



**CAMBRIDGESHIRE  
& PETERBOROUGH**  
COMBINED AUTHORITY

## **COMBINED AUTHORITY BOARD**

**Date: Wednesday, 30 March 2022**

**Democratic Services**

Robert Parkin Dip. LG.  
Chief Legal Officer and Monitoring Officer

**10:00 AM**

72 Market Street  
Ely  
Cambridgeshire  
CB7 4LS

**Sand Martin House, Bittern Way, Peterborough PE2 8TY**  
**[Venue Address]**

## **AGENDA**

**Open to Public and Press**

### **Part 1 - Governance Items**

- 1.1 Announcements, Apologies for Absence and Declarations of Interest**
- 1.2 Minutes - 26 January 2022 and Action Log** **1 - 30**
- 1.3 Petitions**
- 1.4 Public Questions**

Arrangements for public questions can be viewed in Chapter 5, Paragraphs 18 to 18.16 of the Constitution which can be viewed here

- [Constitution](#)

## **Part 2 - Finance**

|            |  |                 |
|------------|--|-----------------|
| <b>2.1</b> | <b>Budget Monitor Report March 2022 (including Appendices 1-4 and 7)</b> | <b>31 - 68</b>  |
| <b>2.2</b> | <b>2022-23 Financial Strategies</b>                                      | <b>69 - 146</b> |

## **Part 3 - Combined Authority Decisions**

|            |   |                  |
|------------|---|------------------|
| <b>3.1</b> | <b>Sustainable Growth Ambition Statement</b>  | <b>147 - 152</b> |
| <b>3.2</b> | <b>University of Peterborough Phase 2 novation of a Design Contract between CPCA and Mace Ltd PropCo2</b> | <b>153 - 156</b> |
| <b>3.3</b> | <b>Combined Authority Office Accommodation</b>  | <b>157 - 166</b> |
| <b>3.4</b> | <b>Climate Change Action Plan</b>   | <b>167 - 184</b> |
| <b>3.5</b> | <b>Market Towns Programme – Approval of Recommended Projects (Funding Call 8)</b>                         | <b>185 - 216</b> |
| <b>3.6</b> | <b>Transforming Cities Fund 2021-23</b>   | <b>217 - 236</b> |
| <b>3.7</b> | <b>Skills Bootcamps Wave 3</b>  | <b>237 - 240</b> |

## **By recommendation to the Combined Authority**

## **Part 4 - Transport and Infrastructure Committee recommendations to the Combined Authority**

|            |   |                  |
|------------|---|------------------|
| <b>4.1</b> | <b>A141 and St Ives</b>                                 | <b>241 - 242</b> |
| <b>4.2</b> | <b>Demand Responsive Transport</b>                      | <b>243 - 244</b> |
| <b>4.3</b> | <b>March Area Transport Study - Broad Street Scheme</b> | <b>245 - 248</b> |

|            |   |                  |
|------------|---|------------------|
| <b>4.4</b> | <b>E-Scooter Trial and E-Bike Update</b>  | <b>249 - 250</b> |
|            | <b>Part 5 - Skills Committee recommendations to the Combined Authority</b>                    |                  |
| <b>5.1</b> | <b>Adult Education Budget Funding Allocations 2022-23 and Proposed Funding Policy Changes</b> | <b>251 - 254</b> |
|            | <b>Part 6 - Business Board recommendations to the Combined Authority</b>                      |                  |
| <b>6.1</b> | <b>Local Growth Fund Management Budget</b>  | <b>255 - 256</b> |
|            | <b>Part 7 - Governance Reports</b>  |                  |
| <b>7.1</b> | <b>Annual Report and Business Plan 2022-23</b>  | <b>257 - 288</b> |
| <b>7.2</b> | <b>Performance Management of the Sustainable Growth Ambition Statement</b>                    | <b>289 - 300</b> |
| <b>7.3</b> | <b>Local Assurance Framework</b>  | <b>301 - 442</b> |
| <b>7.4</b> | <b>Annotated Forward Plan - March 2022</b>  | <b>443 - 476</b> |

#### **COVID-19**

The legal provision for virtual meetings no longer exists and meetings of the Combined Authority therefore take place physically and are open to the public. Public access to meetings is managed in accordance with current COVID-19 regulations and therefore if you wish to attend a meeting of the Combined Authority, please contact the Committee Clerk who will be able to advise you further.

The Combined Authority Board comprises the following members:

*For more information about this meeting, including access arrangements and facilities for people with disabilities, please contact*

Mayor Dr Nik Johnson

Austen Adams

Councillor Anna Bailey

Councillor Chris Boden

Councillor Wayne Fitzgerald

Councillor Ryan Fuller

Councillor Lewis Herbert

Councillor Lucy Nethsingha

Councillor Bridget Smith

Councillor Edna Murphy (Non-voting Member)

Darryl Preston (Non-voting Member)

Jan Thomas (Non-voting Member)

|                  |  |
|------------------|--|
| Clerk Name:      | Richenda Greenhill   |
| Clerk Telephone: | 01223 699171   |
| Clerk Email:     | <a href="mailto:Richenda.Greenhill@cambridgeshire.gov.uk">Richenda.Greenhill@cambridgeshire.gov.uk</a> |



**CAMBRIDGESHIRE  
& PETERBOROUGH**  
COMBINED AUTHORITY

Agenda Item No: 1.2

## Cambridgeshire and Peterborough Combined Authority: Minutes

Date: Wednesday 26 January 2022

Time: 10.30am – 2.30pm

Venue: Storey's Field Centre, Eddington Avenue, Cambridge

Present: Mayor Dr Nik Johnson

A Adams - Chair of the Business Board, Councillor C Boden – Fenland District Council, Councillor W Fitzgerald – Peterborough City Council, Councillor R Fuller – Huntingdonshire District Council, Councillor L Herbert – Cambridge City Council, Councillor L Nethsingha – Cambridgeshire County Council, J Schumann – East Cambridgeshire District Council, and Councillor B Smith – South Cambridgeshire District Council

Co-opted Members: J Peach – Deputy Police and Crime Commissioner

Apologies: Councillor A Bailey, substituted by Councillor J Schumann  
Co-opted member Councillor E Murphy – Fire Authority  
Co-opted member D Preston - Police and Crime Commissioner, substituted by J Peach  
Co-opted member J Thomas – Clinical Commissioning Group.

### 135. Announcements, apologies and declarations of interest

The Mayor placed on record his thanks to John Hill, Director of Business and Skills, for his tremendous service to the Combined Authority across a broad and vital area of work. As well as leading the Combined Authority's work on the University of Peterborough, the Market Towns programme and the creation of the Business Board, Mr Hill had also led the Authority's Covid response and recovery which had provided a vital lifeline to businesses and individuals across the area. He left the Authority with the Board's best wishes for the future and for his continued success.

Apologies for absence were reported as recorded above.

Declarations of interest were made as follows:

Item 1.4 - Public Questions: Mayor Dr Nik Johnson, as a resident of Gransden Parish and Councillor B Smith as district councillor for Gamlingay (minute 138 below refers).

Item 3.4 – Market Towns Programme: Approval of Recommended Projects (Funding Call 7) – Councillor J Schumann as a Trustee of Viva Arts. Having taken the advice of the Monitoring Officer, Councillor Schumann spoke on this item but abstained from voting (minute 145 below refers).

Item 4.1: Local Transport and Connectivity Plan Update: Councillor Boden declared an interest as a Trustee of the community transport body which delivered the Route 68 bus service in Wisbech (minute 149 below refers).

Various reports: Mr Austen Adams as a Director of Metalcraft Ltd and a shareholder in the company.

### 136. Minutes – 24 November 2021

The minutes of the meeting on 24 November 2021 were approved as an accurate record and signed by the Mayor. The action log was noted.

### 137. Petitions

No petitions were received.

### 138. Public questions

Two public questions were received. The first was from Gamlingay Parish Council and a copy of that question and response can be viewed [here](#). The second was received too late to be considered and would receive a written response.

### 139. Budget Monitor Update – January 2022

The Board was invited to note the financial position of the Combined Authority as at the end of November 2021. Members' attention was drawn to the completion and clean external audit opinion of the 2020-21 accounts of the Combined Authority and its subsidiaries and advised that the accounts had been filed at Company's House. A pressure on the corporate staffing budget was highlighted which included the costs of temporary staff recruited to the governance and human resources teams. Staffing pressures within the Business and Skills team arising from expanded in-year project support would be recharged with nil impact on budget. As reported previously, some project budgets were behind schedule and the detail around these was covered in other reports on the agenda. There was also some lag in grant payments which was not untypical for these types of projects.

On 17 September 2021 the Audit and Governance Committee had considered a letter from PSAA inviting the Combined Authority to opt into national arrangements for the supply of external audit services. The Audit and Governance Committee recommended that this arrangement be approved.

Councillor Boden commented that the figures contained in the report were for the period to the end of November 2021 and that he would like to see more up to date figures contained in future reports. He asked whether any progress had been made since November 2021. The Chief Finance Officer stated that current figures would reflect a similar position to that set out in the report. The situation was monitored on a regular basis and a new internal performance and risk committee had been established to support this work. A report would be brought to the Board in March 2022 reporting in more detail on project underspends relating both to economies and slippage and seeking the Board's approval for budget carry-forwards where needed. Councillor Boden further asked whether the figure of £44k per annum for five financial years for external audit services delivered through the PSAA was a realistic figure. The Chief Finance Officer acknowledged that there was a risk that this figure could increase given the difficulties being experienced across the country with the recruitment and retention of auditors, but judged that the use of the PSAA national arrangements was the best way to mitigate this risk.

Councillor Smith commended the clear presentation of Appendix 4, which contained detailed explanations of material variances. However, her preference would be that future budget reports should contain more detail about specific projects rather than this being contained in other reports on the agenda.

On being proposed by the Mayor, seconded by Councillor Boden, it was resolved unanimously to:

- a) Note the financial position of the Combined Authority for the year to date.
- b) Note the completion, and clean audit opinion, of the 2020-21 accounts of the Combined Authority, and its subsidiaries.
- c) Approve the Combined Authority's continued use of the PSAA to appoint the suppliers of External Audit services for 5 financial years beginning 1st April 2023. (c£44k p.a. for 5 years).
- d) Note the increase in the ICT External Support budget per ODN 324- 2022.

## 140. Sustainable Growth Ambition Statement, 2022/23 Budget and Medium-Term Financial Plan 2022 to 2026

The Board had approved the draft Sustainable Growth Ambition Statement, 2022/23 Budget and Medium-Term Financial Plan 2022 to 2026 on 24 November 2021 for consultation purposes, together with the timescale for the consultation and those who should be consulted. 198 responses had been received in relation to the draft budget which represented a significant increase in response rate over previous years and a summary of these was included at Appendix 5 to the report. These included 174 email responses representing 180 individuals which were direct requests from constituents that the Combined Authority include funding for the Whittlesea Southern Relief Road's Strategic Outline Business Case in its budget. The Overview and Scrutiny Committee had reviewed the draft budget, but had not submitted a formal consultation response. The Board's attention was drawn to an additional £1m Mayoral Capacity Grant for 2022/23 only. Provision of £200k had also been made within the capital budget to fit out new CPCA office accommodation. A pipeline of potential projects had also been

produced following consultation with all constituent councils. The Section 73 Officer's statutory Section 25 statement was included for noting. This stated that the Section 73 Officer considered that the Authority's budget for the forthcoming financial year to be based on robust estimates made for the purposes of the calculations and that the proposed financial reserves were adequate to support the budget and Medium-Term Financial Plan.

The 'six capitals' approach had been taken in relation to producing the draft Sustainable Growth Ambition Statement (SGAS). This was intended to provide an amplification of the Devolution Deal growth ambition commitment to doubling GVA whilst also addressing the sustainability of that growth. There was no statutory requirement to consult on the SGAS, but the Board had chosen to do so and the feedback which had been received was included at Appendix 2 of the report. The majority of the respondents had endorsed five of the five pillars, with slightly less support for finance and systems. The Business Board had also been consulted and had been quite enthusiastic about the six capitals approach, although concern had been expressed that this might be perceived as retreating from the headline growth ambition of doubling GVA. The Business Board had also proposed a meeting with members of the Combined Authority Board to strengthen the dialogue between them. On reflection, Officers considered that greater emphasis should have been placed on the Business Board's response within the report. The draft Business Plan and refreshed performance management report would be submitted to the Board in March which would respond to the consultation feedback requesting more detail regarding implementation and the measurement of outcomes.

The Mayor welcomed the report and the inclusion of the consultation responses, which allowed the Board to hear the voices of the communities which it served. The intention was to establish a narrative and sense of purpose for the Board as a whole, whilst recognising Members' duty to advocate for their own local areas.

Mr Adams reiterated his comments from the previous meeting that the consultation process must be as meaningful as possible in order to inform the proposals before the Board. It would be closely scrutinised by the business community, and he was therefore disappointed that it did not make reference to the constructive feedback offered by the Business Board both during a meeting and in writing. The Business Board was not against the principles set out in the report. However, he believed it was imperative for the business community that the SGAS emphasised the continued commitment to growth and for that reason he would not be able to support the document in its current form. Mr Adams saw value in members of the Combined Authority Board and the Business Board meeting for a direct discussion. The Mayor welcomed this suggestion, but stated his belief that the Business Board had been listened to and rejected any suggestion that there was a movement away from the Devolution Deal commitment to growth. Cambridgeshire and Peterborough was a thriving area and the Mayor believed that the SGAS offered a new and inclusive direction of travel across the area, including for the business community. The SGAS could be revisited and refined over time, but it must belong to the Board and reflect a sense of joint purpose. His preference would be for the version before the Board to be approved without delay. The Chief Executive stated that all comments received in response to the consultation process had been given serious consideration, including those received from the Business Board.

