forward in line with the principles of the devolved arrangements. The review will include all post-16 education and training provision in the initial scoping phase and school sixth forms will be included in the detailed review if the school decides to be involved in the process. Recommendations will be focused on General FE and Sixth Form Colleges, however the Regional School Commissioner and the relevant local authorities will consider any specific issues arising from the reviews for school sixth form provision.
37. Government recognises the progress of the Local Enterprise Partnership (LEP), local colleges and providers and the private sector have made in improving skills provision across Cambridgeshire and Peterborough. The Greater Cambridge and Greater Peterborough skills stakeholders will consider if further refinement of their local skills strategies will be required after the conclusion of the Area Reviews to ensure that post-16 providers are delivering the skills that local employers require. The LEP will continue to collaborate with colleges and providers, with appropriate support from the Education Funding Agency to work towards delivering this plan and ensuring close alignment between delivery and business requirements.
38. The Government will enable local commissioning of outcomes to be achieved from 19+ Adult Education Budget starting in academic year 17/18; and will fully devolve budgets to the Combined Authority from academic year 2018/19 (subject to readiness conditions). These arrangements will not cover apprenticeships.
39. The Combined Authority will focus a greater proportion of its devolved Adult Education Budget on learning that delivers sustained job outcomes, productivity and economic growth.
40. Devolution will proceed in two stages, across the next three academic years:
 - a. Starting now the Cambridgeshire and Peterborough Combined Authority will begin to prepare for local commissioning. For the 2017/18 academic year, and following the area review, government will work with the Cambridgeshire and Peterborough Combined Authority to vary the block grant allocations made to providers, within an agreed framework.
 - b. From 2018/19, there will be full devolution of funding. The Combined Authority will be responsible for allocations to providers and the outcomes to be achieved, consistent with statutory entitlements. Government will not seek to second guess these decisions, but it will set proportionate requirements about outcome information to be collected in order to allow students to make informed choices. A funding formula for calculating the size of the grant to local/combined authorities will need to take into account a range of demographic, educational and labour market

factors; it will also need to take account of costs of implementing devolution and continuing operational expenditure.

41. The readiness conditions for full devolution are that:

- a. Parliament has legislated to enable transfer to local authorities of the current statutory duties on the Secretary of State to secure appropriate facilities for further education for adults from this budget and for provision to be free in certain circumstances.
- b. Completion of the Area Review process leading to a sustainable provider base.
- c. After Area Reviews are completed, agreed arrangements are in place between central government and the Combined Authority to ensure that devolved funding decisions take account of the need to maintain a sustainable and financially viable 16+ provider base.
- d. Clear principles and arrangements have been agreed between central government and the Combined Authority for sharing financial risk and managing failure of 16+ providers, reflecting the balance of devolved and national interest and protecting the taxpayer from unnecessary expenditure and liabilities.
- e. Learner protection and minimum standards arrangements are agreed.
- f. Funding and provider management arrangements, including securing financial assurance, are agreed in a way that minimises costs and maximises consistency and transparency.

42. Government recognises that Cambridgeshire and Peterborough has a world-class higher education offering, with the University of Cambridge consistently ranked amongst the foremost universities in the world and a wealth of strengths in others such as Anglia Ruskin University. This higher education offer has a vital role in enhancing the innovation and productivity of the area's economy. Local partners want to work with Government to build on this, including investing in the institutions to develop their academic and research offer, such as progressing plans for University Centre Peterborough to attain Taught Degree Awarding Powers by 2019 and, in the longer-term, to establish an independent university institution in the city. The Single Pot funds made available through this devolution deal could act as an important source of investment for this project and Government commits to discussing with local partners how best they might progress their aspirations in this area.

APPRENTICESHIPS

43. Government recognises Cambridgeshire and Peterborough's commitment to delivering more apprenticeships. The Combined Authority will assume responsibility for the Apprenticeship Grant for Employers (AGE). The AGE funding must be used alongside mainstream apprenticeship participation funding to incentivise employers to offer apprenticeships, but the Combined Authority is free to vary the criteria associated with

the grant (e.g. size and sector of business) to meet local needs. The Skills Funding Agency will work with the Combined Authority to identify an appropriate share.

44. The Combined Authority and Government will collaborate to maximise the opportunities presented by the introduction of the apprenticeship reforms, including the levy, and to work together on promoting the benefits of apprenticeships to employers in order to engage more small businesses in the apprenticeship programme. The Combined Authority will explore the potential of introducing an Apprenticeship Training Agency to the area, funded through local resources.

EMPLOYMENT

45. The Combined Authorities of Cambridgeshire and Peterborough and Norfolk and Suffolk will work together in jointly delivering the following commitments with Government, through a single Employment and Skills Board covering both of the Combined Authorities.
46. The Combined Authorities will work with the Department for Work and Pensions (DWP) to establish a locally integrated employment service, which joins together the elements of the employment system to achieve better outcomes.
47. The Combined Authorities commits to working with Government to ensure all young people are either earning or learning including supporting Jobcentre Plus in the delivery of the Youth Obligation from April 2017.
48. Government commits to ensuring all young people are either earning or learning and to exploring opportunities for links with local employment services to support this aim, including building in good practice from existing local provision. The Combined Authorities commits to supporting the Youth Obligation by utilising its strong local links to business to create work-related training and labour market opportunities for young people including encouraging the provision of apprenticeships and work placements in the local community. It will also work with Government to investigate the potential for social investment, in particular Social Impact Bonds, for disadvantaged young people not in education, employment or training who may not be in receipt of support from Jobcentre Plus.
49. The Combined Authorities will work with DWP to co-design the new National Work and Health Programme designed to focus on those with a health condition or disability and the very long term unemployed.
50. The respective roles of DWP and the Combined Authorities in the co-design will include:
 - a. DWP sets the funding envelope, the Combined Authorities can top up if they wish to, but are not required to.
 - b. The Combined Authorities will set out how they will join up local public services in order to improve outcomes for this group, particularly how they will work with the Clinical Commissioning Groups/third sector to enable timely health-based support. There will be a particular focus on ensuring the integration of the new programme

with local services, in order to ensure that national and local provision works well together, and opportunities for greater integration are identified and levered.

- c. DWP set the high-level performance framework and will ensure the support appropriately reflects labour market issues. The primary outcomes will be to reduce unemployment and move people into sustained employment. The Combined Authorities will have some flexibility to determine specific local outcomes that reflect local labour market priorities; these outcomes should be complementary to the ultimate employment outcome. In determining the local outcome(s) the Combined Authorities should work with DWP to take account of the labour market evidence base and articulate how the additional outcome(s) will fit within the wider strategic and economic context and deliver value for money.
 - d. Before delivery commences, DWP and the Combined Authorities will set out an agreement covering the respective roles of each party in the delivery and monitoring of the support, including a mechanism by which each party can raise and resolve any concerns that arise.
 - e. DWP to facilitate protocols for data sharing and transparency by tackling some of the obstacles and developing solutions to enable the Combined Authorities to develop a strategic needs assessment for the area.
51. The Combined Authorities will co-commission the Work and Health programme with DWP. The respective roles of DWP and the Combined Authorities will include:
- a. DWP sets the contracting arrangements, including contract package areas, but should consider any proposals from the Combined Authorities on contract package area geography.
 - b. The Combined Authorities will be involved in tender evaluation.
 - c. Providers will be solely accountable to DWP, but DWP and the Combined Authorities' above-mentioned agreement will include a mechanism by which the Combined Authorities can escalate to DWP any concerns about provider performance/breaching local agreements and require DWP to take formal contract action where appropriate.

Further activity to Improve Life Chances

52. The Combined Authorities will set out how they will join up local public services across health, skills and employment in order to improve outcomes, particularly how they will work with local Clinical Commissioning Groups/third sector organisations and NHS England / the Health and Work Unit nationally to enable timely health-based support.
53. DWP will work with the Combined Authorities and other partners to put in place workable data sharing arrangements that enable the integration of services and reduce duplication in order to support more people into work.

Career and pay progression

54. The Government will work with the Combined Authorities to ensure that local priorities are fed into the provision of career advice, through direct involvement and collaboration with the government in the design of local careers and enterprise provision for all ages, including continued collaboration with the Careers and Enterprise Company and the National Careers Service.
55. The Combined Authorities will develop a business case for an innovative pilot to support career and pay progression for those claiming Universal Credit. The business case will set out the evidence to support the proposed pilot, cost and benefits and robust evaluation plans to enable the proposal to be taken forward, subject to Ministerial approval and an agreed investment plan.

BUSINESS SUPPORT

56. The LEP and local partners will successfully deliver the Cambridge Compass and Alconbury Weald Enterprise Zones as announced in wave one and two of the national competition. Government commits to supporting local partners in promoting and supporting the delivery of the Enterprise Zones, as well as considering any further proposals subject to future funding rounds.
57. The LEP will continue to deliver a strong Growth Hub, (Signpost 2 Grow), providing an effective signposting and targeted support service business support tailored to meet local needs across Cambridgeshire and Peterborough (and the wider LEP area). Government will provide funding to help embed the Growth Hub in 2016/17 and 2017/18.
58. The Combined Authority, Local Authorities and LEP commit to greater alignment of economic development resources to maximise impact of support for businesses and ensure the most efficient and effective use of public funding. The LEP will lead on the delivery of the Strategic Economic Plans, working with partners and explore the pooling of staffing and resources.
59. The LEP and the Combined Authority commit to working with UKTI, strengthen joint working to increase inward investment and exporting. Local partners will invest in a concerted campaign to help more businesses, particularly smaller companies, export.
60. The LEP and Local Authorities, led by Signpost 2 Grow (our local growth hub) will work with Government to develop a strategic approach to regulatory delivery, building on the Better Business for All national programme which will remove regulatory barriers to growth for businesses.
60. Government supports the vision for innovation set out by Cambridgeshire and Peterborough and recognises the importance of the delivery of this vision for the region's future economic growth. The government will offer Cambridgeshire and Peterborough expert advice and support through the Smart Specialisation Advisory Hub, and associated workshops, to support activities part-funded by the European Regional Development Fund.

PUBLIC SERVICE REFORM

62. The Government and the Combined Authority will work with relevant central and local statutory and non-statutory sector partners to explore innovative and integrated approaches to redesigning sustainable public services across Cambridgeshire and Peterborough with a focus on prevention and early help. This includes the transfer of powers between the Combined Authority, the County Council, District Councils and Parish Councils to deliver the most efficient and effective public services. The Government and the Combined Authority will also focus on tackling socio-economic issues in areas of deprivation, such as parts of Fenland, Cambridge, Huntingdon and Peterborough, to improve the quality of life for local residents.

Health and Social Care

63. Cambridgeshire and Peterborough face significant demographic challenges that are putting pressure on resources now and in future years. For example, the population of the area contains more residents over the age of 75 than the average for England and this group is expected to continue to grow significantly.
64. Local progress has already been made for greater integration of health and social care in a number of locations – NE Cambridgeshire has developed local integrated services that support and improve the delivery of health and social care for people in their areas.
65. There is appetite to build on these foundations and make further progress on health and social care integration in order to deliver the Spending Review commitment to integrate health and social care by 2020, and to make the most efficient and effective use of public resources to meet the demographic challenges that lie ahead. Integrating such complex services will require re-shaping the whole system, which can only be achieved through careful planning, a shared vision and strong co-operation between local partners. This Devolution Deal signals a commitment to take forward the goal of improving local services and building resilience for future generations.
66. To deliver this shared vision, partnerships between Local authorities, the CCG, service providers and other local partners will need to be strengthened significantly. Therefore, these parties will work together, with support from Government, NHS England and other national partners as appropriate, to support local authorities through their Sustainability and Transformation Planning process to set out plans for moving progressively towards integration of health and social care, bringing together local health and social care resources to improve outcomes for residents and reduce pressure on Accident and Emergency and avoidable hospital admissions.
67. NHS England and local organisations will remain accountable for meeting the full range of their statutory duties.

Community Safety

68. Cambridgeshire and Peterborough recognise the need to meet our communities' desire for increased visibility and responsiveness of public services to day to day community safety (such as parking, speeding, anti-social behaviour, fly-tipping). This is alongside addressing the rising needs of the most vulnerable (such as the frail elderly, victims of domestic violence or child sexual exploitation).
69. Good progress has been made by local partners to integrate our frontline response to the most vulnerable, including the Multi-agency Safeguarding Hub, Victims' Hub, Troubled Families programme, and safe and well visits between the fire service and adult social care, linked to wider blue light collaboration. We will continue to join up our approach and explore how we can integrate our response to the root causes of vulnerability.
70. Working with Government the Combined Authority will explore the potential development of a more integrated pathway of service delivery to address the causes of offending behaviour early, before escalation that requires more costly interventions, with the aim of reducing the use of courts and prisons. Government will support this approach by working with Cambridgeshire and Peterborough to explore possible integration and early interventions.
71. In addition to Cambridgeshire and Peterborough's participation in the GPS pilot, Cambridgeshire and Peterborough will work with Government to strengthen their role in commissioning of offender management services and explore the potential for a more integrated approach to criminal justice in the area.

