



Cambridge City Council
Strategy and Resources Scrutiny Committee

Date: Thursday, 24 May 2018

Time: 3.00 pm (or at the Conclusion of the Annual Meeting)

Venue: Committee Room 1 & 2, The Guildhall, Market Square, Cambridge, CB2 3QJ

Contact: democratic.services@cambridge.gov.uk, tel:01223 457013

Agenda

- 1 Apologies for Absence
- 2 Declarations of Interest
- 3 Minutes (Pages 3 - 22)
- 4 Public Questions

Decisions of the Executive Councillor for Strategy and External Partnerships

- 5 Constituent Council consent for Business Rates Supplement Order, and Devolution of Adult Education Powers (Pages 23 - 50)

A key decision by the Executive Councillor for Strategy and External Partnerships is required which has not been on the Forward Plan giving 28 days notice of that decision. Under the Constitution, Part 4B- Access to Information Procedure Rules, this decision can still be taken if a notice is given setting out the reasons why compliance with the publicity requirement is impractical.

The reason that this decision cannot wait until 28 days notice has passed is that a decision is needed by 31 May 2018, as explained in the officer report the timing is very relevant and therefore cannot wait until 28 days has elapsed.

Strategy and Resources Scrutiny Committee Members: Barnett (Chair), Baigent (Vice-Chair), Bick, Dalzell, Sinnott and Sargeant

Alternates: Cantrill and Massey

Executive Councillors: Herbert (Executive Councillor for Strategy and Transformation) and Robertson (Executive Councillor for Finance and Resources)

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STRATEGY AND RESOURCES SCRUTINY COMMITTEE

19 March 2018

5.00 - 8.15 pm

Present: Councillors Barnett (Chair), Baigent (Vice-Chair), Bick, Cantrill, Sarris and Sinnott

Executive Councillors: Herbert (Executive Councillor for Strategy and Transformation) and Robertson (Executive Councillor for Finance and Resources)

Officers:

Chief Executive: Antoinette Jackson

Strategic Director: Fiona Bryant

Head of Corporate Strategy: Andrew Limb

Head of Legal Practice: Tom Lewis

Head of Shared Internal Audit Service: Jonathan Tully

ICT Development Manager: Emma Alerton

Benefits Manager: Naomi Armstrong

Committee Manager: Sarah Steed

Others present:

Group Property Director from Anglian Water: John Cormie

FOR THE INFORMATION OF THE COUNCIL**18/18/SR Apologies for Absence**

No apologies were received.

18/19/SR Declarations of Interest

Name	Item	Interest
Cllr Sarris	18/27/SR	Personal: Redevelopment by Trinity College. He is a Fellow of Trinity College. Did not take part in discussion or debate.
Cllr Baigent	18/28/SR	Declared a personal

		interest in item 18/28/SR.
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18/20/SR Minutes of the Previous Meeting

The minutes of the meeting held on 22 January and 12 February 2018 were approved as a correct record and signed by the Chair.

18/21/SR Public Questions

Members of the public asked a number of questions, as set out below.

1. Vanessa Burkitt raised the following points:
 - i. The Leader confirmed at a meeting last week that he was committed to retaining a car park at Park Street and supporting businesses in the local economy.
 - ii. It was a time for the Council to support local businesses, retailers, restaurants, hotels, professional offices and safeguard local employment.
 - iii. In 2017, 12,225 employees lost their jobs across the UK. In the first two months of 2018 half that number had lost their jobs already (6322).
 - iv. Locally four retailers had tried to sell their leases in Bridge Street, St Johns Street and Trinity Street for two years without success.
 - v. Asked that in the current climate of uncertainty that the Council maintained the large car park at Park Street for the next 5 years.
 - vi. Had asked to see structural engineers' reports and hydraulic surveys for the Park Street car park but none had been provided.
 - vii. Requested that the decision on Park Street car park was postponed and the report sent back for more investigations to be undertaken.
 - viii. If a decision was made, requested a moratorium of 3 years before any work was undertaken to give businesses a specific time frame in which to make plans.
 - ix. Asked how many spaces the aparthotel would use; it was expected that 50% of the occupants would need a parking space.

The Executive Councillor for Strategy and Transformation made the following comments:

- i. He had met with Vanessa Burkitt on three occasions at different stages when considering the reports. It remained his view that the Council needed to look at the proposal to retain the car park in the medium to long term for the local economy. The city had a rapidly expanding tourist economy and he wanted people to stay in Cambridge for more than a couple of hours.
- ii. There were different views about the threat to retail in the city.

- iii. He was willing to have further discussions but wanted the Committee to look at the proposal contained in the Officer's report and make a decision on it.
- iv. The original approach required the car park being shut for two Christmas periods, the revised approach would seek to minimize the time period that the car park was out of use and limit the closure to one Christmas but approximately 20 months in total.
- v. The proposal did not contain a specific reservation of parking spaces for the aparthotel.

2. Will Davies raised the following points:

- i. There was a lack of research and detail contained in the Officer's report.
- ii. Asked for confirmation that the redevelopment of Park Street car park was not to raise funding for the Council to build 500 new homes.
- iii. The Council wanted to shrink the number of car parking spaces. Most people who did not own cars struggled to get into the city. The park and ride services were not great.
- iv. Commented that businesses made their money at the weekends.
- v. Raised concerns regarding air pollution around the Grand Arcade car park.
- vi. Commented that no information had been provided on how many floors or rooms the aparthotel would have.
- vii. Council Officers were working with figures that were two years old which was not acceptable.
- viii. No detailed time plan had been provided for the development. He asked where the 20 month time plan for the development to be completed had come from.
- ix. The development would bring more cars into the area.
- x. Commented that he had not seen a structural report for the car park and urged the Committee that the development should not be progressed.

The Executive Councillor for Strategy and Transformation made the following comments:

- i. He committed to sharing Council information that was not commercially sensitive.
- ii. The existing car park was not suitably designed for the current use, it was not accessible for all users and the sizes of the car parking spaces were not large enough.
- iii. The work on this project had been on-going for several years and he wanted to get the best deal for the wider community whilst retaining a reduced size car park.
- iv. Public transport on offer needed to be improved by the Greater Cambridge Partnership in conjunction with neighbouring Councils.

- v. A viability assessment had been undertaken and detailed what development was viable.
- vi. Proposed a liaison committee with local representatives of businesses and the local community.

The Strategic Director made the following comments:

- i. The recommendation in the Officer's report was to progress the matter further and for further due diligence to be carried out.
- ii. Housing development at the Park Street site was found not to be viable.
- iii. Car park experts and structural engineers had provided the timescale estimates for the development.
- iv. A planning application and detailed archaeological investigations had to be carried out but it was hoped these matters would not impact on the 20 month time plan.

The Executive Councillor for Strategy and Transformation made the following comments:

- i. The figures for the development were currently commercially sensitive and it was not in the Council's commercial interest to publish these.
- ii. The Council was committed to being open and transparent on other aspects.
- iii. The Council had looked at various proposed uses on the site which included residential, student accommodation and commercial uses.
- iv. It was for a commercial operator to take the site on and develop it at its own risk.

3. William Bailey, Bursar of Cambridge Union Society raised the following points:

- i. Questioned the rush to make a decision at the meeting.
- ii. Commented that the Cambridge Union Society and Trinity College were working together on a joint development at Round Church Street and that their development would be opening up at the point that the Council undertook their development.
- iii. Requested a moratorium on the Council's development plans.

The Executive Councillor for Strategy and Transformation made the following comments:

- i. He was aware of Cambridge Union Society's development, and the impact on local streets would need to be considered when the Council undertook their development.

- ii. The Council's proposed development was in the public domain and would be subject to a planning application before any works could be undertaken.
4. Dr Tariq Mahmood raised the following points:
- i. Questioned the 20 month time period that had been quoted for the proposed development to be completed.
 - ii. Referred to the University Arms Hotel development and commented on the length of time the hotel had been under construction.
 - iii. The Executive Councillor had commented that parking spaces in Park Street car park were not suitable and he commented that a simple solution would be to redraw the lines.
 - iv. Commented that there should be a moratorium on the Park Street development given the economic uncertainty for local businesses created by the Government's decision to leave Europe.
 - v. Wanted to know if the development went ahead how many car parking spaces there would be for the public.