Councillor Herbert welcomed the proposed discussion between Combined Authority and Business Board members. In his view, it was imperative to address climate change in a practical way for the benefit of a healthy economy and healthy population.

Councillor Smith welcomed the emphasis on the quality of growth within the SGAS as well as the quantity. In her view, this reflected the adaptation which was taking place around local priorities following the experience of the pandemic. In reaching a decision the Board could not focus solely on the needs of business, although this was an important consideration, as its responsibilities went wider than that. Councillor Smith welcomed the suggestion of a meeting or workshop between members of the Combined Authority Board and Business Board.

Councillor Boden expressed his disappointment with the report, which he believed did show a de-prioritisation of growth. He accepted that the position varied across the Combined Authority area, but commented that in the north of the county growth was still desperately needed and there was a need to move forward to all of the constituent authorities' mutual advantage. Councillor Boden also expressed frustration around the process for identifying potential projects for funding through the Medium-Term Financial Plan (MTFP) discussed at a Leaders' strategy meeting which he had understood would be an indicative rather than prescriptive process.

Councillor Nethsingha commented that growth for Cambridgeshire was of local, national and international importance and the aim was to make that growth sustainable. She highlighted the significant changes which had taken place in recent years in the way in which people worked and which would require thought around how to grow the workforce. She also believed that there was agreement amongst Board members on some key issues such as the need to support business to respond to this change.

Councillor Fuller expressed concern that the Business Board's views did not appear to be fully reflected in the report before the Board. If the Business Board had made representations in relation to the draft Sustainable Growth Ambition Statement, he judged that the Combined Authority Board should take full account of these. He would support the proposed meeting between members of the Combined Authority Board and the Business Board to discuss moving the SGAS forward.

Councillor Schumann commented that the Combined Authority's primary function was to deliver growth. In doing so it was important to take account of the public perception of the process and to be seen to be taking account of the feedback received. However, there were repeated references in the consultation feedback to a lack of detail and information. The Mayor stated his belief that the Combined Authority had made real progress in its willingness to engage with and listen to others.

Councillor Fitzgerald stated his belief that discussions around the Combined Authority Board's wider values and objectives needed to take place first in order to shape and inform the Sustainable Growth Ambition Statement. He also judged that more work should be done in advance of Board meetings to identify and address potential areas of concern to support greater consensus. For that reason, he was minded not to support the approval of the SGAS at this point, but suggested it might be withdrawn to allow further collective discussions to take place and brought back for decision at the earliest opportunity.

Having listened to the debate, the Mayor withdrew recommendation a) To adopt the Sustainable Growth Ambition Statement, pending further discussion.

On being proposed by the Mayor, seconded by Councillor Herbert, it was resolved by a majority to approve the revenue budget for 2022/23 and the Medium-Term Financial Plan 2022/23 to 2025/26. In accordance with the Constitution, this was a recorded vote:

|                             | For | Against | Abstain |
|-----------------------------|-----|---------|---------|
| Mr Austen Adams             | X   |         |         |
| Councillor Chris Boden      |     | X       |         |
| Councillor Wayne Fitzgerald | X   |         |         |
| Councillor Ryan Fuller      |     | X       |         |
| Mayor Dr Nik Johnson        | X   |         |         |
| Councillor Lewis Herbert    | X   |         |         |
| Councillor Lucy Nethsingha  | X   |         |         |
| Councillor Josh Schumann    |     | X       |         |
| Councillor Bridget Smith    | X   |         |         |

On being proposed by the Mayor, seconded by Councillor Herbert, it was resolved by a majority to approve the Capital Programme 2022/23 to 2025/26. In accordance with the Constitution, this was a recorded vote:

|                             | For | Against | Abstain |
|-----------------------------|-----|---------|---------|
| Mr Austen Adams             | X   |         |         |
| Councillor Chris Boden      |     | X       |         |
| Councillor Wayne Fitzgerald | X   |         |         |
| Councillor Ryan Fuller      |     | X       |         |
| Mayor Dr Nik Johnson        | X   |         |         |
| Councillor Lewis Herbert    | X   |         |         |
| Councillor Lucy Nethsingha  | X   |         |         |
| Councillor Josh Schumann    |     | X       |         |
| Councillor Bridget Smith    | X   |         |         |

The Section 73 Officer's statutory Section 25 statement was noted.

The meeting was adjourned from 11.16 to 11.26am.

## 141. Mayor's Budget 2022-23

The process for the setting of the Mayor's budget was set out in the Combined Authority Finance Order 2017. Paragraph 2.3 of the report set out the draft budget. The costs would be funded from revenue gainshare and no precept would be issued for 2022/23.

On being proposed by the Mayor, seconded by Councillor Boden, it was resolved unanimously to approve the Mayor's draft budget for 2022-23. In accordance with the Constitution, this was a recorded vote:

|                 | For | Against | Abstain |
|-----------------|-----|---------|---------|
| Mr Austen Adams | X   |         |         |

|                             | For | Against | Abstain |
|-----------------------------|-----|---------|---------|
| Councillor Chris Boden      | X   |         |         |
| Councillor Wayne Fitzgerald | X   |         |         |
| Councillor Ryan Fuller      | X   |         |         |
| Mayor Dr Nik Johnson        | X   |         |         |
| Councillor Lewis Herbert    | X   |         |         |
| Councillor Lucy Nethsingha  | X   |         |         |
| Councillor Josh Schumann    | X   |         |         |
| Councillor Bridget Smith    | X   |         |         |

## Combined Authority Decisions

### 142. Allocation of Additional Home to School Transport Funds - Academic Year 2021-22

The Mayor stated that this report related to decision to be made by the Combined Authority Board rather than a Mayoral decision as stated on the published agenda.

The Department for Education (DfE) had provided additional home to school grant funding in addition to the usual funding allocation during the pandemic. Due to an error by the DfE the Combined Authority had received less funding than it should. The figures before the Board represented the balance payment which had been agreed verbally by the DfE and sought approval of the proposed allocations once it was received.

On being proposed by the Mayor, seconded by Councillor Nethsingha, it was resolved unanimously by those present to:

Allocate the balance of Additional Home to School Transport grants in line with the audited expenditure figures of each Authority below:

Cambridgeshire County Council: £344,211

Peterborough City Council: £208,340

Cambridgeshire and Peterborough Combined Authority: £50,522

subject to funding confirmation from the Department for Education.

The vote in favour included at least two thirds of all Members (or their Substitute Members) appointed by the Constituent Councils present and voting, including the Members appointed by Cambridgeshire County Council and Peterborough City Council.

### 143. Transport Levy 2022-23

The Board was reminded that from 1 April 2021 the Combined Authority had resumed the direct exercise of a number of powers as the area's statutory Transport Authority which had previously been delegated to the two local Highways Authorities. A proportion of the funding would be retained by the Combined Authority with the remainder apportioned between Cambridgeshire County Council and Peterborough City

Council. A full breakdown of the proposed allocations and rationale behind these was set out in the report.

Councillor Nethsingha commented that she understood the rationale behind the increase in costs to Cambridgeshire County Council, but that she was unhappy at the late notice at which the County Council had been advised of this change. In future, it would be appreciated if any proposed changes could be notified at an earlier stage to inform the budget planning process. She noted that concessionary fares were currently paid at a flat rate and commented that it would be important to have a serious dialogue with bus operators about the services being provided given that they were effectively receiving a flat subsidy to deliver these at present. It was disappointing that conversations around the shape of future bus services had been delayed and she would welcome a conversation with the Transport team around this issue. The Head of Transport apologised for the short notice given for the increased costs to the County Council. The distribution of funding for concessionary fares was managed in accordance with Government guidance and local bus operators had worked hard to deliver services throughout the pandemic, including accommodating the additional cleaning regimes required. He would be happy to meet with Councillor Nethsingha and County Council officers to discuss bus services and for them to attend the Combined Authority's meetings with bus operators.

On being proposed by the Mayor, seconded by Councillor Nethsingha, it was resolved unanimously to:

- a) Approve the amount and apportionment of the Transport Levy for the 2022-23 financial year as set out below:

Total Levy: £13,229,793

- i. Peterborough City Council: £3,544,817
- ii. Cambridgeshire County Council: £9,684,976

The vote in favour included at least two thirds of all Members (or their Substitute Members) appointed by the Constituent Councils present and voting, including the Members appointed by Cambridgeshire County Council and Peterborough City Council.

#### 144. Market Towns Programme - Reprofiting of Budget

The Board was advised of a change to the published recommendation, whereby approval was sought for the re-profiling of the Market Towns programme budget as set out at paragraph 2.3 of the report. The proposed changes related mainly to delays with project spend due to Covid-19, including delays sourcing materials.

The Mayor endorsed a request by Councillor Boden that officers should look at the governance arrangements for decisions of this type and whether they required the approval of the Board.

On being proposed by the Mayor, seconded by Councillor Fitzgerald, it was resolved unanimously to:

Approve the reprofile of the Market Town Budgets set out in paragraph 2.3 of the report.

#### 145. Market Towns Programme – Approval of Recommended Projects (Funding Call 7)

The Monitoring Officer stated that Councillor Schumann had sought his advice on participating in this item given his position as a Trustee of Viva Arts. He had advised that there was no disclosable pecuniary interest and so it was for Councillor Schumann to decide whether to speak on the item. Councillor Schumann spoke on this item, but abstained from voting. Minute 135 above also refers.

The Board was invited to approve project proposals received under the Market Towns Programme from East Cambridgeshire District Council for the town of Soham to the sum of £470k. If approved, the funding would be used to provide business and commercial space at the Soham AgriTech Business Centre and the Spencer Mill Business Centre. To date, there had been six funding calls under this programme. These had resulted in the approval of 44 projects with almost £10.5m of grant funding being awarded which in turn had attracted almost £11.8 additional funding through partner match investment. The intention remained to dispose of the full budget by the end of the current financial year.

Councillor Schumann described the growth of the Viva Arts community group over its 25-year history from a group of 15 young people to a membership numbered in the hundreds. Its alumni included those who had gone on to pursue careers within the world of theatre and the arts, including in productions in the West End. It also offered skills for life to those following other career paths. The next phase in its development would see it seeking to offer training and skills opportunities to young people and adults within the wider community. The proposed location was close to the new Soham railway station and would see a number of unviable industrial units re-developed and brought into community use.

On being proposed by the Mayor, seconded by Councillor Fuller, it was resolved unanimously by those present and voting to:

Approve project proposals received under Market Towns Programme received from East Cambridgeshire District Council for the town of Soham to the sum of £470,000.

Councillor Schumann abstained from the vote.

#### 146. Greater South-East Energy Hub - Mobilisation of Schemes and Reprofiting of Budget

An amended version of the report was published on 19 January 2022 following a request from the Department for Business, Energy and Industrial Strategy (BEIS) that some information should be presented as an exempt appendix. This information was exempt from publication under Part 1 of Schedule 12A of the Local Government Act 1972, as amended, in that it would not be in the public interest for this information to be disclosed (information relating to the financial or business affairs of any particular person (including the authority holding that information)). Board members were asked if

they wanted to discuss the exempt appendix and no members indicated the wish to do so.

On 30 June 2021 the Combined Authority Board had approved a request for the Greater South East Energy Hub (GSEEH) to bid into the Sustainable Warmth competition funded by BEIS. BEIS awarded the Combined Authority a Sustainable Warmth Funding agreement of just over £118k and a Memorandum of Understanding was signed on the 19 November 2021. The programme would be mobilised between January and March 2022 with the delivery phase running from April 2022 to March 2023. All local authorities would be involved in this delivery. Section 7 of the report provided an update on the proposed financial re-profiling of the GSEEH which would be brought to a future meeting for approval.

On being proposed by the Mayor, seconded by Councillor Smith, it was resolved unanimously to:

1.
  - a) Approve the creation of budget lines as set out in 8.1 to deliver the services set out in the MoU for the £118,389,025 Sustainable Warmth programme.
  - b) Delegate Authority to the Chief Executive, in consultation with the Chief Finance Officer and Monitoring Officer, to enter into contracts for Managing Agent(s), works or other, as required, to expend the funding for the Sustainable Warmth programme, as set out in 3.9
2.
  - a) Note the ongoing work with BEIS to produce a recovery plan for the Green Homes Grant (LAD 2 programme)
  - b) Approve the formation of the CPCA Programme Board for the Energy Hub programme.
  - c) Delegate authority to the Chief Executive and Monitoring Officer to approve the Terms of Reference for the CPCA Programme Board by 31st January 2022.
3. In line with the LAD2 variation letter received from BEIS, approve the corresponding reprofiling of the LAD2 and Public Sector Decarbonisation Fund budgets.
4.
  - a) Approve the creation and amendment of budget lines as set out in 5.1 (a to d) to deliver the services set out in the seventh variation to the Local Energy Capacity Support MoU for c.£2,164,358 and Social Housing Decarbonisation Fund – Technical Assistance Facility Online Hub MoU as detailed in 5.1(e) for £150,000.
  - b) Award a grant of £1.5m to The London Borough of Hounslow Council as Lead Authority for the Net Zero Investment Design & Scoping Programme.

- c) Delegate authority to the Chief Executive, in consultation with the Chief Finance Officer and Monitoring Officer, to enter into agreements and approve the budgets corresponding to the BEIS funding agreements.

## 147. Progress Against Devolution Deal Commitments

The Mayor welcomed the collaborative approach which the Overview and Scrutiny Committee (O&S) had taken in producing the report before the Board. The Committee's careful deliberations had produced some constructive recommendations about the way progress against Devolution Deal commitments was reported going forward and demonstrated the real value which O&S could add to the way which the Combined Authority did business. He asked that his thanks should be conveyed to Councillor Dupré and to members of the Overview and Scrutiny Committee for their work.

