

Enquiries to:

Councillor Lewis Herbert, Leader of Cambridge City Council

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The Lord O'Neill of Gatley
Commercial Secretary to the Treasury
HM Treasury
1 Horse Guards Road
London
SW1A 2HQ
Dear Lord O'Neill

Dear Lord O'Neill,

You will already have heard that our position on the Devolution Proposal document is different to other Councils responding.

I am writing, on behalf of Cambridge City Council, to say that we do not support the current regional Devolution Proposal document, because on overall balance our assessment is that it contains more potential detriment than potential gain to the Cambridge economy and its wider catchment and our residents and workers who depend on it.

The proposals on offer do not in our view provide for the best deal for Cambridge, Greater Cambridge, Cambridgeshire and Peterborough, and the document suffers from serious defects because it is a quickly assembled collection, not based on genuine economic and social analysis of our sub-region's needs.

We will where requested continue to discuss devolution. Other Councils will state their positions and we respect them and also their asks. We are also strong supporters of genuine devolution, we are partnership builders, and committed to partnerships with Government and we recognise the future opportunities from that.

I could rehearse a list of issues that we support, and equally I could list issues that are critical to the Cambridge economy that it has simply not been possible to discuss in the inadequate timescale available, or cover here.

We also ask why a Norfolk/Suffolk geography was not supported for a devolution offer?

Detailed analysis by Grant Thornton and Localis for the New Anglia LEP on Norfolk/Suffolk supported that proposal as being strong as an independent two county economy and evidenced the lack of connectivity with much of the Cambridgeshire and Peterborough economy, while recognising as we do vital eastern Cambs/western Suffolk/Norfolk links and current and future Agritech and Biotech and other potential.

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Ahead of responding, we have undertaken our own rigorous assessment of what is in the best interests of Cambridgeshire and Peterborough, focusing on Cambridge and Greater Cambridge, assisted by analysis by others including the LEP, Cambridge Ahead, Grant Thornton, and the 'Centre for Cities'.

We and our business community have concluded that the proposed economic and infrastructure geography is not the right or best fit for the needs of Greater Cambridge and our Cambridge businesses and community – or in our view for the wider geography either.

The Government's offer has declined to respond or explain your position on council and other social and intermediate rental housing, home ownership or even shared equity. Your proposal is not going to help lower income residents and Cambridge workers in genuine housing need.

It is a critical challenge for us that the document does not address how we can house the growing number of lower income employees; essential so our businesses and public sector can prosper; essential so we can ensure all have the chance to share in the city's impressive prosperity. We need to thoroughly analyse the Cambridge housing market before sudden funding allocations and consider a wider strategy on the best way to extend the Cambridge benefits and geography.

Cambridge is at a crossroads in another way. The devolution offer ignores vital current and future growth in several directions, particularly other rail corridors, because it does not recognise the critical role of Harlow and Stevenage and London links.

Research by the Centre for Cities in their detailed analysis for the 'Fast Growth Cities' and in a further statement today concludes that in devolution deals, particularly with fast-growing cities such as Cambridge, it is important that the geography of the deal reflects the functional economy as much as possible, rather than encompassing too broad a geography.

They say that devolution deal policies need to be able to respond to specific urban opportunities and challenges and ensure limited money is invested in a targeted way in order to make the most of cities' economic potential.

We are also concerned that Cambridgeshire and Peterborough or Greater Cambridge will not get a share of the limited extra funding pro rata to GVA which is around 75% of the total of the three county economy, with 66% of GVA in Greater Cambridge alone.

While the aspiration of a regional transport board is very welcome, there is no direct mention of the major players, Network Rail and Highways England. We also believe that the Regional

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Transport Board needs to extend beyond the three counties to include Essex and Hertfordshire, and preferably Bedfordshire too, which represents the true region that Cambridge is interdependent on.

On the agreed City Deal, where we are very grateful to Government for support, transport resourcing and partnership, this is referenced in the document but there is no specific plan in the Devolution Proposal to build on Growth Centres like us and the other three in the area proposed. Particularly the £33bn Greater Cambridge economy, where there is no consideration of developing its geography or expanding its role or governance. The risk is that the City Deal will be diminished by this new proposal, by not being able to develop organically in discussion with Government, and with a Mayor and Combined Authority likely to be inclined to lift decision making up to region.

Specifically, Greater Cambridge's potential will be weakened given the proposed dominant regional planning and direction powers, totalling over ten new powers to be given to the new Mayor. Added to this is the poorly defined role of the regional Combined Authority.

On housing, we have had no acceptance from Government on our core 'Affordable Housing Ask', backed again by detailed analysis which we could evidence further. At the core of these asks is ensuring that there is at least the same number of social rent properties in Cambridge in 2020 as there is now. Without this, and given our fast growing population, our housing crisis will deepen as prices for market housing for rent as well as sale spiral beyond affordability for most households seeking to live in Greater Cambridge. Our community will be damaged if lower income working families are forced to move unnecessarily 30 or 60 miles from their current work, families and schools.

We plan on taking a report on Devolution and a recommendation to the first Full Cambridge City Council meeting on 23rd March. This will help to correct the democratic deficit on the recent closed-door discussions at the earliest opportunity for us, providing discussion and debate for the first time on this issue. We regret that full transparency is precluded by the confidentiality of the devolution proposal and pre-Budget process but will observe confidentiality on the document. The process to date has sadly denied our businesses and our community a proper say.

We are confident that, without the undue pressure, all Cambridgeshire and Peterborough councils and LEP would be able to complete a revised Devolution Plan proposal with our partners within a month, now we know the rules of the game. We accept some pressure is needed and it is notable that we have made more progress in a month than the previous six months. The LEP and Councils, working through the City Deal and building the 'Case for

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Cambridge', have also made equally impressive strides recently towards an integrated economic growth plan for Greater Cambridge, and that is the right local economic foundation.

The three councils locally - ourselves, South Cambridgeshire and Huntingdonshire - are also already delivering many shared services along with vital joint work with the County Council and the City Deal, and working as an outward facing partnership delivering real benefits to our region. As has happened in other parts of England, there is a real risk of damage to such partnerships and existing strong relationships in the rush to devolution.

The rush risks undermining our considerable achievements in joined up service delivery and joint economic delivery. We have to avoid that. Three weeks was never going to be enough time to get this right. Nevertheless, we are a partnership building Local Authority, and whatever happens in the next period that remains the case, alongside our determination to achieve the right outcomes for our area and our 'city of considerable magic'.

For all these reasons, we cannot support the proposed document but are keen to contribute as this letter evidences and to continued working with Government and others to deliver the best for Cambridge, our economy, Greater Cambridge, Cambridgeshire and Peterborough, and each of the adjacent counties we are interdependent with.

Yours sincerely

A handwritten signature in black ink, appearing to read "Lewis Herbert", written over a light blue horizontal line.

Councillor Lewis Herbert
Leader of Cambridge City Council