The Executive Councillor for Strategy and Transformation made the following comments:

- i. He did not believe that the 20 month time period quoted for the completion of the development was unrealistic.
- ii. The issues with Park Street car park were not as simple as moving the parking lines. There were accessibility issues currently for disabled users, and he also wanted improved cycle parking and electric charging points.
- iii. The Council had been working on the Park Street development proposal for a number of years and a decision needed to be made.

18/22/SR Discretionary Housing Payment Update

Matter for Decision

The Officer's report provided an update on the funding and use of Discretionary Housing Payments (DHP) to support those affected by the Welfare Reforms.

Decision of Executive Councillor for Finance and Resources

- i. Approved the carry forward to the 2018/19 financial year the final unspent additional DHP contribution (see paragraph 4.7 of the Officer's report).
- ii. Delegated approval for the future carry forward of any underspent additional DHP contribution, to Head of Revenues and Benefits.

Reason for the Decision

As set out in the Officer's report.

Any Alternative Options Considered and Rejected

Not applicable.

Scrutiny Considerations

The Committee received a report from the Benefit Manager.

The Committee made the following comments in response to the report:

- i. Found the reports useful for gathering data on inequality.
- ii. Commented that the local housing allowance appeared to have an upward trend.
- iii. Asked with the benefit cap whether more people were moving onto the scheme.
- iv. Asked for officer's comments on the Discretionary Housing Payment.

The Benefit Manager said the following in response to Members' questions:

- i. The Council had a robust triage process and considered every individual benefit cap referral. Where the Council could support an individual into work the benefit cap did not apply. When the individual was not subject to a benefit cap, discretionary housing payment would not be made.
- ii. The Local Housing Allowance was based on a broad rental market area.
- iii. Commented on the benefit cap that she had seen a reduction in caseload and this was not being replaced.
- iv. The carry forward of the underspend would allow the Council to support the most vulnerable for the next few years. During which time a review of other grant income to support Discretionary Housing Payments would be undertaken. Discretionary Housing Payment support for Local Housing Allowance was generally a temporary support measure, however we are mindful that it is not always possible to assist people to move, as quite often, individuals in receipt of Discretionary Housing Payments had local caring responsibilities.

Councillor Cantrill proposed and Councillor Bick seconded an amendment to the recommendation to delete paragraph 2.2 of the recommendation.

On a show of hands the amendment was lost by 4 votes to 2.

The Committee resolved by 4 votes to 0 to endorse the recommendations.

The Executive Councillor approved the recommendations.

Conflicts of Interest Declared by the Executive Councillor (and any Dispensations Granted)

No conflicts of interest were declared by the Executive Councillor.

6a 3C Legal Service 2018/19 Business Plan

Matter for Decision

The 2018/19 shared business case for 3C Legal Services was presented for endorsement, the principles of which were approved on the 13th July and 12th October 2015.

Decision of Executive Councillor for Finance and Resources

- i. Approved the business plan attached at Agenda Item 6a to the Officer's report.
- ii. Delegated authority to the Shared Service Management Board to agree final amendments to the business plan in line with comments received from all three partner individual Councils

Reason for the Decision

As set out in the Officer's report.

Any Alternative Options Considered and Rejected

Not applicable.

Scrutiny Considerations

The Committee received a report from the Head of Legal Practice.

The Committee made the following comments in response to the report:

- i. Asked what criteria and objectives were being applied to assess the business plans.
- ii. Asked whether the quality of service that had been provided over the past 12 months had been assessed.

The Executive Councillor said the following in response to Members' questions:

- i. In response to the question about criteria and objectives, he referred to page 39 of the Officer's report and the key performance indicators for the service and also page 41 and 43 of the Officer's report.

The Head of Legal Practice commented that the report contained the objectives for the Legal Practice for the year ahead and the past year. He would try and capture further information on external spend and refer this to the quarterly management board meetings.

The Committee endorsed the recommendations by 4 votes to 0:

The Executive Councillor approved the recommendations.

Conflicts of Interest Declared by the Executive Councillor (and any Dispensations Granted)

No conflicts of interest were declared by the Executive Councillor.

6b 3C ICT 2018/19 Business Plan

Matter for Decision

The 2018/19 shared business case for 3C ICT was presented for endorsement, the principles of which were approved on the 13th July and 12th October 2015.

Decision of Executive Councillor for Finance and Resources

- i. Approved the business plan at Agenda Item 6b of the Officer's report.
- ii. Delegated authority to the Shared Service Management Board to agree final amendments to the business plan in line with comments received from all three partner individual Councils

Reason for the Decision

As set out in the Officer's report.

Any Alternative Options Considered and Rejected

Not applicable.

Scrutiny Considerations

The Committee received a report from the Head of Digital and ICT.

The Committee made the following comments in response to the report:

- i. Asked what criteria and objectives were being applied to assess the business plans.
- ii. Asked if other authorities were following front end re-engineering.
- iii. Asked whether the 'Council Anywhere' platform was just being rolled out to the City Council or whether the two other councils within the ICT shared service were also going to get the platform.
- iv. Queried whether the council who went first to implement new ICT software would be subject to more disruptions to service whilst troubleshooting issues were being resolved compared to the two other councils within the shared service.
- v. Queried the server room consolidation project referred to on p68 of the officer's report.

The Strategic Director said the following in response to Members' questions:

- i. A reasonable level of ICT infrastructure engineering had been agreed in the budget, business plan and route map. The route map laid out the plan for timescales.
- ii. Part of the role of the Management Board, which was made up of Directors from each Council, was to feed back on the performance and quality of the delivery of the service.
- iii. Commented that 'Council Anywhere' was a national initiative but that the City Council was going to be the first council within the ICT shared service to receive the platform. The planned roll out of the platform would be efficient to all three council's within the shared service so there shouldn't be a big burden on the council that had the platform first.
- iv. Confirmed that there would be two server rooms under the server room consolidation project, one in Shire Hall and one in Huntingdon.

The ICT Development Manager said the following in response to Members' questions:

- i. The City Council was going to get the first batch of new ICT equipment, however in order to make financial savings, the equipment for all three councils within the shared service was bought in one procurement exercise.

The Committee endorsed the recommendations by 4 votes to 0:

The Executive Councillor approved the recommendations.

Conflicts of Interest Declared by the Executive Councillor (and any Dispensations Granted)

No conflicts of interest were declared by the Executive Councillor.

6c Shared Internal Audit Service - 2018/19 Business Plan**Matter for Decision**

The 2018/19 shared business case for Internal Audit Services was presented for endorsement, the principles of which were approved on the 13 July and 23 January 2017.

Decision of Executive Councillor for Finance and Resources

- i. Approved the business plan at Agenda Item 6c of the Officer's report.
- ii. Delegated authority to the Shared Service Management Board to agree final amendments to the business plan in line with comments received from all three partner individual Councils

Reason for the Decision

As set out in the Officer's report.

Any Alternative Options Considered and Rejected

Not applicable.

Scrutiny Considerations

The Committee received a report from the Head of the Shared Internal Audit Service.

The Committee made the following comments in response to the report:

- i. Asked what criteria and objectives were being applied to assess the business plans.
- ii. Commented that the Internal Audit Service was the eyes and ears for members to ensure that the council complied with its legal obligations.
- iii. Asked whether there was sufficient capacity within the Shared Internal Audit Plan to deal with unforeseen work that arose.
- iv. Asked how internal reviews were carried out for services that were shared with other councils and where the service was led by another council.

The Head of the Shared Internal Audit Service said the following in response to Members' questions:

- i. Resourcing was considered when the Shared Internal Audit Plan was developed and the resilience of a shared service should provide assurance.
- ii. He worked closely with his counterpart at Huntingdonshire District Council, when an issue arose regarding a shared service they would look to see which council was the host council and they would take the lead to provide assurance to the council who had requested the audit review.

The Executive Councillor commented that the Shared Internal Audit Service was not only the eyes and ears of members but also for managers to have services reviewed.

The Committee endorsed the recommendations by 4 votes to 0:

The Executive Councillor approved the recommendations.

Conflicts of Interest Declared by the Executive Councillor (and any Dispensations Granted)

No conflicts of interest were declared by the Executive Councillor.