The Board noted the Devolution Deal Report from Overview and Scrutiny Committee attached at Appendix 1 and the new format for reporting on Devolution Deal progress shown at Appendix 2 which reflected the Overview and Scrutiny Committee's comments.

## 148. Affordable Housing Scheme - Proposed Variation to Loan Relating to Former Alexander House, Ely

This key decision report was added to the Forward Plan on 14 January 2022 under general exception arrangements. It contained three appendices which were exempt from publication under Part 1 of Schedule 12A of the Local Government Act 1972, as amended, in that it would not be in the public interest for this information to be disclosed (information relating to the financial or business affairs of any particular person (including the authority holding that information)). Board members were asked if they wanted to discuss the exempt appendix and no members indicated the wish to do so.

The Board's agreement was sought to extend the existing £4.84m loan facility to Laragh Homes on the former Alexander House, Ely affordable housing scheme from 25 months to 28 months. Work was close to completion, but had been impacted in the last two months by delays arising in relation to the Covid 19 Omicron variant and the sourcing of materials. The 25 housing units on the site all had prospective occupiers and it was proposed that the interest rate for the additional three-month period should be increased from 3.29% to a penal rate of 6% over base rate (6.25%). Officers judged that if the borrower was required to repay the loan in full on the original end date of 7 February 2022 that it was likely that they would default and that the development might not be completed.

In his capacity as the Lead Member for Housing, Councillor Herbert stated that the Housing and Communities Committee would receive a detailed report on Affordable Housing Scheme loans at its March meeting which would be shared with Board members. He commented that other affordable housing projects were dependent on the funds currently tied up in the loan and asked what assurance existed that the housing units would be sold and that the Combined Authority's loan would be repaid. The Mayor stated that he would also wish to seek this assurance. The Director of Housing and Development stated that all 25 units on the former Alexander House

development were under offer and that he understood that contracts had already been exchanged on around 11 of these. The Combined Authority held a covenant and legal charge over the site and would receive money from the sale of the completed units as a priority recipient. The anticipated receipts should more than cover repayment of the loan plus the increased interest charge proposed.

Councillor Nethsingha welcomed the proposed increase in interest rate proposed for the three-month loan extension, but commented that it was slightly concerning that the loan repayment would be delayed. She noted that this was one of a number of significant loans made under the affordable housing scheme and asked whether consideration had been given to selling these loans on. The Chief Finance Officer stated that this option had not been explored and that the market for such loans was likely to be limited, but that this could be discussed with the Authority's financial advisers. Loans made in relation to the affordable housing scheme formed part of the Combined Authority's investment strategy whereby loans were made in order to further the organisation's strategies and objectives.

Councillor Fuller commented that the circumstances described reflected the issues being faced nationally by the construction industry. Given that there appeared to be no issues with selling the completed units and the Combined Authority had adequate security over the project he was comfortable with the proposed three-month extension to the loan facility in this case.

Councillor Smith expressed concern at the implications if the development was not completed within the revised timescale or if similar requests arose in relation to other loans, but felt that there was little choice other than to agree. She would though want the position to be kept under close review and asked whether the delay in repaying this loan would have any consequences for other projects. The Director of Housing and Development stated that it would potentially cause a pressure on cashflow for the next few months, but that this was being managed by the Finance team. There would be no impact on schemes due to commence in the period to March 2022. A more granular report on the status of all affordable housing scheme loans would in future be taken to each meeting of the Housing and Communities Committee. The Mayor stated that the position would be monitored closely.

Councillor Boden commented that in this instance he judged that it was in the Combined Authority's best interest to grant a short extension to the loan facility on the terms proposed. However, he would not want this to be seen as setting a precedent.

On being proposed by Councillor Herbert, seconded by Councillor Boden, it was resolved unanimously to:

- a) Approve the extension of the maturity of the existing £4.84m Loan Facility with Laragh Homes from 25 months (7th February 2022) to 28 months (7th May 2022).
- b) Increase the number of potential monthly drawdowns against the facility from 25 to 28.
- c) To agree that the rate of interest to be applied to the loan from 7<sup>th</sup> February 2022 will be 6% over base, until the loan is fully repaid.

By recommendation to the Combined Authority Board

## Recommendations from the Transport and Infrastructure Committee

### 149. Local Transport and Connectivity Plan Update

The Board was advised that work to develop the Local Transport and Connectivity Plan (LTCP) was continuing following a meaningful engagement process. On the basis of that engagement it was proposed to conduct a re-write of the LTCP rather than a re-fresh as initially proposed. This would require a 12-week consultation period rather than the 6-week consultation needed for a refresh and would begin in May to avoid the pre-election period for a number of constituent councils. A number of technical workstreams would continue during the intervening period and there would be an on-going dialogue with the Greater Cambridge Partnership and the City Access programme.

Councillor Boden declared an interest as a Trustee of the community transport body which delivered the Route 68 bus service in Wisbech and stated that he had made this interest clear in previous correspondence with the Mayor on this issue. He commented that the revised timescale being proposed would mean a delay before proposals would be brought before the Board. However, some decisions were predicated on the assumption that the revised LTCP would be agreed much sooner. For example, funding for the Route 68 bus in Wisbech would finish at the end of March and this was a cause of great concern to local residents. Given the urgency, he suggested that a short report might be brought to the Board's next meeting on interim arrangements for bus services whilst the LTCP was being revised. The Mayor stated that he had been clear about the importance which he attached to bus services and connectivity. Officers were already looking into the particular issues in relation to the Route 68 bus and he asked that they report back to Councillor Boden as soon as possible. The Chief Executive stated that there was a need to respond tactically to the immediate challenges which existed. Officers were meeting fortnightly with the Greater Cambridge Partnership and a meeting would be arranged with Board members to discuss how bus services would be maintained during the intervening period. Maintaining the momentum of the LTCP was the right thing to do and if any issues arose in relation to timescales she would ensure that the Board was alerted to this in a timely way.

Councillor Nethsingha commented that there had been a degree of scepticism about the timescales initially proposed for the review of the LTCP and had these been acknowledged at the time it would have been possible to look at putting interim arrangements in place. She accepted the reasons for the delay, but wanted to act quickly now to look at the impact on services, particularly bus services. She would also welcome a separate meeting to discuss bus services. The Mayor stated that he had pressed officers on the production of the new LTCP, but had reluctantly accepted the revised timescale. He expressed his pride in the amount of consultation and work with partners which had been done to date.

Mr Adams welcomed the improved engagement with the Greater Cambridge Partnership (GCP) and asked whether the revised timescale for the LTCP would impact

on any GCP projects. He further asked whether any short-term mitigations were being considered and whether it was worth focusing on such mitigations and delaying the re-write of the LTCP to allow time to reflect fully on the changing environment in which it would be delivered. The Mayor stated that this was essentially what would be happening with substantive work on the LTCP being paused until May.

Councillor Smith commented that the LTCP would have an impact on Local Plans, so it could not be allowed to drift indefinitely.

On being proposed by the Mayor, seconded by Councillor Nethsingha, it was resolved unanimously to:

- a) Note progress on the Local Transport and Connectivity Plan (LTCP);
- b) Provide feedback and agree to amended timetable for delivering the Local Transport and Connectivity (LTCP) programme;
- c) Agree to a programme of public consultation for twelve weeks commencing in May 2022; and
- d) Delegate authority to the Head of Transport to prepare the public consultation, and to brief members of the CA Board and Transport and Infrastructure on its content.

## 150. Fengate Access Study

The Board was advised that the Fengate Access Study sought to address existing problems with congestion. Peterborough City Council had secured £175k of funding to support the project and was seeking an additional £150k from the Combined Authority. The proposal had been considered by the Transport and Infrastructure Committee on 12 January 2022 where it had been endorsed unanimously.

Councillor Smith referenced an email from the Peterborough Cycle Forum which had been received by a number of Board members and commented that as the Lead Member for the Environment and Climate Change she felt it was important to ensure that their concerns were heard. To that end she proposed that the report proposals be amended as follows:

- a) Approve the drawdown of £150,000 to complete the Full Business Case stage of the project.
- b) Approve the slippage of the remaining in-year subject to approval budget and note the need for a further reprofile exercise once the revised project timeframe is established in January.
- c) **A study which prioritises, clearly models, and explains how schemes in Fengate will ensure the 15% reduction in motor vehicles miles commitment by 2030 is achieved in Peterborough.**
- d) **A study which prioritises walking and cycling, not motor vehicles (as per the user hierarchy outlined in the Combined Authority's 2017 LTP), and**

**clearly sets out how an LTN1/20 network in Fengate, with links to the City Centre, can be achieved.**

(Additional text in **bold**)

On a point of order, Councillor Boden commented that he felt it was unhelpful for a complicated amendment to be moved without notice. Councillor Smith apologised for the lack of notice.

The Mayor stated that he felt it was inappropriate that recommendations proposed by an outside body were being proposed which he had not had the opportunity to consider or discuss with officers. He adjourned the meeting to allow time for the amendment to be circulated to Board members for consideration.

The meeting adjourned from 12.45 to 1.10pm.

The Head of Transport stated that the comments from the Peterborough Cycle Forum had been received too late to be considered as a public question and he expressed reservations around the governance implications. He noted that the commitment to achieving a 15% reduction in motor vehicles by 2030 was a region-wide commitment whilst the LTN1/20 was an issue across all Combined Authority projects.

Councillor Fitzgerald stated that he considered the amendment to be unnecessary. Peterborough City Council (PCC) was committed to active travel and was delivering schemes and programmes reflecting this, but there was also a need to be realistic about what was affordable and practical. In general terms, the scheme before the Board was positive in terms of walking and cycling and reflected feedback from the public. The issues raised were already built into PCC's thinking, but the proposals contained within the amendment had not been through the proper governance processes and he would not be supporting them.

Councillor Smith questioned the position if the Board's ambitions for supporting sustainable travel and driving modal shift were not reflected in the projects it was funding. She had encouraged the Peterborough Cycle Forum to attend a future meeting to raise their points directly. The Mayor stated that he had read the group's email and recognised the importance of any group being able to challenge the Board, but he did not feel that the way that this had been done sat comfortably with the process of governance. For that reason, he would not be supporting the amendment.

Councillor Fuller endorsed Councillor Smith's comments around the importance of the principles set by the Combined Authority being translated into practice in its programme of works.

Councillor Smith stated her belief that too often issues such as cycling and walking were value-engineered out of projects and emphasised the urgency of responding to climate change. However, she took reassurance from the Mayor's response that some evidence would be brought before the Board that these issues would be factored in. On this basis, she was content to withdraw her amendment.

On being proposed by the Mayor, seconded by Councillor Fitzgerald, it was resolved unanimously to:

- a) Approve the drawdown of £150,000 to complete the Full Business Case stage of the project.
- b) Approve the slippage of the remaining in-year subject to approval budget and note the need for a further reprofile exercise once the revised project timeframe is established in January.

## 151. Fengate Phase 2 University of Peterborough Access

The Board was invited to approve the University of Peterborough Access Study Package Assessment Report and the drawdown of £1.8m for costs associated with the Outline Business Case Phase 2, to conclude a Grant Funding Agreement with Peterborough City Council and approve the submission of the updated application at Appendix 2 to the report to the Department for Transport's (DfT's) Major Route Network Programme fund.

Councillor Fitzgerald commented this project supported the ambitions of Peterborough City Council (PCC), including the need to support employment and growth. He emphasised PCC's commitment to active travel, but commented that the Council must also act in a way which was both affordable and practical. The widespread use of cars would continue while the county moved towards greater use of alternative forms of transport and active travel options and the measures proposed were designed to reduce pollution by easing congestion and improving the flow of traffic.

Councillor Nethsingha voiced some concern about the number of road projects in the centre of Peterborough, but acknowledged that this was not within the County Council's area of responsibility.

On being proposed by the Mayor, seconded by Councillor Fitzgerald, it was resolved unanimously to:

- a) Approve the University of Peterborough Access Study Package Assessment Report – Outline Business Case Phase 1.
- b) Approve the drawdown of £1.8m in respect of the costs associated with the Outline Business Case Phase 2, and to conclude a Grant Funding Agreement with Peterborough City Council on terms approved by the Head of Transport and Chief Legal Officer/ Monitoring Officer.
- c) Approve the submission of the updated application at Appendix 2 to the Department for Transport's Major Route Network Programme fund.

The vote in favour included at least two thirds of all Members (or their Substitute Members) appointed by the Constituent Councils present and voting, including the Members appointed by Cambridgeshire County Council and Peterborough City Council.

## 152. St Ives and A141 Strategic Outline Business Case

The Board was advised that public and stakeholder engagement had identified congestion, heavy traffic and road safety as key areas of concern. The proposals before the Board had been endorsed unanimously by the Transport and Infrastructure Committee (T&I) on 12 January 2022.

Councillor Fuller stated that Huntingdonshire District Council (HDC) welcomed the proposals. He noted though that HDC's representative on T&I had raised the issue of the proposed 18-24 month timescale proposed, and that this issue had also been raised separately with the Mayor. There were a number of developers awaiting confirmation of the A141 route and he was concerned that if a decision took that long they might press ahead without waiting for the agreed road plan. He urged the Mayor and officers to act as quickly as possible to avoid this happening. He welcomed confirmation of the St Ives element of the proposals contained in the report to T&I, but noted that no timescales were given and asked that firm timescales should be provided. The Mayor stated that he would work with officers to get a response sent to Councillor Fuller on this.