THE CAMBRIDGESHIRE AND PETERBOROUGH COMBINED AUTHORITY COMMITMENTS

72. The Combined Authority is accountable to local people for the successful implementation of the Devolution Deal; consequently, Government expects the Combined Authority to monitor and evaluate their Deal in order to demonstrate and report on progress. The Cities and Local Growth Unit will work with the shadow / proposed Combined Authority to agree a locally resourced monitoring and evaluation framework that meets local needs and helps to support future learning. This framework must be approved to the DCLG Accounting Officer prior to delivery.
73. The Combined Authority will be required to evaluate the additional £20 million per annum of funding for 30 years, which will form part of and capitalise the Combined Authority single pot. The £20 million per annum fund will be subject to:
 - a. Gateway assessments for the £20 million per annum scheme, including the supplementary £70m in the first five year period, ring fenced for Cambridge. The Combined Authority and Government will jointly commission an independent assessment of the economic benefits and economic impact of the investments made under the scheme, including whether the projects have been delivered on time and to budget. This assessment will be funded by the Combined Authority, but agreed at the

outset with Government, and will take place every five years. Subsequent five year tranches of funding will be unlocked if Government is satisfied that the independent assessments demonstrates that the investments have met the objectives and contributed to growth.

- b. The gateway assessment should be consistent with the HM Treasury Green Book, which sets out the framework for evaluation of all policies and programmes, and where relevant with the more detailed transport cost-benefit analysis guidance issued by the Department for Transport (DfT). The assessment should also take into account the latest developments in economic evaluation methodology;
 - c. The government would expect the assessment to show the activity funded through the scheme represents better value for money than comparable projects, defined in terms of a Benefit to Cost ratio.
74. The Combined Authority will write a single local assurance framework for the Single Pot, based on guidance produced by DCLG, to outline decision-making processes to allocate funding, and project appraisal. The local assurance framework will be signed off by Government.
75. The constituent local authorities of the proposed Combined Authority, and the Combined Authority when formed, will work with government to develop a full implementation plan, covering each policy agreed in this Deal, to be completed ahead of implementation. This plan will include the timing and proposed approach for monitoring and evaluation of each policy, which will take into account the latest developments in economic evaluation methodology and help support future learning. This implementation plan must be approved by the DCLG Accounting Officer prior to delivery.
76. The Combined Authority and Government will agree a process to manage local financial risk relevant to these proposals and will jointly develop written agreements on every devolved power or fund to agree accountability between local and national bodies on the basis of the principles set out in this document.
77. The Combined Authority will continue to set out their proposals to Government for how local resources and funding will be pooled across the region.
78. The Combined Authority will agree overall borrowing and capitalisation limits with Government and have formal agreement to engage on forecasting. The Combined Authority will also provide information, explanation and assistance to the Office for Budget Responsibility where such information would assist in meeting their duty to produce economic and fiscal forecasts for the UK economy.
79. The Combined Authority will continue to progress programmes of transformation amongst authorities to streamline back office functions and share more services and data, including on assets and property.
80. The Combined Authority will continue to adhere to its duties under section 149 Equality Act 2010 for both existing and newly devolved responsibilities.

81. Government will support the constituent members of the proposed Combined Authority by leveraging existing monitoring and evaluation frameworks and, where applicable, by providing assistance to ensure consistency and coordination of metrics and methodologies with other areas receiving a devolution agreement. As part of this commitment, Government will work with the constituent members of the proposed Combined Authority to explore options for the coordinated application of high quality impact evaluation methods in relation to certain policies, which may include i) local commissioning of 19+ skills; and ii) employment support.

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CAMBRIDGESHIRE AND PETERBOROUGH AUTHORITIES' STATUTORY GOVERNANCE REVIEW

17 June 2016



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Executive summary

1. The region will benefit by improving governance. A Mayoral Combined Authority would be the most appropriate governance model for the local authorities to act together to deliver their economic ambitions, including transport, skills and housing, as well as shared public service objectives. This stronger governance will deliver a more joined up strategic approach. It will bring together policy interventions in respect of the key economic drivers to deliver enhanced growth and create a platform for further public service reform. By working this way, members of a Combined Authority can deliver shared strategic priorities that are best addressed at a scale above local boundaries.
2. The area has a good track record of collaboration between local authorities, local public service delivery organisations and the Local Enterprise Partnership on issues that affect the area covered by the local authority areas of Cambridge City Council, Cambridgeshire County Council, East Cambridgeshire District Council, Fenland District Council, Huntingdonshire District Council, Peterborough City Council and South Cambridgeshire District Council – referred to as “Cambridgeshire and Peterborough”. However, the governance needs to change if Cambridgeshire and Peterborough is to demonstrate stronger, more efficient and more effective delivery of economic responsibilities, particularly new housing, with the necessary infrastructure and skills and employment opportunities to support that, and greater public service reform.
3. To do this, a Mayoral Combined Authority needs the means and flexibilities to tailor the delivery of national scale interventions to address local issues, making the best use of existing local delivery mechanisms and partnerships. To support this, there needs to be clear and effective governance arrangements in place with a long term strategic focus.
4. There are a number of alternative models of governance that could be adopted. The following options have been considered:
 - Option 1 – status quo;
 - Option 2 – establish an Economic Prosperity Board;
 - Option 3 – establish a Combined Authority; and
 - Option 4 – establish a Mayoral Combined Authority.
5. This review examines the options above and concludes that the most appropriate option for Cambridgeshire and Peterborough is to establish a Mayoral Combined Authority.
6. Cambridgeshire and Peterborough is a functional economic market area. There is strong evidence that the area covered by the contiguous local authority areas of Cambridge City Council, Cambridgeshire County Council, East Cambridgeshire District Council, Fenland District Council, Huntingdonshire District Council, Peterborough City Council and South Cambridgeshire District Council (for the purposes of this review this area is defined as “Cambridgeshire and Peterborough”) forms a functional economic market area. This is one of the statutory requirements under proposals to change governance requirements under section 108 of the Local Democracy, Economic Development and Construction Act 2009 (LDEDCA) (as amended by the Cities and Local Government and Devolution Act 2016). A review of the evidence detailing the economic structure of the region shows high levels of economic integration, in terms of the labour market, travel to work areas and a

number of the area's key sectors.

7. Furthermore, Cambridgeshire and Peterborough sits within a broader market area covered by one Local Enterprise Partnership, with connections to Norfolk and Suffolk, and other growth opportunities to the South, North and West. The broader area covered by the Local Enterprise Partnership (LEP), Greater Cambridge/Greater Peterborough reflects the fact that there are wider functioning markets outside Cambridgeshire and Peterborough and is a key reason why the LEP would form part of the Combined Authority. There is also a recognition that there are wider growth opportunities that include Norfolk and Suffolk, but also Growth Corridors between Cambridge, Oxford and London, and Cambridge, Stansted and London.
8. The Leaders of the local Authorities of Cambridgeshire and Peterborough agree that a Mayoral Combined Authority, which collaborates and identifies opportunities for further joint-working across a much wider geography is critical to meet our growth potential.
9. The challenge for Cambridgeshire and Peterborough is to address the inter-related issues which have held back its full growth potential, as well as its public services challenges. Cambridgeshire and Peterborough's annual Gross Value Added (GVA) is over £22bn, over £27,000 GVA per capita and the area is one of the fastest growing in the country. The wider Greater Cambridge Greater Peterborough (GCGP) LEP area also annually contributes more than £35bn GVA. However there are a number of challenges that, if successfully addressed, could accelerate this growth further.
10. Despite much progress being made, Cambridgeshire and Peterborough's housing provision remains well below what is required to meet the needs of such a rapidly growing area. Affordable housing options within reasonable commutes to employment opportunities are driving up house prices to unsustainable levels, whilst other areas, which could provide more affordable housing options, struggle with issues of viability and connectivity.
11. Cambridgeshire and Peterborough's transport network is struggling to cope with current usage and is likely to get worse as demand increases. There is a need for significant investment to address these pressures and provide the connected and integrated transport network the economy needs. This means quick and frequent transport options that connect people to employment opportunities and freight transport and business travel options that connect businesses to supply chains, key markets and strategic gateways within and beyond our immediate geography.
12. Whilst Cambridgeshire and Peterborough's overall skills and qualifications levels are a strength, with a high share of Degree-level (or equivalent) qualified residents and residents in high level professional occupations, there continues to be an inadequate mix of skilled labour for rapidly growing businesses in the area and communities where a significant proportion of adults have low-level qualifications.
13. There are a range of challenges to delivering public services effectively, including financial pressures, increased expectations, and an aging and growing population. In order to successfully meet these challenges and reduce system costs, a transformation of the way services are currently run is required. Strong existing local partnerships of Cambridgeshire and Peterborough Local Authorities, health, police and fire organisations need to go much further in integrating provision, generating efficiencies, increasing prevention and reducing dependency across the entire public services landscape.

14. Further increasing Cambridgeshire and Peterborough's net contribution to the country's prosperity is a driver for enhancing the governance of the area. Cambridgeshire and Peterborough's aim is to double the area's economic output over the next 25 years by meeting its potential as a world-leading low-carbon, knowledge-based economy. This would see the region further increase its net contribution to the UK economy through a combination of measures to support growth including more new homes and sustainable communities, a skills base that matches business needs, and world class connectivity and transport systems.
15. Cambridgeshire and Peterborough intends to create the most effective Combined Authority in the country, in order to propel the economy to further growth than can be achieved at present and to assist the transformation of public service delivery, with strong scrutiny and high-levels of transparency in how it operates. The region's leaders are committed to delivering growth, prosperity and well-being for the benefit of all residents. Collaboration through the LEP and with our other growth corridors will enable the wider regional economy to increase its contribution to UK growth.
16. National and international evidence suggests that dealing with regional issues is best achieved at a regional level. The Chancellor of the Exchequer, George Osborne MP, has stated that "the old model of trying to run everything in our country from the centre of London is broken". Furthermore, economic analysis from the Organisation for Economic Co-operation and Development ("OECD") demonstrates that strategy integration across key policy areas can deliver economic benefits at the regional scale in terms of sustainable economic growth and employment; for example, dealing with regional skills shortages with locally developed policies.
17. The research emphasised the importance of having governance capacity at the level at which the local economy functions, this is a level which would be consistent with the proposed Cambridgeshire and Peterborough Mayoral Combined Authority area. A Mayoral Combined Authority, with appropriate resources, offers the most beneficial option to enhance the region's ability to address its underlying economic challenges, particularly around joining-up new housing development with infrastructure delivery and skills and employment opportunities.
18. The Mayoral Combined Authority will have a strategic focus and will reduce bureaucracy. The Combined Authority will not be another layer of politicians. It is a way of bringing together existing activities to create greater coherence. It will be a streamlined and strategically focused body, appropriately resourced to ensure more effective and efficient delivery of economic functions. It will make the best use of existing delivery mechanisms, whether that be individual councils, council partnerships, such as the Greater Cambridge City Deal, or agencies such as Opportunity Peterborough.
19. It will also put in place new structures to enable a more co-ordinated approach to public service reforms across Cambridgeshire and Peterborough, including through agreeing and establishing a Memorandum of Understanding with key public service organisations in health, police and fire services outside the Combined Authority.
20. It will be underpinned by strong research, intelligence and advocacy functions. It will deliver area-wide functions around the co-ordination of funding streams, seeking investment and collective resourcing and other responsibilities devolved from central government and other agencies. This will lead to greater self-reliance as Cambridgeshire and Peterborough will have the means to unlock its economic potential and public service transformation.

21. Although the consultation draft statutory guidance states that Combined Authorities are not primarily aimed at producing efficiencies, there is a desire to maximise the opportunities that this structure will create to reduce duplication, create efficiencies and lower overall costs. The intention is for a potential for a Mayoral Combined Authority to be at least cost neutral and reduce costs over time and reduce bureaucracy.
22. The Mayoral Combined Authority will be democratic, accountable, transparent and effective. A Mayoral Combined Authority that reflects the functional economic market area would enable decisions to be made by the democratically elected Leaders from the seven local authorities and the Directly-Elected Mayor, together with the Chair of the LEP. This joint accountability and leadership would increase collective responsibility. It would create a transparent and effective decision making process. The Mayoral Combined Authority would provide a visible, stable and statutory body which could act as an Accountable Body to attract further funding to Cambridgeshire and Peterborough. It would also be a vehicle capable of seeking additional powers which can be devolved from Government.
23. Collaboration will continue and improve. The Mayoral Combined Authority would build on and give legal form to successful public and private sector partnerships established through the work of the LEP. It will enhance the already close working relationships that exist between the local authorities and the LEP to make them more effective and efficient. A Combined Authority would bring together strategic decision making powers relating to economic issues as well as public service provision. By creating a sub-regional body with legal personality and a governance mechanism that collaborates across the region, the prospects for further improvements in the economic conditions of the area and public service improvements are likely to be maximised. The need for issues to be considered at various bodies will be significantly streamlined through the strengthened governance process.
24. The partnerships between the private and public sectors will be central to the ambition of Cambridgeshire and Peterborough. There is a shared recognition of the importance of enabling further economic growth at a faster pace whilst undertaking necessary public sector reform. The private sector Chair of the LEP Board will have a place on the Mayoral Combined Authority board. This will ensure that the partnerships between the private and public sectors across Greater Cambridge and Greater Peterborough will be central to the considerations of the decisions that will affect the region. Existing enduring partnerships can be built upon through the Mayoral Combined Authority and offer an opportunity to show how public and private sectors working together can deliver jobs, growth and reform.
25. The creation of a Mayoral Combined Authority is the best way forward. The Combined Authority will operate across a broad area and will be able to achieve a greater impact than the sum of its parts as a result of more effective and efficient governance. The Mayoral Combined Authority option brings together the governance of economic and public service issues, as well as the potential for further devolved powers. It therefore affords the area the best possible chance of addressing the issues that have held the region back from achieving its true potential. Working together across geographic boundaries and sectors and recognising the crucial role the private sector has to play will deliver conditions for growing businesses, more skilled and better paid jobs, increased investment, improved health outcomes, effective public services and increased skills and productivity.

