

# CAMBRIDGESHIRE AND PETERBOROUGH EAST ANGLIA DEVOLUTION PROPOSAL

17 June 2016



## **Contents**

Overview	page 3
Summary table	page 5
Governance	page 6
Finance and Funding	page 7
New Homes and Sustainable Communities	page 8
Connectivity – Transport and Digital	page 10
Learning and Skills	page 13
Apprenticeships	page 15
Employment	page 15
Business Support	page 17
Public Service Reform - Health and Social Care; Community Safety	page 18
Cambridgeshire and Peterborough Combined Authority commitments	page 19

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

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

## **Cambridgeshire and Peterborough Combined Authority Devolution Deal**

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

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

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

### **Overview and strategic context**

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

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

## **A new relationship between central and local partners**

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

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

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

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

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

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

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

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

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

## **GOVERNANCE**

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

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

## **FINANCE AND FUNDING**

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

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

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

### **NEW HOMES AND SUSTAINABLE COMMUNITIES**

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



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

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

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

### **CONNECTIVITY - TRANSPORT AND DIGITAL**

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

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

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

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

29. In addition to and as part of the deal:
  - a. In order to meet the needs of local communities, the Combined Authority seeks to adopt an integrated approach to local buses, community based transport, the local network of car clubs, walking and cycling and, in partnership with rail operators and Network Rail, rail services, including community rail partnerships.
  - b. The Combined Authority will build on existing smart ticketing knowledge and expertise to determine the best method for a smart and integrated ticketing system across its area.
30. In establishing the Combined Authority, appropriate local transport functions will be conferred to the Combined Authority and exercised by the Mayor. In addition, a single policy and delivery body will be created covering the same area in order to determine, manage and deliver the Mayor's transport plans and the delivery of integrated public transport networks for the region.
31. In order to maximise the important connections Cambridgeshire and Peterborough has in all directions, and its position as a cross roads of Eastern England, Government commits to work towards replacing rolling stock as part of the new Greater Anglia franchise. Government also commits to assist the West Anglia Main Line Task Force as it develops a business case for improving the rail corridor between Kings Lynn and London via Cambridge. The Combined Authority will make the case for improvements to the Thameslink Great Northern Franchise, and improvements to create a parkway station for Peterborough at Whittlesea. This will unlock sustainable housing and employment growth and support the wider Peterborough transport network needed for a fast growing city.
32. The Combined Authority recognises the significance of the development at Wyton Airfield and will work on plans to provide sustainable transport links to and from the airfield, including Wyton infrastructure requirements. The Combined Authority also recognises the important economic value of St. Neots, the fastest growing town in Cambridgeshire, and will develop plans to provide infrastructure and transport solutions to further enable its economic growth.
33. The Combined Authority recognises the significance of Ely Southern Bypass, the A14/A142 junction and upgrades to the A10, and the potential to unlock commercial and housing growth in East Cambridgeshire and beyond. The Combined Authority also recognises the significance of the A47 for east-west connectivity. The A47 Alliance as a joint public and private sector partnership recognises the importance of this route to unlock commercial and housing growth across Suffolk, Norfolk, North Cambridgeshire and Peterborough. The Combined Authority recognises the importance of development at March and will develop plans for sustainable transport, key road junctions and March railway station to unlock commercial and housing growth in that part of Fenland.

## **LEARNING AND SKILLS**

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

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

41. The readiness conditions for full devolution are that:

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

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

## **APPRENTICESHIPS**

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

apprenticeships, but the Combined Authority is free to vary the criteria associated with the grant (e.g. size and sector of business) to meet local needs. The Skills Funding Agency will work with the Combined Authority to identify an appropriate share.

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

## **EMPLOYMENT**

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

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

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

### **Further activity to Improve Life Chances**

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

### **Career and pay progression**



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

## **BUSINESS SUPPORT**

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

## **PUBLIC SERVICE REFORM**

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

### **Health and Social Care**

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

### **Community Safety**

68. Cambridgeshire and Peterborough recognise the need to meet our communities' desire for increased visibility and responsiveness of public services to day to day community safety (such as parking, speeding, anti-social behaviour, fly-tipping). This is alongside

addressing the rising needs of the most vulnerable (such as the frail elderly, victims of domestic violence or child sexual exploitation).

69. Good progress has been made by local partners to integrate our frontline response to the most vulnerable, including the Multi-agency Safeguarding Hub, Victims' Hub, Troubled Families programme, and safe and well visits between the fire service and adult social care, linked to wider blue light collaboration. We will continue to join up our approach and explore how we can integrate our response to the root causes of vulnerability.
70. Working with Government the Combined Authority will explore the potential development of a more integrated pathway of service delivery to address the causes of offending behaviour early, before escalation that requires more costly interventions, with the aim of reducing the use of courts and prisons. Government will support this approach by working with Cambridgeshire and Peterborough to explore possible integration and early interventions.
71. In addition to Cambridgeshire and Peterborough's participation in the GPS pilot, Cambridgeshire and Peterborough will work with Government to strengthen their role in commissioning of offender management services and explore the potential for a more integrated approach to criminal justice in the area.

## **THE CAMBRIDGESHIRE AND PETERBOROUGH COMBINED AUTHORITY** **COMMITMENTS**

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

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

impact evaluation methods in relation to certain policies, which may include i) local commissioning of 19+ skills; and ii) employment support.