On being proposed by the Mayor, seconded by Councillor Fuller, it was resolved unanimously to:

- a) Approve the development and costing up of the next stage of the project for Outline Business Case and Preliminary design.
- b) Approve the programme for, and costing up of, the Local Improvement schemes for St Ives.

The vote in favour included at least two thirds of all Members (or their Substitute Members) appointed by the Constituent Councils present and voting, including the Members appointed by Cambridgeshire County Council and Peterborough City Council.

## 153. A10 Outline Business Case

The Board was invited to delegate authority to the Head of Transport, in consultation with the Monitoring Officer and Chief Finance Officer, to develop the scope for the delivery of the Outline Business Case. The Board's approval was further sought to approve the release of £2m of Department for Transport (DfT) funding, to be spent in 2022-23, for the delivery of the Outline Business Case and to agree reprofiling the remaining 2021-22 budget into 2022-23. Subject to an extension to the existing DfT grant being agreed, the Board was invited to delegate authority to the Head of Transport, in consultation with the Monitoring Officer and Chief Finance Officer, to issue a capital grant funding agreement for the delivery of the outline business case by Cambridgeshire County Council. These proposals had been endorsed unanimously by the Transport and Infrastructure Committee on 12 January 2022.

Councillor Schumann commented that stop/ start traffic was one of the biggest challenges in relation to the A10 and that dualling of the A10 should ease congestion and improve traffic flow. This would reduce pollution and so would hopefully be consistent with the Combined Authority's environmental commitments. He asked whether the Mayor continued to support a business case that provided an off-road cycle solution and a commitment to dualling the A10. The Mayor stated that active travel was in keeping with the Combined Authority's direction of travel and that his preference

would be for segregated cycle-ways where funds were available. He could see some benefits to dualling the A10, but if funds were limited then safety along the A10 would always be his priority, not just for drivers and cyclists but also around the junctions. Whilst not an expert, he was not sure that dualling the A10 was the best environmental option and he would want to see expert advice on the best way to proceed. It seemed that both the Mayor and East Cambridgeshire District Council were seeking similar outcomes, but his priority would always be the environment.

Councillor Fitzgerald asked whether the strategic outline business case (SOBC) had produced a clear recommendation. The Head of Transport stated that studies on A10 junctions and dualling options had been carried out as part of the SOBC and that this was the basis for the outline business case (OBC) going forward. However, it was a different context now so some elements might need to be re-visited. The OBC would formulate recommendations for the Board to consider. Engagement was taking place with Cambridgeshire County Council (CCC) officers in terms of the scope for a technical consultant to be engaged. The SOBC had identified a number of options, but there had not been a recommendation on a single route. The options identified would form the basis for discussions with CCC officers. This work would cover considerations arising in relation to the pandemic and would recognise the need to look innovatively at all of the options available.

On being proposed by the Mayor, seconded by Councillor Schumann, it was resolved unanimously to:

- a) Note the outputs of the Cambridgeshire County Council Highways and Infrastructure Committee paper.
- b) Delegate authority to the Head of Transport, in consultation with the Monitoring Officer and Chief Finance Officer, to develop the scope for the delivery of the Outline Business Case.
- c) Approve the release of £2m funding from the Department for Transport, to be spent in 2022-23, for the delivery of the Outline Business Case, and agree reprofiling the remaining 2021-22 budget into 2022-23.
- d) Subject to an extension to the existing DfT grant being agreed, delegate authority to the Head of Transport, in consultation with the Monitoring Officer and Chief Finance Officer, to issue a capital grant funding agreement for the delivery of the outline business case by Cambridgeshire County Council.

The vote in favour included at least two thirds of all Members (or their Substitute Members) appointed by the Constituent Councils present and voting, including the Members appointed by Cambridgeshire County Council and Peterborough City Council.

## Recommendations from the Skills Committee

### 154. University of Peterborough Phase 3 Business Case

The Board was advised that the report recommendations had been considered by the Business Board on 10 January and by the Skills Committee on 17 January 2022 and had been endorsed unanimously on both occasions.

On being proposed by Councillor Nethsingha, seconded by Mr Adams, it was resolved unanimously to:

1. Approve the University of Peterborough Phase 3 Business Case
2. Approve the use of option a) in section 4.2, to use the existing special purpose vehicle Peterborough HE Property Company Ltd (Prop Co 1), for the delivery of Phase 3 of the University Programme, as the owner and developer of the second teaching building.
3. Consent, as shareholder, to modification of the Shareholders Agreement relating to Peterborough HE Property Company Ltd (Prop Co 1), on such terms as the Chief Executive of the CPCA in consultation with the Chief Legal Officer (Monitoring Officer), and the Deputy Chief Finance Officer (s73 Officer) may agree, to include at a minimum the maintenance by the CPCA of the drag along rights, described at paragraph 4.2 of the report to the Skills Committee of 17 January 2022 (link below) and in order to reflect the share allotments as noted in paragraph 4 below.
4. Consent, as shareholder, to Peterborough HE Property Company Ltd (Prop Co 1):
  - a) issuing the following shares:
    - i. To Peterborough City Council, shares to the value of £20m (in consideration of it investing £20m of Levelling Up Fund (LUF) funding)
    - ii. To CPCA, shares to the value of £2m (in consideration of it investing £2m of Local Growth Fund funding)
    - iii. To Anglia Ruskin University, shares to the value of £4m in consideration of it investing £4m)

and note that the share issue should be completed by 31 March 2022

- b) Agreeing revisions to the Development Management Agreement to extend the delivery specification in relation to the project management and delivery services and associated support services to relate also to Phase 3.
- c) Entering into a land transfer with PCC to acquire the Phase 3 land and then enter into an agreement for lease, and lease with ARU Peterborough in respect of the Phase 3 Building, and such consequential and other ancillary agreements on such terms as the Chief Executive of the CPCA in consultation with the Chief Legal Officer (Monitoring Officer), and the Deputy Chief Finance Officer (s73 Officer) may agree.
- d) Adopting a revised Business Plan, including such changes as are necessary to reflect the construction works and agreement for lease, and lease to ARU-Peterborough of the Phase 3 building in addition to the Phase 1 building.

5. Delegate authority to the Chief Executive of the CPCA in consultation with the Chief Legal Officer (Monitoring Officer), and the Deputy Chief Finance Officer (s73 Officer) to agree:
  - a) such changes to the Collaboration Agreement providing that changes to the delivery obligations (and respective timings) are made as described in 5.2 of this report.
  - b) In respect of the Collaboration Agreement, such changes in respect of increased target for student numbers, the curriculum model, and the site and building plan as described in paragraph 5.2 of this report.
  - c) The Development Management Agreement, such changes in respect of the provision of programme management services to Propco1, related to the Phase 3 construction project, are made as described in 5.2 of this report.
  - d) and to create or modify any such other documents as the Chief Legal Officer (Monitoring Officer) advises are necessary to give effect to the recommendations

## 155. Health and Care Sector Work Academy

The Board was advised that the Department for Work and Pensions (DWP) had approved an extension to the existing Memorandum of Understanding (MoU) which would see the Health and Care Sector Work Academy project end in March 2023. As a result of this the Board was invited to approve a re-profiled spend. This proposal was endorsed unanimously by the Skills Committee on 17 January 2022.

Councillor Boden commented that there was particular issue in Fenland around access to schemes like this for residents from an ethnic minority background. It was also likely that the skills of some of these residents were not being fully utilised which represented a wasted resource. He would appreciate some thought being given to how to make best use of that resource. Officers stated that more partners would be included across Cambridgeshire and Peterborough as part of the re-focus and that officers would endeavour to reach wider communities.

On being proposed by Councillor Nethsingha, seconded by Councillor Herbert, it was resolved unanimously/ by a majority of those present and voting to:

- a) Approve the new profiled spend in accordance with the approved extension of the innovative employment pilot on recruitment and progression in the Health & Care Sector.
- b) Note the performance of the Health and Care Sector Work Academy to date.

## 156. Employment and Skills Strategy and Action Plan

The Board was advised that the Employment and Skills Strategy had been in development since April 2021 and that there had been significant engagement with stakeholders. The Leaders and Chief Executives of all of the Combined Authority's

constituent councils had also been consulted and their feedback had been positive. If approved, the action plan would be taken forward in consultation with officers from across the constituent councils.

Councillor Smith expressed her support for the proposals. The Economic Development team at South Cambridgeshire District Council was looking locally at what could be done and was keen to work in partnership on this. She particularly welcomed the focus on better outreach to schools and business.

Mr Adams commended the report as one of the best pieces of work he had seen from the Combined Authority, demonstrating a strength of purpose and a clear direction.

Councillor Boden asked to see the data explaining the population trends referenced in the report, as they appeared somewhat counter-intuitive. The Mayor stated that he would also like sight of this.

On being proposed by Councillor Nethsingha, seconded by Mr Adams, it was resolved unanimously to:

- a) Approve the Employment and Skills Strategy.
- b) Note that the Employment and Skills Strategy will be incorporated in the wider Economic Growth and Skills Strategy, due to be published in March 2022.

## 157. Growth Works Management Review - January 2022

The Board noted the Growth Works Management Review report for January 2022 which reported Growth Works programme performance up to 31<sup>st</sup> October 2021.

## Recommendations from the Housing and Communities Committee

## 158. Digital Connectivity Business Case

The Board's approval was sought for the Digital Connectivity Business Case included as Appendix 1 to the report and a £4.5m budget from the subject to approval line in the Medium-Term Financial Plan for 2022/23 to 2024/25.

Councillor Herbert felt that this area had not been led well nationally and that it would be good to continue working co-operatively at a local level to build on the work which had been done so far by the Combined Authority, Cambridgeshire County Council and Peterborough City Council.

On being proposed by Councillor Herbert, seconded by Councillor Fitzgerald, it was resolved unanimously to:

- a) Approve the Digital Connectivity Business Case included as Appendix 1 to this report.
- b) Approve £4.5m budget from the subject to approval line in the Medium-Term Financial Plan for 2022/23 to 2024/25.

## Recommendations from the Business Board

The Mayor reminded the Board that when the Combined Authority took decisions as Accountable Body it was committed to acting in line with the Combined Authority Assurance Framework in the interests of the Cambridgeshire and Peterborough area as a whole, and took decisions based on the recommendations of the Business Board.

### 159. Strategic Funding Management Review January 2022

The Board was invited to approve the process by which the Business Board would allocate recycled project funding. Project proposals would be submitted to the Business Board and Combined Authority Board for approval in the usual way. The recommendations had been considered by the Business Board on 10 January 2022 and endorsed unanimously.

Mr Adams commented that the scoring criteria were somewhat dislocated from the six pillars, but that the Business Board was constrained by the rules and obligations relating to local growth funding set out by BEIS. Category 1 would relate to requests for short extensions to existing projects whilst Category 2 would relate to levelling-up projects.

Councillor Smith asked how much funding would be available for Category 2 projects. Officers stated that this would be £5.7m. Mr Adams advised that this money had to be spent by December 2022 so under Category 1 the Business Board would be targeting increases in scope to existing projects where this added value. Category 2 funding would be used as seed funding for larger opportunities.

On being proposed by Mr Adams, seconded by Councillor Nethsingha, it was resolved unanimously to:

- a) Approve the revised strategic approach for targeting Category 1 of the Business Board recycled funds.
- b) Approve the criteria for the project scoring assessment of applications to the Business Board recycled funds.
- c) Approve the process for investing Business Board recycled funds as stated at Category 1 and 2.

## Governance Reports

### 160. Combined Authority Board and Committee Membership Changes January 2022

The Board was advised of a number of changes in membership to the Combined Authority Board and Committees which required ratification or were being reported for noting. In addition to the appointments set out in the published papers the Monitoring

Officer invited the Board to note the appointment of Councillor Jan Smith as Fenland District Council's substitute member on the Audit and Governance Committee for the remainder of the municipal year 2021/2022

On being proposed by the Mayor, seconded by Councillor Boden, it was resolved unanimously to:

- a) Note the appointment by Cambridge City Council of Councillor Anna Smith as its substitute member on the Combined Authority Board for the remainder of the municipal year 2021/2022
- b) Ratify the appointment by Cambridge City Council of Councillor Katie Thornburrow as its member on the Transport and Infrastructure Committee for the remainder of the municipal year 2021/2022.
- c) Ratify the appointment by Cambridge City Council of Councillor Richard Robertson as its substitute member on the Transport and Infrastructure Committee for the remainder of the municipal year 2021/2022.
- d) Ratify the appointment by Cambridge City Council of Councillor Cllr Niamh Sweeney as its member on the Skills Committee for the remainder of the municipal year 2021/2022.
- e) Note the appointment by Peterborough City Council of Councillor Mohammed Haseeb as its substitute member on the Audit and Governance Committee for the remainder of the municipal year 2021/2022.
- f) Note the named substitute representative for the Police and Crime Commissioner's Office (John Peach).
- g) Note the appointment by Fenland District Council of Councillor Jan Smith as its substitute member on the Audit and Governance Committee for the remainder of the municipal year 2021/2022.

## 161. Forward Plan – January 2022

The Board reviewed the Forward Plan for January 2022.

On being proposed by the Mayor, seconded by Councillor Smith, it was resolved unanimously to:

Approve the Forward Plan for January 2022.