Review Conclusions

26. In order to deliver the identified improvements in the efficiency and effectiveness of governance of economic issues and public service reform in Cambridgeshire and Peterborough, and receive future devolved functions, a Mayoral Combined Authority should be established pursuant to Section 103 of the Local Democracy, Economic Development and Construction Act 2009 (as amended by the Cities and Local Government and Devolution Act 2016). The Leaders of the seven authorities of the Cambridgeshire and Peterborough area are all committed to a Mayoral Combined Authority for their area. They agree that a Combined Authority collaborating across the much wider and important geography is crucial and that LEP representation on the board will be key to the area's success and aligned priorities.

The statutory process of the governance review

Introduction

27. This report has been prepared by the seven Cambridgeshire and Peterborough Chief Executives of Cambridge City Council, Cambridgeshire County Council, East Cambridgeshire District Council, Fenland District Council, Huntingdonshire District Council, Peterborough City Council and South Cambridgeshire District Council, on behalf of their Leaders. It sets out the findings of the governance review undertaken in accordance with section 108 of the Local Democracy, Economic Development and Construction Act 2009 (as amended by the Cities and Local Government and Devolution Act 2016).

Purpose of the review

28. The purpose of the review is to determine:
- a. Whether the area covered by the local authorities of Cambridge City Council, Cambridgeshire County Council, East Cambridgeshire District Council, Fenland District Council, Huntingdonshire District Council, Peterborough City Council and South Cambridgeshire District Council can properly be seen as constituting a functional economic area for the purpose under consideration under the review;
 - b. Whether the existing governance arrangements for housing, transport, skills, employment and public services are effective or would benefit from changes;
 - c. The options available and in relation to each option, to evaluate the likely improvement in the:
 - i. exercise of statutory functions relating to economic development, regeneration and transport in the area
 - ii. effectiveness and efficiency of transport in the area; and
 - iii. economic conditions in the area
29. Having examined these questions the report draws conclusions on what is considered to be the most effective form of governance.

Legal context

30. Legislation enables the creation of economic prosperity boards (EPBs), combined authorities (CAs) and Mayoral Combined Authorities (MCAs).
31. These are all sub-national structures with a separate legal personality to the local authorities who come together to create them.

32. EPBs are statutory bodies to integrate economic development functions but not transport, and none have been established so far. They have no levying or borrowing powers.
33. CAs are also statutory bodies that Local Authorities can set up that have a legal basis. Consisting of the Local Authority Leaders and/or LEP in their area, they are able to integrate economic and transport functions, and other devolved functions, and they can have levying and borrowing powers.
34. MCAs have a Directly-Elected Mayor as their Chair, who works together with other members of the Combined Authority, to discharge their functions. Government is offering MCA areas greater control over functions such as local transport, housing, skills and healthcare.

Delegation of additional powers from Central Government

35. The Localism Act 2011 contains powers for the Secretary of State to transfer certain powers between authorities (including Mayoral Combined Authorities) and also to transfer ministerial functions to such authorities. Property, assets and liabilities relating to those functions can also be transferred. Notably, transfers and delegations of additional functions under this legislation can be made at any time and independently from the procedure to create EPBs or Combined Authorities. A Combined Authority or Mayoral Combined Authority is differentiated from an EPB due to the inclusion of transport functions but the process for review is broadly similar.

The Four Steps to Creation of a Combined Authority or Economic Prosperity Board

36. The process for creating an Economic Prosperity Board, Combined Authority or Mayoral Combined Authority involves four main steps:
 - a. A review of existing governance arrangements for the delivery of economic development, regeneration, transport and other potentially devolved issues. This must lead to a conclusion that there is a case for changing these arrangements based on improvements;
 - b. A period of engagement with stakeholders to ascertain their views. This is not a statutory requirement but, to ensure views are understood, engagement will be undertaken;
 - c. Drafting a Scheme for the Mayoral Combined Authority. The Scheme will be the basis for the creation of the new body and should contain information on the area it will cover; its membership, voting and any executive arrangements; its functions and the way in which it will be funded. All constituent councils are required to approve the Scheme and governance review for submission to the Secretary of State for Communities and Local Government.
 - d. Finally, the Secretary of State will consider the Scheme and undertake a formal consultation. If he is satisfied with the proposals a draft Order will be laid before both Houses of Parliament for adoption by affirmative resolution. To approve a Scheme the Secretary of State must be satisfied that (in accordance with section 99 (1) (for Economic Prosperity Boards) or 110(1) (for Combined Authorities) of the 2009 Act) improvements are 'likely' if the Scheme proposed is adopted.

Flexibility and Control

37. A Mayoral Combined Authority, Combined Authority or an Economic Prosperity Board is not a merger or a takeover of existing local authority functions. Instead they seek to complement local authority functions and enhance the effectiveness of the way they are discharged. In particular, it is the enhancement of collaboration, strength of decisions and accelerating growth across the region at a strategic level.
38. Once established, Mayoral Combined Authorities, Combined Authorities and Economic Prosperity Boards have wide general powers. However, the mechanisms by which those powers can be exercised, the functions to be discharged and the resources available will be determined by the members through the drafting of the constitution.

Creating the right governance arrangements for growth

39. The further purpose of this governance review is to consider ways to secure greater influence over key levers and resources affecting local growth that are currently in the control of central government.
40. The Growth Deals that have been agreed in the region have sought to capitalise on the region's strengths to attract investment into the area and create additional jobs. However, other areas have shown that in order to maximise opportunity to enhance local growth a strengthened governance model is required.
41. In the absence of improved governance, Cambridgeshire and Peterborough risks lagging behind areas which have taken this step and will not meet its ambition to fulfil its potential as a world-leading science and technology area, further increasing the net contribution to the UK economy. By joining up governance in a more transparent and effective decision making process, decisions will be made in a more effective and efficient way, and deliver the extensive new powers and responsibilities the area needs. Any new governance arrangements must eliminate time consuming bureaucracy in the making of strategic decisions for the benefit of the region.

The Cambridgeshire and Peterborough Geography

42. This governance review covers the seven local authority areas Cambridge City Council, Cambridgeshire County Council, East Cambridgeshire District Council, Fenland District Council, Huntingdonshire District Council, Peterborough City Council and South Cambridgeshire District Council ('Cambridgeshire and Peterborough'). Leaders of all the seven Councils are committed to collaboration across Cambridgeshire and Peterborough. In addition, they agree that collaboration over a much wider and important geography across the Greater Cambridge and Greater Peterborough Local Enterprise Partnership area and beyond is crucial.
43. The Local Enterprise Partnership is a partnership between public and private sector. This collaboration has been responsible for the setting of strategic objectives and the development of innovative and cost effective delivery models, leading to local growth and job creation.

Local context

44. Cambridge and Peterborough's annual Gross Value Added (GVA) is over £22bn, over 33,000 businesses, over £27,000 GVA per capita and it is one of the fastest growing regions in the country. The wider Greater Cambridge Greater Peterborough (GCGP) LEP area also annually contributes more than £35bn GVA with 767,000 jobs

and over 60,000 businesses.

45. There is a world-class higher education and further education offer, including Cambridge University, with its global leading strengths in technology and life sciences as well as Anglia Ruskin University and a number of regional colleges.
46. Cambridgeshire and Peterborough's economy has national and international strengths in life sciences, information and communications technologies (ICT), creative and digital industries, cleantech, high value engineering and manufacturing including:
 - a. Nearly 300 biotech and life sciences companies (including Napp Pharmaceuticals, Amgen, Bepak, Nestor and Medimmune) supported by internationally renowned NHS Trust university teaching hospital Addenbrooke's and the Cambridge BioMedical Campus, home of the new Medical Research Council Laboratory of Molecular Biology, Cancer Research UK and GlaxoSmithKline. Astra Zeneca is also moving its global HQ and main UK research facility there.
 - b. An internationally significant ICT, software and telecoms cluster including ARM, the world's premier semiconductor IP supplier and Autonomy.
 - c. 350 Cleantech companies and organisations with 6,000 jobs and a £600m turnover.
 - d. High Value Manufacturing including global engineering firms such as Perkins, BAe Systems and Marshall Aerospace.
 - e. UK market leaders in food processing and agribusiness sector, including British Sugar, Premier Foods, Nestlé Purina, Hilton Food Group and Produce World Group.
 - f. Technology-based creative companies turning over more than £1billion per annum in the area, including Cambridge University Press, Sony Computer Entertainment's Cambridge Studio, Supreme Being (urban fashion) and Bauer.

Challenges to address in Cambridgeshire and Peterborough

47. Despite the many positive features highlighted above, Cambridgeshire and Peterborough is not maximizing its potential to further increase its output and productivity. There are a number of challenges that need to be overcome. These are summarised below.

Housing pressures holding back Cambridgeshire and Peterborough's economy

48. Despite much progress being made, Cambridgeshire and Peterborough's housing provision remains well below what is required to meet the needs of such a rapidly growing area. Affordable housing options within reasonable commutes to employment opportunities are driving up house prices to unsustainable levels, whilst other areas, which could provide more affordable housing options, struggle with issues of viability and connectivity.

A transport and infrastructure network under massive pressure.

49. Closely linked to the housing problems, the region does not have an effective fully integrated rail and rapid transport network that can meet the enormous demands placed upon it by the area's growth. A network that connects its main centres with quick frequent services, and effectively links up passengers and freight between Cambridge, Peterborough, our network of market towns and the rest of the country is urgently required. By delivering this, there will be a reduced impact on the environment, improved air quality, reduced carbon emissions and improved road safety. The resulting network will enable more efficient movement of goods to support businesses to connect to supply chains, key markets and strategic gateways, unlocking economic growth and regeneration locally but also in other directions.

Skills and employment issues to be addressed

50. Cambridgeshire and Peterborough has high rates of labour market participation, and low levels of unemployment. Levels of economic inactivity for South Cambridgeshire and Huntingdonshire are very low (around 14.3-15.6%) while unemployment rates for South and East Cambridgeshire are at the lowest level (around 2.1-3%).
51. The overall skills and qualifications attainment of residents is a strength, with a high share of degree-level (or equivalent) qualified residents and high share of residents in high level occupations, especially professionals. The share of the population of South Cambridgeshire with no qualifications is as low as 2.8-4.5%.
52. However there remain challenges for local fast-growing businesses in finding the right skills mix for their needs, with a shortage of applicants with the necessary technical, practical and job specific skills and experience, in areas such as engineering. There are also significant differences between some communities in the North and South of the area, with skills and employment figures not as high as the South. For example, 23.4 – 31.6% of Fenland and Peterborough's population have NVQ Level 4 or higher qualifications, 7.8 – 10.2% of Fenland, Peterborough and East Cambridgeshire's population have no qualifications at all and Peterborough has 23.2 – 30.4% of its population economically inactive. If these issues were effectively addressed then Cambridgeshire and Peterborough could contribute even further to the growth of the UK economy.
53. Addressing the region's skills deficit and employment issues is therefore a priority. Partners in the area have already conducted important work in developing the skills of local people further, including funding local skills services. Cambridgeshire and Peterborough will build upon this work to put in place arrangements for the effective delivery of more devolved skills commissioning and budgets, including creating an Education Committee with the Regional Skills Commissioner and other local education stakeholders to support education in schools.
54. There is also a need to collaborate regionally on the underlying causes of worklessness, sustained employment and lack of career pay and progression. Driving economic growth and increasing the understanding of these issues within the local labour market will move more Cambridgeshire and Peterborough residents into sustained jobs and skills progression and advancement at work.

A Public Service Challenge

55. In addition to its ambitious aims to further grow its economy, Cambridgeshire and Peterborough needs to transform its public service delivery and consistently reduce its system costs. Increased population growth, an aging population, financial pressures and high expectations will continue to put increased strain on these public services. The area benefits from strong co-terminous existing partnerships of Cambridgeshire and Peterborough Local Authorities, health, police and fire organisations, but this collaboration needs to go much further in delivering more integrated provision, greater efficiencies, increased prevention and reduced dependency across the entire public services landscape. This includes across health and social care, community safety and health-based employment support.

Review of the economic evidence

Overview

56. The initial step for the governance review was to underpin the case for change with the preparation of a detailed review of economic evidence. This section summarises this evidence, which addresses the following key question:
- a. Can the geography be understood as a 'functional economic market area'?

Analysis of functional economic market areas (FEMAs)

Introduction

57. The Department for Communities and Local Government (DCLG) define FEMAs as, "the area over which the local economy and its key markets operate". They vary in size and boundary, depending on the issue under consideration (e.g. labour market, housing markets) and the criteria used to define them.
58. FEMAs reflect the real world in which the economy operates; they do not respect the boundaries of administrative areas. Collaboration across these borders is therefore essential to deliver economic functions, such as transport, economic development, and skills in the most effective way.
59. The Cambridgeshire and Peterborough Local Authorities commissioned a study by MetroDynamics to consider whether the following geographies could be considered to be FEMAs:
- a. The authorities that make up the Cambridgeshire and Peterborough area [Cambridge City Council, Cambridgeshire County Council, East Cambridgeshire District Council, Fenland District Council, Huntingdonshire District Council, Peterborough City Council and South Cambridgeshire District Council]
 - b. The study analysed three separate metrics:
 - i. Travel to work areas (TTWA) as an effective definition of the local labour market;
 - ii. Migration data as a tool for analysing the local housing market, and;
 - iii. Industrial specialisation.

