



CAMBRIDGESHIRE & PETERBOROUGH COMBINED AUTHORITY: MINUTES

Date: Monday, 20th March 2017

Time: 2.00p.m. – 4.05p.m.

Present: J Clark – Fenland District Council, S Count – Cambridgeshire County Council, L Herbert – Cambridge City Council, J Holdich – Peterborough City Council, Councillor R Howe (Chairman) – Huntingdonshire District Council, J Palmer – East Cambridgeshire District Council and P Topping – South Cambridgeshire District Council; M Reeve – Greater Cambridge Greater Peterborough Enterprise Partnership

Observers: J Bawden (Clinical Commissioning Group) and A Coles (Deputy Police and Crime Commissioner)

1. MEMBERSHIP OF THE COMBINED AUTHORITY

The Interim Chief Executive welcomed everyone to the inaugural meeting of the Cambridgeshire and Peterborough Combined Authority which was a landmark in the devolution journey towards improving the fortunes of the area. He highlighted the considerable amount of work which had been undertaken by both Government and Councillors.

The Combined Authority considered a report setting out the Members and substitute Members appointed by the Constituent Councils and the Member and substitute Member nominated by the Greater Cambridge/Greater Peterborough Enterprise Partnership (GCGP LEP) as set out in Appendix 1 to the report.

It was resolved to:

- note the Members and substitute Members appointed by the Constituent Councils to the Combined Authority.
- confirm the appointment of the Member and substitute Member nominated by the Greater Cambridge/Greater Peterborough Enterprise Partnership (GCGP LEP) to the Combined Authority.

2. APPOINTMENT OF CHAIR AND CHAIR'S OPENING REMARKS

The Combined Authority was asked to appoint a Chair to the Cambridgeshire and Peterborough Combined Authority Board.

It was resolved to:

appoint Councillor Robin Howe as Chair of the Cambridgeshire and Peterborough Combined Authority Board until 8 May 2017.

3. APPOINTMENT OF VICE-CHAIR

The Combined Authority was asked to appoint a Vice-Chair to the Cambridgeshire and Peterborough Combined Authority Board.

It was resolved to:

appoint Councillor Holdich as Vice-Chair of the Combined Authority Board until 8 May 2017.

4. APPROVAL OF CAMBRIDGESHIRE & PETERBOROUGH AUTHORITY ORDER 2017

The Combined Authority considered a report detailing the Cambridgeshire and Peterborough Combined Authority Order 2017. The Chair reminded the Authority that the Secretary of State for Communities and Local Government, The Right Honourable Sajid Javid MP, had together with the Combined Authority formally signed the devolution agreement at a meeting in Wisbech on 16 March 2017.

It was suggested that a plain English version of the Order should be prepared and published on the Authority's website. **Action Required.**

It was resolved to:

adopt the Cambridgeshire and Peterborough Combined Authority Order 2017 as set out in Appendix 1 to the report.

5. APOLOGIES FOR ABSENCE

Apologies received from J Ablewhite and Councillor P Brown (observers), and M Whiteley (Programme Director).

6. DECLARATIONS OF INTERESTS

There were no declarations of interest.

7. FORWARD PLAN

The Combined Authority noted a revised Forward Plan of Executive Decisions dated 16 March 2017. The Chair commented that the Forward Plan was updated on a regular basis. (A copy of the current version was available at the following link <https://cmis.cambridgeshire.gov.uk/ccclive/Documents/PublicDocuments.aspx>)

It was resolved unanimously to:

approve the Forward Plan of Executive Decisions.

8. APPROVAL AND ADOPTION OF CONSTITUTION

The Combined Authority received a report detailing its Constitution, which had been prepared in two phases. The Authority was asked to consider Phase 1 which related to the essential elements for holding meetings and decision making. Phase 2 which would include the budget framework, the officer scheme of delegation and other codes and conduct, and internal procedural rules would be presented to the next meeting in April.