(Mayor)





**CAMBRIDGESHIRE  
& PETERBOROUGH**  
COMBINED AUTHORITY

Agenda Item 1.2, Appendix 1

## Combined Authority Board – Updated Minutes Action Log

Purpose: The action log contains actions recorded in the minutes of Combined Authority Board meetings and provides an update on officer responses.

| Minute | Report title                         | Lead officer  | Action  | Response   | Status |
|--------|--------------------------------------|---------------|---|--|--------|
| 4.     | Membership of the Combined Authority | Robert Parkin | Cllr Boden asked that the proposals to amend the Constitution to enable a Non-Statutory Deputy Mayor to be appointed from the membership of the Combined Authority Board to be circulated at the earliest opportunity to allow Board members and their legal advisers to review them. | A paper will be brought to the February Leaders' Strategy meeting which sets out any proposed changes to the Constitution. A report to the Combined Authority Board will follow in March 2022. | Closed |

| Minute | Report title                                  | Lead officer   | Action  | Response   | Status |
|--------|---|----------------|---|--|--------|
| 12.    | Calendar of Meetings 2021/22                  | Robert Parkin  | Cllr Herbert asked for better agenda management to reduce the length of Board meetings.   | Business is put to the Combined Authority Board at the request of Directors. The governance team seek to manage business away from the Combined Authority Board where appropriate, however a change to the amount of business to the Combined Authority Board will depend upon a review of the overall governance arrangements which will be brought to the Leaders' strategy meeting in March 2022. | Closed |
| 49.    | Performance Report and Devolution Deal Update | Paul Raynes    | Officers were asked to look at how differences in performance within different areas within the Combined Authority's geography could be expressed in future reports and to include forward projections of growth in future reports. | 09.08.21: Officers will consider this, as a refreshed format of the Performance Report is identified for the future.<br><br>11.11.21: A refreshed format of the Performance Report will be proposed at the January Board alongside the new Business Plan. This will be presented to the Board in March 2022.   | Closed |
| 92.    | ZEBRA Phase 2                                 | Rowland Potter | The Mayor stated that he would be happy for a joint letter from himself and the Lead Member for Public Health to be sent to Minsters on this issue. He would also be happy to raise it with his mayoral colleagues.                 | A letter to be drafted as described setting out the CPCA ambition to see the next phase of ZEBRA come to this area.  | Open   |

| Minute | Report title   | Lead officer                                 | Action   | Response  | Status |
|--------|--|--|--|---|--------|
| 96.    | Intra-Group Agreement between the CPCA and Cambridgeshire and Peterborough Business Growth Company Ltd (Growth Co) | Jon Alsop/<br>Robert Parkin/<br>Alan Downton | Officers confirmed that there was no strategy at present to ensure that none of the CPCA's subsidiaries made a profit and so became liable to corporation tax. The Director of Business and Skills would look at this with the Chief Finance Officer and Monitoring Officer. | A paper will be taken to the Leaders' Strategy Meeting in April 2022. | Open   |
| 121.   | Capability Fund 2021/22 Grant Award  | Rowland Potter                               | The Head of Transport undertook to share the figures around how much money was left in Tranche 3 with the Board outside of the meeting.  | A note was sent to Leaders and CEOs on 8/01/2022.                     | Closed |
| 126.   | March Area Transport Study OBC   | Rowland Potter/<br>Robert Parkin             | Cllr Smith commented that she would like to see a full impact assessment of the carbon impact of projects of this type carried out going forward.  | A note was sent to Leaders and CEOs on 18/01/2022.                    | Closed |
| 139.   | Budget Monitor Update  | Jon Alsop                                    | Cllr Boden asked that future reports should contain more up to date figures.   | This has been noted.  | Closed |
| 139.   | Budget Monitor Update  | Jon Alsop                                    | Cllr Smith asked that future reports should contain more detail about specific projects rather than this being contained in other reports on the agenda.   | This has been noted.  | Closed |

| Minute | Report title  | Lead officer                | Action   | Response   | Status |
|--------|---|-----------------------------|--|--|--------|
| 140.   | Sustainable Growth Ambition Statement 2022-23 Budget and MTFP                             | Paul Raynes                 | To bring a revised Sustainable Growth Ambition Statement to the next meeting of the CA Board.  | The Sustainable Growth Ambition Statement will be brought back to the Combined Authority Board on 30 March 2022.                 | Closed |
| 140.   | Sustainable Growth Ambition Statement 2022-23 Budget and MTFP                             | Alan Downton                | To arrange a meeting between members of the Combined Authority Board and the Business Board.   | A workshop session has been arranged for 6 April 2022.   | Closed |
| 144.   | Market Towns Programme - Reprofiting of Budget  | Robert Parkin/<br>Jon Alsop | The Mayor endorsed a request by Councillor Boden that officers should look at the governance arrangements for decisions of this type and whether they required the approval of the Board.                | Inter-years budget reprofiling (as in this case) requires express approval at the Combined Authority Board.                      | Closed |
| 148.   | Affordable Housing Scheme – Proposed variation to loan on the former Alexander House, Ely | Roger Thompson              | A fuller report on the status of outstanding Affordable Housing Scheme loans will be taken to the March meeting of the Housing and Communities Committee (H&CC) and shared with members of the CA Board. | This has been added to the H&CC agenda plan. Combined Authority Board members are on the distribution list for all H&CC reports. | Closed |

| Minute | Report title  | Lead officer                   | Action   | Response   | Status |
|--------|---|--------------------------------|--|--|--------|
| 148.   | Affordable Housing Scheme – Proposed variation to loan on the former Alexander House, Ely | Roger Thompson / Jon Alsop     | The Mayor endorsed a request from Cllr Nethsingha for officers to investigate whether affordable housing loans could be sold on and to report back to the Board.   | Officers took an action to discuss the possibilities of selling on Combined Authority Housing loans to third parties with the Authority's treasury advisors. Advice provided is that there is unlikely to be a market for these loans due to their short-term nature. Any sale would necessarily be at a discount and would therefore crystallise a shortfall in funds available to support ongoing grant commitments. | Closed |
| 149.   | Local Transport and Connectivity Plan Update  | Rowland Potter                 | The Mayor asked officers to look into the situation in relation to the Route 68 bus in Wisbech as its contract would expire at the end of March 2022 and to report back to Cllr Boden as soon as possible. | An announcement on the Wisbech 68 service extension was made on 28/2/22.   | Closed |
| 149.   | Local Transport and Connectivity Plan Update  | Rowland Potter/ Oliver Howarth | The Chief Executive stated that the Transport team would set up a meeting to discuss bus services.   | Bus reform note was shared on 18/01/2022 and CEOs and Leaders were asked for availability, but no formal date agreed.  | Open   |
| 149.   | Local Transport and Connectivity Plan Update  | Rowland Potter                 | Cllr Boden requested a short report at the next CA Board meeting about interim arrangements for bus services whilst the LTCP is revised.   | An announcement on the Wisbech 68 service extension was made on 28/2/22. Bus reform note issued on 18/01/2022.   | Closed |
| 152.   | St Ives and A141 Strategic Outline Business Case  | Rowland Potter/ Emma White     | The Mayor stated that he would work with officers to get a response sent to Councillor Fuller's letters on this issue.   | Response sent from the Mayor 23/02/2022.   | Closed |
| 156.   | Employment and Skills Strategy and Action Plan  | Fliss Miller                   | Cllr Boden asked to see the data explaining the population trends referenced in the report. The Mayor would also like sight of this.   | Discussions have taken place between officers from all Directorates to align data used. A paper referencing data sources will be provided for all current and future papers.   | Open   |





**CAMBRIDGESHIRE  
& PETERBOROUGH**  
COMBINED AUTHORITY

Agenda Item No: 2.1

## Budget Monitoring Report: March 2022

|                      |   |
|----------------------|---|
| To:                  | Cambridgeshire and Peterborough Combined Authority Board  |
| Meeting Date:        | 30 <sup>th</sup> March 2022   |
| Public report:       | Yes   |
| Lead Member:         | Mayor Dr Nik Johnson  |
| From:                | Jon Alsop, Chief Finance Officer  |
| Key decision:        | Yes   |
| Forward Plan ref:    | KD2022/008  |
| Recommendations:     | <p>The Combined Authority Board is recommended to:</p> <ul style="list-style-type: none"><li>a) Note the financial position of the Combined Authority for the financial year to date.</li><li>b) Approve the forecast slippage of unspent project budgets on the capital programme of £49.7m and on the revenue budget of £2,278k</li><li>c) Approve the execution of the revised MoU, and associated repayment of £22m, for the Green Homes retrofit programme phase 2 (LAD2) with BEIS.</li><li>d) Approve the additions to the capital programme and revenue MTFP as set out in section 6.</li></ul> |
| Voting arrangements: | <p>a) Note only item, no vote. Items b), and d) A vote in favour by at least two thirds of all Members (or their Substitute Members) appointed by the Constituent Councils, to include the Members appointed by Cambridgeshire County Council or Peterborough City Council, or their Substitute Members</p>   |

Item c) a simple majority of all Members present and voting To be carried, the vote must include the vote of the Mayor, or the Deputy Mayor when acting in place of the Mayor.

## 1 Purpose

- 1.1 This report provides an update of the 2021/22 budget position and capital programme as at 31<sup>st</sup> January 2022.
- 1.2 As the final report in the current financial year this report also splits forecast underspends between project slippage, where the Board are asked to agree the carry forward of the funding, and underspend/savings, where there is funding that will be returned to the Combined Authority's reserves as it is no longer required.
- 1.3 An outturn report will be presented to the Board in June which will, subject to audit, finalise the year-end position and seek approval of any material changes from those requested here.

## 2 Background

- 2.1 This report presents the actual expenditure position as at the 31<sup>st</sup> January 2022, along with a forecast outturn position against the budget and, by exception, explanation of significant forecast variances between outturn and budget. While the cut-off for actual financial transactions is the end of January, the forecast outturns are more up to-date as they are set by officers toward the end of the month following the financial cut-off.
- 2.2 As previously agreed by the Board, the exception reporting thresholds are: £100k in Mayoral and Corporate Services revenue budgets, £250k for 'Income', 'Housing', 'Business and Skills', and 'Delivery and Strategy' revenue budgets, and £500k on all capital projects.

## 3 Revenue Budget Position

- 3.1 A summary of the financial position of the Authority, showing 'Revenue' income and expenditure for the eight-month period to 31<sup>st</sup> January 2022, is set out in the table below. A more detailed breakdown of income and expenditure for the year to date is shown at **Appendix 1**.

| 2021-22 Revenue                             | Jan<br>Budget<br>£'000 | Adjustments<br>£'000 | Revised<br>Budget<br>£'000 | Actuals<br>£'000 | Forecast<br>Outturn<br>£'000 | FO<br>Variance<br>£'000 | Change<br>in FO<br>£'000 | App<br>4 ref: | Requested<br>slippage<br>£'000 | Requested<br>STA slippage<br>£'000 |
|---|------------------------|----------------------|----------------------------|------------------|------------------------------|-------------------------|--------------------------|---------------|--------------------------------|------------------------------------|
| <b>Grant Income</b>                         | <b>-49,754</b>         | <b>-365</b>          | <b>-50,119</b>             | <b>41,134</b>    | <b>-50,542</b>               | <b>-423</b>             | <b>-369</b>              |               | <b>N/A</b>                     | <b>N/A</b>                         |
| Mayor's Office                              | 488                    | -                    | 488                        | 338              | 419                          | -68                     | -8                       |               | -                              | -                                  |
| CA Gross Staffing Costs                     | 6,642                  | -                    | 6,642                      | 5,467            | 6,895                        | 253                     | -137                     | <b>1</b>      | -                              | -                                  |
| Other Employee Costs                        | 327                    | -                    | 327                        | 121              | 282                          | -45                     | -5                       |               | -                              | -                                  |
| Externally Commissioned Support<br>Services | 514                    | -                    | 514                        | 381              | 487                          | -27                     | -10                      |               | -                              | -                                  |
| Corporate Overheads                         | 780                    | -                    | 780                        | 261              | 514                          | -266                    | -77                      |               | 5                              | -                                  |
| Governance Costs                            | 1,184                  | -                    | 1,184                      | 975              | 1,065                        | -119                    | -119                     |               | -                              | -                                  |
| Other Corporate Budgets                     | -38                    | -                    | -38                        | -214             | -188                         | -150                    | -55                      |               | -                              | -                                  |
| Recharges to Ringfence Funded Projects      | -3,294                 | -                    | -3,294                     | -2,931           | -3,035                       | 259                     | -4                       |               | -                              | -                                  |
| <b>Corporate Services Expenditure</b>       | <b>6,116</b>           | <b>-</b>             | <b>6,116</b>               | <b>4,060</b>     | <b>6,020</b>                 | <b>-96</b>              | <b>-407</b>              |               | <b>5</b>                       | <b>-</b>                           |
| Business and Skills                         | 28,506                 | -2,365               | 26,141                     | 13,537           | 22,818                       | -3,323                  | 206                      | <b>2</b>      | 519                            | -                                  |
| Delivery and Strategy                       | 18,090                 | -                    | 18,090                     | 10,528           | 16,322                       | -1,768                  | -633                     | <b>3</b>      | 948                            | 811                                |
| Housing                                     | 214                    | -                    | 214                        | 49               | 86                           | -128                    | -                        |               | -                              | -                                  |
| <b>Workstream Expenditure</b>               | <b>46,810</b>          | <b>-2,365</b>        | <b>44,445</b>              | <b>24,114</b>    | <b>39,226</b>                | <b>-5,219</b>           | <b>-427</b>              |               | <b>1,467</b>                   | <b>811</b>                         |
| <b>Total Expenditure</b>                    | <b>53,413</b>          | <b>-2,365</b>        | <b>51,048</b>              | <b>28,512</b>    | <b>45,665</b>                | <b>-5,383</b>           | <b>-841</b>              |               | <b>1,472</b>                   | <b>811</b>                         |

3.2 The Forecast Outturn as set out in the table above shows a 'favourable' variance of forecast expenditure against approved budgets of £5.4m, a reduced variance of £0.8m compared to the previously reported position. This is a result of £900k of increased expenditure, in line with the decisions of the January Board, and three material changes as summarised below. A full list of all budgets is included in **Appendix 1** and detail on material changes to expenditure forecasts are covered in **Appendix 4**):

- The forecast spend on Business Board and Committee allowances has reduced by £119k. This reflects a recharge of 75% of the Business Board's allowances and expenses from a different funding source, rather than a reduction in actual spend.
- The forecast underspend on the Adult Education Budget (AEB) Devolution Programme has increased by £280k to £1.2m.
- There is a £284k underspend forecast against Concessionary Fares although this is largely cancelled out by a £234k overspend on supported bus services.