60. Each of these is discussed in more detail below.

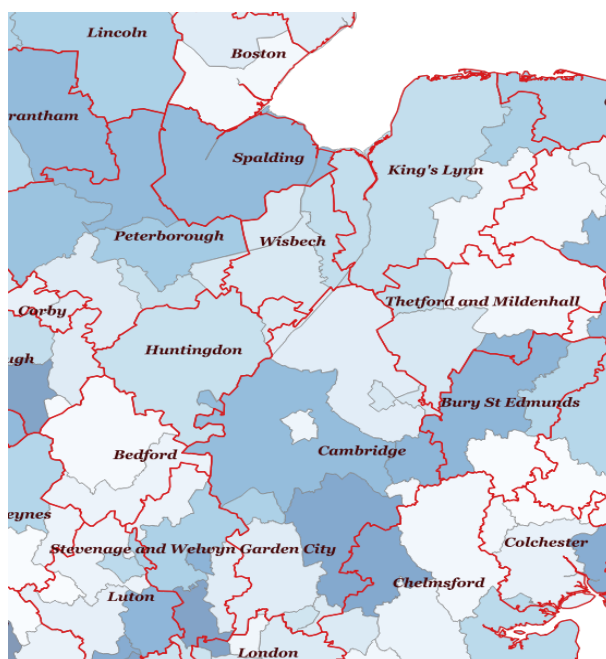
Travel to Work Areas

61. A TTWA is a collection of areas for which "at least 75% of the resident economically active population work in the area, and also, that of everyone working in the area, at least 75% live in the area". The ratio of the population who live and work in the area is known as the self- containment ratio.

62. Our work considered whether the areas above are a TTWA. The results of this work is shown in the map below:

Travel to Work Areas (2011)

The red lines identify the different travel to work areas. Beneath them, differentiated by colour, are local authorities.



63. The conclusion drawn from this work is that while labour markets do not sit neatly on local authorities, clear TTWAs exist in Cambridgeshire and Peterborough around the economic centres of Cambridge and Peterborough, as well as Huntingdon and Wisbech. There are strong links to the boundaries of the LEP and beyond (to the East, Northwest, South and West) in what is a fluid, flexible and well-connected labour market. The travel to work relationships between South Cambridgeshire, East Cambridgeshire and Huntingdonshire and Cambridge and South Kesteven (in Lincolnshire), Huntingdonshire and Fenland and Peterborough are strong and form the basis of any consideration of a functional economic market area.

64. Furthermore the self-containment level for Cambridgeshire and Peterborough (the level of people living and working within a defined area) is at 78.77%, above the 75% considered to constitute self-containment.

65. It is evident from the analysis of individual travel to work patterns that there is a high

level of inter-connectivity across Cambridgeshire and Peterborough, and beyond into Norfolk and Suffolk, and to growth opportunities with Bedfordshire, Hertfordshire, Lincolnshire, Northamptonshire, and Essex. It is precisely this level of interconnectivity that provides the evidence of employers in one area accessing labour pools in a connected area, and is the basis for the conclusion in respect of the existence of TTWAs across our area.

Migration data

66. Migration data is derived from an analysis of where individuals were moving to and from in the year preceding the 2011 Census. It broadly replicates the pattern of the TTWA data, although with a considerably smaller number of transactions. In particular most house moves to and from Cambridge were with South Cambridgeshire and to a lesser extent East Cambridgeshire and Huntingdonshire, while most house moves for Peterborough were with South Kesteven, Huntingdonshire and Fenland.

Industrial specialisation data

67. In order to look at industrial specialisation a data set called “location quotients” is considered. These compare the number of people employed in a particular industry in an area to the national average.
68. The industrial specialisation data demonstrated that the area has a particularly strong representation in information and communication, manufacturing, wholesale and the motor trade, with Peterborough having additional strengths in business administration and support services and retail.
69. Within manufacturing there are also a number of specialisms in the area, with Cambridgeshire highly represented in pharmaceuticals, paper, computer, electrical and optical products and Peterborough well represented in machinery and equipment and leather and related manufacturing. There are also significant strengths in these specialisms in other surrounding contiguous areas, which offer considerable economic potential.

Conclusion

70. A FEMA exists at the level of the seven local authorities within what is a fluid, flexible and very connected market. This gives a positive rationale for collaborative working in a stronger governance arrangement in this area. In some instances, economic markets extend beyond the LEP boundaries, and in formulating its economic strategy, these linkages and markets will need to be taken into account.

The current governance arrangements and the case for change

Introduction

71. This chapter sets out the current arrangements in relation to the local government functions that are the subject of this review and seeks to establish if an alternative model of governance is likely to improve the:
- a. exercise of the statutory functions relating to economic functions, including transport, housing and skills in the area;
 - b. effectiveness and efficiency of economic functions, including housing, transport and skills in the area;

- c. exercise of statutory functions relating to economic issues in the area, including housing, transport and skills; and
- d. economic conditions in the area.

72. The alternative models of governance considered were as follows:

- Option 1 – status quo;
- Option 2 – establish an Economic Prosperity Board;
- Option 3 – establish a Combined Authority; and
- Option 4 – establish a Mayoral Combined Authority.

Current governance arrangements

73. We consist of the unitary authority of Peterborough together with the county of Cambridgeshire and its constituent five districts. Our public services are also covered by one Clinical Commissioning Group, one Police and Crime Commissioner and one Fire Authority. Our work is underpinned by the Greater Cambridge Greater Peterborough LEP which in addition covers the Local Authority areas of Forest Heath, North Hertfordshire, Rutland, St. Edmundsbury, Uttlesford and West Norfolk and King's Lynn.

74. Working with a range of other local partners and networks, we have a strong track record of voluntary joint-working to achieve shared goals, through mechanisms such as local authority partnerships such as the Greater Cambridge City Deal, Opportunity Peterborough and innovative projects by District Councils. Our current arrangements have delivered significant development and growth projects in areas like transport. We have secured significant funding through our Greater Cambridge City Deal and managed to secure funding for the £44m Cambridge North Station and the £1.5bn upgrade of the A14. However, many of these projects have not been able to be agreed and delivered at the scale, speed or level to which such a fast-growing area needs.

75. Current voluntary arrangements have also made it harder to go further in integrating our existing transport networks, being able to join-up different modes of transport (road, rail, bus) to effectively manage and plan transport provision for our high-growth needs, reduce congestion and provide solutions such as smart-ticketing.

76. Current arrangements mean there is not a single formally constituted body with clear responsibility for taking decisions related to strategic economic growth, skills, housing, land, infrastructure, skills and other issues across Cambridgeshire and Peterborough, with decisions being reliant on voluntary relationships between partners interested in working collaboratively, and multiple, disparate decision-making processes of the relevant authorities. This has meant that a joined-up approach to development covering housing, infrastructure, land and skills together has been difficult – with the necessary transport provision lagging behind progress made on building new homes.

77. These governance arrangements are also clearly not sufficient to convince Government to be able to devolve further significant funds and responsibilities. The current powers and responsibilities we seek, as set out in Annex 1, illustrate why we need to go further now in our governance in order to take on and deliver the powers we are being given.

78. The seven Local Authorities firmly believe they can build upon their success by

strengthening and formalising partnership arrangements to work more closely and effectively with Government to further drive economic growth, further integrate the delivery of shared plans for delivery and, in the face of significant reductions in Government funding, reduce duplication and increase efficiency in existing arrangements (as set out in Annex 1). Alternative arrangements for clear and co-ordinated governance for Cambridgeshire and Peterborough will form the foundation for strong devolution to this area.

Options analysis

Preservation of the status quo

79. The leaders of the seven authorities are committed to the pursuit of collaborative working. Under the status quo there are not strong enough governance arrangements in place for the more ambitious agenda for the region that we set out in annex 1. This option would leave the region without a single strategic transport and economic development decision-making body at the Cambridgeshire and Peterborough level. The region would miss out on the benefits of working collaboratively on economic issues which are inherently closely linked as well as public service issues.
80. Maintaining the status quo would leave the region behind a number of other parts of the country that have already, or are in the process of, strengthening and aligning their decision making process in relation to devolution.
81. The deficiencies of the current arrangements, i.e. the fact that there is not a body corporate nor can it hold funding in its own right, would remain. The lack of a formal link between the range of economic issues (as well as public service areas) would also continue.
82. The current arrangements are insufficient to take advantage of the move towards greater devolution from central government to the regions.

Establishing an economic prosperity board

83. An economic prosperity board would be a statutory body and would share many of the features of a Combined Authority. It would be a basis for taking on devolved powers and funding relating to economic development and regeneration. However, transport functions could not be brought into this body and the benefits of bringing economic issues together would not be realised.
84. This does not align with the aspiration held across the region to fully exploit the potential to unite economy and transport and reap the benefits of a more joined-up approach and would not be a platform to build further public service integration and devolution upon.

Establishing a Combined Authority

85. The existing governance arrangements in Cambridgeshire and Peterborough can be improved. The governance structures in the area have worked well to date through a series of ad-hoc and informal arrangements but are not sufficient to meet our devolution ambitions for the area.
86. A combined authority would better realise a sensitive, co-ordinated approach to strategic planning that better links up unlocking sites for development with the necessary supporting infrastructure and employment and skills provision.

87. It would also be able to better take on devolved functions from government on this basis, as it could act as the Accountable Body for devolved funding, have long-term engagement with business through the LEP, and facilitate collaborative efforts across local and national public service partners to transform public services, including through a Memorandum of Understanding (MoU) with key public service organisations in health, police and fire services outside the Combined Authority.

Establishing a Mayoral Combined Authority

88. Establishing a Mayoral Combined Authority would offer the same opportunities as for a Combined Authority in terms of joining-up local decision-making and collaborative activity, including establishing a MoU with key public service organisations to transform public services. Mayoral Combined Authorities are also afforded additional flexibilities, including the ability to raise Business Rate Supplements, with the facility for much greater devolutionary powers in future.

89. Also this option, would maximise the opportunity for the area to negotiate for devolved budgets, powers and responsibilities, and be consistent with our aim of transforming our relationship with national government. It would also provide visible, strategic leadership across Cambridgeshire and Peterborough, enabling the area to utilise this post to effectively promote the area nationally and internationally, bring in investment and gather support from local stakeholders for the area's agenda.

Overview of the options

90. The following table sets out the assessment of the potential options considered:

| Option | Evaluation | Rationale |
|--|------------|---|
| Status Quo | No | The current structures leave space for ambiguity and overlap between the various roles and functions of the sub-regional bodies. The opportunity to address the deficiencies highlighted in this review would be missed. |
| Establish an Economic Prosperity Board | No | This option does not provide the opportunity to fully achieve coordinated transport and economic benefits or a platform for devolution in other areas. |
| Form a Combined Authority | No | Supports a coherent approach to strategic planning and infrastructure and able to take on devolved powers from Government. |
| Form a Mayoral Combined Authority | Yes | Supports a coherent approach to strategic planning and infrastructure, able to take on devolved powers from Government, and maximises both the flexibilities available for devolution and the ability to negotiate further devolved budgets, powers and responsibilities with Government. |

Conclusions

91. In conclusion, the recommendation of this review is that the functional economic area of Cambridgeshire and Peterborough will be best served by a Mayoral Combined Authority model of governance, bringing together local authorities, the LEP and other public service partners to drive growth and reform.
92. Coordination of economic issues, including strategic economic growth, transport, skills, housing, land and infrastructure across the area is a central rationale for the statutory basis for a Mayoral Combined Authority, and therefore fundamental to its creation in the area. The Mayoral Combined Authority will be well-placed to provide leadership and an area-wide voice on key strategic economic issues, join-up national and local economic services strategy and delivery, and strongly represent the area in areas like attracting inward investment, improving the availability and affordability of housing, the rail network, the strategic road system and support for business growth.
93. Further up-skilling and improving the employability of the workforce in Cambridgeshire and Peterborough will be a priority in order that residents share in the further growth that strengthened governance will lay the foundations for. The Mayoral Combined Authority will ensure that the benefits of economic progress are distributed broadly across Cambridgeshire and Peterborough.
94. Our ambitious plans to transform public service delivery at a lower cost base will also be facilitated by a new Mayoral Combined Authority governance. By further collaboration across our public service partners in health, police and fire, we will deliver further efficiencies, prevention and integration of delivery as well as maximizing the potential for further devolution in these areas.

The Combined Authority Area

95. The Mayoral Combined Authority Area will be the area of the seven Local Authorities of the Cambridgeshire and Peterborough area [Cambridge City Council, Cambridgeshire County Council, East Cambridgeshire District Council, Fenland District Council, Huntingdonshire District Council, Peterborough City Council and South Cambridgeshire District Council]. Greater Cambridge and Greater Peterborough Local Enterprise Partnership will also be a member of the Mayoral Combined Authority, with wider connections to Norfolk and Suffolk, and wider growth opportunities.

Governance model

96. In order to maximise the use of available resources to the benefit of the whole of Cambridgeshire and Peterborough a new governance structure is required. The Mayoral Combined Authority option would afford Cambridgeshire and Peterborough the best prospect of improving the efficiency and effectiveness of economic activity (in strategic economic growth, skills, housing, land and infrastructure) as well as supporting further public service reform.

Summary of benefits

97. The Mayoral Combined Authority will:

- a. Provide a clear and effective platform for more timely, effective and efficient exercise of statutory function through the creation of a single entity for the acceptance of devolved powers from central government in line with the Government's current devolution agenda.
- b. Ensure a co-ordinated collaborative working with central government, through integration and effective strategic frameworks and delivery of investment plans.
- c. Strengthen existing joint-working between existing authorities on economic issues, including linking up housing delivery and infrastructure and business partnerships working through the LEP being a member of the Combined Authority.
- d. Strengthen joint-working between existing authorities, health, police and fire, on public service transformation through their participation in the Combined Authority's work through a shared Memorandum of Understanding around collaboration on public service transformation.
- e. Maximise the opportunities for taking on devolved powers, flexibility and devolution capacity from Government legislation, and the ability to negotiate further devolved budgets, powers and responsibilities from Government.
- f. Create a basis for further joint-working and mutually-beneficial relationships with neighbouring authorities and areas to the East, North West, South and West of Cambridgeshire and Peterborough.

