Ministry of Housing,
Communities &
Local Government

Correspondence

Appointment of Cambridge Growth Company Chair: Letter from Matthew Pennycook MP

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Applies to England

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Appointment of Cambridge Growth Company Chair

From: Matthew Pennycook MP, Minister of State for Housing and Planning

To: Peter Freeman, Chair of Homes England

30 October 2024

Dear Peter,

Thank you again for your continued work on Cambridge, and the invaluable support and advice you and your teams have provided to me over past months. I am delighted to confirm your appointment as Chair of the Cambridge Growth Company. Your appointment will commence on 30 October 2024, for an initial period of 18 months, unless terminated before that date.

Cambridge is one of the UK's most important economic assets, a global centre of innovation home to the largest life sciences cluster in Europe. With strong intellectual roots, the unique innovation ecosystem that has emerged in Greater Cambridge over the past fifty years has been a phenomenal success – life science firms in Cambridge already contribute nearly £3 billion annually to the UK economy. However, Cambridge faces significant barriers to sustainable growth and there are increasing pressures for local residents and communities, such as expensive housing and traffic congestion. Further growth is against a backdrop of constraints on water supply and sewerage, the transport network and increasing risks of flooding. Maintaining the success of Cambridge cannot be taken for granted.

The Deputy Prime Minister and I are determined to help overcome these constraints and for central government to work with local partners to support sustainable growth in Cambridge and its environs. At Autumn Budget, the Chancellor announced £10 million of new funding for the Cambridge Growth Company to work with local partners to develop an ambitious plan for the housing, transport, water and wider infrastructure that Cambridge needs to realise its full potential. It will be your responsibility to ensure the effective running of the Growth Company so that this objective is achieved.

The success of Greater Cambridge is a national priority for this government. The Cambridge Growth Company has therefore been established to advise on and drive forward the government's ambitions for the area, working closely with local partners, to make the most of their insights and knowledge about local communities. I know that you will continue to work effectively with local leaders as you build an evidence base to support the development of a long-term strategy that will benefit both the residents of Cambridge and the wider UK economy.

To ensure that immediate progress is made, I would like you to lead the Cambridge Growth Company in progressing the following priorities:

- Development acceleration: enable and accelerate developments which align with the government's ambitions for Cambridge and unlock development on stalled sites.
- Developing the evidence base to support development of an infrastructure-first growth plan and a long-term delivery vehicle: work with experts to assess infrastructure requirements, including transport, and lay the foundations for a long-term delivery vehicle.
- Cross-government engagement: identify solutions to complex constraints and support cross-government engagement to unblock existing development and provide the right incentives for successful development in the long-term.
- Cambridge Growth Company business plan: responsibility for overseeing the effective delivery of the Cambridge Growth Company's business plan and other associated documents.

We have previously agreed several high-level principles that the Cambridge Growth Company must adhere to when developing plans for ambitious and sustainable growth in Greater Cambridge. When it comes to the growth strategy, development on a more dispersed geographical footprint is perfectly acceptable, but one or more contiguous urban extensions of the city must be core components of the vision the Growth Company brings forward, in order to maximise the benefits of agglomeration. It must also build on and go further than local plans, in terms of scale, ambition and timescale, and you should work closely with local partners to tackle the constraints that can be difficult to overcome at the local level alone.

I ask that you work with officials within MHCLG to ensure that the work of the Cambridge Growth Company aligns with departmental and wider government priorities. This will include, but is not limited to, Local Growth Plans, the New Towns programme and the National Planning Policy Framework reforms.

Governance

As Chair, you are responsible for ensuring the effective operation of the Cambridge Growth Company's Board, as set out at Annex A. In practice, this means providing expertise, support and challenge to the Board to ensure the organisation continues to deliver its programmes and overall objectives.

In your role as Chair of the Growth Company, I believe it would be beneficial for us to meet to discuss progress once a month. My office will be in touch with yours to make the arrangements.

Further detail

Alongside this role, I expect that you will continue to drive performance in your position as Chair of Homes England for the remainder of your tenure and in line with the strategic objectives I recently set out in the Chair's letter. Homes England will play an important role in boosting growth through the delivery of new housing supply, place-based regeneration, and place-making.

