

Matter 7 Transport - Update on City Deal

South Cambridgeshire District Council and Cambridge City Council

Introduction

1. The Councils' Statement to Matter 7 made a number of references to the Greater Cambridge City Deal. In particular:
 - Paragraphs 11 and 23 highlighted that funding and delivery of infrastructure was being prioritised at the first formal meeting of the City Deal Executive Board on 28 January.
 - Paragraph 24 stated that an update on discussions about the triggers for the second phase of funding would be provided.
2. This supplementary statement provides an update on the outcome of the Executive Board meeting in relation to the infrastructure investment programme, and the latest information on the triggers for future tranches of funding.

2015-2020 prioritised infrastructure investment programme

3. The Councils' Statement (M7/CCC&SCDC) provided information on the Greater Cambridge City Deal including investment in transport infrastructure (in particular in Appendix 4 to the statement). Reference was made to the City Deal Assembly on 12 January 2015, which considered a report on scheme prioritisation for Tranche 1 of the City Deal funding. The Reports to this meeting were published on 2 January 2015, and included as a reference document (RD/CR/142).
4. The Joint Assembly reports and recommendation are reported to the City Deal Executive Board. The Greater Cambridge City Deal Executive Board met on 28 January 2015. The recommendations of the Assembly meeting referred to were reported to the Board, along with a report seeking a decision on the 2015-2020 prioritised infrastructure investment programme. The report to the Executive Board, its decisions and draft minutes have now been added to the Examination Library as reference document RD/CR/144.
5. The decision of the Board was to approve the Greater Cambridge City Deal's 2015-2020 prioritised infrastructure investment programme, made up of the following schemes:
 - Milton Road bus priority
 - Madingley Road bus priority
 - Histon Road bus priority
 - A428 to M11 segregated bus route / A428 corridor Park and Ride
 - City centre capacity improvements / cross-city cycle improvements (to include Hills Road in the scope)
 - A1307 corridor to include bus priority / A1307 additional Park and Ride
 - Chisholm Trail cycle links / Chisholm Trail bridge
 - Year 1 to 5 pipeline development
 - Year 6 to 10 programme development
 - Programme management and early scheme development

6. The Executive Board made a number of changes from the list of schemes that had been recommended by the City Deal Assembly. These prioritise even more strongly major schemes that would make a significant difference to supporting growth. At the same time, the list includes funding for scheme development on further projects that will assist the delivery of longer term developments.
7. The decision of the board resulted in a list of prioritised schemes capable of delivery in years 1-5. The focus will be on detailed scheme development of the prioritised list in paragraph 5.
8. However, work will continue in parallel on other schemes to provide a flexible programme. A future meeting of the Executive Board will decide future schemes capable of early delivery to be included in a year 1-5 pipeline and longer term schemes for a year 6 to 10 programme. The year 1 to 5 pipeline development and year 6 to 10 programme development should be seen in tandem:
 - The year 1 to 5 pipeline development involves working up the other schemes that are capable of being delivered within tranche 1, in the unlikely event that some unforeseen impediment arises to delivery of the prioritised schemes in years 1 to 5.
 - The Year 6 to 10 programme development will investigate potential longer term schemes to inform prioritisation for the tranche 2 (year 6 to 10) programme in due course.

These two elements of funding therefore allow early work to be commenced to inform the decision on the tranche 2 programme, as well as providing fall back options for tranche 1.

9. The programme management and early scheme development bullet refers to the more detailed work to develop the priority schemes listed, including programme management of the overall capital programme.
10. There are a number of direct links with major development proposals:
 - Madingley Road Bus priority and A428 to M11 segregated bus route / A428 corridor Park and Ride will support the delivery of early phases of the Cambourne West and Bourn Airfield developments.
 - Milton Road and Histon Road will support developments at Cambridge Northern Fringe East, and contribute to the delivery of Northstowe and Waterbeach New Towns.
 - All the schemes also help address existing transport issues affecting the Greater Cambridge area.
11. City Deal builds on the success that the County Council has demonstrated in recent years in securing significant funding to deliver major transport infrastructure improvements. Appendix 1 provides further examples of previous schemes and the level of funding that has been secured, and the scale of transport measures which the County Council has a track record of delivering to improve transport in the area and secure growth.

Position on future funding tranches (beyond 2019/20)

12. Paragraph 24 of the Councils' statement stated that the City Deal partners are in discussions with Government to agree the triggers for release of phase 2 monies, which were due to be completed by the end of January 2015. This note provides an update on the situation.