Annex 1

Powers to be conferred on the Cambridgeshire and Peterborough Mayoral Combined Authority

| Function/ responsibility | Rationale |
|--|--|
| Annual Single Investment Fund, funded over 30 years. | Will enable a long-term infrastructure investment programme to support Cambridgeshire and Peterborough's growth by creating a Single Investment Fund that draws together funding streams, seeks to attract and leverage private sector funding and uses borrowing powers to bring forward investment more quickly. This will involve putting in place measures to ensure this spending meets 5 year gateway assessment of its use and assurance framework requirements. |
| Business Rate Supplement power. | If required for infrastructure needs, and supported by the LEP, a precept upon local business rates of up to 2% could be levied by the Mayor. |
| Responsibility for a multi-year consolidated and devolved transport budget | The creation of a single, multi-year transport budget to bring greater co-ordination in line with our transport and infrastructure strategy, and ensure increased value for money from funds that have previously been delivered. This should mean strategic delivery of transport interventions over a longer time period, alignment of transport with the area's economic development and investment requirements, including housing development, scope for match-funding and leverage with other funding sources due to the additional certainty and the potential for future expansion to accommodate further devolved funding, flexibility and freedoms. |
| Key Route Network of Roads | Moving beyond existing Highways Authority arrangements to provide the Mayoral Combined Authority with widened powers over a defined Key Route Network of local roads (to be managed and maintained by the Combined Authority). This would enable a greater ability for the area to govern, develop and manage a safe, smooth, reliable, comfortable, less congested network, moves towards a single asset management plan (with shared procurement and delivery for road maintenance), better integrated land-use planning and transport decision making e.g. aligning road investment with planned housing growth and scope for further devolution of transport responsibilities to enable the Mayoral Combined Authority to work across different transport modes. |
| Bus franchising/enhanced partnership for bus services powers. | The ability to franchise bus services in the combined authority area or the use of an 'Enhanced Partnership' model (subject to necessary legislation and local consultation) would enable new functions to support the delivery of a high quality bus network, enhance the local bus offer, including around emissions standards, and support moves towards better integration of transport provision and smarter-ticketing arrangements for the area. |
| Sub-National Transport Body | In order to fulfil our ambitions to deliver a better connected, less congested transport network within our highly connected area and outwards to surrounding areas, we will work with local partners towards the creation of a Sub-National Transport Body with our neighbouring areas, including Norfolk and Suffolk, to work together to influence national transport investment, similar to Transport for the North and Midlands Connect. |
| Housing and infrastructure | Significant additional funding to help meet the high levels of growth and exceptional housing market conditions in Greater Cambridge, by |

| | |
|---|---|
| fund | addressing affordability challenges in Cambridge as well as demand in surrounding areas and viability issues in other parts of Cambridgeshire and Peterborough. |
| Mayoral Development Corporations | Use the planning and land assembly powers that come with Mayoral Development Corporations or similar vehicles to support the delivery of strategic development sites in the Combined Authority area. |
| Joint Investment & Assets Board and Land Commission | Building upon existing processes around rationalising and making the best use of existing local assets in Cambridgeshire and Peterborough, the Joint Investment & Assets Board will enable all public sector land under the responsibility of national and local government agencies to be reviewed to determine how this land and assets would be best utilised to provide a ready supply of land for commercial and residential land to support the area's growth. This would be informed by a Land Commission that would generate a database of available public and private sector land, identify barriers to its disposal and help to develop solutions to overcoming these. |
| Area-based Review of 16+ skills provision | Cambridgeshire and Peterborough will work with Government around the Area Review of post-16 education and training to shape provision around meeting the skills mix required by businesses in the area, refine local skills strategies and collaborate with providers to deliver this plan effectively. |
| Devolved 19+ skills budget (from 18/19) | Control of Adult Skills budgets will enable Cambridgeshire and Peterborough to reshape and restructure skills provision in the area, aligning post-19 provision with locally determined priorities to ensure residents have the right balance and mix of skills to help businesses to grow, including targeting provision towards areas of specialisation, improvements to the curriculum, and increasing responsiveness of the system. |
| Apprenticeship support | Building upon our existing work to increase the number of apprenticeships in Cambridgeshire and Peterborough, our ability to use the Apprenticeship Grant for Employers locally to tailor incentives for employers in line with local market needs will enable us to better match up apprenticeship provision with what employers want. We will also work on developing the new system, including the levy, and exploring creation of an Apprenticeship Training Agency. |
| Co-design of the National Work and Health Programme | In order to build upon our work so far to support people into employment and progression in work, we want to work with DWP to help shape welfare and employment provision in the area. Recognising DWP's desire to operate at scale and our willingness to form partnerships with other areas where appropriate, we will form an East Anglia Employment and Skills Board to work with DWP to help deliver a locally integrated employment service, maximising the opportunities from the Youth Obligation, co-design and co-commission the new National Work and Health Programme to focus on those with a health condition or disability and the very long term unemployed. |
| Business Support | Taking forward our ambitious plans to improve local business support through the work of the LEP, including delivery of our key Enterprise Zones, will also include seeking to maximise our trade and investment potential through a Joint Export Plan with UKTI. |
| Community Safety, Health and Social Care and public services. | We have a range of ambitious plans to transform our health and social care, community safety and other public service provision. We want to move towards further devolution in order to help address these issues with national government. For our current plans we will be creating a Memorandum of Understanding with our local public service partners to bring them into the Mayoral Combined Authority collaborative |

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| | approach. |
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CAMBRIDGESHIRE AND PETERBOROUGH EAST ANGLIA DEVOLUTION SCHEME

17 June 2016



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INTRODUCTION

The Cambridgeshire and Peterborough Combined Authority will work with Local Councils, Greater Cambridge Greater Peterborough Enterprise Partnership "the LEP", local public services, Government departments and agencies, universities and business to grow the local and national economy whilst improving the life chances and quality of life of people across the region.

This scheme sets out a number of core initiatives:

- A step change in infrastructure delivery with an integrated approach to planning of roads, rail and digital connectivity alongside land for new housing and business to further drive up economic growth and productivity;
- Becoming the UK's truly connected region in respect of communications and transport connections, linking research-based growth in the Cities with even the most rural villages. Improvements to road and rail infrastructure and using smart ticketing will make it easier for residents to participate fully in the economy across transport modes;
- Devising new models of private/public infrastructure and housing funding to fund strategic capital infrastructure;
- A new partnership between the universities and FE providers to drive a programme of co-ordinated skills and educational improvement to deliver the knowledge based economy.
- Transformation of public service delivery utilising the strong existing partnerships of councils, business and public services that have a successful track record of working together.
- Areas of joint collaboration with Norfolk and Suffolk, including features such as transport, infrastructure and skills where solutions are required pan-region, as well as other areas that represent recognised economic growth opportunities, such as Bedfordshire, Hertfordshire, Lincolnshire, Northamptonshire, Rutland and Essex.

The Combined Authority will have an elected Mayor with a Cabinet appointed in accordance with the scheme set out below and shall include a representative from the LEP. The Mayor and the Combined Authority shall work closely together to deliver the vision and aims. The Mayor shall also be represented on the LEP.

The Combined Authority is a:

- Local authority for many purposes of the Local Government Act 1972, in particular sections 101 and 102 (arrangements for the discharge of functions by the local authorities) in conjunction with the powers of the Constituent Authorities to work jointly with the Combined Authority under sections 9EA and 9EB of the Local Government Act 2000; Part VA provisions on access to information; and for the purpose of the power of a Minister of the Crown to pay grants;
- Best value authority for the purpose of section 1 Local Government Act 1999; and
- Public body for the purpose of the Freedom of Information Act 2000.

The Constituent Authorities have agreed the principle that the Combined Authority's costs will be met as far as possible from existing resources. The statutory officers and support to the Combined Authority will be provided by the Constituent Authorities.

It is expected that the [£20] million per annum funding allocation will be invested so as to leverage additional financial benefit for the Combined Authority which will, after an initial investment period, exceed the Mayoral costs arising from the creation of the Combined Authority.

This scheme is prepared and published under section 109 Local Democracy Economic Development and Construction Act 2009 following a review under section 108 of that Act which concluded that the making of an Order to establish a combined authority would be likely to improve the exercise of statutory functions for the Cambridgeshire and Peterborough area.

1 ESTABLISHMENT OF THE COMBINED AUTHORITY

- 1.1 A Mayoral Combined Authority shall be established pursuant to section 103 of the Local Democracy, Economic Development and Construction Act 2009 ("LDEDCA"). It shall come into existence on 1 February 2017 or the day on which the Order is made, whichever is the later.

2 AREA OF THE COMBINED AUTHORITY

- 2.1 Subject to the consent of the Council's the Combined Authority's area shall cover the area of two or more of the following Councils:

- (a) Cambridge City Council;
- (b) Cambridgeshire County Council;
- (c) East Cambridgeshire District Council;
- (d) Fenland District Council;
- (e) Huntingdonshire District Council;
- (f) Peterborough City Council; and
- (g) South Cambridgeshire District Council

Each of the above authorities shall be a "Constituent Authority" of the Combined Authority.

3 NAME OF THE COMBINED AUTHORITY

- 3.1 The name of the Combined Authority will be the Cambridgeshire and Peterborough Combined Authority.

4 MEMBERSHIP

- 4.1 The Combined Authority shall consist of the Members as set out below:

- 4.1.1 The Mayor elected for the Combined Authority;
- 4.1.2 An elected member appointed by each of the Constituent Authorities;
- 4.1.3 A nominee of the LEP; and
- 4.1.4 Such other Non-Constituent non-voting Members as may be admitted to the Combined Authority from time to time by the unanimous consent of the Constituent Authority Membership.

- 4.2 The expression "Member" shall include all of the above.

- 4.3 Each organisation entitled to appoint a Member shall be entitled to appoint a Substitute Member, who shall have the same decision-making authority and voting rights as the person in whose place they are acting.

5 DIRECTLY ELECTED MAYOR

- 5.1 There shall be a directly elected Mayor for the area of the Combined Authority pursuant to section 107A of the LDEDCA ("the Mayor"). The Mayor will be elected in May 2017. The provisions of Schedule 5B of LDEDCA shall apply subject to paragraph 5.2 below.

- 5.2 The term of office of the Mayor elected in May 2017 shall be four years. Each subsequent election shall take place in each fourth year following first election on the same day of ordinary election and the term of office of the elected Mayor shall be four years.
- 5.3 The Mayor shall appoint up to two of the Members of the Combined Authority to be Deputy Mayor in accordance with section 107C of LDEDCA and the Deputy Mayor(s) shall:
- a) hold office until the end of the term of office of the Mayor subject to paragraph b) below;
 - b) cease to be Deputy Mayor if at any time the Mayor removes him or her from office, he or she resigns as Deputy Mayor or the ceases to be a Member of the Combined Authority;
 - c) act in the place of the Mayor if for any reason the Mayor is unable to act or the office of Mayor is vacant.
- 5.4 If a vacancy arises in both of the offices of Deputy Mayor, the Mayor must appoint another Member of the Combined Authority to be the Deputy Mayor.
- 5.5 If for any reason the Mayor is unable to act or the office of Mayor is vacant; and the Deputy Mayor(s) is unable to act or both of the offices of Deputy Mayor are vacant the other Members of the Combined Authority must act together in place of the Mayor, taking decisions by a simple majority.

6 MEMBER REPRESENTATIVES

- 6.1 Each Member representative will act in the best interests of the Combined Authority as a whole, taking into account all relevant matters.
- 6.2 Where a Member or Substitute Member ceases (for whatever reason) to be a Member of or otherwise represent the organisation that appointed or nominated them, then that Member representative will cease to be a Member of the Combined Authority and the organisation shall appoint a replacement Member as soon as possible.
- 6.3 A Member or Substitute Member may resign by giving written notice to the Proper Officer of the Constituent Authority that appointed them or the LEP as the case may be. The relevant Constituent Authority or LEP shall notify the Combined Authority forthwith of any such resignation.
- 6.4 Where a Constituent Authority's Member or Substitute Member appointment ceases, the relevant Constituent Authority shall give notice of the appointment of another of its elected members in that person's place as soon as possible. Where a LEP Member or Substitute Member's appointment ceases, the LEP shall nominate another of its Directors in that person's place as soon as possible. Such nominated Director shall become a Member or Substitute Member as the case may be from the date on which written notice of nomination by the LEP is received by the Combined Authority.
- 6.5 Each organisation shall at any time be entitled to terminate the appointment of a Member or Substitute Member appointed to the Combined Authority and replace that Member or Substitute Member at any time by giving not less than 14 days written notice to the Combined Authority and the termination and replacement shall take effect on the expiry of such notice.

7 CONDUCT OF MEMBERS

- 7.1 Members will at all times observe the Code of Conduct for Members to be set out in the Constitutional arrangements for the Combined Authority

8 CHAIR

- 8.1 Until the taking up of office of the directly elected Mayor, the Chair of the Combined Authority shall be appointed by the Combined Authority from among its Constituent Authority Members.

8.2 From the point at which he or she takes office, the Mayor will act as Chair to the Combined Authority.

8.3 The Mayor shall appoint a Deputy Mayor as vice chair of the Combined Authority.

9 CO-OPTEEES

9.1 The Combined Authority may co-opt additional non-voting representatives to the Combined Authority from time to time.

10 EXPENSES

10.1 The LEP and Constituent Authority Members of the Combined Authority shall not be entitled to remuneration but may be reimbursed for reasonable travel, subsistence and out of pocket expenses by the appointing organisation.