The Portfolio Holder, Councillor Herbert, welcomed Councillor Batchelor who was representing the Overview and Scrutiny Committee; this Committee had met informally a week ago. In introducing his report, Councillor Herbert proposed two amendments, seconded by Councillor Palmer, relating to the need to delete “public sector” from paragraph 3.1 (Chapter 4 Part 2) to enable non-public sector organisations to be considered for “observer status”, and the need to delegate authority to the Chief Executive to exercise the general power of competence in consultation with the Chair on any matters within the remit of the Combined Authority functions until the next meeting of the Combined Authority subject to any exercise of this power being reported to that Combined Authority meeting. Both amendments were supported by the Authority. Councillor Herbert also raised the need to consider at the Annual Meeting whether his portfolio should be represented on both working groups.

The Chair advised that there were likely to be numerous and frequent changes to the Constitution of a newly formed organisation in order to ensure it was fit for purpose.

It was resolved to:

1. Approve phase one of constitution set out in Appendix 1, subject to:
 - (a) consultation with the shadow Overview and Scrutiny Committee on the scrutiny arrangements set out in chapter 6 of the constitution, and the financial limits set for a key decision.
 - (b) The deletion of “public sector” from para 3.1. (Chapter 4 Part 2) to enable non-public sector organisations to be considered for “observer” status
2. Agree the Monitoring Officer be requested to report to the next meeting on the Shadow Overview and Scrutiny Committees’ comments.
3. Agree the following general delegations until approval of the scheme of delegation
 - (a) The Chief Executive, Monitoring Officer and Section 151 be authorised to progress any matters within the budget allocations approved to ensure the smooth and effective running of the Combined Authority;
 - (b) This would be subject to the delegation not being

- (i) in respect of a matter reserved to the Board
- (ii) relevant officer consulting the Chair and any relevant portfolio holder.

(c) That the Chief Executive be delegated authority to exercise the general power of competence in consultation with the Chair on any matters within the remit of the Combined Authority functions until the next meeting of the Combined Authority subject to any exercise of this power being reported to that Combined Authority meeting.

4. Note that Phase 2 of the constitution will be presented for approval at the next meeting in April.

9. VOTING RIGHTS FOR THE GREATER CAMBRIDGE GREATER PETERBOROUGH LOCAL ENTERPRISE PARTNERSHIP

The Combined Authority was asked to confirm the Shadow Combined Authority's decision to grant the Greater Cambridge/Greater Peterborough Enterprise Partnership (GCGP LEP) voting rights on the Board.

It was resolved to:

agree that the Greater Cambridge/Greater Peterborough Enterprise Partnership (GCGP LEP) shall have one vote on the Combined Authority Board, subject to certain voting qualifications in the Cambridgeshire and Peterborough Combined Authority Order 2016.

10. APPOINTMENT OF PORTFOLIOS

The Combined Authority was asked to appoint portfolio holders to the Combined Authority who would be in operation until the election of the Mayor. The outline terms of reference for each portfolio were detailed in Appendix 1 to the report and included in the constitution.

It was resolved unanimously to appoint the following members to specific portfolios until the election of the Mayor:

Councillor Steve Count
Public Service Reform (including responsibility for future devolution deals)

Councillor John Clark
Economic Growth (including Business Support)
Councillor Lewis Herbert
Communities

Councillor John Holdich
Skills and Training

Councillor Robin Howe
Fiscal

Councillor James Palmer
Transport and Infrastructure

Councillor Peter Topping
Housing

11. APPOINTMENT OF WORKING GROUPS

The Combined Authority considered a report detailing a proposal to establish two non-decision making working groups of officers and Members covering Investment and Delivery. The terms of reference of the working groups and the appointment to those groups were set out in Appendix 1.

It was resolved unanimously to approve:

1. the terms of reference of the working groups, and
2. the appointment to those groups

12. OBSERVERS TO THE COMBINED AUTHORITY

The Combined Authority was asked to appoint observers to the Board. Members welcomed the appointment of observers for their special input and focus on areas of their responsibility. However, it was noted that they would not have voting rights. Members acknowledged a request from one Member to review the name “observer” as it implied that these representatives had a passive role. **Action Required.**

It was resolved unanimously to agree that the following bodies be given Observer status for 2016/17:

- (a) The Police and Crime Commissioner for Cambridgeshire;
- (b) Cambridgeshire and Peterborough Fire Authority representative;
- (c) Clinical Commissioning Group representative.