18/23/SR Annual Update on the Work of our Strategic Partnerships - S&T Portfolio

Matter for Decision

The Officer's report provided an update on the key external partnerships the Council was involved with as part of a commitment given in the Council's "Principles of Partnership Working".

Decision of Executive Councillor for Strategy and Transformation

- i. To continue to work with the Greater Cambridge Partnership and other growth-related partnerships and to work with the new model of delivery for the Local Enterprise Partnership under the Combined Authority, so that together we can address the strategic issues affecting Cambridge, to the overall benefit of citizens.
- ii. To continue to work within the Cambridge Community Safety Partnership to fulfill our obligations to help reduce crime and anti-social behaviour in the city.

Reason for the Decision

As set out in the Officer's report.

Any Alternative Options Considered and Rejected

Not applicable.

Scrutiny Considerations

The Committee received a report from the Head of Corporate Strategy.

The Committee made the following comments in response to the report:

- i. Referred to p108 of the officer's report and asked whether the Housing Development Agency was truly a creature of the Greater Cambridge Partnership and how the Leader saw this going forward given that the views of Cambridgeshire County Council and South Cambridgeshire District Council diverged.
- ii. It was understood that the Housing Development Agency was intended to be self-financing and questioned whether the City Council would have to pay in the future for its services.
- iii. Commented that it would be interesting to see how the Greater Cambridge Partnership would relate to the Combined Authority in relation to skills.
- iv. Made reference to the digital wayfinding project in paragraph 5.9 and the City Access package in paragraph 5.12 of the officer's report.
- v. Asked whether the Cambridge Community Safety Partnership was involved in the Police restructure in the City.

The Strategic Director said the following in response to Members' questions:

- i. Cambridgeshire County Council had taken the decision to transfer its assets into its own development company but they may require the expertise of the Housing Development Agency to deal with more complex issues.
- ii. South Cambridgeshire District Council had taken services back in house but they may also require the Housing Development Agency's expertise on complex sites.

The Executive Councillor for Strategy and Transformation said the following in response to Members' questions:

- i. The Housing Development Agency was created before the devolution arrangements.
- ii. The Combined Authority was a commissioning body so it may be able to lead on some of the projects.

- iii. The City Council wanted to get the best out of the Housing Development Agency and he believed that it would be self-financing as it could also win projects from other people in the future.
- iv. The fact that the Greater Cambridge Partnership focussed on skills was important.
- v. Confirmed that he had been consulted in advance about the restructure of the policing in the City and across the force area.
- vi. Confirmed that his focus for policing would be to maintain neighbourhood policing and he would lobby for resources to continue to be focussed in the city.

The Committee endorsed the recommendations by 4 votes to 0:

The Executive Councillor approved the recommendations.

Conflicts of Interest Declared by the Executive Councillor (and any Dispensations Granted)

No conflicts of interest were declared by the Executive Councillor.

18/24/SR Cambridge Northern Fringe East

Matter for Decision

The report was intended to update the Executive Councillor and the Committee on the current status and proposals for the Cambridge Northern Fringe East site and to recommend next steps.

Decision of Executive Councillor for Strategy and Transformation

- i. To note the current status, indicative proposals and target timescales for the programme and the continued engagement with Homes England on progression with the HIF bid.
- ii. Approved the timeline for the Master Developer tender process and delegate the final approval to the Strategic Director, in consultation with the Executive Councillor and Opposition Spokesperson, noting that the decision to run a procurement in order to identify a master developer, was in consultation with the Leader, recognising that the offer was not certain at point of tender.
- iii. To establish the terms for an appropriate joint venture vehicle, working with the Strategic Director, Anglian Water and advisers, subject to HIF bid outcome.
- iv. Noted the proposed timetable for preparing the CNFE Area Action Plan for the proposed wider boundary area (contained in paragraph 4.2.6 and appendix 2a), which is programmed to run in tandem with the HIF bid and

with the subsequent regulatory process required for relocation of the Cambridge Water Recycling Centre.

Reason for the Decision

As set out in the Officer's report.

Any Alternative Options Considered and Rejected

Not applicable.

Scrutiny Considerations

The Committee received a report from the Strategic Director.

The Committee made the following comments in response to the report:

- i. Questioned whether 7600 homes would be able to be built and delivered on the site.
- ii. Requested that Opposition Councillors were included to develop the Area Action Plans.
- iii. Questioned where the water treatment plant would relocate to if the Housing Infrastructure Fund (HIF) bid was successful.

The Strategic Director and the Group Property Director from Anglian Water said the following in response to Members' questions:

- i. The HIF bid put forward a proposal of 5000 houses on the core site which was owned partly by Anglian Water and partly by the City Council but it was hoped that if the core site got approval that this would be a catalyst to build further housing. Anglian Water and the City Council did not own land beyond the core site and therefore the housing figures above 5000 houses were speculative figures.
- ii. Confirmed that if the HIF bid was successful then officers planned to do more work and involve Opposition Councillors.
- iii. Confirmed that if the HIF bid was successful Anglian Water would have to go through a process to look for alternative sites to relocate to.

The Committee unanimously resolved to endorse the recommendations.

The Executive Councillor approved the recommendations.

Conflicts of Interest Declared by the Executive Councillor (and any Dispensations Granted)

No conflicts of interest were declared by the Executive Councillor.

18/25/SR Combined Authority update**Matter for Decision**

The report provided an update on the activities of the Cambridgeshire and Peterborough Combined Authority (CPCA) since the 22 January meeting of the Strategy and Resources Scrutiny Committee.

Decision of Executive Councillor for Strategy and Transformation

- i. Noted the update provided on issues considered at the meetings of the Combined Authority held on 31 January, 14 February and 28 February 2018.

Reason for the Decision

As set out in the Officer's report.

Any Alternative Options Considered and Rejected

Not applicable.

Scrutiny Considerations

The Committee received a report from the Chief Executive.

The Committee asked the Executive Councillor to provide his comments and thoughts on:

- i. The portfolio holders at the Combined Authority and in particular the housing portfolio holder.
- ii. The Transport Assessment Cambridge project.
- iii. Why the Mayor took the Cambridge Metro project away from the Greater Cambridge Partnership and asked how much the Mayor would consult with Cambridge residents.

The Executive Councillor for Strategy and Transformation said the following in response to Members' questions:

- i. The Mayor appointed the portfolio holders for the Combined Authority and had particular interest in community land trusts. The Mayor was currently the Housing Portfolio Holder for the Combined Authority but he thought that he may appoint someone else to this role in the future.
- ii. The devolution deal had transferred transport strategy to the Combined Authority Mayor and this meant that he had a say in strategic transport decisions. The Mayor recognised that the Great Cambridge Partnership, the City Council and South Cambridgeshire District Council should have a say in transport decisions involving Cambridge. The Cambridge Metro project didn't have a clear enough brief when it was reported to the

- Combined Authority but there was a stronger brief for the next stage. He would continue to seek partnership working in the delivery of this project.
- iii. The Greater Cambridge Partnership would continue its work and continue looking at routes to the west and south east of Cambridge. The Mayor was looking to secure private investment for the Cambridge Metro project.

The Committee noted the update.

The Executive Councillor noted the update.

Conflicts of Interest Declared by the Executive Councillor (and any Dispensations Granted)

No conflicts of interest were declared by the Executive Councillor.

18/26/SR Strategic Development of Park Street Car Park

Matter for Decision

The report proposed the redevelopment of Park Street car park to provide a hotel over a basement car park to provide 225 car parking spaces including cycle parking and facilities for electric car charging.

Decision of Executive Councillor for Strategy and Transformation

- i. Noted the further appraisal of options for development and upgrading of the Park Street car park carried out for the Council by Cambridge Investment Partnership (CIP).
- ii. Approved the principle that Park Street car park should be developed into an upgraded basement car park with cycle parking facilities and with a hotel developed above it in line with the proposal in section 2.1 of the report.
- iii. Granted an agreement to lease to CIP and request them to appoint an appropriate developer to develop firm proposals for the scheme, and to request CIP to submit the agreed scheme for planning permission
- iv. Delegated authority to the Strategic Director, working with the CIP, and the appointed Developer, to negotiate the final terms of agreement for approval by the Executive Councillor in line with the following parameters
 - The retention of the freehold of the site for the Council

- The provision of a 225 space car park and appropriate facilities, at no additional cost to the Council, providing electric charging facilities and cycle spaces, to be owned and managed by the Council. The intention will be for a flexible design which may allow further changes in future
 - An additional capital receipt for the Council, for reinvestment in further site assembly/council housing opportunities
 - A reduced level of repair and maintenance charges over a short to medium term period within the next few years (owing to the new provision car park provision)
 - An ongoing income from the car park (it is acknowledged that there will be a loss of income during the upgrade period which is estimated at 20 months)
- v. Confirmed that any capital receipt will be reinvested into HRA or General Fund for investment in housing.
- vi. Committed to report back to the Committee for information on the final agreement details ahead of works commencing.