3.3 The only adjustment, other than those reflecting decisions taken by the Combined Authority Board in January, is the recognition of the Additional Home to School transport grant income. The DfE confirmed the final allocation, in line with the expectation presented to the Board in January. Retrospective grant letters are now being issued to Cambridgeshire County Council and Peterborough City Council to meet the costs they have already incurred delivering this service.

3.4 Of the £5.3m forecast underspend, £1.5m is being requested as carry-forward with the balance, of £3.8m, being underspend which will be returned to reserves for reallocation. This underspend is broken down below. Ringfenced underspends cannot be re-allocated to another project so are retained in specific reserves for future spend on that area. Un-ringfenced savings will result in increase revenue reserves that the Combined Authority can allocate as it sees fit.

#### Ringfenced underspends of more than £100k

|                               |         |
|-------------------------------|---------|
| Adult Education Budgets       | £2,187k |
| Greater South-East Energy Hub | £465k   |
| Business Board allowances*    | £119k   |

*\*as referred to in paragraph 3.1 this is a funding swap rather than an actual underspend*

#### Un-ringfenced savings of more than £100k

These are savings across the Authority

|                                      |         |
|--------------------------------------|---------|
| Un-drawn STA response funds          | £1,000k |
| CAM saving                           | £655k   |
| Accommodation saving                 | £240k   |
| Increased Treasury Management income | £143k   |

3.5 There are no material slippage requests within the corporate services budgets, and two projects where a material element of anticipated spend has slipped into 2022-23: £673k on the Bus Review Implementation and £175k on the Peterborough Station Quarter business case.

3.6 The 2021-22 revenue budget also included STA funds for a variety of projects which have not been drawn down and are seeking a total of £811k carry forward: the A142 Chatteris to

- 3.7 The Board are recommended to approve the approved and STA carry-forwards of £1,417k and £811k respectively.

## 4 Capital Programme

- 4.1 A summary of the in-year capital programme and capital grant income for the period to 31<sup>st</sup> January 2022 are shown in the tables below. Detail of the capital programme can be seen across **Appendices 2 and 3**. (Please note: 'STA' stands for 'Subject to Approval' and 'YTD' for 'year to date').

| Capital Programme Summary | Revised 21-22 Budget | Year To-Date Actuals | 21-22 Forecast Outturn | Forecast Variance |               | Requested Slippage | Requested STA Slippage |
|---------------------------|----------------------|----------------------|------------------------|-------------------|---------------|--------------------|------------------------|
|                           | £'000                | £'000                | £'000                  | £'000             | £'000         | £'000              | £'000                  |
| Corporate Services        | 44                   | -                    | 44                     | -                 | 0.0%          | -                  | 150                    |
| Business and Skills       | 66,885               | 24,129               | 40,302                 | -26,583           | -39.7%        | 26,494             | -                      |
| Delivery and Strategy     | 66,089               | 46,833               | 57,768                 | -8,321            | -12.6%        | 6,290              | 14,340                 |
| Housing                   | 36,960               | 9,197                | 34,551                 | -2,409            | -6.5%         | 2,409              | -                      |
| <b>Totals</b>             | <b>169,977</b>       | <b>80,159</b>        | <b>132,665</b>         | <b>-37,313</b>    | <b>-22.0%</b> | <b>35,193</b>      | <b>14,490</b>          |

| Capital Funding Summary              | Revised 21-22 Budget | Year To-Date Actuals | 21-22 Forecast Outturn | Forecast Variance |             | % received to date |
|--------------------------------------|----------------------|----------------------|------------------------|-------------------|-------------|--------------------|
|                                      | £'000                | £'000                | £'000                  | £'000             | %           |                    |
| A10 capital grant                    | -                    | -2,000               | -2,000                 | -                 | 0.0%        | 100.0%             |
| Housing Capital Grants               | -                    | -                    | -4,000                 | -                 | 0.0%        | 0.0%               |
| Active Transport Grant Capital       | -                    | -                    | -                      | -                 | 0.0%        | 0.0%               |
| Capital Gainshare                    | -12,000              | -12,000              | -12,000                | -                 | 0.0%        | 100.0%             |
| Local Transport Capital Grants       | -23,080              | -24,620              | -24,620                | -1,540            | 6.7%        | 100.0%             |
| Getting Building Fund                | -7,300               | -7,300               | -7,300                 | -                 | 0.0%        | 100.0%             |
| GSE Sustainable Warmth capital grant | -                    | -118,389             | -118,389               | -                 | 0.0%        | 100.0%             |
| Transforming Cities Funding          | -30,000              | -30,000              | -30,000                | -                 | 0.0%        | 100.0%             |
| ZEBRA capital grant                  | -                    | -4,295               | -4,295                 | -                 | 0.0%        | 100.0%             |
| <b>Totals</b>                        | <b>-72,380</b>       | <b>-198,604</b>      | <b>-202,604</b>        | <b>-1,540</b>     | <b>6.7%</b> | <b>98.0%</b>       |

- 4.2 The £150k capital STA budget within the Corporate Services directorate was established to fund the development of a new finance system. After reviewing a range of finance systems it was established that staying with the current Agresso system, provided via a service level agreement with Peterborough City Council represented the best value for money. As part of this there will be no capital cost of developing a new system however there is anticipated to be some costs associated with roll-out of new functionality and self-service within the

Combined Authority, as such it is requested that the £150k capital budget be removed and replaced with a £100k revenue budget for support and training on the existing system.

- 4.3 The Business and Skills directorate is forecasting a £26.6m underspend against budget, £23.3m of this is due to further delay in the Green Homes Grant capital programme beyond that reported to the Board in January, this delay is a timing issue and the delivery and spend of this £23m is still expected before the end of the project in summer 2022. There are two other material changes to forecast slippage and there are £564k on Chatteris Market Town and £1,000k on the Growth Service Equity project.
- 4.4 Two of the three material changes in the Delivery and Strategy portfolio are due to projects' profiling not being updated when budget was requested from Board. Nene parkway Junction 15 and March Junction improvements both drew down in-year funding in January when spend is anticipated in 2022-23 and are thus requesting these new 'underspends' be slipped into 2022-23 as there are no updates to these projects since the Board papers in January there is not an item in appendix 4 on them.  
The third material change is a £504k reduction in forecast spend on transport modelling.
- 4.5 Both the capital budgets within the Housing directorate have changed materially since the position reported in January. The grant programme has improved its in-year expenditure position by £4.9m, bringing it back to within £1m of its original forecast spend. The housing investment fund has increased its forecast underspend by £974k, as reported to the Housing Committee the Ely MOD project's cashflow is behind schedule which has delayed their drawdowns against the original profile.
- 4.6 Including both approved and STA budgets, the total forecast slippage on the capital programme is £49.7m, or 27% of the revised budget. While the headline figure is higher than the prior year's slippage of 21%, discounting the Green Homes Capital project (which is new this year) the underlying figure reduces to 17%.  
While this level of slippage is not unusual it still indicates a significant element of optimism bias in our forecasts, and the Authority is initiating monthly meetings where project managers are supported and challenged by the Project Management Office and Finance teams with the aim of reducing levels of slippage in future years.
- 4.7 While most of the unspent capital is due to timing delays, there are a small number of projects where a combination of project changes and efficiencies have resulted in a saving which can be reallocated by the Combined Authority to future priorities. This saving, of £2.0m across the capital programme, is broken down below:

|                                     |        |
|-------------------------------------|--------|
| Digital Connectivity Infrastructure | £1.2m  |
| Lancaster Way                       | £500k  |
| A605 Stanground – Whittlesea        | £217k  |
| CAM OBC                             | £100k* |

*\*this is in addition to the £3.25m saving reported earlier in the year and is a result of more accurate forecasts of the overall funding which will be returned to the CPCA following the closure of OneCAM Ltd.*

- 4.8 £1m of the £1.2m saving on digital connectivity is due to National Highways rejecting funds for ducting on the A428. While this element of the digital connectivity programme will therefore not continue the project team believe the outcomes are still necessary and are anticipating bringing forward a comparable project for funding consideration at a future date.

- 4.9 One area where the Combined Authority recognises there is need for further work is the monitoring and challenge of STA budgets. There is £15.3m of STA funding seeking slippage from 2021-22 into the new year. This represents projects which were due to have started substantial delivery in the current year, but have not got to the point of establishing the case for requesting the funds be drawn down. A senior officer group was established in January (the Performance and Risk Committee), which meets monthly and reviews the Combined Authority wide budgetary position. As part of these reports there will be a focus once a quarter on the outstanding STA budgets for the year and what progress has been made toward drawing them down.

## 5 Updated Green Homes grant agreement

- 5.1 As reported to the Board in January, due to delays in contracting, availability of a national supply chain and local authority capacity to deliver projects the Combined Authority is unable to deliver the Green Homes grant programme (a.k.a. Local Authority Delivery Phase 2, LAD2) in line with the original timescales agreed with Government.
- 5.2 The Department for Business, Energy and Industrial Strategy (BEIS) have been kept abreast of the progress of the scheme and have issued an extension to the original programme allowing delivery to continue until the end of June 2022. As part of the negotiations with BEIS there was a desire to return the element of the £78.3m which could still not be spent so it could be re-allocated nationally.
- 5.3 Upon reviewing the existing Memorandum of Understanding (MoU) it was identified that the existing clawback provisions only allowed for BEIS to request funding back at the end of the programme (now June 2022). In order to enable CPCA to repay the funding before this BEIS have issued a variation to the MoU which includes the ability for BEIS to request repayment before the end of the delivery window, alongside this BEIS have issued a request that the CPCA repay £22m of the forecast underspend on the programme as soon as possible. The letters setting out the proposed amendments and requesting repayment are included as appendixes 5 and 6.
- 5.4 Given the previously reported position, that the Combined Authority will be unable to defray the money on the programme before the end of the delivery window, the Board are asked to approve the agreement of the revised MoU and the repayment of £22m of grant funds to BEIS.

## 6 MTFP and 2022-26 capital programme update.

- 6.1 As reported in the January budget-setting paper, in consultation with the Constituent Authorities and the Business Board, the Combined Authority has established a long-list of potential project proposals. The projects associated with transport, business and skills and regeneration were not considered as part of the January budget setting so that further work on their alignment with emerging strategic priorities could be established.
- 6.2 Throughout February and March, officers across the area have been working to refine these proposals and, on instruction from the members of the Board, have brought forward a short-list of projects which have cross-region impact, fit within the headroom within the current

Medium-Term Financial Plan (MTFP), align with emerging strategy and are likely to represent good value for money.

- 6.3 The profile of spend of each project is shown in the table below, and a summary of each project is included as appendix 7. The spend profiles are indicative and subject to individual business cases being approved by the Board, as such spend may be accelerated, or slipped relative to the position shown below.

| <i>Figures in £,000s</i>            |                | <b>22-23</b> | <b>23-24</b>  | <b>24-25</b> | <b>25-26</b> | <b>Totals</b> |
|-------------------------------------|----------------|--------------|---------------|--------------|--------------|---------------|
| <b>Transport Model Replacement</b>  | capital        | 1,136        | 585           | 215          | 215          | 2,151         |
|                                     | revenue        |              |               |              |              |               |
| <b>Peterborough electric buses</b>  | capital        |              |               |              |              |               |
| <b>business case development</b>    | revenue        | 150          |               |              |              | 150           |
| <b>Active Travel Funding</b>        | capital        | 1,545        | 2,942         | 3,800        | 850          | 9,137         |
|                                     | revenue        | 100          | 100           |              |              | 200           |
| <b>Further Education cold spots</b> | capital        |              | 2,400         | 2,175        |              | 4,575         |
|                                     | revenue        | 225          |               |              |              | 225           |
| <b>Market towns and villages</b>    | capital        | 1,250        | 1,250         |              |              | 2,500         |
|                                     | revenue        |              |               |              |              |               |
| <b>Growth Works Equity Fund</b>     | capital        | 950          | 2,850         | 2,850        | 2,850        | 9,500         |
|                                     | revenue        | 50           | 150           | 150          | 150          | 500           |
| <b>Totals</b>                       | <b>capital</b> | <b>4,881</b> | <b>10,027</b> | <b>9,040</b> | <b>3,915</b> | <b>27,863</b> |
|                                     | <b>revenue</b> | <b>525</b>   | <b>250</b>    | <b>150</b>   | <b>150</b>   | <b>1,075</b>  |

- 6.4 The impact of inclusion of these projects on the Combined Authority's reserves is set out below starting with the position as approved in January, note that these figures do not account for forecast under or over-spends included elsewhere in this report.
- 6.5 As can be seen in the tables below, the inclusion of the proposed projects will allocate the vast majority of the Combined Authority's capital headroom over the next 3 years with balances increasing again in year 4 as projects tail off. Approval therefore will mean that any significant further investment will either need to be funded by new income, supported by borrowing in the short-term, or displace existing commitments.
- 6.6 The Board are requested to consider the shortlist of projects and recommend some, or all, for inclusion in the MTFP and capital programme.