13. APPOINTMENT OF SHADOW SCRUTINY COMMITTEE MEMBERS

The Combined Authority was asked to appoint members to the Shadow Overview and Scrutiny Committee. The Committee remained in Shadow form until it came into effect on 8 May 2017. The nominations received from Constituent Councils based on two per Council were attached at Appendix A. It was also recommended that the Constituent Councils appoint substitute Members from the same party as the Member they were substituting for to maintain political balance.

The Portfolio Holder, Councillor Herbert, requested a dialogue before the Annual Meeting of the Combined Authority with the Chair of the Combined Authority, Councillor Batchelor and the Monitoring Officer, to consider how scrutiny could contribute to aspects of delivery. He acknowledged the Overview and Scrutiny Committee’s right to scrutinise independently but welcomed the opportunity for the Committee to add real value to the work of the Combined Authority. **Action Required.**

One Member highlighted the importance of the overview function and hoped that the Committee would help the Authority get decisions right in the first place. Another Member stressed that overview and scrutiny was a key part of the Combined Authority. It was queried whether the Combined Authority had to appoint members nominated by the Constituent Authorities rather than just approve the political breakdown for each Authority or if the appointments could be delegated. Members were keen to avoid any delay in appointing a representative to the Committee if change occurred between meetings of the Combined Authority. The Monitoring Officer agreed to investigate.

Action Required.

It was resolved unanimously to:

1. Appoint the members nominated by the Constituent Authorities to the Overview and Scrutiny Committee as detailed in Appendix A.
2. Agree the Monitoring Officer request Constituent Councils to appoint at least one substitute member onto the Overview and Scrutiny Committee. The substitute member must be from the same political party as the appointed member.

14. RECRUITMENT OF THE CHIEF EXECUTIVE

The Combined Authority received an update on the process to recruit a permanent Chief Executive, and Interim Chief Executive arrangements. It was noted that the recruitment process had produced a longlist of candidates. Unfortunately, it had not provided a broad spread of choice with a limited number of applicants from the private sector with commercial experience. It was therefore proposed to undertake a further search process in order to target potential candidates from the private sector with commercial experience. It was important to note that this extended recruitment approach did not suggest the current field of candidates should be disregarded.

The Portfolio Holder, Councillor Howe, reported that there was a need to appoint a full-time interim Chief Executive to lead on delivering the various Authority work programmes. It was therefore proposed to appoint the current Delivery Director, Martin Whiteley, from 3rd April to 30th September 2017. One Member commented that he had been keen to make a smooth and rapid appointment. He raised the need to ensure that the Authority did not lose further time. However, he acknowledged that the Mayor needed to get on with the Chief Executive. The Authority thanked the current part-time interim Chief Executive, Paul Medd, and acknowledged the positive support and contribution he had made to the Combined Authority despite balancing this role with his substantive role as Chief Executive of Fenland District Council.

It was resolved unanimously to:

1. Approve the revised recruitment process and associated timescales for the appointment of the Combined Authority's permanent Chief Executive.
2. Note that the current part-time interim Chief Executive will cease on the 2nd April 2017.

3. Approve the current Delivery Director, Martin Whiteley, is appointed to the full-time interim Chief Executive and Head of Paid Service role on a fixed-term contract from 3rd April 2017 to 30th September 2017, with an opportunity to review this in light of the appointment to the permanent role.

15. APPOINTMENT OF STATUTORY OFFICERS

The Chairman asked the officers detailed in the recommendation to leave the room whilst this item was discussed.

A report detailing the statutory officers who would support the Combined Authority until May 2017 or until the appointment to those positions of a permanent appointment was presented to the Authority. One Member, with the agreement of the Authority, raised the need to remove “earlier” from the recommendations as he felt that any appointments were likely to take place after May.

On behalf of the Authority, the Chairman thanked officers who were effectively doing two jobs for the work carried out to date. The Authority stressed the importance of recruiting full-time members of staff to these posts as soon as possible.

