



Combined Authority Board

13 November 2024

Title:	Investment Concept Papers
Report of:	Janice Gotts, Executive Director - Resources
Lead Member:	Mayor Dr Nik Johnson
Public Report:	Yes
Key Decision:	No
Voting Arrangements:	Simple majority of voting Members, subject to that majority including the vote of the Mayor, or the Deputy Mayor acting in place of the Mayor

Recommendations:

A	To approve the concept paper for Extending Retrofitting your Home to be developed as a formal business case.
B	To approve the concept paper for Fen Roads Trial to be developed as a formal business case.
C	To approve the concept paper for Domestic Energy Efficiency and Low Carbon Heating to be developed as a formal business case.

Strategic Objective(s):

The proposals within this report fit under the following strategic objective(s):

X	Achieving ambitious skills and employment opportunities
X	Achieving good growth
X	Increased connectivity
X	Enabling resilient communities
X	Achieving Best Value and High Performance

1. Purpose

1.1	To approve the concept papers in appendix A-C for Extending Retrofitting your Home, Fen Roads Trial and Domestic Energy Efficiency and Low Carbon Heating to be developed as a formal business case for consideration.
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2. Proposal

2.1	The Single Assurance Framework (SAF) is a tool that enables the CPCA to develop and deliver successful programmes and projects and explain the clear rationale through concept papers and business cases on how its strategic objectives will be delivered.
2.2	The SAF has been in operation since June 2024 and the Investment Panel and Investment Committee, have been established to support its delivery.
2.3	The first step for new project or programme delivery is the development of a concept paper. A concept paper is the Combined Authority's entrance document into the SAF and it aims to provide the required information to enable early assessment and consideration of an investment proposal. It is, therefore, a short document with high level information.
2.4	Concept proposals are initially reviewed by the officer led Investment Panel which consists of members of the Corporate Management Team as well as officers from enabling services such as legal, finance and procurement. Service expert leads are invited to present proposals and respond to questions and provide clarifications before the concepts are taken forward.
2.5	The concepts within this report have previously been presented to the Investment Panel at its meeting on 29 August and 19 September 2024, sponsored by the relevant Executive Director.
2.6	<p>Below is a description for each project. The more detailed concept papers are attached to the report as Appendices A, B and C respectively.</p> <p>Extending Retrofitting your Home (£0.060m Revenue)</p> <p>This is a project to review and extend the Cambridge City Council's Retrofitting your Home Guidance to encompass housing archetypes so that this can be used by all authorities across the area.</p> <p>The 'Retrofitting your home' Guidance, published in 2022, supports homeowners to understand the types of measures and indicative costs to retrofit their property to improve energy efficiency and reduce energy bills. It established "building archetypes" allowing residents to explore retrofit ideas for their type of property and identify how these solutions should be staged/sequenced (taking into account the 'energy hierarchy' approach and starting with building fabric measures first).</p> <p>This project would expand this document to identify further archetypes that are applicable across the CA region and develop a guidance document that covers most housing across Cambridgeshire and Peterborough.</p> <p>It will support and empower owners to have the knowledge they need to make informed decisions on how to decarbonise their homes, how much it will cost, and what might be considered to be a cost-effective intervention in the 'able to pay' sector. Partners, businesses and academia have supported the guidance and want to build on its success for the wider area.</p> <p>Alongside the guidance work the study will also provide a high-level summary of the total capital costs for retrofitting private sector properties in Cambridgeshire and Peterborough to close to net zero carbon emissions, together with the annual maintenance costs for property owners and the annual running costs for occupiers.</p> <p>The Investment Committee comments are shown below:</p> <ul style="list-style-type: none">• Concerns were raised about the project's cost with Members questioning whether there had been significant changes in retrofitting practices since Cambridge City Council's original work and that current solutions might already address the project's aims.• Officers explained that the cost reflected research into various housing types and the preparation of targeted guidance to prevent misguided retrofitting efforts by homeowners.• Officers agreed to reassess available resources and existing models to streamline costs, as well as examine if merging related proposals, such as domestic energy efficiency projects, could yield financial efficiencies.• The proposal to move forward with the concept paper was conditionally endorsed, contingent on further review of cost breakdowns and potential overlap with existing resources. <p>The concept paper, in full, is attached at Appendix A.</p>

Fen Roads Trial (£1.5m Capital)

This project is to trial innovative solutions to address the continuing maintenance and safety problems related to roads constructed over fenland soil deposits which will inform future investment in Cambridgeshire & Peterborough areas as well across the wider fens landscape region into Norfolk and Lincolnshire.

Cambridgeshire County Council (CCC) have maintained this asset over the years by patching and overlaying the affected areas. However, this method does not address the deeper-seated failures in the foundation layers and subgrade beneath.

The proposal is to create a case study that will trial all these solutions on the same stretch of road and compare their performance. This will inform future thinking with regards to treatment of this asset.

Assuming a funding bid is successful Peterborough City Council will be invited to sit on the project board, and all learning will be shared with them and more widely Cross authority, collaborative working on an issue which is front and centre locally and has cross party support. Engagement is taking place with other highway authorities, there is an initial meeting (8th October) has been arranged with Lincolnshire County Council and an initial contact with National Highway to gather their views and experiences. This issue impacts a large proportion of our road network in key business and income areas for the county, and wider region.