Reason for the Decision

As set out in the Officer's report.

Any Alternative Options Considered and Rejected

Not applicable.

Scrutiny Considerations

The Committee received a report from the Strategic Director.

The Opposition Councillors made the following comments in response to the report:

- i. Expressed disappointment regarding the proposal as had argued for housing development on the site.
- ii. Questioned the parameters that had been considered as thought the housing development was originally going to fund the development of the car park.
- iii. Commented that the City Council had committed to delivering 500 affordable houses and he believed that this site would be an opportunity to deliver housing on City Council owned land.
- iv. Asked whether the park street redevelopment was required in order to deliver 500 new council homes.

- v. Asked whether a different receipt had been modelled to the current proposal.

The Strategic Director said the following in response to Members' questions:

- i. A considerable amount of officer time had been put into developing a proposal to include housing on the site however the cost of providing affordable housing on the site made any such development unviable.
- ii. The cost of repairs to the car park were increasing year on year and to completely upgrade the car park would require extra funding; the delivery of housing was unviable on the site.
- iii. Confirmed that the intention was to explore different financial options including a longer term return for the proposed development.

The Executive Councillor for Strategy and Transformation said the following in response to Members' questions:

- i. The November Strategy and Resources Scrutiny Committee report wasn't just about affordable housing delivery, it was about housing delivery. He asked why the Council should contribute to put housing on the site when there would be no affordable housing.
- ii. The car park in its current condition was not fit for purpose for future needs. The current proposal would fund the redevelopment of a smaller car park and also raise money for the redevelopment of affordable housing off site in the city.
- iii. To put the decision off for two to three years was not going to help the council or the Cambridge community.
- iv. He had looked hard at the site and considered whether it was the right environment for those in housing need to live. It was felt that this was not an ideal location for affordable housing but the resources that that could come out of the current development proposal could do just as much good by funding affordable housing elsewhere in the city.
- v. The 500 homes that the council had committed to building would be funded by the £70m Government devolution grant, Right to Buy receipts and by using Council resources.

Councillor Bick proposed and Councillor Cantrill seconded an amendment to the recommendation, to delete all after the first bullet point and insert 'to request officers to pause any further action in order to review the financial parameters applied to a housing development, re-evaluating need for car parking and detaching the funding for a replacement car park from the rest of this scheme.'

On a show of hands the amendment was lost by 3 votes to 2.

The Committee endorsed the recommendations by 3 votes to 2:

The Executive Councillor approved the recommendations.

Conflicts of Interest Declared by the Executive Councillor (and any Dispensations Granted)

No conflicts of interest were declared by the Executive Councillor.

18/27/SR Housing Investment Programme Proposal

Matter for Decision

The Officer's report detailed an Housing Investment Programme proposal.

Decision of Executive Councillor for Strategy and Transformation.

i. Approved the Officer's recommendations.

Reason for the Decision

As set out in the Officer's report.

Any Alternative Options Considered and Rejected

Not applicable.

Scrutiny Considerations

The Committee resolved to exclude members of the public for this item from the meeting on the grounds that, if they were present, there would be disclosure to them of information defined as exempt from publication by virtue of paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972.

Conflicts of Interest Declared by the Executive Councillor (and any Dispensations Granted)

No conflicts of interest were declared by the Executive Councillor.

The meeting ended at 8.15 pm

CHAIR

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Item

CONSTITUENT COUNCIL CONSENT FOR BUSINESS RATES SUPPLEMENT ORDER AND DEVOLUTION OF ADULT EDUCATION POWERS FOR THE CAMBRIDGESHIRE AND PETERBOROUGH COMBINED AUTHORITY

To:

Councillor Lewis Herbert, Leader and Executive Councillor for Strategy and External Partnerships

Strategy & Resources Scrutiny Committee [24/05/2018]

Report by:

Tom Lewis, Head of Legal Practice

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Wards affected:

Abbey, Arbury, Castle, Cherry Hinton, Coleridge, East Chesterton, King's Hedges, Market, Newnham, Petersfield, Queen Edith's, Romsey,

Key Decision

1. Executive Summary

- 1.1 The Cambridgeshire and Peterborough Combined Authority (CPCA) is required to acquire consent from constituent councils for various powers and duties. For the CPCA, the constituent councils are Cambridgeshire County Council and all the District Councils.
- 1.2 Consent is being sought in respect of the power to:
 - i. Levy a Business Rates Supplement, and the
 - ii. Transfer the Adult Education Budget and associated powers for the delivery of adult education services.

- 1.3 Both these powers are allowed by statute for an elected Mayor and the CPCA but there are strict controls around their implementation. The relevant CPCA drafts reports and Statutory Instruments are attached at Appendices 1 to 4. It should be noted that by the Council giving the aforementioned consent does not in any way make the Council liable for any costs associated with these powers.

2. Recommendations

- 2.1 The Executive Councillor is recommended to:
to give consent on behalf of the Council to the making of regulations under the Local Government Act 2003 Part 1 contained in the two 'Draft' Statutory Instruments attached (Appendix 2 and Appendix 4),

3. Background

- 3.1. Along with Cambridgeshire County Council and the other Cambridgeshire District Councils, Cambridge City Council (CCC) is a constituent council of the Cambridgeshire and Peterborough Combined Authority (CPCA). As powers are devolved or transferred to the CPCA from other organisations, consent is required by the constituent councils. This report is to garner such consent in respect of the Business Rates Supplement Order (BR) and the devolution of powers in respect of Adult Education Budget (AEB).
- 3.2 Appended to this report are the draft reports that are expected to be seen by the CPCA by the end of May 2018. By this time the constituent councils are expected to have given consent in respect of the granting of the BR and AEB in order to allow for the Parliamentary process to confirm the orders.

Business Rates Supplement Order

- 3.3 **Appendix 1 and 2** respectively show the CPCA draft report in respect of BR and the draft statutory instrument.
- 3.4 The reasons this order is being requested are as follows:
 - i. The original CPCA devolution deal included a commitment to raise a business rate levy.

- ii. The above commitment should have been included in the LG Finance Bill 2017, but the Bill 'lost' its Parliamentary slot due to the 2017 general election.
 - iii. The Ministry of Housing, Communities and Local Government (MHCLG) has now asked the Combined Authority and the constituent councils to agree to the making of the order.
- 3.5 With regard to the charging of a Business Rate Supplement, these are laid within statute (Business Rates Supplement Act 2009) which include some clear controls, these are summarised below:
- i. Money raised cannot be used for day-to-day costs for services where it has existing obligations to provide.
 - ii. Mayor will be required to consult on and publish a prospectus of the proposal.
 - iii. The supplement will be subject to a ballot of businesses affected. A majority of individual rate-payers and the aggregate rateable value of those businesses in favour must exceed those against.
 - iv. The supplement will be levied on business properties with a rateable value of £50,000 or more.

Adult Education Budget

- 3.6 **Appendix 3 and 4** respectively show the CPCA draft report in respect of BR and the draft statutory instrument.
- 3.7 The reasons for this order request are as follows:
- i. The original CPCA devolution deal included the transfer of adult education powers from the upper tier councils (and central government funding) but did not deal with the devolution of funding.
 - ii. The CPCA is required to meet a series of readiness conditions prior to final devolution.
- 3.8 The principal purpose of AEB is to engage adults in learning that supports wider economic priorities, including basic skills. Also, such devolution will only be within constituent council areas and the indicative budget is £12.1m from 2019.
- 3.9 The order will cover the following duties and powers:
- i. Further education to learners aged 19 and over (including those who do not have a certain specified qualifications).

- ii. Ensure provision is free for relevant learners who do not have certain specified qualifications.
- iii. Encourage learner and employer participation in education and training of people aged 19 and over.