It was resolved unanimously to appoint the following Officers to act as the statutory officers to the Combined Authority until May 2017 or the appointment of a permanent appointment to those roles:

- (a) Kim Sawyer, Director of Governance at Peterborough City Council as Monitoring Officer; and
- (b) John Harrison Corporate Director Resources at Peterborough City Council as section 151 Officer.

16. RATIFYING DECISIONS OF SHADOW COMBINED AUTHORITY

The Combined Authority was asked to ratify the decisions taken by the Cambridgeshire and Peterborough Shadow Combined Authority detailed in Appendix 1.

It was resolved unanimously to:

ratify the decisions taken by the Cambridgeshire and Peterborough Shadow Combined Authority set out in Appendix 1.

17. HOUSING: DEVELOPING OUR STRATEGY AND AFFORDABLE HOUSING

The Portfolio Holder, Councillor Topping, supported by the Lead Officer, Antoinette Jackson, introduced a report detailing work underway to develop a Housing Strategy for Cambridgeshire and Peterborough. He drew attention to the principles of the strategy which would facilitate the provision of a large number of houses including affordable homes by 2037; this included new types of building construction and Community Land Trusts. As well as building houses, it was important to ensure that infrastructure was available to support new housing. Members were reminded that £100m was available for Cambridgeshire and Peterborough to deliver over 2,000 affordable homes. An additional £70m had been ring-fenced for Cambridge to meet housing needs. A full

Business Case covering both funding streams had been agreed with Government and was attached at Appendix A. Given the experience of South Cambridgeshire District Council in this area, it was proposed that it should act as Lead Partner.

In welcoming the report, the Authority raised the following issues:

- queried the reason for the difference between average build cost subsidy from the programme overall of not more than £25k per home on page 180 and the cost of £50k per home reflected in the paper. It was noted that it was not a straight grant and depended on the relationship between “Viability Assessment Intervention”, “Site Purchase Assistance” and “Infrastructure Funding” detailed on page 182. Members were advised that the Authority was aiming for the benchmark of the build cost subsidy of £25k but it was important to note that development was not just about the build cost.
- the importance of using the £100m to pump prime sites in order to receive a payment back in the future.
- the importance of accelerating house building in order to get buildings finished within the five year time period. However, it was acknowledged that five years was not a long time in house building. Whilst the professional skills of South Cambridgeshire District Council and the core model provided a valuable base, there was a need to consider other options. It was suggested that further private sector investment should be sought to bring forward sites which were not progressing because of builder or landowner issues. There was also a need to focus on the rental market and other options. It was important to over programme because it was likely that a number of schemes would drop out. The Authority needed to ensure that the Government did not take its money back due to non-delivery.
- the need to communicate the difference the Combined Authority could make. It was noted that some sites could not deliver market housing because they could not afford to provide affordable housing. The Authority could assist which would provide a lot more than the £170m provided by Government. The Chair raised the need to check against the large of stock of sites whether any could be developed rapidly within the next six months.
- the need to widen the provision of Community Land Trusts as detailed on page 183 as they could operate just as effectively in Market Towns and Cities at no cost to the Council Tax payer.
- queried whether there was any need to define what constituted the affordable market. The Portfolio Holder reported that the text relating to this issue had been lifted from the Devolution Agreement. However, he offered to include it as part of the documentation.
- expressed concern about the impact of the core criteria relating to size of site and the exclusion of any scheme under 50 units in total particularly in Fenland. It was noted that there was flexibility to bring in smaller sites. However, the Authority had been keen not to spread its resources too thinly. It was acknowledged that 50 units in some areas could be classified as a big site.

- welcomed the affordability and mixed tenure to help meet the problem of recruiting social care and health staff.

The Chair raised the need to remove the spurious recommendation on page 192.

It was resolved unanimously to:

1. Note the proposed strategic principles upon which the Combined Authority Housing Strategy would be based and that further work would be undertaken to develop the strategy would a further report to the Combined Authority in June 2017,
2. Approve the attached business case for £100m to deliver 2,000 affordable homes in Cambridgeshire and Peterborough (Appendix A),
3. Ask the Chief Executive, Finance and Legal Officers of the Combined Authority to develop a partnership model with South Cambridgeshire District Council nominated as the Lead Partner to deliver the £100m programme and the development of the CA Housing Strategy, with the final arrangements coming back to the Combined Authority Board for approval,
4. Ask the Chief Executive, Finance and Legal Officers of the Combined Authority to develop a partnership model with Cambridge City to be the Lead Partner on the delivery of the £70m affordable housing programme, ring-fenced for Cambridge.