The project will be:

- A useful tool to demonstrate to central government the proactive approach being taken locally to identify potential repair solutions for fenland soils to inform future funding bids, including an opportunity to reach across to neighbouring authorities in Lincolnshire, Suffolk, and Norfolk to share best practise and innovation.
- An opportunity to engage with the construction industry with regards innovation, carbon reduction practices and mitigating the impacts of climate change on an issue which applies to 40% of the local road network.

The outcomes would include:

- Shared understanding of the most effective methods of tackling drought affected roads
- Understanding of the costs and benefits of the various trial methods
- Developing proposals to utilise the most effective methods to address climate adaptation on roads in the Fens.

The Investment Committee comments are shown below:

- Officers confirmed to Members that Cambridgeshire County Council had thoroughly researched various solutions and noted that other counties, including Lincolnshire and Norfolk, were keenly interested in the outcomes of this project. The Committee were assured that the Council had considered other regions' experiences but affirmed that this initiative was particularly focused on Fenland's unique conditions.
- The heightened vulnerability of Fenland roads due to climate change, including extreme weather patterns such as hotter summers and wetter winters, which exacerbated road subsidence, and the increase in road usage by larger vehicles added further strain on existing infrastructure, was highlighted by Members.
- The Fenland Member expressed support for the project, emphasising its importance to the local area. They queried whether the planned road sample length would be adequate for a comprehensive test and raised concerns regarding the financial resources allocated for an effective trial.
- The Mayor reiterated that the project aligned with the Combined Authority's objective to foster collaborative efforts across councils for regional benefit and highlighted the potential for Fenland's infrastructure project to become a pioneering model, which, if successful, could generate additional funding opportunities and technical expertise, potentially benefiting other areas facing similar challenges.
- The Committee expressed broad support for the project, recognising its potential to provide valuable insights into sustainable road maintenance under challenging conditions. The Committee recommended proceeding with the proposed budget for the trial, with the understanding that any necessary extensions or additional funding would be revisited as the project progressed.

The concept paper, in full, is attached at Appendix B.

Domestic Energy Efficiency and Low Carbon Heating (£0.95m Capital)

This project will enable the installation of energy efficiency measures and low carbon heating in domestic properties for low-income households by ensuring a continuity of retrofit delivery in-between Government funded schemes. This concept is for a delivery window of six months, between 1st January 2025 – 30th June 2025.

The grant will facilitate the installation of energy efficiency measures and low carbon heating in domestic properties. This is targeted for low-income households in the worst performing energy inefficient homes. The outcomes are climate change benefits and also helping households in fuel poverty.

The funding from CPCA would allow a continuation of retrofit delivery for homes which may have missed out on Government grant funding deadlines and would otherwise be eligible; would highlight a commitment to the supply chain that retrofit and decarbonisation is a high priority as well as ensuring delivery relationships can continue within the areas.

Government funding, via the Home Upgrade Grant Scheme 2 (HUG2) ends this financial year in March 2025. As part of the funding conditions, contractors are required to process all applications for the Government's Home Upgrade Grant 2 by 31st December 2024 and not accept additional homes after that date. With no replacement scheme announced this will create the situation that contractors are forced to divert existing established delivery capacity to other activity as a minimum for an undefined period. Even if a new scheme is announced there will still be a gap from December to start of new scheme.

CPCA funding would enable homes to be upgraded, increasing decarbonisation, enabling those in fuel poverty to heat their homes, and demonstrating to the local supply chain the established commitment to home retrofit. It is anticipated that funding will facilitate the decarbonisation of c.60 homes. These homes will undergo a whole house retrofit rather than individual insulation measures, providing a holistic and strategic approach to carbon reduction for a more resilient home. Further details will be provided in the business case.

This concept is for £950k to provide a solution to the ending of the HUG2 scheme and its impacts on supply chain. It will allow the retrofit of eligible homes that have missed out on the Government grant. It is anticipated the funding will assist circa. 60 homes with a whole house retrofit solution, averaging approximately £16K per home. This is in line with current delivery and expectation of the HUG2 scheme.

The Investment Committee comments are shown below:

- There was discussion on whether support should be concentrated in deprived areas versus evenly across districts. While the importance of targeting need was acknowledged, a flexible approach based on property readiness and established pipelines was preferred.
- Some members suggested basing eligibility on total income rather than benefit status, to ensure fairness and inclusivity for lower-income working households who may not qualify under current benefit-based criteria.

The concept paper, in full, is attached at Appendix C.

2.7 Future Business Case Governance Route subject to the approval of the Concept Paper

The governance route for business case approval is dependent on the financial value of the project as follows:

Project Costs

- above £5m – the proposal will be considered by Investment Committee for comment before being presented to the CPCA Board for approval
- between £1 up to £5m – the proposal will be presented to the Investment Committee for approval
- below £1m – the proposal will be presented to the Chief Executive for approval and Investment Committee will be informed of any decisions at its next available meeting.