To run concurrently with the following powers of the Secretary of State:

- iv. To consider/have regard to the needs of learners aged 19 and over with Special Education Needs.
- v. To exchange information with providers to enable provision of further education to learners aged 19 and over.

However, the order will not cover:

- Apprenticeships,
- Adult offender learning, or
- Provision for people aged 16-18 years old.

4. Implications

(a) Financial Implications

None. Any cost of collecting additional business rates for the CPCA can be charged back.

(b) Staffing Implications

None

(c) Equality and Poverty Implications

None

(d) Environmental Implications

The proposals in this report have a “nil” climate change impact.

(e) Procurement Implications

None

(f) Community Safety Implications

None

5. Consultation and communication considerations

None.

6. Background papers

None

7. Appendices

- Appendix 1: CPCA 'Draft' Covering Report – Consent to Business Rates Supplement Order.
- Appendix 2: 'Draft' Statutory Instrument: The Cambridgeshire and Peterborough Combined Authority (Business Rate Supplements Functions) Order 2018.
- Appendix 3: CPCA 'Draft' Covering Report – AEB Devolution of Powers to Combined Authority.
- Appendix 4: 'Draft' Statutory Instrument: The Cambridgeshire and Peterborough Combined Authority (Adult Education Functions) Order 2018.

8. Inspection of papers

To inspect the background papers or if you have a query on the report please contact Tom Lewis, Head of Legal Practice, tel: 01223 - 457401, email: tom.lewis@3csharedservices.com.

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Appendix 1

CAMBRIDGESHIRE AND PETERBOROUGH COMBINED AUTHORITY BOARD	AGENDA ITEM No: X.X
30 May 2018	PUBLIC REPORT

CONSENT TO BUSINESS RATES SUPPLEMENT ORDER

1.0 PURPOSE

- 1.1. This report provides the background to the request from the Ministry of Housing, Communities and Local Government (MHCLG) for consent to the making of an Order to confer the power to levy a Business Rate Supplement on to the mayor of Cambridgeshire and Peterborough Combined Authority in accordance with Sections 105B(1) and 107D(9) of the Local Democracy, Economic Development and Construction Act 2009.

<u>DECISION REQUIRED</u>	
Lead Member:	Cllr Steve Count, Portfolio Holder for Fiscal Strategy
Lead Officer:	Interim Chief Finance Officer
Forward Plan Ref:	Key Decision: No
<p>The Combined Authority Board is recommended to:</p> <ol style="list-style-type: none"> 1. Approve the transfer of functions to Cambridgeshire and Peterborough Combined Authority (“CPCA”) conferred by the Business Rates Supplement Act 2009. 2. Give consent on behalf of the CPCA to the making of an Order giving effect to this transfer. 3. Give delegated authority to the Legal Counsel and Monitoring Officer in consultation with the Portfolio Holder and the Mayor to approve the final draft Order in order to meet the timetable 	<p>Voting arrangements</p> <p>Simple majority of Members Or</p> <p>At least two-thirds of all Members (or their Substitute Members) or</p> <p>At least two-thirds of all Constituent Council Members</p>

<p>for transfer of the powers.</p> <p>4. Note that the constituent councils have been requested to give their consent to the making of an Order giving effect to this transfer including the necessary delegation to approve the final draft Order</p> <p>5. Note that only the draft Order can be approved, as the Order cannot be deemed finalised until it has been presented to and approved by Parliament.</p>	
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2.0 BACKGROUND

- 2.1. The raising of funds through business rates was referred to in the original CPCA Devolution Deal as follows: "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."
- 2.2. The Local Government Finance Bill 2017 would have enabled the Mayor of Cambridgeshire and Peterborough Combined Authority to ask for an additional payment of up to 2p in the pound from local businesses. This would have allowed the Mayor to raise funds for infrastructure projects to promote economic development.
- 2.3. However, the Local Government Finance Bill 2017 was "lost" due to the interruption of business caused by the 2017 general election.
- 2.4. The Ministry of Housing, Communities and Local Government (MHCLG) has now produced the attached draft Statutory Instrument and will shortly be writing out to ask for the consents of the mayor, the Combined Authority, and the constituent councils, to the making of an Order to confer the power to levy a Business Rate Supplement on to the mayor of the combined authority.

The making of the Statutory Instrument

- 2.5. Sections 105B(1) and 107D(9) of the Local Democracy, Economic Development and Construction Act 2009 require that a mayor, combined authority, and each of its constituent authorities, give consent to any conferral of powers on the combined authority under that Act.
- 2.6. The Cambridgeshire and Peterborough Combined Authority (Business Rate Supplements Functions) Order 2018 will give effect to commitments in the area's devolution agreement by giving the mayor the same powers as the

mayor of Greater London has to levy a supplement on business rates to raise money for a project that will promote economic development in the area.

2.7. These powers are provided in the Business Rates Supplements Act 2009 (see link provided under the source documents section).

2.8. Key features of the Business Rates Supplements Act 2009 are:

- (a) Money raised from the supplement cannot be put towards the authority's day-to-day costs for services it has existing obligations to provide.
- (b) Before levying any supplement, the mayor would be required to consult on and publish a prospectus setting out the benefits of the proposed project that the supplement would fund.
- (c) The proposed supplement is then subject to a ballot of businesses that would be affected. Both a majority of affected individual rate-payers must approve it and the aggregate rateable value of those businesses in favour must exceed those against.
- (d) The Business Rate Supplement may only be levied on business properties with a rateable value of £50,000 or more. The mayor may increase, but cannot reduce, this threshold, and can apply any other reliefs as may be set out in the prospectus.

2.9. The process for the making of the Order is as follows:

- (a) MHCLG instructs its lawyers to prepare a draft Order
- (b) The draft Order is given to the lawyers of the Joint Committee on Statutory Instruments (JCSI) to review.
- (c) Once both sets of lawyers have agreed the draft, MHCLG will write to the Combined Authority, the Mayor and the Constituent Councils for consent to the Order. This is likely to be the day after the local elections (i.e. Friday 4th May 2018)
- (d) Once consent from all parties has been confirmed, the draft will be laid in parliament. This gives the Order full status as a final 'Draft' order and will appear as a 'Draft' on the legislation website. The provisional date for the laying of the Order is Monday 4th June 2018.
- (e) The Draft Order will then be considered by the Joint Committee on Statutory Instruments (likely to be Wednesday 6th June 2018 or Wednesday 11th June).
- (f) If the JCSI agree to the Statutory Instrument, it will then be laid before each House of Parliament for approval.
- (g) Once approved by each House, the Order will be signed by the Minister and is likely to come into force in the following week.

3.0 FINANCIAL IMPLICATIONS

3.1. None.

4.0 LEGAL IMPLICATIONS


4.1. The Draft Order will be laid before Parliament under section 117(2) of the Local Democracy, Economic Development and Construction Act 2009, for approval by resolution of each House of Parliament.

5.0 SIGNIFICANT IMPLICATIONS

5.1. There are no other significant implications to bring to the Board's attention.

6.0 APPENDICES

6.1. None.

<u>Source Documents</u>	<u>Location</u>
Business Rates Supplement Act 2009. Link to website:	https://www.legislation.gov.uk/ukpga/2009/7/pdfs/ukpga_20090007_en.pdf
Draft Cambridgeshire and Peterborough (Business Rates Supplements Functions) Order 2018	 Adobe Acrobat Document

DRAFT STATUTORY INSTRUMENTS

2018 No.

LOCAL GOVERNMENT, ENGLAND

**The Cambridgeshire and Peterborough Combined Authority
(Business Rate Supplements Functions) Order 2018**

Made - - - - *****

Coming into force in accordance with article 1

The Secretary of State makes the following Order in exercise of the powers conferred by sections 105A, 107D(1), (5) and (7)(a) to (e) and 117(5) of the Local Democracy, Economic Development and Construction Act 2009(a) (“the 2009 Act”).

In accordance with sections 105B(1) and 107D(9) of the 2009 Act, the county council and district councils whose areas are comprised in the area of the Cambridgeshire and Peterborough Combined Authority, the Cambridgeshire and Peterborough Combined Authority and the Mayor of the Cambridgeshire and Peterborough Combined Authority have consented to the making of this Order.