11 EXECUTIVE ARRANGEMENTS

11.1 Executive arrangements within the meaning of the Local Government Act 2000 shall apply to the Combined Authority. The Mayor shall appoint a Cabinet comprising one member of each of the Constituent Authority Members. The discharge of the functions of the Combined Authority will be subject to the arrangements set out in the Constitution.

11.2 The Mayor and the other Members of the Combined Authority will be required to work closely together. Specifically:

- a) the Mayor will provide overall leadership and chair Combined Authority meetings;
- b) the Cabinet Model, where the leaders have a clear portfolio of responsibilities, will act as a supporting and advisory function to the Mayor and Combined Authority in respective policy areas; and
- c) the Mayor will also be a member of the LEP, alongside the other members of the Combined Authority, recognising the importance of the LEP's role and the private sector in any growth strategies or delivery.

11.3 The Mayor and the Cabinet may together, acting by simple majority, decide to establish Committees and Sub-Committees to exercise any of the Combined Authority functions and may delegate such functions and powers as they consider appropriate to those committees and sub-committees and also to Officers of the Combined Authority or to any Joint Committee or other authority.

11.4 The Mayor and the Cabinet will together, acting by simple majority, agree to establish and participate in a Memorandum of Understanding with key partners to drive public service reform.

12 FUNCTIONS OF THE MAYOR

12.1 The functions devolved from Central Government set out in Appendix A to this Scheme shall be functions exercisable only by the Mayor ("the Mayoral Functions") subject to the Combined Authority's ability to veto under paragraph 14.

12.2 The Mayor shall have, as an ancillary power, the power under section 113A of LDEDCA to enable to Mayor to do things appropriate or incidental to or connected with the Mayor's functions (and subject to the limitations in section 113B).

12.3 Chapter 1 of Part 1 of the Localism Act 2011 (which confers a general power of competence on local authorities) shall not be applied to the Mayor.

- 12.4 The Mayor shall not be given a power to direct under section 88 of the Local Transport Act 2008.
- 12.5 The Mayor shall exercise the Mayoral Functions concurrently with the Secretary of State (as regards transport functions) and the relevant public authority (as defined in section 105A(9) of LDEDCA as regards other functions.
- 12.6 Subject to the making of enabling legislation, the Mayor shall have power to place a supplement of 2p per pound of rateable value on business rates to fund infrastructure and Mayoral costs with the agreement of the local business community through the LEP.

13 EXERCISE OF THE MAYORAL FUNCTIONS

- 13.1 The Mayor shall arrange for the exercise the Mayoral Functions in accordance with section 107D(3)(a) and (b) of LDEDCA.
- 13.2 The Mayor shall be authorised by Order of the Secretary of State to arrange for the exercise of the Mayoral Functions through a committee as provided for in section 107D(3)(c)(ii) LDEDCA and may delegate functions to the Deputy Mayor, the Cabinet or a Member.
- 13.3 Before a decision is taken by the Combined Authority on the approval of any strategy falling within the remit of the Mayor under the Mayoral Functions, whether that approval is to be given by the Mayor directly or otherwise, the Mayor shall consult the Combined Authority and:-
- a) The non-statutory spatial framework and any supplementary planning documents shall require the unanimous approval of the Constituent Authority Members of the Combined Authority;
 - b) the Transport Plan and any spending plans or plans for the allocation of transport-related funding shall be treated as rejected if two thirds of the Constituent Authority Members of the Combined Authority vote to reject the Transport Plan and associated spending, provided that any decision to reject the Transport Plan or budget includes the Combined Authority Members from each of Cambridgeshire County Council and Peterborough Council; and
 - c) any other strategy or spending plans shall be treated as rejected if two thirds of the Constituent Authority Members of the Combined Authority vote to reject such a plan.
- 13.4 The Mayor may prepare a new plan or budget where any plan or budget is rejected in the manner set out above.

14 FUNCTIONS OF THE COMBINED AUTHORITY

- 14.1 The Combined Authority shall have the functions set out in Appendix B to this Scheme.
- 14.2 Chapter 1 of Part 1 of the Localism Act 2011 (which confers a general power of competence on local authorities) shall be applied to the Combined Authority by Order of the Secretary of State pursuant to section 113D LDEDCA.
- 14.3 The Combined Authority shall have the wellbeing power contained in section 99 of the Local Transport Act 2008 by virtue of section 102A of that Act which can be exercised in conjunction with the general powers granted to it by section 113D of the LDEDCA.
- 14.4 The Combined Authority shall not be given a power to direct under section 88 of the Local Transport Act 2008.
- 14.5 The Combined Authority shall exercise the Combined Authority's functions concurrently with the Secretary of State (as regards transport functions) and the relevant public authority (as defined in section 105A(9) of LDEDCA) as regards other functions.

- 14.6 The Combined Authority shall have the power to borrow for a purpose relevant to any of its functions as contained in sections 1 and 23(5) of the Local Government Act 2003 as amended by section 9(3) of the Cities and Local Government Devolution Act 2016.

15 PROCEEDINGS OF THE COMBINED AUTHORITY

- 15.1 Sections 101 and 102 of the Local Government Act 1972 apply to the Combined Authority in the exercise of its functions so that the Combined Authority shall have the power to delegate its functions to a committee or sub-committee of the Combined Authority or to an officer or another authority.
- 15.2 The following decisions shall only be taken in a meeting of the full Combined Authority:
- a) approval of the borrowing limits, treasury management strategy including reserves, investment strategy, borrowing and budget of the Combined Authority including the amount of any expenses to be met by the Constituent Authorities under paragraph 20 of this Scheme;
 - b) approval of the Combined Authority Standing Orders and any amendments to them (other than to reflect minor drafting improvements or legislative changes);
 - c) appointing the Chair of the Combined Authority pending the Mayor taking office;
 - d) approving the establishment of Committees, their terms of reference and composition, making and accepting appointments to them including the Overview and Scrutiny Committee and the Audit Committee;
 - e) the making of any decision where the Mayor is required to consult the Combined Authority;
 - f) the making of proposals to the Secretary of State for the conferring on the Combined Authority of additional functions or powers;
 - g) approval of the making of arrangements for the exercise of the functions of any Constituent Authority;
 - h) admission of anybody to non-constituent non-voting participation in the Combined Authority;
 - i) the giving or not giving of consent to the making of any Order by the Secretary of State in relation to the Combined Authority under any legislation including LDEDCA;
 - j) appointment and dismissal of the Head of Paid Service, Monitoring Officer and the officer with responsibility for the proper administration of the Combined Authority's financial affairs;
- 15.3 All decisions of the Combined Authority shall be decided by a majority of those voting Members present and voting, subject to that majority including the vote of the Mayor or unless otherwise set out in legislation or specifically delegated through the Authority's Constitution.
- 15.4 The Combined Authority may in its Standing Orders make provision for special majority voting arrangements on specified reserved decisions or types of decisions in recognition that some decisions made by the Combined Authority could have a significant impact on some or all of the Constituent Authorities and that the democratic mandate of each Constituent Authority should be respected and preserved. Such special majority voting arrangements may include arrangements based on the principle that Constituent Authorities directly affected by a decision must be part of the majority or there must be unanimity in order for that decision to carry.

- 15.5 The quorum of the Combined Authority is 5 voting Members or Substitute Members. The quorum for a committee or sub-committee of the Combined Authority shall be determined by the Combined Authority when establishing it.
- 15.6 Each voting Member shall have one vote.
- 15.7 There shall be no casting vote.
- 15.8 If a vote is tied it is deemed not to have been carried and provisions for deadlock will be set out in the Constitution.
- 15.9 Proceedings shall not be invalidated by any vacancy amongst the Combined Authority's Members or by any defect in the appointment or qualification of any Member.

16 OVERVIEW AND SCRUTINY

- 16.1 There shall be an Overview & Scrutiny Committee of the Combined Authority pursuant to Schedule 5A of LDEDCA to exercise scrutiny functions over the Combined Authority.
- 16.2 Each Constituent Authority shall appoint one elected member to the Overview & Scrutiny Committee.
- 16.3 Overview & Scrutiny Committee membership shall not include a Combined Authority Member (including the Mayor and the Deputy Mayor).
- 16.4 The Combined Authority shall appoint as Chairman of the Overview and Scrutiny Committee an independent person or an elected member of one of the Constituent Authorities who is not a member of a registered political party of which the Mayor is a member (if the Mayor is a member of a registered political party).
- 16.5 Each member on the Overview and Scrutiny Committee shall have one vote and there shall be no casting vote.
- 16.6 If a vote is tied it is deemed not to have been carried.
- 16.7 The Overview & Scrutiny Committee shall have power to:
- a) Invite Combined Authority Members and Officers, including the Mayor and Deputy Mayor, to attend and answer questions;
 - b) Review or scrutinise decisions or other actions taken in connection with the discharge of any functions which are the responsibility of the Combined Authority or the Mayor;
 - c) Make reports or recommendations to the Combined Authority and the Mayor with respect to the discharge of any functions which are the responsibility of the Combined Authority or the Mayor;
 - d) Make reports or recommendations to the Combined Authority and the Mayor on matters that affect the Combined Authority's area or the inhabitants of the area;
 - e) In respect of any decision made but not implemented by either the Combined Authority or the Mayor, direct that the decision is not to be implemented while it is under review or scrutiny and to recommend that the decision be reconsidered, further details of which are set out in the Constitutional Documents;
 - f) Invite others to attend meetings of the Committee.

- 16.8 Where the Overview & Scrutiny Committee makes a report it may also publish the report and require a response from the Combined Authority or the Mayor as the case may be, within a period of two months from receipt of the report.

17 AUDIT

- 17.1 The Combined Authority shall establish an Audit Committee pursuant to Schedule 5A of LDEDCA to fulfil the functions set out in paragraph 17.3.
- 17.2 The membership of the Audit Committee shall be determined by the Combined Authority but one member of the Committee shall be an independent person.
- 17.3 The Audit Committee will have the power to:
- a) Review and scrutinise the Office of the Mayor and Combined Authority's financial affairs;
 - b) Review and assess the Mayor and Combined Authority's risk management, internal control and corporate governance arrangements;
 - c) Review and assess the economy, efficiency and effectiveness with which resources have been used in discharging the Combined Authority's functions and the Mayoral Functions;
 - d) Make reports and recommendations to the Combined Authority and/or the Mayor in relation to any reviews carried out in relation to the matters stated above;
 - e) Receive any external audit report; consider the report and make recommendations to the Combined Authority or the Mayor, as appropriate; and
 - f) Approve the annual accounts of the Combined Authority.

18 RECORDS AND STANDING ORDERS

- 18.1 Proceedings and the names of Members present at meetings must be recorded. Such proceedings will be agreed as an accurate record by Members of the Combined Authority at the next or a subsequent meeting.
- 18.2 The Combined Authority may make Standing Orders and Procedure Rules and shall adopt relevant procedures as set out at the end of this Scheme.

19 FUNDING OF THE EXERCISE OF COMBINED AUTHORITY FUNCTIONS

- 19.1 Subject to the proviso that the expenses of the Combined Authority that are reasonably attributable to the exercise of its functions (excluding Mayoral Functions) will be met by the existing resources of the Constituent Authorities, any additional costs will be met in equitable shares by the Constituent Authorities.
- 19.2 The Combined Authority shall be a levying body under section 74 of the Local Government Finance Act 1988 and shall have the power to issue a levy to its Constituent Authorities. Such levy shall be apportioned between the Constituent Authorities in equitable shares to be agreed in the annual budget. [The Constitution will set out a process for agreeing how these will be met.]
- 19.3 The Combined Authority shall agree an annual budget identifying its expenditure and sources of income.

20 FUNDING OF THE EXERCISE OF MAYORAL FUNCTIONS

- 20.1 In the financial year 2017/18 the costs of the Mayor that are incurred in (or in connection with) the exercise of the Mayoral Functions will be met by the Constituent Authorities. Such costs

shall be apportioned between the Constituent Authorities in equitable shares to be agreed in the annual budget

- 20.2 In any financial year following 2017/18 the costs of the Mayor that are incurred in (or in connection with) the exercise of the Mayoral Functions may be met from precepts issued by the Combined Authority under section 40 of the Local Government Act 1992.
- 20.3 The Combined Authority will be a major precepting authority under section 39 of the Local Government Finance Act 1992 but only in relation to expenditure incurred by the Mayor in or in connection with the exercise of the Mayoral Functions.
- 20.4 The function of issuing a precept under Chapter 4 of Part 1 of the Local Government Finance Act 1992 shall (subject to the following provisions of this paragraph 20) be a function only exercisable by the Mayor acting on behalf of the Combined Authority.
- 20.5 The Mayor shall maintain a fund in relation to receipts arising and liabilities incurred in the exercise of the Mayoral Functions.
- 20.6 Prior to each financial year beginning with the financial year 2018/19 the Mayor shall follow a process for the development of his or her budget for the exercise of Mayoral Functions for the financial year in question that is in accordance with Regulations or, in the absence of Regulations has the following characteristics:-
- a) preparation of a draft budget to include expenditure plans and income including the proposed precept;
 - b) scrutiny of the draft budget by the other Members of the Combined Authority and the Overview and Scrutiny Committee;
 - c) the making of changes to the draft budget as a result of such scrutiny; and
 - d) the approval of the draft budget.
- 20.7 The Mayor's draft budget shall be treated as rejected if two thirds of the Constituent Authority Members of the Combined Authority vote to reject it and in that event the Mayor shall propose a revised draft budget.

21 TRANSFER OF PROPERTY, RIGHTS AND LIABILITIES

- 21.1 There shall be no transfer of property, rights or liabilities between the Combined Authority or the Mayor and the Constituent Authorities other than by the agreement of the Constituent Authorities.