|                    | 2022/23                          |                   |                         |                                       |                        | 2023/24           |                         |                                       |                        | 2024/5            |                         |                                       |                        | 2025/6            |                         |                                       |                        |
|--------------------|----------------------------------|-------------------|-------------------------|---------------------------------------|------------------------|-------------------|-------------------------|---------------------------------------|------------------------|-------------------|-------------------------|---------------------------------------|------------------------|-------------------|-------------------------|---------------------------------------|------------------------|
|                    | Forecast<br>balance at<br>1/4/22 | In-year<br>income | Approved<br>Expenditure | Subject to<br>Approval<br>Expenditure | Balance at<br>Year End | In-year<br>income | Approved<br>Expenditure | Subject to<br>Approval<br>Expenditure | Balance at<br>Year End | In-year<br>income | Approved<br>Expenditure | Subject to<br>Approval<br>Expenditure | Balance at<br>Year End | In-year<br>income | Approved<br>Expenditure | Subject to<br>Approval<br>Expenditure | Balance at<br>Year End |
|                    | £,000                            | £,000             | £,000                   | £,000                                 | £,000                  | £,000             | £,000                   | £,000                                 | £,000                  | £,000             | £,000                   | £,000                                 | £,000                  | £,000             | £,000                   | £,000                                 | £,000                  |
| Capital Single Pot | (32,269)                         | (33,000)          | 6,157                   | 37,902                                | (21,210)               | (12,000)          | 2,001                   | 12,583                                | (18,626)               | (12,555)          | 42                      | 5,830                                 | (25,309)               | (12,184)          | -                       | -                                     | (37,493)               |
| Capital Additions  |                                  |                   |                         | 4,881                                 |                        |                   |                         | 10,027                                |                        |                   |                         | 9,040                                 |                        |                   |                         | 3,915                                 |                        |
| Contingency        |                                  |                   |                         | 98                                    |                        |                   |                         | 201                                   |                        |                   |                         | 181                                   |                        |                   |                         | 78                                    |                        |
| Revised Total      | (32,269)                         | (33,000)          | 6,157                   | 42,881                                | (16,231)               | (12,000)          | 2,001                   | 22,811                                | (3,419)                | (12,555)          | 42                      | 15,051                                | (881)                  | (12,184)          | -                       | 3,993                                 | (9,072)                |

|                    |         |         |       |       |         |         |       |       |         |         |       |       |         |         |       |     |         |
|--------------------|---------|---------|-------|-------|---------|---------|-------|-------|---------|---------|-------|-------|---------|---------|-------|-----|---------|
| Revenue Single Pot | (4,982) | (9,369) | 6,695 | 1,964 | (5,693) | (7,971) | 7,089 | 2,038 | (4,537) | (7,678) | 7,535 | 1,910 | (2,769) | (7,619) | 7,692 | 170 | (2,527) |
| Revenue Additions  |         |         |       | 525   |         |         |       | 250   |         |         |       | 150   |         |         |       | 150 |         |
| Contingency        |         |         |       | 11    |         |         |       | 5     |         |         |       | 3     |         |         |       | 3   |         |
| Revised Total      | (4,982) | (9,369) | 6,695 | 2,500 | (5,157) | (7,971) | 7,089 | 2,293 | (3,746) | (7,678) | 7,535 | 2,063 | (1,825) | (7,619) | 7,692 | 323 | (1,430) |

## Significant Implications

### 7 Financial Implications

- 7.1 The financial implications of the decisions are set out in the body of the report.

### 8 Legal Implications

- 8.1 None.

### 9 Public Health implications

- 9.1 Acceptance of the revised Green Homes grant MoU will allow for the project to continue to deliver until June 2022 which will result in more homes being retrofitted with energy saving measures and a corresponding reduction in people unable to affordably heat their homes.
- 9.2 Inclusion of projects within the Combined Authority's budget as subject to approval has no direct public health implications. The individual projects will themselves have impacts but these will be considered as part of the business cases brought forward to approve the funding for delivery in future.

### 10 Environmental and Climate Change Implications

- 10.1 Acceptance of the revised Green Homes grant MoU will allow for the project to continue to deliver until June 2022 which will result in more homes being retrofitted with energy saving measures and a corresponding reduction in the environmental impact of heating people's homes.

### 11 Other Significant Implications

- 11.1 There are no other significant implications.

### 12 Appendices

- 12.1 Appendix 1 – Detailed breakdown of the revenue position for the year to 31<sup>st</sup> Jan 2022
- 12.2 Appendix 2 – Capital Position to 31<sup>st</sup> Jan 2022
- 12.3 Appendix 3 – Capital Programme
- 12.4 Appendix 4 – Detailed Explanations of Material Variances
- 12.5 Appendix 5 – Letter proposing amendments to the Green Homes Grant MoU
- 12.6 Appendix 6 – Letter requesting repayment of forecast underspend
- 12.7 Appendix 7 – Summary of Shortlisted Projects

## 13 Background Papers

13.1 None.

## Appendix 1 - Detailed breakdown of the revenue position for the period to 31<sup>st</sup> January 2022

|  | Jan Budget     | Adjustments | Revised Budget | Actuals to-date | Forecast Outturn | Forecast Outturn Variance | Change in FO | Requested slippage |
|--|----------------|-------------|----------------|-----------------|------------------|---------------------------|--------------|--------------------|
| <u>Grant Income</u>                        | £'000          | £'000       | £'000          | £'000           | £'000            | £'000                     | £'000        | £'000              |
| Additional Home to School Transport Grants | -              | -365        | -365           | -220            | -365             | -                         | -365         |                    |
| Adult Education Budget                     | -13,174        |             | -13,174        | -13,174         | -13,174          | -                         | -            |                    |
| Bus Service Operator Grant                 | -409           |             | -409           | -409            | -409             | -                         | -            |                    |
| Careers Enterprise Company Funding         | -211           |             | -211           | -110            | -211             | -                         | -            |                    |
| Community Renewal Fund Grants              | -3,394         |             | -3,394         | -2,121          | -3,394           | -                         | -            |                    |
| COVID-19 bus services support grant        | -172           |             | -172           | -172            | -172             | -                         | -            |                    |
| Digital Skills Bootcamp                    | -1,826         |             | -1,826         | -               | -1,826           | -                         | -            |                    |
| Enterprise Zone receipts                   | -1,209         |             | -1,209         | -               | -1,209           | -                         | -            |                    |
| ERDF - Growth Service Grant                | -1,500         |             | -1,500         | -               | -1,500           | -                         | -            |                    |
| ESF Growth Service Grant                   | -600           |             | -600           | -14             | -600             | -                         | -            |                    |
| Growth Hub Grants                          | -537           |             | -537           | -376            | -537             | -                         | -            |                    |
| GSE Energy Hub - Core Funding              | -1,606         |             | -1,606         | -2,029          | -2,029           | -424                      | -4           |                    |
| GSE Energy Hub - Decarbonisation           | -1,372         |             | -1,372         | -1,372          | -1,372           | -                         | -            |                    |
| LA Capability Fund                         | -558           |             | -558           | -558            | -558             | -                         | -            |                    |
| LEP Core Funding                           | -500           |             | -500           | -500            | -500             | -                         | -            |                    |
| Mayoral Capacity Fund                      | -1,000         |             | -1,000         | -1,000          | -1,000           | -                         | -            |                    |
| Mid-Life MOT                               | -40            |             | -40            | -40             | -40              | -                         | -            |                    |
| Revenue Gainshare                          | -8,000         |             | -8,000         | -8,000          | -8,000           | -                         | -            |                    |
| Skills Advisory Panel Grant                | -75            |             | -75            | -75             | -75              | -                         | -            |                    |
| Transport Capacity Funding                 | -524           |             | -524           | -524            | -524             | -                         | -            |                    |
| Transport Levy                             | -13,040        |             | -13,040        | -10,432         | -13,040          | -                         | -            |                    |
| Visitor Economy and R&R Grant income       | -8             |             | -8             | -7              | -7               | -                         | -            |                    |
| <b>Total Grant Income</b>                  | <b>-49,754</b> | <b>-365</b> | <b>-50,119</b> | <b>-41,134</b>  | <b>-50,542</b>   | <b>-423</b>               | <b>-369</b>  | <b>-</b>           |

|                               |            |          |            |            |            |           |          |
|-------------------------------|------------|----------|------------|------------|------------|-----------|----------|
| <b>Mayor's Office</b>         |            |          |            |            |            |           |          |
| Mayor's Allowance             | 96         | 96       | 75         | 92         | -3         | -         |          |
| Mayor's Conference Attendance | 15         | 15       | 13         | 8          | -8         | -8        |          |
| Mayor's Office Expenses       | 40         | 40       | 13         | 25         | -15        | -         |          |
| Mayor's Office Accommodation  | 77         | 77       | 48         | 65         | -12        | -5        |          |
| Mayor's Office Staff          | 260        | 260      | 189        | 229        | -30        | 4         |          |
| <b>Total Mayor's Office</b>   | <b>488</b> | <b>-</b> | <b>488</b> | <b>419</b> | <b>-68</b> | <b>-8</b> | <b>-</b> |

|   | Jan<br>Budget<br>£'000 | Adjustments<br>£'000 | Revised<br>Budget<br>£'000 | Actuals to-<br>date<br>£'000 | Forecast<br>Outturn<br>£'000 | Forecast<br>Outturn Variance<br>£'000 | Change in<br>FO<br>£'000 | Requested<br>Slippage<br>£'000 |
|---|------------------------|----------------------|----------------------------|------------------------------|------------------------------|---------------------------------------|--------------------------|--------------------------------|
| <b>Corporate Services</b>                             |                        |                      |                            |                              |                              |                                       |                          |                                |
| <b>Combined Authority Gross Staffing Costs</b>        |                        |                      |                            |                              |                              |                                       |                          |                                |
| Business and Skills                                   | 2,045                  |                      | 2,045                      | 1,750                        | 2,174                        | 128                                   | 1                        |                                |
| Chief Executive                                       | 309                    |                      | 309                        | 230                          | 288                          | -21                                   | -                        |                                |
| Corporate Services                                    | 2,031                  |                      | 2,031                      | 1,828                        | 2,298                        | 266                                   | -62                      |                                |
| Transport   | 935                    |                      | 935                        | 741                          | 923                          | -12                                   | -77                      |                                |
| Strategy and Planning                                 | 752                    |                      | 752                        | 571                          | 692                          | -60                                   | 1                        |                                |
| Housing   | 569                    |                      | 569                        | 347                          | 521                          | -48                                   | -                        |                                |
| <b>Total CA Gross Staffing Costs</b>                  | <b>6,642</b>           | <b>-</b>             | <b>6,642</b>               | <b>5,467</b>                 | <b>6,895</b>                 | <b>253</b>                            | <b>-137</b>              | <b>-</b>                       |
| <b>Other Employee Costs</b>                           |                        |                      |                            |                              |                              |                                       |                          |                                |
| Travel  | 80                     |                      | 80                         | 22                           | 35                           | -45                                   | -5                       |                                |
| Training  | 90                     |                      | 90                         | 91                           | 90                           | -                                     | -                        |                                |
| Change Management Reserve                             | 157                    |                      | 157                        | 8                            | 157                          | -                                     | -                        |                                |
| <b>Total Other Employee Costs</b>                     | <b>327</b>             | <b>-</b>             | <b>327</b>                 | <b>121</b>                   | <b>282</b>                   | <b>-45</b>                            | <b>-5</b>                | <b>-</b>                       |
| <b>Externally Commissioned Support Services</b>       |                        |                      |                            |                              |                              |                                       |                          |                                |
| External Legal Counsel                                | 65                     |                      | 65                         | 62                           | 75                           | 10                                    | 10                       |                                |
| Finance Service                                       | 74                     |                      | 74                         | 29                           | 40                           | -34                                   | -20                      |                                |
| Democratic Services                                   | 95                     |                      | 95                         | 72                           | 97                           | 2                                     | -                        |                                |
| Payroll   | 4                      |                      | 4                          | 2                            | 3                            | -1                                    | -                        |                                |
| HR  | 18                     |                      | 18                         | 16                           | 18                           | -                                     | 1                        |                                |
| Procurement   | 8                      |                      | 8                          | 1                            | 2                            | -6                                    | -3                       |                                |
| ICT external support                                  | 250                    |                      | 250                        | 199                          | 252                          | 2                                     | 2                        |                                |
| <b>Total Externally Commissioned Support Services</b> | <b>514</b>             | <b>-</b>             | <b>514</b>                 | <b>381</b>                   | <b>487</b>                   | <b>-27</b>                            | <b>-10</b>               | <b>-</b>                       |