Whilst acknowledging the complementary nature of the roles, I know that you will want to retain the utmost levels of probity in office. Should any conflict present itself, I would ask that you manage these, in consultation with the department, by following the mechanisms set out in your terms of appointment and each organisations' scheme of governance. This includes being prepared to step aside from decisions on which you are conflicted.

Finally, I would be grateful if you could sign (e-signature is sufficient) and return to the Cambridge Strategy Unit at cambridge.delivery@communities.gov.uk to confirm your acceptance of the role.

I look forward to your continued support on this matter of national importance.

Best wishes

Matthew Pennycook MP
Minister of State for Housing and Planning

Annex A: Governance and expectations of the chair

The Ministry of Housing, Communities and Local Government (MHCLG) expects the chair of Cambridge Growth Company (CGC) to lead the board in an effective and collegiate manner and adhere to best practice corporate governance standards where possible in undertaking their roles. It is your responsibility, as Chair of the CGC, to lead the board, and ensure that it undertakes all of its responsibilities. The Chair should set the tone from the top of CGC and promote an effective and appropriate culture in both the boardroom and the wider organisation.

Your responsibilities are to act in accordance with the highest standards of corporate governance and are complemented by requirements and expectations of you by government. Below is a list of some of the core governance expectations of MHCLG regarding your duties as Chair encompassing both of these elements. This list is not intended to be exhaustive.

Set the board's agenda

You should set the CGC board agenda in good time ahead of a board meeting. There should be sufficient visibility of items for forthcoming meetings to allow board members and executives to prepare and engage with the board. The agenda should focus upon the priorities contained with the CGC business plan and/or other relevant documents and performance.

Encourage engagement from board members

You should encourage board members to engage with the CGC within board meetings, through active participation in discussions, and wider activity and decisions. Should board committees be established at a future date, you should encourage board members to join relevant committees where they can add value. You should support board members to contribute their expertise where relevant to CGC on an ongoing basis. You should foster effective relationships based on trust, mutual respect, and open communication between board members and officials from both MHCLG and Homes England, both inside and outside of the boardroom. You should monitor and manage conflicts of interest among board members in order that the board may function appropriately, in accordance with the conflicts of interest policies of MHCLG and Homes England.

Foster relationships between the board and stakeholders, including government

You should be the principal point of contact between stakeholders and the board. You should foster constructive relationships with all relevant stakeholders to the CGC. You should also maintain a constructive relationship with the department in the course of your work.

Work with HM Government on the composition of the board, and the appointment of new board members

You should consider the composition of the board in line with the requirements of the CGC on a continual basis, providing regular feedback to the Department as appropriate. You should work with MHCLG and Homes England to consider appointments to the CGC Board. You should engage in the appointment process as appropriate and in line with the previously agreed delegations both within MHCLG and Homes England.

Provide mentoring and an induction to new board members

You should lead the induction to new board members on behalf of the CGC. You should make sure new board members are introduced to all relevant people both within CGC and among stakeholders.

You should encourage board members to develop their knowledge and skills

You should continually consider the knowledge and skills that the board requires to discharge its duties to the CGC. Where the board would benefit from additional knowledge and skills, which can be met without the need to recruit new or additional board members, you should encourage board members to undertake relevant training and education where possible.

Lead the annual evaluation of the board

Subject to the life span of the Growth Company, and ahead of an appropriate long-term delivery vehicle being established, you should ensure that a review of the board's effectiveness is undertaken on an annual basis. This includes leading the process to gather feedback from board members regarding the board's functioning. You should also consider how stakeholders can input into the review, to provide comment upon the board's effectiveness in engaging with government and stakeholders. You should be responsible for overseeing the implementation of any recommendations arising from a review as necessary.

Be subject to an annual performance evaluation

You should engage with an evaluation of your performance on an annual basis. MHCLG may wish to gather feedback from government and other stakeholders. This will be collated by the department and provided to the

Senior Sponsor in an appropriate manner. A written review of your performance may be necessary to support any reappointment decision.

For additional best practice guidance regarding the role of the Chair, see the guidance on board effectiveness (https://media.frc.org.uk/documents/Guidance_on_Board_Effectiveness_MmfcOrz.pdf#page=21) published by the Financial Reporting Council.

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