The Secretary of State considers that the making of this Order is likely to improve the exercise of statutory functions in the area to which this Order relates.

In accordance with section 105B(9) of the 2009 Act the Secretary of State has laid before Parliament a report explaining the effect of this Order and why the Secretary of State considers it appropriate to make this Order.

A draft of this instrument has been laid before, and approved by a resolution of, each House of Parliament pursuant to section 117(2) of the 2009 Act.

(a) 2009 c.20. Section 105 was amended by the Cities and Local Government Devolution Act 2016 (c. 1) (“the 2016 Act”), sections 6, 9 and 14. Sections 105A and 107D were inserted by sections 4 and 7 of the 2016 Act. Section 114 was amended by Schedule 5 to the 2016 Act. Section 117 was amended by section 13(2) of the Localism Act 2011 (c. 20) and Schedule 5 to the 2016 Act.

PART 1

General

Citation and commencement

1. This Order may be cited as the Cambridgeshire and Peterborough Combined Authority (Business Rate Supplements Functions) Order 2018 and comes into force on the day after the day on which it is made.

Interpretation

2. In this Order—

“the 2009 Act” means the Local Democracy, Economic Development and Construction Act 2009;

“the BRS Act” means the Business Rate Supplements Act 2009(a);

“the CPCA” means the Cambridgeshire and Peterborough Combined Authority(b).

PART 2

Business Rate Supplements Functions

Conferral of BRS power of Greater London Authority

3.—(1) The CPCA has, in relation to its area, functions corresponding to the functions conferred on the Greater London Authority in relation to Greater London by the BRS Act.

(2) Paragraph (1) does not apply in relation to the function conferred by section 3(5) of the BRS Act.

General functions of the Combined Authority exercisable only by the Mayor

4.—(1) The functions of the CPCA specified in article 3 are exercisable only by the Mayor(c).

(2) The members or officers of the CPCA may assist the Mayor in the exercise of the functions specified in article 3.

(3) For the purposes of the exercise of the functions specified in article 3 the Mayor may do anything that the CPCA may do under section 113A of the 2009 Act (general power of EPB or combined authority)(d).

Adaptation of BRS Act in consequence of article 3

5. For the purposes of article 3, the BRS Act applies to the CPCA as if —

(a) references to the Greater London Authority in section 2(1) (levying authorities) and in section 5(2) (prospectus) of the BRS Act include references to the CPCA;

(b) subject to paragraph (c), references in that Act to a lower-tier authority include references to a district council whose area forms part of the CPCA’s area;

(a) 2009 c. 7, as amended by Part 4 of the Localism Act 2011 (c. 20).

(b) The Cambridgeshire and Peterborough Combined Authority was established by the Cambridgeshire and Peterborough Combined Authority Order 2017, S.I. 2017/251.

(c) S.I. 2017/251, article 5, provided for there to be a mayor of the combined authority. The first mayor was elected on 4th May 2017.

(d) Section 113A was inserted by section 13 of the Localism Act 2011 and amended by section 23 of, and paragraph 25 of Schedule 5 to, the Cities and Local Government Devolution Act 2016.

- (c) reference to a lower-tier authority in section 6(1)(b) includes reference to a district council whose area forms part of the CPCA's area and to Cambridgeshire County Council.

Amendment of the Cambridgeshire and Peterborough Combined Authority Order 2017

6.—(1) The Cambridgeshire and Peterborough Combined Authority Order 2017 is amended as follows.

(2) In paragraph (2) of article 6 after “article 12(1)” insert “and the functions conferred on the combined authority by article 3 of the Cambridgeshire and Peterborough Combined Authority (Business Rate Supplements Functions) Order 2018”.

Signed by authority of the Secretary of State for Housing, Communities and Local Government

	<i>Name</i>
	Parliamentary Under Secretary of State
Date	Ministry of Housing, Communities and Local Government

EXPLANATORY NOTE

(This note is not part of the Order)

This Order provides for the conferral of functions the Greater London Authority has under the Business Rate Supplements Act 2009 (“the BRS Act”) on the Cambridgeshire and Peterborough Combined Authority.

Part 6 of the Local Democracy, Economic Development and Construction Act 2009 (“the 2009 Act”) provides for the establishment of combined authorities for the areas of two or more local authorities in England. Combined authorities are bodies corporate which may be given power to exercise specified functions in their area.

Article 3 of the Order provides that the Combined Authority is to have in relation to its area functions corresponding to the functions that the Greater London Authority has under the BRS Act to levy a supplement on business rates to raise money for expenditure on a project which will promote economic development in its area.

Article 4 provides that the functions are exercisable only by the Mayor, that the Mayor may be assisted by members or officers of the authority in the exercise of the functions and that the general power of the combined authority under section 113A of the 2009 Act is conferred on the Mayor for the purposes of those functions.

Article 5 provides for modification of the Business Rate Supplements 2009.

Article 6 amends the Cambridgeshire and Peterborough Combined Authority Order 2017 to provide that the BRS functions of the combined authority will be funded in accordance with the arrangements specified in article 6 of that Order.

A full regulatory impact assessment has not been prepared as this instrument will have no impact on the costs of business and the voluntary sector.

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Appendix 3



**CAMBRIDGESHIRE
& PETERBOROUGH**
COMBINED AUTHORITY

CAMBRIDGESHIRE AND PETERBOROUGH COMBINED AUTHORITY BOARD	AGENDA ITEM No: X.X
DATE OF MEETING	PUBLIC REPORT <i>This report has a confidential appendix at item x.x of the Agenda (Delete if not applic) – See Appendix 3 for guidance</i>

AEB DEVOLUTION OF POWERS TO COMBINES AUTHORITY

1.0 PURPOSE

- 1.1. To outline the process for agreeing the devolution of powers required to enable transfer of the Adult Education Budget (AEB) and associated powers for delivery of the adult education service and the timescale and proposed process for doing so.

<u>DECISION REQUIRED</u>	
Lead Member:	Cllr Holdich
Lead Officer:	Martin Whitelely
Forward Plan Ref:	Key Decision: No
<p>The Combined Authority Board is recommended to:</p> <ol style="list-style-type: none"> Approve the transfer of functions to Cambridgeshire and Peterborough Combined Authority (“CPCA”) to ensure the successful devolution of the Adult Education Budget (“AEB”) in 2019. Give consent on behalf of the CPCA to the making of an Order giving effect to this transfer. 	<p>Voting arrangements</p> <p>Simple majority of Members Or At least two-thirds of all Members (or their Substitute Members) or At least two-thirds of all Constituent Council Members</p>

<p>3. Give delegated authority to the Legal Counsel and Monitoring Officer in consultation with the Portfolio Holder and the Mayor to approve the final draft Order in order to meet the timetable for transfer of the powers.</p> <p>4. Note that the constituent councils have been requested to give their consent to the making of an Order giving effect to this transfer including the necessary delegation to approve the final draft Order</p> <p>5. Note that only the draft Order can be approved, as the Order cannot be deemed finalised until it has been presented to and approved by Parliament.</p>	
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2.0 BACKGROUND

- 2.1 The Devolution Deal of June 2016 included the transfer of AEB to the CPCA and the subsequent Order establishing the Combined Authority contained details of a number of Adult Education powers although it did not deal with the devolution of funding. In order to prepare for devolution, the Combined Authority is required to meet a series of readiness conditions including the transfer of the Secretary of State for Education's statutory duties in relation to the provision of further education for adults.
- 2.2 The principal purpose of AEB is to engage adults in learning that supports wider economic and social priorities. Devolution of AEB will only be applied within constituent member areas and the indicative budget will be approximately £12.1m from 2019 based on current spend on residents.
- 2.3 The Order, to be received in draft by CPCA, will set out the details of the AEB functions that will be transferred to the CPCA with the agreement to devolve the budget. DfE have been clear that the Order will not cover apprenticeships, adult offender learning or provision for people aged 16 -18. Subject to these exceptions, it is proposed that the following functions contained in the Apprenticeships, Skills, Children and Learning Act (ASCAL) 2009 will transfer to the CPCA in relation to constituent member areas:

I. S86 – Duty to provide appropriate FE to learners aged 19 and over(not to include apprenticeships, prisoner education or traineeships).