18. BUDGET REPORT 2016/17 TO 2020/21

The Combined Authority was asked to approve the resolutions made by the Shadow Board on 22nd February 2017. The Portfolio Holder, Councillor Howe, set out the strategic context and purpose of the report. He drew attention to the fact that the Combined Authority could contribute an additional £7 billion to the economy of Cambridgeshire and Peterborough. He highlighted the importance of a small in size and strategic in nature Authority delivery public sector reform. Members were advised of the more detailed work undertaken on the likely costs of delivering the Authority and the significant outcomes associated. He drew attention to the General Balances, the appointment of an external auditor, future income streams and efficiency savings, and the various strategies underpinning the budget.

One Member stressed the importance of public service reform and queried where the income and efficiency streams were included within the report as agreed at the last meeting. The Section 151 officer explained that he had updated the reference in the report to the Shadow Board in the strategic context in the covering report. Another Member stressed the importance of the Authority recouping its operating costs in order to avoid imposing an extra burden on the tax payer.

The Authority was reminded that it had already agreed to replace “Neil Darwin” with Martin Whiteley in relation to the Accountable Officer for the work streams listed on page 209.

The Chair, with the agreement of the Authority, proposed a number of amendments (highlighted in italics) to Recommendation 1, one amendment to Recommendation 2 and an additional recommendation 14:

It was resolved unanimously to approve the resolutions made by the Shadow Board on 22nd February 2017, subject to the following amendments:

1. Approve the budget and indicative resources for 2016/17, 2017/18 and Medium Term Financial Forecast for 2018/19 to 2020/21 *subject to the following amendments to the budget for 2016/17, 2017/18:*
 - a) *Provision of £25,000 be made available to commission an investment fund strategy;*
 - b) *Provision of up to £75,000 to be made towards the production of a market towns strategy;*
 - c) *That the interim Chief Executive, in consultation with Chair, be authorised to source and enter into a contract with suitably qualified consultants to produce the two strategies; and*
 - d) *That the £100,000 be met from the existing unallocated revenue resources in 2017/18.*
2. Approve that the minimum working balance be set at *£500,000*.
3. Approve the Passporting of Highways capital funding to the original transport authorities in line with their original resource allocation for 2016/17 and 2017/18.
4. Approve the revenue transport levies from the transport authorities, along with the return of the funds to them to deliver the transport services, and delegate authority to the Chief Finance Officer (CFO) to update the levies if further guidance is received from the Department for Communities and Local Government (DCLG).
5. Approve the Treasury Management and Investment Strategy.
6. Appoint Peterborough City Council's Service Director Financial Services as the interim Deputy S151 Officer.
7. Approve that the Combined Authority's external Auditors be sourced via PSAA Ltd.
8. Note that a bank account has been established via Peterborough City Council's bankers, Barclays.
9. Note that the further report on 2017/18 and future years includes:
 - a. Spending plans, including a review of the minimum working balance, and
 - b. Income and efficiency streams with particular emphasis on public service reform will be presented at the March 2017 Combined Authority meeting.

Approve the following additional recommendations:

10. Consider the budget proposals in the context of the plans set out for economic growth and public service reform.
11. Approve the updated Strategic Context and Public Service Reform plans as set out in paragraph 1.
12. Approve the update to the Expenditure Plans to include Local Transport Plan capital grant and transport levy funding streams, as set out in paragraph 3.1.
13. Note that a further report on 2017/18 and future years spending plans, will be presented at the April 2017 meeting.
14. *That from 2018/19 the budgets include a provision to meet the costs of the next mayoral elections in 2021/22. The sum to be set as a quarter of the 2017/18 costs, ie £260,000 per annum.*

19. DATE OF NEXT MEETING

It was resolved unanimously to note the date of the next meeting – Wednesday, 26 April 2017 at 10.00am at Huntingdonshire District Council offices, Pathfinder House, Huntingdon

Chairman