All items will be considered by the Investment Panel in the first instance before proceeding to the next stage of approval.

Currently the projects within this report, if approved, will remain as part of a planned development pipeline until the business case is developed and approved.

2.8	<p>The appropriate approval mechanism for each project is summarised in the table below, based on the current estimated project cost. However, it is important to note that the estimated project cost between concept and business case stage may change as further work is done on defining and designing the project. If the value changes, then potentially this will impact on the approval route.</p>																
	<table border="1"> <thead> <tr> <th data-bbox="180 286 529 409">Project Name</th> <th data-bbox="537 286 842 409">Cost of project (CPCA contribution if different)</th> <th data-bbox="850 286 1134 409">Revenue or Capital</th> <th data-bbox="1142 286 1508 409">Business Case Governance route</th> </tr> </thead> <tbody> <tr> <td data-bbox="180 416 529 506">Extending Retrofitting your Home</td> <td data-bbox="537 416 842 506">£0.060m</td> <td data-bbox="850 416 1134 506">Revenue</td> <td data-bbox="1142 416 1508 506">a) Investment Panel b) Chief Executive Approval</td> </tr> <tr> <td data-bbox="180 512 529 629">Fen Roads Trial</td> <td data-bbox="537 512 842 629">£1.5m</td> <td data-bbox="850 512 1134 629">Capital</td> <td data-bbox="1142 512 1508 629">a) Investment Panel b) Investment Committee Approval</td> </tr> <tr> <td data-bbox="180 636 529 750">Domestic Energy Efficiency and Low Carbon Heating</td> <td data-bbox="537 636 842 750">£0.95m</td> <td data-bbox="850 636 1134 750">Capital</td> <td data-bbox="1142 636 1508 750">a) Investment Panel b) Chief Executive Approval</td> </tr> </tbody> </table>	Project Name	Cost of project (CPCA contribution if different)	Revenue or Capital	Business Case Governance route	Extending Retrofitting your Home	£0.060m	Revenue	a) Investment Panel b) Chief Executive Approval	Fen Roads Trial	£1.5m	Capital	a) Investment Panel b) Investment Committee Approval	Domestic Energy Efficiency and Low Carbon Heating	£0.95m	Capital	a) Investment Panel b) Chief Executive Approval
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2.9	<p>Strategic Objectives</p> <p>Whilst the projects outlined within this report are relevant to all the objectives of the Combined Authority the main strategic objectives are identified as follows:</p> <p>The Extending Retrofitting your Home project is sponsored by the Place and Connectivity, Climate Service, and the project's primary strategic objective is Enabling Resilient Communities by retrofitting homes.</p> <p>The Fen Roads Trial project is sponsored by the Place and Connectivity Transport Service, and the project's primary strategic objectives are Enabling Resilient Communities (addressing how climate change is affecting our roads) and Improving connectivity.</p> <p>The Domestic Energy Efficiency and Low Carbon Heating project is sponsored by Place and Connectivity, Climate Service, and the project's primary strategic objective is Enabling Resilient Communities by retrofitting homes.</p>																

3. Background

3.1	<p>The SAF is a set of systems, processes and protocols designed to provide the Combined Authority with a consistent approach for appraisal, assurance, risk management and performance throughout the lifecycle of projects and programmes. The SAF sets out key processes for ensuring accountability, probity, transparency and legal compliance and for ensuring value for money is achieved across its investments.</p>
3.2	<p>The SAF seeks to set out the framework and processes the Combined Authority will utilise to provide confidence to itself, Government, stakeholders and partners that it has robust systems in place to best enable its projects and programmes to realise the benefits they seek to deliver. The development of concept papers and business cases to support project investment is key to the SAF.</p>
3.3	<p>The SAF was approved at CPCA Board in November 2023. This noted that the process had also been approved by Government. It was agreed at the Board that the SAF process would go live from June 2024 following work on embedding the SAF and developing the new governance arrangements</p>

4. Appendices

4.1	Appendix A. Extending Retrofitting your Home
4.1	Appendix B. Fen Roads Trial
4.1	Appendix C. Domestic Energy Efficiency and Low Carbon Heating

5. Implications

Financial Implications

5.1	The financial implications are set out in the report. Should the projects be prioritised to proceed then the funding must be identified within the detailed business case. Initially this will be through a review of the existing investment programme to identify capacity/underspends or projects which can be paused or removed. A review of alternative funding sources will also be considered where available.
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Legal Implications

5.2	There are no significant legal implications in this report. The Single Assurance Framework, section 5.4.2 makes clear that the 'Concept Paper provides a consistent entry point into the Single Assurance Framework that intends to provide the required information to enable early assessment, prioritisation and consideration by the Corporate Management Team, the Investment Panel and by the Combined Authority Board.
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Public Health Implications

5.3	There are no significant Public Health implications in this report.
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Environmental & Climate Change Implications

5.4	None
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Other Significant Implications

5.5	Not applicable.
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Background Papers – available on request from [Democratic Services](#)

5.6	Single Assurance Framework Board report 29 th November 2023 Appendix A - Single Assurance Framework Appendix B - Investment Committee Terms of Reference
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