II. S87 – Duty to provide appropriate FE to learners aged 19 and over, who do not have certain specified qualifications

III. S88 – Duty to ensure that provision is free for relevant learners who do not have certain specified qualifications

The following powers will be exercised concurrently with the Secretary of State:

IV. S90 – Duty to encourage learner and employer participation in education and training of people aged 19 and over (except those in adult detention) (to be exercised concurrently with the Secretary of State)

V. S115 – Duty to consider/have regard to the needs of learners aged 19 and over, with Special Education Needs (other than those aged 19-25 with Educational Health Care plans, who will remain the responsibility of the LAs as they are treated as 16-18 year old learners).

VI. S122 – Power to exchange information with providers to enable provision of FE to learners aged 19 and over (to be exercised concurrently with the Secretary of State).

- 2.4. Mayoral Combined Authorities (MCAs) are required to provide the Department for Education (DfE) with consent to the draft Order by the end of July 2018 to meet the necessary timescales to enable full devolution in 2019/20. The Order will need to be laid before Parliament by the end of July 2018 and made in November 2018 to meet the timescales to commission for the 2019/20 academic year. There is a reputational risk to the CPCA if the order is not laid in a timely manner.

3.0 FINANCIAL IMPLICATIONS

- 3.1. The impact of not achieving the proposed timescale as set by DfE is that the devolution of AEB could be delayed by a further year

- 3.2. If there are financial implications, the report needs to go to the Investment Board. This paragraph needs to be approved with the Chief Finance Officer (S151).

4.0 LEGAL IMPLICATIONS

- 4.1 Devolution of the AEB will mean that the CPCA will have the duty and responsibility to deliver the government's commitment to statutory entitlements for fully funded qualifications at Levels 2 and 3, English and Maths and the future digital entitlements for learners, free of charge. Based on figures for 2015/16, 48% of the AEB was spent on delivering statutory requirements. Although there may be a risk that these obligations exceed the available budget in any one year, the statutory entitlements are not time bound and the entitlement does not have to be offered immediately upon request. This will be reflected in the CPCA's AEB Funding Policy where it will be clearly stated that if demand exceeds availability some learners may have to wait to the following academic year.
- 4.2 Section 105(b) of the 2016 Cities and Local Government Devolution Act states that to allow Secretary of State to make an order for the devolution of functions, consent also has to have been given by each appropriate authority which for these purposes are the Combined Authority and the constituent authorities of that Combined Authority.
- 4.3 The timetable for approvals is challenging given the timetable constraints of the Parliamentary process. We have spoken to each constituent authority and agreed that they can provide appropriate consent by approving a report through their Cabinet in a timely manner to ensure that orders are laid before Parliament before the end of June 2018. A delegation is also requested to authorise the final sign off of the draft Orders when requested by the DfE on the basis that there is no material change to the drafting

5.0 EQUALITIES IMPLICATIONS

- 5.1 These aspects of the Devolution Agreement are reflected in the CPCA Equalities Scheme.

6.0 APPENDIX

- 6.1 *Affirmative Resolution Procedure:*

The SI is laid in the form of a draft instrument, which is later made when it has been approved by both Houses.



The instrument cannot be made unless the draft Order is approved by Parliament.



The instrument is made when a motion approving it has been passed by both Houses and it is the responsibility of the minister, having laid the instrument, to move the motion for approval.



The instrument is laid after making and will come into effect immediately but cannot remain in force unless approved within a statutory period (usually 28 or 40 days).

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Draft Order laid before Parliament under section 117(2) of the Local Democracy, Economic Development and Construction Act 2009, for approval by resolution of each House of Parliament.

D R A F T S T A T U T O R Y I N S T R U M E N T S

2018 No. 0000

LOCAL GOVERNMENT, ENGLAND

EDUCATION, ENGLAND

The Cambridgeshire and Peterborough Combined Authority
(Adult Education Functions) Order 2018

Made - - - - *******

Coming into force in accordance with article 1

The Secretary of State makes the following Order in exercise of the powers conferred by sections 105A, 114 and 117 of the Local Democracy, Economic Development and Construction Act 2009(a)(“the Local Democracy Act”).

In accordance with section 105B(1) of the Local Democracy Act(b), the Cambridgeshire and Peterborough Combined Authority and each of the constituent councils whose areas are within the area of the Combined Authority has consented to the making of this Order.

The Secretary of State considers that the making of this Order is likely to improve the exercise of statutory functions in the areas to which the Order relates.

In accordance with section 105B(9) of the Local Democracy Act, the Secretary of State has laid before Parliament a report explaining the effect of this Order and explaining why the Secretary of State considers it appropriate to make this Order.

A draft of this statutory instrument has been laid before, and approved by a resolution of, each House of Parliament pursuant to section 117 of the Local Democracy Act.

(a) 2009 c. 20. Section 105A was inserted by section 7 of the Cities and Local Government Devolution Act 2016 (c.1). Section 114 was amended by Schedule 5 to the Cities and Local Government Devolution Act 2016. Section 117 was amended by section 13 of the Localism Act 2011 (c. 20) and by section 23 of, and paragraph 29 of Schedule 5 to, the Cities and Local Government Devolution Act 2016.

(b) Section 105B was inserted by section 7 of the Cities and Local Government Devolution Act 2016.

PART 1

General

1. Citation and commencement

- (1) This Order may be cited as the Cambridgeshire and Peterborough Combined Authority (Adult Education Functions) Order 2018 and comes into force the day after the day it is made.
- (2) Part 2 of this Order does not apply in relation to an academic year before the year beginning on 1 August 2019.
- (3) “Academic year” means a period beginning with 1 August and ending with the next 31 July.

2. Interpretation

In this Order—

“**2009 Act**” means the Apprenticeships, Skills, Children and Learning Act 2009(a);

“**adult detention**” has the meaning given by section 121(4) of the 2009 Act;

“**apprenticeships training**” has the meaning given by section 83 of the 2009 Act;

“**Area**” means the area of the Combined Authority;

“**Combined Authority**” means the Cambridgeshire and Peterborough Combined Authority, a body corporate established under the Cambridgeshire and Peterborough Combined Authority Order 2017 No. 251; and

“**constituent councils**” means Cambridge City Council, Cambridgeshire County Council, East Cambridgeshire District Council, Fenland District Council, Huntingdonshire District Council, Peterborough City Council, South Cambridgeshire District Council and Greater Cambridge Greater Peterborough Local Enterprise Partnership

PART 2

Adult education functions of the Secretary of State transferred to the Combined Authority or to be exercisable concurrently with the Combined Authority

3. Transfer of functions from the Secretary of State to the Combined Authority in relation to the Area

(1) Subject to paragraph (2), the functions of the Secretary of State set out in the following provisions of the 2009 Act are exercisable by the Combined Authority in relation to the Area:

- (a) section 86 (education and training for persons aged 19 or over);
- (b) section 87 (learning aims for persons aged 19 or over: provision of facilities); and
- (c) section 88 (learning aims for persons aged 19 or over: payment of tuition fees)(b).

(a) 2009, c. 22

(b) As amended by section 114 of the Digital Economy Act 2017 c.30. The amendment will come into force on a date to be appointed.

(2)The functions mentioned in paragraph (1) do not include:

- (a) any functions relating to apprenticeship training;
- (b) any functions relating to persons subject to adult detention; or
- (c) any power to make regulations or orders.

(3) The functions mentioned in paragraph (1) are exercisable by the Combined Authority instead of by the Secretary of State.

4. Functions of the Secretary of State to be exercisable concurrently with the Combined Authority in relation to the Area

(1) Subject to paragraph (2), the functions of the Secretary of State set out in section 90 of the 2009 Act (encouragement of education and training for persons aged 19 or over) are exercisable by the Combined Authority in relation to the Area.

(2)The functions mentioned in paragraph (1) do not include:

- (a) any function relating to apprenticeships training; or
- (b) any functions relating to persons subject to adult detention; or

(3)The functions mentioned in paragraph (1) are exercisable concurrently with the Secretary of State in relation to the Area.

5. Conditions on the exercise of functions mentioned in Articles 3 and 4

(1) The Combined Authority must adopt rules of eligibility for awards by an institution to which it secures the provision of financial resources under section 100 of the 2009 Act in accordance with any direction which may be given by the Secretary of State.