13. Since the Councils' statement was published, the partners have agreed to appoint a panel of economic experts to strengthen the assessment in 2019. Government has stressed that it remains absolutely committed to the City Deal and to ensuring that triggers are not set too high so as to prevent release of phase 2 monies. The partners' officer team is working with Government to establish a framework that can be applicable for all of the City Deal regions which has to a conclusion on this arrangement has been the requirement to secure agreements for other major city regions in their City Deals and. Whilst final agreement of the triggers has not been reached to date, there is now broad agreement around the nature of those triggers as set out in the Councils' statement and as confirmed in the letter from Tom Walker, Director of the Cities & Local Growth Unit at the Department for Business Innovation & Skills (see Appendix 2).

Appendix 1 Recent County Council Transport Scheme Delivery & Funding Examples

Scheme	Funding Sources	Scheme / Programme Cost	Opening Date
The Busway Southern section	DfT Major Schemes / Developers	c£40M	2011
The Busway Northern section		c£110M	2011
Addenbrookes Access Road	Growth Area Fund (c£14M) / Developers	c£25M	2010
Cowley Road / Milton Road improvements	Growth Area Fund	£15.7M	2008
Milton Interchange improvements			2008
Milton Park & Ride			2008
Riverside Bridge	Growth Area Fund / Developers / County Council	£3M	2008
Cambridge Gateway improvements	Community Infrastructure Fund / Housing Growth Fund	£4.5M	2010
Rolling Fund	Housing Growth Fund	£13.5M	
Better Bus Programme	Better Bus Areas Fund	£1.7M	2013/14
Local Sustainable Transport Programme	Local Sustainable Transport Fund	£6M	2013/14/15
Cycle City / Cycle City Ambition	Cycle England	£3.6M	2008 onwards
Cycle City Ambition Grant	DfT	£4.1M	2014/15
Cycle City Ambition Grant Phase 2	DfT	c£6M (TBC)	2015 onwards
Cambridge Science Park Station	Network Rail	£44M	2016
Cambridge Science Park Station Busway Access	DfT	£6M	2015
Growth Deal – Madingley Rise improvements	LEP Strategic Economic Plan	£9M	2017

Appendix 2



Department
for Business
Innovation & Skills

Antoinette Jackson, Chief Executive, Cambridge City Council

Jean Hunter, Chief Executive, South Cambridgeshire Council

Mark Lloyd, Chief Executive, Cambridgeshire County Council

28 January 2015

Dear Chief Executive

I would like to thank you for taking the time to write to the Minister and for attending the meeting last week with officials from HMT and DfT.

I am reassured that a great deal of progress has been made on the evaluation agreements and we are very near to begin tendering for independent assessors. As you can appreciate, it is important that the right issues are considered now in order to ensure robust process given long term nature of this fund.

I am aware of the issues that have arisen over the past few months and your concern that this risks delaying progress. I can reassure you that Government remains committed to this agreement and wants to ensure cities are provided with the resources necessary to unlock economic growth and share in its benefits. Government has no intention of setting an impossible challenge.

I appreciate the considerable work that has gone into your revised proposal submitted on 22 January, which you've ensured reflects the most recent discussions around evaluation mechanisms. We are keen to finalise the terms of the gateway assessment as soon as practicable. On that basis, you should proceed with selecting initial tranche of investments on the basis of your usual economic appraisal methodology, and by prioritising those schemes that will have the greatest economic impact on the Greater Cambridge economy. One of the first tasks for the independent assessors will be to determine the best methodology for evaluating these schemes and form a view on what tangible evidence will be available in 2019 that will allow government and the cities to assess progress. This expert view will need to take account of the characteristics of the schemes being taken forward and the timetable to which each will progress. The independent economic

2 Marsham Street, London SW1P 4DF
www.gov.uk/bis

Direct Line +44 (0)20 7215 3480 | Enquiries +44 (0)20 7215 5000
Email tom.walker@bis.gov.uk | Enquiries enquiries@bis.gov.uk



assessors will then report back to cities and Government on the realised and expected economic benefits of the projects you selected.

As we have discussed, given the time it takes for wider economic impacts to become clear, we would expect that in 2019 the assessment is weighted more towards project outputs as you have set out in your latest proposal. That being said, Government is very keen that the assessors are given the task of forming a view on the wider economic impacts, even if that view is to conclude that none are apparent at that point.

I want to ensure that our approach to the gainshare mechanism in Greater Cambridge best delivers for you, and that the independent assessors support common learning across different infrastructure funds across the country. We also want to explore further with you whether a single panel of assessors would best support these objectives.

I urge you to continue to work with me and my team, and with the other cities, in as constructive a way as you have been to date, with an ambition to have signed off your proposal as quickly as possible.

Yours faithfully

TOM WALKER

Director
Cities & Local Growth Unit