22 LOCAL ENTERPRISE PARTNERSHIPS

- 22.1 The Combined Authority recognises the importance of the Greater Cambridge Greater Peterborough LEP.
- 22.2 The Combined Authority commits to work with partners in East Anglia, Cambridgeshire, the Midlands and the South of England to promote opportunities for pan-Midlands and pan-Southern collaboration, along with any Sub National Transport Bodies and other Combined Authorities.

23 OFFICERS

- 23.1 The Combined Authorities must appoint persons to undertake the statutory functions of the Head of Paid Service, Chief Finance Officer and Monitoring Officer. The statutory officers and support to the Combined Authority will be provided by the Constituent Authorities.

23.2 The Constitution will include provision for the procedure to be followed in the appointment and dismissal of the Head of Paid Service, Chief Finance Office and Monitoring Officer.

23.3 The Combined Authority shall have the power to employ such officers or to engage such persons as it considers appropriate and on such terms as it thinks fit, to carry out its functions.

24 ADDITIONAL CONSTITUTIONAL DOCUMENTS

24.1 The Combined Authority shall adopt a Constitution that comprises:

- Scheme of Delegation
- Meeting Procedure Rules
- Access to Information Procedure Rules
- Financial Management Procedure Rules
- Procurement and Contract Procedure Rules
- Officer Employment Procedure Rules
- Members' Code of Conduct;
- Officers' Code of Conduct
- Scheme for Members' Allowances

APPENDIX A

COMBINED AUTHORITY FUNCTIONS EXERCISABLE BY THE MAYOR

1 CONNECTIVITY – TRANSPORT AND DIGITAL

- 1.1 To be responsible for a consolidated, multi-year local transport budget for the area of the Combined Authority devolved from the Government consisting of the Integrated Transport Block or any equivalent or replacement funding for the same or similar functions as those covered by that funding.
- 1.2 For the financial years 2017/18 to 2020/21 inclusive the amounts and allocations of the local transport budget shall be [as set out in respect of the Integrated Transport Block in the Table at Annex 1 to this Appendix A].
- 1.3 In each financial year referred to in Annex 1 and any other financial year in which the amounts devolved by the Government are identified as allocated to individual Constituent Authorities, the Mayor shall passport that funding to the relevant Constituent Authorities
- 1.4 In any financial year in which the amounts devolved by the Government are not identified as allocated to individual Constituent Authorities, the Mayor shall consult with the Combined Authority as to his/her spending plans in relation to the devolved amounts and approval of such spending plans shall be subject to a 2/3 majority not voting against).
- 1.5 The Mayor shall transfer to the relevant Constituent Authority any amount identified as allocated to that Constituent Authority in the approved spending plans.
- 1.6 To produce and publish a Local Transport Plan for the Combined Authority area without prejudice to Constituent Authority duties to publish Local Transport Plans under sections 108 and 109 of the Transport Act 2000 and to exercise powers under Part II Transport Act 2000 concurrently with the highway authorities.
- 1.7 Take responsibility for delivering a new Key Route Network of local authority roads; the management and maintenance of which shall be undertaken by the Combined Authorities and through this work towards shared procurement frameworks and operational delivery of road maintenance across the Constituent Authorities. In turn this will unlock key sites, along with rail developments and support the delivery of an asset management plan.
- 1.8 To exercise, concurrently with the relevant Constituent Authority to the extent that they have equivalent powers, such powers to franchise bus services in the Combined Authority area as shall be contained in future legislation to support delivery of smart and integrated ticketing
- 1.9 Develop in partnership with others an integrated approach to local buses, community based transport, the local network of car clubs and in particular rail services with rail operators and Network Rail.
- 1.10 To explore the creation of a statutory Transport body to influence strategic national transport initiatives and work with Essex and the Midlands through the Cambridge-to-Oxford arc under Part 5A Local Transport Act 2008

2 NEW HOMES AND SUSTAINABLE COMMUNITIES

- 2.1 Creation of a non-statutory spatial framework and supplementary planning documents to act as a framework for managing strategic planning across the Combined Authority area which will, generally conform to all Local Development Plans.
- 2.2 To develop a non-statutory strategic infrastructure delivery plan.

- 2.3 To have functions corresponding to those of the Mayor of London under Part 8 of the Localism Act 2011 to designate any area of land in the Combined Authority area as a Mayoral Development Area leading to the establishment by Order of a Mayoral Development Corporation. This function must be exercised only with the consent of the Cabinet Member for the area affected and any Constituent Authority in which the Development Corporation is intended to be based.
- 2.4 The Combined Authority, with its partner authorities, will use the powers and infrastructure resources devolved from the Government, alongside local public and private investment, to substantially increase housing delivery through ambitious targets based on housing need, seeking to deliver 29,000 homes to 2021 and 72,000 homes over the longer period of Local Plans across East Anglia of different types and tenures.
- 2.5 To make proposals for the creation of other emerging vehicles to help take forward large development or new settlements subject to the consent of any Constituent Authority in which area the vehicle is intended to be used.
- 2.6 To exercise strategic planning powers to support and accelerate these ambitions. These will include the power to:
 - 2.6.1 Create a non-statutory spatial framework, which will act as the framework for allocation of relevant sites subject to the unanimous approval of the Combined Authority
 - 2.6.2 Create non-statutory supplementary planning documents subject to the unanimous approval of the Combined Authority.
 - 2.6.3 Be consulted on planning applications of strategic importance in the Combined Authority area and to work with local areas to achieve ambitious plans for new housing development.
 - 2.6.4 Create Mayoral Development Corporations or similar delivery vehicles, with planning and land assembly powers, which will support delivery of strategic sites in the Combined Authority area. This power will be exercised with the consent of the cabinet member in which the development corporation is to be used
 - 2.6.5 Ensure there is a sufficient supply of commercial and housing sites available, to support a growing economy.
 - 2.6.6 Develop closer working with the Homes and Communities Agency.
 - 2.6.7 Support the delivery of housing and regeneration activities above in addition to the applicable land powers in the Local Government Act 1972 the Combined Authority shall be entitled to exercise powers in part II Housing Act 1985 concurrently with the Constituent Authorities (irrespective of whether any land would be held for the purposes of Part II) and the Local Authorities (Land) Act 1963.

3 FINANCE

- 3.1 Subject to enabling legislation, to exercise the power to place a supplement of rateable value on business rates.
- 3.2 To exercise the function of issuing a precept under Chapter 4 of Part 1 of the Local Government Finance Act 1992 in respect of mayoral functions.

ANNEX 1

| Funding and Allocation | | 2017/18 | 2018/19 | 2019/20 | 2020/21 |
|---|--|---------|---------|---------|---------|
| Integrated transport block | | | | | |
| Cambridgeshire /Peterborough | | 4.6 | 4.6 | 4.6 | 4.6 |
| Highways Maintenance Incentive formula | | | | | |
| Cambridgeshire /Peterborough | | 1.5 | 3.1 | 3.1 | 3.1 |
| Highways Maintenance Funding formula | | | | | |
| Cambridgeshire /Peterborough | | 16.4 | 14.9 | 14.9 | 14.9 |
| | | | | | |

APPENDIX B

FUNCTIONS TO BE EXERCISED BY THE COMBINED AUTHORITY

4 LEARNING AND SKILLS, APPRENTICESHIPS AND EMPLOYMENT

- 4.1 To ensure continued collaboration the Combined Authority will, with the Regional Schools Commissioner and other key local education stakeholders establish an Education Committee. The Regional Schools Commissioner will work with the Committee to provide strategic direction on education across the Combined Authority area.
- 4.2 The Government commits to an Area Review of post-16 education and training, currently expected to start in November 2016. As part of the Area Based Reviews, the Combined Authority will gather data to feed into the development of a potential proposal for an Institute of Technology (IoT) for regionally significant sectors, and will discuss with the Government the extent to which this meets the criteria which are being developed for IoTs nationally. The outcome of the Area Review will be taken forward in line with the principles of the devolved arrangements. The review will include all post-16 education and training provision in the initial scoping phase and school sixth forms will be included in the detailed review if the school decides to be involved in the process. Recommendations will be focused on General FE and Sixth Form Colleges, however the Regional Schools Commissioner and the relevant local authorities will consider any specific issues arising from the reviews for school sixth form provision.
- 4.3 The Government recognises the progress the LEP, local colleges and providers and the private sector have made in improving skills provision across Cambridgeshire and Peterborough. It is expected that the LEP Skills Board will continue to collaborate with colleges and providers, with appropriate support from the Education Funding Agency to work towards delivering this plan.
- 4.4 The Government will enable local commissioning of outcomes to be achieved from 19+ Adult Education Budget starting in academic year 17/18; and will fully devolve budgets to the Combined Authority from academic year 2018/19 subject to readiness conditions). These arrangements will not cover apprenticeships.
- 4.5 The Combined Authority will focus a greater proportion of its devolved Adult Education Budget on learning that delivers sustained job outcomes, productivity and economic growth.
- 4.6 Devolution will proceed in two stages, across the next three academic years:
 - a) The Combined Authority will begin to prepare for local commissioning. For the 2017/18 academic year, and following the area review, the Government will work with the Combined Authority to vary the block grant allocations made to providers, within an agreed framework.
 - b) From 2018/19, there will be full devolution of funding. The Combined Authorities will be responsible for allocations to providers and the outcomes to be achieved, consistent with statutory entitlements. The Government will not seek to second guess these decisions, but it will set proportionate requirements about outcome information to be collected in order to allow students to make informed choices. A funding formula for calculating the size of the grant to Constituent Authorities and the Combined Authorities will need to take into account a range of demographic, educational and labour market factors; it will also need to take account of costs of implementing devolution and continuing operational expenditure.
- 4.7 The readiness conditions for full devolution are that:

- a) Parliament has legislated to enable transfer to local authorities of the current statutory duties on the Secretary of State to secure appropriate facilities for further education for adults from this budget and for provision to be free in certain circumstances.
 - b) Completion of the Area Review process leading to a sustainable provider base.
 - c) After Area Reviews are completed, agreed arrangements are in place between central government and the Combined Authority to ensure that devolved funding decisions take account of the need to maintain a sustainable and financially viable 16+ provider base.
 - d) Clear principles and arrangements have been agreed between the Government and the Combined Authority for sharing financial risk and managing failure of 16+ providers, reflecting the balance of devolved and national interest and protecting the taxpayer from unnecessary expenditure and liabilities.
 - e) Learner protection and minimum standards arrangements are agreed.
 - f) Funding and provider management arrangements, including securing financial assurance, are agreed in a way that minimises costs and maximises consistency and transparency.
- 4.8 The Government recognises that Cambridgeshire has a world-class higher education offering, with the University of Cambridge consistently ranked amongst the foremost universities in the world. This higher education offer has a vital role in enhancing the innovation and productivity of the area's economy. Local partners want to work with the Government to build on this to progress plans for University Centre Peterborough to attain Taught Degree Awarding Powers and, in the longer-term, to establish an independent university institution in the city.
- 4.9 Subject to the readiness conditions below, from the 2018/19 academic year onwards, to receive fully devolved Government budgets (calculated on a funding formula taking into account a range of demographic, educational and labour market factors) for 19+ education and training and to exercise within the Combined Authority area the functions of the Secretary of State under sections 2 and 10A Employment and Training Act 1973 and the following provisions of the Apprenticeship Skills Children and Learning Act 2009:
- a) Section 86 except subsection (1)(b)
 - b) Section 87
 - c) Section 88 (but not any power to make Regulations)
 - d) Section 90 (but not any power to make Regulations)
- 4.10 Also relevant are the powers and duties of the Education Authorities under sections 15ZA, 15ZB, 15ZC, and 15 B of the Education Act 1996 and the powers under section 560A of that Act (duties and powers related to the provision of education and training for persons over compulsory school age). Data and information sharing powers in the Social Security (Claims and Information) Regulations 1999 (SI 1999/3108), Social Security (Information-sharing in relation to Welfare Services etc.) Regulations 2012 (SI 2012/1483), the Welfare Reform Act 2012 s.131 and Welfare Reform and Pensions Act 1999 are also relevant. These powers shall be exercised by the Combined Authority concurrently.
- 4.11 Pursuant to the functions referred to above, to be responsible for allocations to providers and the outcomes to be achieved, consistent with statutory entitlements and proportionate requirements set by the Government.

5 APPRENTICESHIPS

- 5.1 The Government recognises Cambridgeshire and Peterborough's commitment to delivering more apprenticeships. The Combined Authority will assume responsibility for the Apprenticeship Grant for Employers (AGE). The AGE funding must be used alongside mainstream apprenticeship participation funding to incentivise employers to offer apprenticeships, but the Combined Authority is free to vary the criteria associated with the

grant (e.g. size and sector of business) to meet local needs. The Skills Funding Agency will work with the Combined Authority to identify an appropriate share.

- 5.2 The Combined Authority and the Government will collaborate to maximise the opportunities presented by the introduction of the apprenticeship reforms, including the levy, and to work together on promoting the benefits of apprenticeships to employers in order to engage more small businesses in the apprenticeship programme. The Combined Authority will explore the potential of introducing an Apprenticeship Training Agency to the area, funded through local resources.
- 5.3 The relevant powers in this regard to be exercised concurrently include those mentioned above in section 4 and the:
- Apprenticeships, Skills, Children and Learning Act 2009 s.122
 - Education and Skills Act 2008.