(2) In exercising the functions mentioned in articles 3 and 4, the Combined Authority must have regard to guidance issued by the Secretary of State for the purpose of this article (as amended from time to time).

6. Application of the provisions of the 2009 Act

(1) This article has effect in consequence of articles 3 and 4.

(2) For the purpose of the exercise by the Combined Authority of the functions mentioned in articles 3 and 4, section 86 to 88, 90, 100, 101, 115 and 121 of the 2009 Act apply to the Combined Authority with the modifications set out in the Schedule.

PART 3

Miscellaneous

7. Amendment to the 2009 Act

(1) Section 100 of the 2009 Act is amended as follows.

After subsection (5) insert:

“(6) The Secretary of State may secure the provision of financial resources to any of the persons mentioned in subsection (1) in respect of functions within the Secretary of State’s remit under this Part which have been transferred to a combined authority.

(7) In subsection (6) “combined authority” means a combined authority established under section 103 of the Local Democracy, Economic Development and Construction Act 2009.”

(2) Section 122 of the 2009 Act is amended as follows.

(a) In subsection (3), after sub-paragraph (g) insert:

“(h) a combined authority established under section 103 of the Local Democracy, Economic Development and Construction Act 2009.

(i) a person providing services to the Combined Authority.”

(b) In subsection (5):

(i) in subparagraph (ba) omit “or”;

(ii) in subparagraph (c) after “in England,” insert “or”;

(iii) after subsection (c) insert:

“(d) any function of the combined authority under Part 4 that is exercisable by it by virtue of an order under section 105A of the Local Democracy, Economic Development and Construction Act 2009.”

8. Amendment to the Education and Inspection Act 2006

The Education and Inspections Act 2006 is amended as follows.

In section 123:

(a) after subparagraph (e), insert:

“(ea) further education for persons aged 19 or over which is wholly or partly funded by a combined authority in England;”;

(b) after paragraph (4), insert:

“(5) In this section “combined authority” means a combined authority established under section 103 of the Local Democracy, Economic Development and Construction Act 2009.”

9. Amendment to the Education (Fees and Awards) Regulations 2007

The Education (Fees and Awards) Regulations 2007(a) are amended as follows.

After regulation 9 insert:

“(9A) Payments by a Combined Authority

(1) It shall be lawful for a combined authority to adopt rules of eligibility for awards by an institution to which the combined authority provides financial resources under section 100 of the Apprenticeships, Skills, Children and Learning Act 2009 which confine eligibility to those persons who fall within Schedule 1.

(a) SI 2007/779

(2) It shall be lawful for an institution to which a combined authority provides financial resources to adopt rules of eligibility for awards (however described) which confine eligibility to those persons who fall within Schedule 1.

(3) In this regulation, a “combined authority” means a combined authority established under section 103 of the Local Democracy, Economic Development and Construction Act 2009 (“the Local Democracy Act”) exercising functions under Part 4 of the Apprenticeships, Skills, Children and Learning Act 2009 that are exercisable by it by virtue of an order under section 105A of the Local Democracy Act.”

Signatory text

	<i>Name</i>
Address	Parliamentary Under Secretary of State
Date	Department

SCHEDULE

Article 6(2)

Modification of provisions of the 2009 Act in their application to the Combined Authority

- (1) Section 86 of the 2009 Act has effect as if:
- (a) in subsection (1), for each reference to “Secretary of State” there was substituted a reference to the “Combined Authority”;
 - (b) subsection (1)(b) was omitted;
 - (c) in subsection (1)(c), for “paragraphs (a) and (b)”, there were substituted the words “paragraph (a)”;
 - (d) in subsection (2), the words “83A or” were omitted;
 - (e) in subsection (5), the words “(except so far as relating to facilities for persons subject to adult detention)” were omitted;
 - (f) in subsection (6), paragraph (c) was omitted;
 - (g) in subsection (7), the words “or (b)” were omitted.
- (2) Section 87 has effect as if for every reference to “Secretary of State”, there was substituted a reference to the “Combined Authority”.
- (3) Section 88 has effect as if in subsections (1), (2)(b), (2A), (3), (4)(b) and (6)(a) for each reference to “Secretary of State”, there was substituted a reference to the “Combined Authority”.
- (4) Section 90 has effect as if:
- (a) in subsection (1), for the first reference to “Secretary of State”, there was substituted a reference to “Combined Authority”;
 - (b) in subsection (1)(a), for “section 86(1)(a) and (b)”, there were substituted the words “section 86(1)(a)”.
 - (c) in subsections (1)(a), (b) and (c) for every reference to “within the Secretary of State’s remit” there was substituted a reference to “within the Combined Authority’s remit”.
- (5) Section 100 has effect as if:
- (a) in subsection (1) for the reference to “Secretary of State” there was substituted a reference to the “Combined Authority”;
 - (b) in subsection (1)(a) for the reference to “Secretary of State’s remit” there was substituted a reference to “Combined Authority’s remit”;
 - (c) subsection (1)(h) was omitted;
 - (d) in subsection (3),
 - (i) for each reference to “Secretary of State” there was substituted a reference to “Combined Authority”;
 - (ii) the words “(1A) or (1B)” were omitted;
 - (e) In subsection (4)

- (i) for the reference to “Secretary of State” there was substituted a reference to “Combined Authority”;
- (ii) the words “ (1A) or (1B)” were omitted.

(6) Section 101 has effect as if for every reference to “Secretary of State” there was substituted a reference to “Combined Authority”.

(7) Section 115 has effect as if:

- (a) for the reference to “Secretary of State”, there was substituted a reference to the “Combined Authority”;
- (b) in subsection (2)(a), the word “ and” was omitted; and
- (c) subsection (2)(b) was omitted.

(8) Section 121 has effect as if:

- (a) in subsection (2):
 - (i) for the reference to “Secretary of State’s remit”, there was substituted a reference to “Combined Authority’s remit”; and
 - (ii) in paragraph (a), the words “or (b)” were omitted.
- (b) in subsection (3)—
 - (i) for the reference to “Secretary of State’s remit”, was substituted a reference to “Combined Authority’s remit”;
 - (ii) paragraphs (a) and (aa) were omitted; and
 - (iii) in each of paragraphs (b) and (c), after “86(1)(c)”, the following words were added “(except so far as relating to persons who are subject to adult detention)”.

EXPLANATORY NOTE

(This note is not part of the Order)

This Order provides for the conferral of certain adult education functions of the Secretary of State under the Apprenticeships, Skills, Children and Learning Act 2009 (“the 2009 Act”) on the Cambridgeshire and Peterborough Combined Authority (**‘the Combined Authority’**).

Part 2 of the Order provides for the transfer to the Combined Authority of adult education functions under section 86 to 88 of the 2009 Act, with the exception of such functions relating to apprenticeships training, persons subject to adult detention or any power to make regulations or orders. The transferred functions will be exercisable by the Combined Authority instead of by the Secretary of State in relation to the area of the Combined Authority.

Part 2 also provides for the functions of the Secretary of State under section 90 of the 2009 Act, which relate to the encouragement of education and training for persons aged 19 or over, to be exercisable by the Combined Authority in relation to the area. The functions will be exercisable by the Combined Authority concurrently with the Secretary of State.

Article 5 contains conditions on the exercise of the functions mentioned in Articles 3 and 4. The Combined Authority must adopt rules of eligibility for awards by an institution to which it secures

financial resources under section 100 of the 2009 Act in accordance with the Secretary of State's direction. In addition, in exercising the transferred functions, the Combined Authority must have regard to guidance issued by the Secretary of State (as amended from time to time).

Part 3 makes various amendments to primary legislation. Article 7 amends section 100 of the 2009 Act (provision of financial resources) so as provide that the Secretary of State may secure the provision of financial resources under that section notwithstanding a transfer of functions under to a combined authority. Article 8 amends section 122 of the 2009 Act (sharing of information for education or training purposes) so as to make provision for information sharing following a transfer of functions. Article 9 amends section 123 of the Education and Inspections Act 2006 so as to make provision for inspections in relation to further education for persons aged 19 or over which is wholly or partly funded by a combined authority. Article 10 amends the Education (Fees and Awards) Regulations 2007 so as to make provision with respect to rules of eligibility adopted by a combined authority for awards by an institution to which it provides financial resources under section 100 of the 2009 Act.