6 EMPLOYMENT

- 6.1 The Combined Authority will work with the Department for Work and Pensions (DWP) to establish a locally integrated employment services which join together the elements of the employment system to achieve better outcomes. This includes:
- a) The Combined Authority committing to work with the Government to ensure all young people are either earning or learning including supporting Jobcentre Plus in the delivery of the Youth Obligation from April 2017.
 - b) The Government committing to ensuring all young people are either earning or learning and to exploring opportunities for links with local employment services to support this aim, including building in good practice from the existing local provision.
 - c) The Combined Authority commits to supporting the Youth Obligation by utilising strong local links to business to create work-related training and labour market opportunities for young people including encouraging the provision of apprenticeships and work placements in the local community. It will also work with the Government to investigate the potential for social investment, in particular Social Impact Bonds, for disadvantaged young people not in education, employment or training who may not be in receipt of support from Jobcentre Plus.
- 6.2 The Combined Authority will work with DWP to co-design the new National Work and Health Programme designed to focus on those with a health condition or disability and the very long term unemployed.
- 6.3 The respective roles of DWP and the Combined Authority in the co-design will include:
- a) DWP sets the funding envelope, the Combined Authority can top up if they wish to, but are not required to.
 - b) The Combined Authority will set out how it will join up local public services in order to improve outcomes for this group, particularly how it will work with the Clinical Commissioning Groups/third sector to enable timely health-based support. There will be a particular focus on ensuring the integration of the new programme with local services, in order to ensure that national and local provision works well together, and opportunities for greater integration are identified and levered.
 - c) DWP set the high-level performance framework and will ensure the support appropriately reflects labour market issues. The primary outcomes will be to reduce unemployment and move people into sustained employment. The Combined Authority will have some flexibility to determine specific local outcomes that reflect local labour market priorities, these outcomes should be complementary to the ultimate employment outcome. In

determining the local outcome(s) the Combined Authority should work with DWP to take account of the labour market evidence base and articulate how the additional outcome(s) will fit within the wider strategic and economic context and deliver value for money.

- d) Before delivery commences, DWP and the Combined Authority will set out an agreement covering the respective roles of each party in the delivery and monitoring of the support, including a mechanism by which each party can raise and resolve any concern that arise.
- e) DWP will facilitate protocols for data sharing and transparency by tackling some of the obstacles and developing solutions to enable the Combined Authority to develop a strategic needs assessment for the area.

6.4 The Combined Authority will co-commission the Work and Health programme with DWP. The respective roles of DWP and the Combined Authority will include:

- a) DWP sets the contracting arrangements, including contract package areas, but should consider any proposals from the Combined Authority on contract package area geography.
- b) The Combined Authority will be involved in tender evaluation.
- c) Providers will be solely accountable to DWP, but DWP and the Combined Authority's above-mentioned agreement will include a mechanism by which the Combined Authority can escalate to DWP any concerns about provider performance/breaching local agreements and require DWP to take formal contract action where appropriate.

7 FURTHER ACTIVITY TO IMPROVE LIFE CHANCES

- 7.1 The Combined Authority will set out how it will join up local public services across health, skills and employment in order to improve outcomes, particularly how it will work with local Clinical Commissioning Groups/third sector organisations and NHS England / the Health and Work Unit nationally to enable timely health-based support.
- 7.2 DWP will work with the Combined Authority and other partners to put in place workable data sharing arrangements which enable the integration of services and reduce duplication in order to support more people into work.

8 CAREER AND PAY PROGRESSION.

- 8.1 The Government will work with the Combined Authority to ensure that local priorities are fed into the provision of career advice, through direct involvement and collaboration with the Government in the design of local careers and enterprise provision for all ages, including continued collaboration with the Careers and Enterprise Company and the National Careers Service.
- 8.2 The Combined Authority will develop a business case for an innovative pilot to support career and pay progression for those claiming Universal Credit. The business case will set out the evidence to support the proposed pilot, cost and benefits and robust evaluation plans to enable the proposal to be taken forward, subject to Ministerial approval and an agreed investment plan.

9 BUSINESS SUPPORT

- 9.1 The LEP and local partners will successfully deliver the Cambridge Compass and Alconbury Weald Enterprise Zones as announced in wave one and two of the national competition. Government commits to supporting local partners in promoting and supporting the delivery of the Enterprise Zones, as well as considering any further proposals subject to future funding rounds.
- 9.2 The LEP will continue to deliver a strong Growth Hub, (Signpost 2 Grow), providing an effective signposting and targeted support service business support tailored to meet local

needs across Cambridgeshire and Peterborough (and the wider LEP area). Government will provide funding to help embed the Growth Hub in 2016/17 and 2017/18.

- 9.3 The Combined Authority, Local Authorities and LEP commit to greater alignment of economic development resources to maximise impact of support for businesses and ensure the most efficient and effective use of public funding. The LEP will lead on the delivery of the Strategic Economic Plans, working with partners and explore the pooling of staffing and resources.
- 9.4 The LEP and the Combined Authority commit to working with UKTI, strengthen joint working to increase inward investment and exporting. Local partners will invest in a concerted campaign to help more businesses, particularly smaller companies, export.
- 9.5 The LEP and Local Authorities, led by Signpost 2 Grow (our local growth hub) will work with Government to develop a strategic approach to regulatory delivery, building on the Better Business for All national programme which will remove regulatory barriers to growth for businesses.
- 9.6 Government supports the vision for innovation set out by Cambridgeshire and Peterborough and recognises the importance of the delivery of this vision for the region's future economic growth. The government will offer Cambridgeshire and Peterborough expert advice and support through the Smart Specialisation Advisory Hub, and associated workshops, to support activities part-funded by the European Regional Development Fund.

10 PUBLIC SERVICE REFORM

- 10.1 The Government and the Combined Authority will work with relevant central and local statutory and non-statutory sector partners to explore innovative and integrated approaches to redesigning sustainable public services across Cambridgeshire and Peterborough with a focus on prevention and early help. This includes the transfer of powers between the Combined Authority, the County Council, District Councils and Parish Councils to deliver the most efficient and effective public services. The Government and the Combined Authority will also focus on tackling socio-economic issues in areas of deprivation, such as parts of Fenland, Cambridge, Huntingdon and Peterborough, to improve the quality of life for local residents.

11 HEALTH AND SOCIAL CARE

- 11.1 Cambridgeshire and Peterborough face significant demographic challenges that are putting pressure on resources now and in future years. Local progress has already been made towards greater integration of health and social care in a number of locations and there is appetite to build on these foundations and make further progress on health and social care integration in order to deliver the Spending Review commitment to integrate health and social care by 2020, and to make the most efficient and effective use of public resources to meet the demographic challenges that lie ahead. Integrating such complex services will require re-shaping the whole system, which can only be achieved through careful planning, a shared vision and strong co-operation between local partners.
- 11.2 To deliver this shared vision, partnerships between local authorities, clinical commissioning groups, service providers and other local partners will need to be strengthened significantly. Therefore, these parties will work together, with the Combined Authorities and with support from the Government, NHS England and other national partners as appropriate, to support each of the counties through their Sustainability and Transformation Planning process to set out plans for moving progressively towards integration of health and social care, bringing together local health and social care resources to improve outcomes for residents and reduce pressure on Accident and Emergency and avoidable hospital admissions.
- 11.3 NHS England and local organisations will remain accountable for meeting the full range of their statutory duties.
- 11.4 Relevant powers to be exercised concurrently with the Constituent Authorities include:

- National Health Service Act 2006 (public health and Part III co-operation and integration);
- Health and Social Care Act 2012;
- Care Act 2014;
- Mental Health Acts.

12 COMMUNITY SAFETY

- 12.1 Cambridgeshire and Peterborough recognise the need to meet our communities' desire for increased visibility and responsiveness of public services to day to day community safety (such as parking, speeding, anti-social behaviour, fly-tipping). This is alongside addressing the rising needs of the most vulnerable (such as the frail elderly, victims of domestic violence or child sexual exploitation).
- 12.2 Good progress has been made by local partners to integrate our frontline response to the most vulnerable, including the Multi-agency Safeguarding Hub, Victims' Hub, Troubled Families programme, and safe and well visits between the fire service and adult social care, linked to wider blue light collaboration. Cambridgeshire and Peterborough will continue to join up our approach and explore how we can integrate our response to the root causes of vulnerability.
- 12.3 Working with Government the Combined Authority will explore the potential development of a more integrated pathway of service delivery to address the causes of offending behaviour early, before escalation that requires more costly interventions, with the aim of reducing the use of courts and prisons. Government will support this approach by working with Cambridgeshire and Peterborough to explore possible integration and early interventions.
- 12.4 In addition to Cambridgeshire and Peterborough's participation in the GPS pilot, Cambridgeshire and Peterborough will work with Government to strengthen their role in commissioning of offender management services and explore the potential for a more integrated approach to criminal justice in the area.

13 THE CAMBRIDGESHIRE AND PETERBOROUGH COMBINED AUTHORITIES COMMITMENTS

- 13.1 The Combined Authority is accountable to local people for the successful implementation of the Devolution Deal; consequently, the Government expects the Combined Authorities to monitor and evaluate their Deal in order to demonstrate and report on progress. The Cities and Local Growth Unit will work with the Combined Authorities to agree a locally resourced monitoring and evaluation framework that meets local needs and helps to support future learning. This framework must be approved to the DCLG Accounting Officer prior to delivery.
- 13.2 The Combined Authority will be required to evaluate the additional £20 million per annum of funding for 30 years, which will form part of and capitalise the Combined Authority single pot. The £20 million per annum fund will be subject to:
- a) Gateway assessments for the £20 million per annum scheme. The Combined Authorities and the Government will jointly commission an independent assessment of the economic benefits and economic impact of the investments made under the scheme, including whether the projects have been delivered on time and to budget. This assessment will be funded by the Combined Authorities, but agreed at the outset with the Government, and will take place every five years. The next five year tranche of funding will be unlocked if the Government is satisfied that the independent assessment shows the investment to have met the objectives and contributed to national growth;

- b) The gateway assessment should be consistent with the HM Treasury Green Book, which sets out the framework for evaluation of all policies and programmes, and where relevant with the more detailed transport cost-benefit analysis guidance issued by the Department for Transport (DfT). The assessment should also take into account the latest developments in economic evaluation methodology; and
 - c) The Government would expect the assessment to show the activity funded through the scheme represents better value for money than comparable projects, defined in terms of a Benefit to Cost ratio.
- 13.3 The Combined Authority will jointly write a single local assurance framework for the Single Pot, based on guidance produced by DCLG, to outline decision-making processes to allocate funding, and project appraisal. This local assurance framework will be signed off by the Government.
- 13.4 The Constituent Authority and the Combined Authority will work with the Government to develop a full implementation plan, covering each policy agreed in this Deal, to be completed ahead of implementation. This plan will include the timing and proposed approach for monitoring and evaluation of each policy which will take into account the latest developments in economic evaluation methodology and help supports future learning. This implementation plan must be approved by the DCLG Accounting Officer prior to delivery.
- 13.5 The Combined Authority and the Government will agree a process to manage local financial risk relevant to these proposals and will jointly develop written agreements on every devolved power or fund to agree accountability between local and national bodies on the basis of the principles set out in this document.
- 13.6 The Combined Authority will continue to set out their proposals to the Government for how local resources and funding will be pooled across the region.
- 13.7 The Combined Authority will agree overall borrowing and capitalisation limits with the Government and have formal agreement to engage on forecasting. The Combined Authority will also provide information, explanation and assistance to the Office for Budget Responsibility where such information would assist in meeting their duty to produce economic and fiscal forecasts for the UK economy.
- 13.8 The Combined Authority will continue to progress programmes of transformation amongst the Constituent Authorities to streamline back office functions and share more services and data, including on assets and property.
- 13.9 The Government will support the Constituent Authorities by leveraging existing monitoring and evaluation frameworks and, where applicable, by providing assistance to ensure consistency and coordination of metrics and methodologies with other areas receiving a devolution agreement. As part of this commitment, the Government will work with the Constituent Authorities to explore options for the coordinated application of high quality impact evaluation methods in relation to certain policies, which may include i) local commissioning of 19+ skills; and ii) employment support.

14 EQUALITIES

- 14.1 The Combined Authority will adhere to the public sector equality duty under section 149 of the Equality Act 2010 as if it was a public authority for the purposes of that section.

16 June 2016

‘Cambridge Housing Fund’ within the Cambridgeshire and Peterborough Devolution Plan

Subject to agreement on the devolution deal.

- **£70m grant to be made available to Cambridge City Council**, for it to use to build new council housing.
- **At least £60m of the grant to deliver the 500 new council homes in Cambridge** by the City Council will spend the grant **over a five year period on social rented homes** (defined as rents at Local Housing Allowance levels).
- **£10m of the grant** will be available to the City Council to replace any of the 500 subsequently sold through the RTB.
- The City Council will **combine the funding with Right to Buy (RTB) receipts in its control**.
- The City Council has already **identified potential sites and will develop a detailed delivery plan**.
- The new housing will be **owned and managed through the Council’s Housing Revenue Account (HRA)** and will be let as secure local authority tenancies.
- Delivery of the new homes will be undertaken in **close liaison with South Cambridgeshire District Council** in relation to their complementary affordable housing programme and through the Greater Cambridge Housing Development Agency, the shared housing delivery vehicle operated by the two Councils.
- The City Council will have the freedom to choose the extent that it provides the new homes **on land that it owns or land owned by others** (including through section 106 planning agreements).
- The grant will be made available to the City Council through the new Combined Authority.
- The grant is separate and **in addition to a £100m affordable housing grant** in the Devolution Agreement for non-council Cambridgeshire and Peterborough housing for affordable rent and shared ownership housing to be provided via housing associations, including a particular focus on delivering this in South Cambridgeshire and Greater Cambridge.
- Issues relating to Government **plans for ‘higher value sales’**, affecting Cambridge council housing, were not addressed in the Devolution discussions and will be the subject of further discussion between the Government and councils, including with Cambridge City Council.

17 June 2016

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