|   | Jan<br>Budget<br>£'000 | Adjustments<br>£'000 | Revised<br>Budget<br>£'000 | Actuals to-<br>date<br>£'000 | Forecast<br>Outturn<br>£'000 | Forecast Outturn<br>Variance<br>£'000 | Change<br>in FO<br>£'000 | Requested<br>Slippage<br>£'000 |
|---|------------------------|----------------------|----------------------------|------------------------------|------------------------------|---------------------------------------|--------------------------|--------------------------------|
| <b>Corporate Overheads</b>                          |                        |                      |                            |                              |                              |                                       |                          |                                |
| Accommodation Costs                                 | 300                    |                      | 300                        | 21                           | 60                           | -240                                  | -40                      | 5                              |
| Software Licences, Mobile Phones cost               | 102                    |                      | 102                        | 21                           | 75                           | -27                                   | 5                        |                                |
| Communications                                      | 42                     |                      | 42                         | 24                           | 33                           | -9                                    | -9                       |                                |
| Website Development                                 | 15                     |                      | 15                         | 10                           | 15                           | -                                     | -                        |                                |
| Recruitment Costs                                   | 88                     |                      | 88                         | 59                           | 88                           | -                                     | -40                      |                                |
| Insurance   | 35                     |                      | 35                         | 4                            | 35                           | -                                     | -                        |                                |
| Audit Costs   | 132                    |                      | 132                        | 52                           | 140                          | 8                                     | 8                        |                                |
| Office running costs                                | 31                     |                      | 31                         | 11                           | 17                           | -14                                   | -1                       |                                |
| Corporate Subscriptions                             | 36                     |                      | 36                         | 59                           | 51                           | 16                                    | 1                        |                                |
| <b>Total Corporate Overheads</b>                    | <b>780</b>             | <b>-</b>             | <b>780</b>                 | <b>261</b>                   | <b>514</b>                   | <b>-266</b>                           | <b>-77</b>               | <b>5</b>                       |
| <b>Governance Costs</b>                             |                        |                      |                            |                              |                              |                                       |                          |                                |
| Committee/Business Board Allowances                 | 144                    |                      | 144                        | 21                           | 25                           | -119                                  | -119                     | -                              |
| Election Costs                                      | 1,040                  |                      | 1,040                      | 954                          | 1,040                        | -                                     | -                        |                                |
| <b>Total Governance Costs</b>                       | <b>1,184</b>           | <b>-</b>             | <b>1,184</b>               | <b>975</b>                   | <b>1,065</b>                 | <b>-119</b>                           | <b>-119</b>              |                                |
| <b>Other Corporate Budgets</b>                      |                        |                      |                            |                              |                              |                                       |                          |                                |
| Corporate Response Fund                             | 97                     |                      | 97                         | 5                            | 90                           | -7                                    | -55                      | -                              |
| Contribution to the A14 Upgrade                     | 96                     |                      | 96                         | -                            | 96                           | -                                     | -                        |                                |
| Interest Receivable on Investments                  | -231                   |                      | -231                       | -218                         | -374                         | -143                                  | -                        |                                |
| <b>Total Other Corporate Budgets</b>                | <b>-38</b>             | <b>-</b>             | <b>-38</b>                 | <b>-214</b>                  | <b>-188</b>                  | <b>-150</b>                           | <b>-55</b>               | <b>-</b>                       |
| <b>Recharges to Ringfence Funded Projects</b>       |                        |                      |                            |                              |                              |                                       |                          |                                |
| Internally Recharged Grant Funded Staff             | -2,521                 |                      | -2,521                     | -2,489                       | -2,526                       | -5                                    | -                        | -                              |
| Externally Recharged Staff                          | -773                   |                      | -773                       | -442                         | -509                         | 264                                   | -3                       |                                |
| <b>Total Recharges to Ringfence Funded Projects</b> | <b>-3,294</b>          | <b>-</b>             | <b>-3,294</b>              | <b>-2,931</b>                | <b>-3,035</b>                | <b>259</b>                            | <b>-4</b>                |                                |
| <b>Total Corporate Services Expenditure</b>         | <b>6,116</b>           | <b>-</b>             | <b>6,116</b>               | <b>4,060</b>                 | <b>6,020</b>                 | <b>-96</b>                            | <b>-407</b>              | <b>5</b>                       |

| <b><u>Business and Skills</u></b>       | <b>Jan Budget<br/>£'000</b> | <b>Adjustments<br/>£'000</b> | <b>Revised<br/>Budget<br/>£'000</b> | <b>Actual<br/>To-Date<br/>£'000</b> | <b>Forecast<br/>Outturn<br/>£'000</b> | <b>Forecast<br/>Outturn<br/>Variance<br/>£'000</b> | <b>Change in<br/>FO<br/>£'000</b> | <b>Requested<br/>slippage<br/>£'000</b> |
|---|-----------------------------|------------------------------|-------------------------------------|-------------------------------------|---------------------------------------|--|-----------------------------------|---|
| AEB Devolution Programme                | 11,368                      |                              | 11,368                              | 8,934                               | 10,175                                | -1,193   | -280                              |   |
| AEB High Value Courses                  | 237                         |                              | 237                                 | 38                                  | 38                                    | -199   | -                                 |   |
| AEB Innovation Fund - Revenue           | 500                         |                              | 500                                 | 288                                 | 425                                   | -75  | -50                               | 75                                      |
| AEB Level 3 Courses                     | 809                         |                              | 809                                 | 232                                 | 382                                   | -426   | -95                               |   |
| AEB National Retraining Scheme          | 40                          |                              | 40                                  | 33                                  | 40                                    | -  | -                                 |   |
| AEB Programme Costs                     | 442                         |                              | 442                                 | 360                                 | 437                                   | -6   | -30                               |   |
| AEB Sector Based Work Academies         | 233                         |                              | 233                                 | 20                                  | 120                                   | -113   | -36                               |   |
| AEB Provider Capacity Building          | 250                         |                              | 250                                 | -                                   | 125                                   | -125   | -                                 |   |
| AEB Strategic Partnership Development   | 250                         |                              | 250                                 | 45                                  | 125                                   | -125   | -                                 |   |
| Business Board Annual Report            | 30                          |                              | 30                                  | 17                                  | 28                                    | -2   | -                                 |   |
| Business Board Effectiveness Review     | 20                          |                              | 20                                  | -                                   | 20                                    | -  | -                                 |   |
| Careers and Enterprise Company (CEC)    | 222                         |                              | 222                                 | 24                                  | 207                                   | -15  | -4                                | 15                                      |
| Digital Skills Bootcamp                 | 1,826                       |                              | 1,826                               | 95                                  | 1,826                                 | -  | -                                 |   |
| Economic Rapid Response Fund            | 150                         |                              | 150                                 | 82                                  | 121                                   | -29  | -18                               | 25                                      |
| Enterprise Zone Investment              | 50                          |                              | 50                                  | -                                   | 40                                    | -10  | -10                               | 10                                      |
| Growth Co Services                      | 3,223                       |                              | 3,223                               | 846                                 | 3,132                                 | -92  | -                                 |   |
| Growth Hub                              | -                           |                              | -                                   | 13                                  | -                                     | -  | -                                 |   |
| GSE Energy Hub                          | 890                         | 133                          | 1,023                               | 534                                 | 890                                   | -133   | 216                               |   |
| GSE COP 26                              | 195                         |                              | 195                                 | 146                                 | 195                                   | -  | -                                 |   |
| GSE Green Homes Grant Sourcing Activity | 895                         |                              | 895                                 | 257                                 | 628                                   | -267   | 116                               |   |
| GSE Green Homes Grant Sourcing Strategy | 69                          |                              | 69                                  | 69                                  | 69                                    | -  | -                                 |   |
| GSE Green Homes Grant Ph 3 (LAD 3)      | -                           | 250                          | 250                                 | -                                   | 250                                   | -  | 250                               |   |
| GSE Home Improvement Grant              | -                           | 250                          | 250                                 | -                                   | 250                                   | -  | 250                               |   |
| GSE Net Zero Investment Design          | -                           | 495                          | 495                                 | -                                   | 495                                   | -  | 495                               |   |
| GSE Public Sector Decarbonisation       | 1,372                       | -1,192                       | 180                                 | -                                   | 179                                   | -1   | -                                 |   |
| GSE Rural Community Energy Fund (RCEF)  | 735                         |                              | 735                                 | 442                                 | 671                                   | -64  | -115                              |   |
| Health and Care Sector Work Academy     | 3,031                       | -2,301                       | 730                                 | 425                                 | 625                                   | -106   | -314                              | 106                                     |
| HPC study and roadmap                   | 46                          |                              | 46                                  | -                                   | 35                                    | -11  | -11                               |   |
| Insight and Evaluation Programme        | 83                          |                              | 83                                  | 82                                  | 83                                    | -  | -                                 |   |

| <b><u>Business and Skills</u></b>          | <b>Jan Budget<br/>£'000</b> | <b>Adjustments<br/>£'000</b> | <b>Revised<br/>Budget<br/>£'000</b> | <b>Actual<br/>To-Date<br/>£'000</b> | <b>Forecast<br/>Outturn<br/>£'000</b> | <b>Forecast<br/>Outturn<br/>Variance<br/>£'000</b> | <b>Change in<br/>FO<br/>£'000</b> | <b>Requested<br/>slippage<br/>£'000</b> |
|--|-----------------------------|------------------------------|-------------------------------------|-------------------------------------|---------------------------------------|--|-----------------------------------|---|
| Local Growth Fund Costs                    | 560                         |                              | 560                                 | 340                                 | 458                                   | -102   | 3                                 | 102                                     |
| Market Town and Cities Strategy            | 121                         |                              | 121                                 | 32                                  | 71                                    | -50  | -50                               | 50                                      |
| Marketing and Promotion of Services        | 128                         |                              | 128                                 | 93                                  | 91                                    | -37  | -2                                |   |
| Mid-Life MOT                               | 40                          |                              | 40                                  | 24                                  | 40                                    | -  | -                                 |   |
| Peterborough University Quarter Masterplan | 100                         |                              | 100                                 | -                                   | 100                                   | -  | -                                 |   |
| SPF Fund Evidence Base & Pilot Fund        | 100                         |                              | 100                                 | 23                                  | 23                                    | -77  | -75                               | 75                                      |
| Skills Advisory Panel (SAP) (DfE)          | 112                         |                              | 112                                 | 35                                  | 97                                    | -16  | 5                                 | 16                                      |
| Skills Rapid Response Fund                 | 115                         |                              | 115                                 | 49                                  | 70                                    | -45  | -39                               | 45                                      |
| St Neots Masterplan                        | 224                         |                              | 224                                 | 8                                   | 220                                   | -4   | -                                 | -                                       |
| Trade and Investment Programme             | 33                          |                              | 33                                  | 33                                  | 33                                    | -  | -                                 |   |
| Visitor Economy and R&R Grants             | 8                           |                              | 8                                   | 7                                   | 7                                     | -  | -                                 |   |
| <b>Total Business and Skills</b>           | <b>28,506</b>               | <b>-2,365</b>                | <b>26,141</b>                       | <b>13,627</b>                       | <b>22,818</b>                         | <b>-3,323</b>                                      | <b>206</b>                        | <b>519</b>                              |

| <b><u>Delivery and Strategy</u></b>        | <b>Jan<br/>Budget<br/>£'000</b> | <b>Adjustments<br/>£'000</b> | <b>Revised<br/>Budget<br/>£'000</b> | <b>Actual To-<br/>Date<br/>£'000</b> | <b>Forecast<br/>Outturn<br/>£'000</b> | <b>Forecast<br/>Outturn<br/>Variance<br/>£'000</b> | <b>Change<br/>in FO<br/>£'000</b> | <b>Requested<br/>Slippage<br/>£'000</b> |
|--|---------------------------------|------------------------------|-------------------------------------|--------------------------------------|---------------------------------------|--|-----------------------------------|---|
| A141 Huntingdon SOBC                       | 114                             |                              | 114                                 | 149                                  | 120                                   | 6  | 16                                |   |
| Additional Home to School Transport Grants | -                               |                              | -                                   | -                                    | -                                     | -  | -                                 |   |
| Bus Review Implementation                  | 1,842                           |                              | 1,842                               | 286                                  | 973                                   | -869   | -200                              | 673                                     |
| Bus Service Subsidisation                  | 187                             |                              | 187                                 | 236                                  | 383                                   | 196  | -                                 |   |
| CAM Innovation Company                     | 657                             |                              | 657                                 | -                                    | -                                     | -657   | -                                 |   |
| CAM Metro OBC                              | -                               |                              | -                                   | 1                                    | 1                                     | 1  | -                                 |   |
| Climate Change                             | 160                             |                              | 160                                 | 61                                   | 156                                   | -4   | -1                                | -                                       |
| COVID Bus Service Support Grant            | 189                             |                              | 189                                 | 149                                  | 189                                   | -  | -                                 |   |
| LA Capability Fund                         | 558                             |                              | 558                                 | -                                    | 558                                   | -  | -                                 |   |
| Land Commission                            | 40                              |                              | 40                                  | -                                    | -                                     | -40  | -40                               | 40                                      |
| Local Transport Plan                       | 200                             |                              | 200                                 | 127                                  | 140                                   | -60  | -60                               | 60                                      |
| Monitoring and Evaluation Framework        | 150                             |                              | 150                                 | 18                                   | 77                                    | -73  | -79                               |   |

| <b><u>Delivery and Strategy</u></b>   | <b>Jan<br/>Budget<br/>£'000</b> | <b>Adjustments<br/>£'000</b> | <b>Revised<br/>Budget<br/>£'000</b> | <b>Actual To-<br/>Date<br/>£'000</b> | <b>Forecast<br/>Outturn<br/>£'000</b> | <b>Forecast<br/>Outturn<br/>Variance<br/>£'000</b> | <b>Change<br/>in FO<br/>£'000</b> | <b>Requested<br/>Slippage<br/>£'000</b> |
|---|---------------------------------|------------------------------|-------------------------------------|--------------------------------------|---------------------------------------|--|-----------------------------------|---|
| Non-Statutory Spatial Framework (Phase 2)   | 57                              |                              | 57                                  | 29                                   | 57                                    | -  | -                                 |   |
| P'boro Station Quarter SOBC   | 350                             |                              | 350                                 | -                                    | 175                                   | -175   | -175                              | 175                                     |
| Public Transport: Bus Service Operator Grant  | 409                             |                              | 409                                 | -                                    | 409                                   | -  | -                                 |   |
| Public Transport: Concessionary fares   | 9,129                           |                              | 9,129                               | 6,268                                | 8,845                                 | -284   | -284                              |   |
| Public Transport: Contact Centre  | 234                             |                              | 234                                 | 152                                  | 185                                   | -49  | -49                               |   |
| Public Transport: RTPi, Infrastructure & Info   | 209                             |                              | 209                                 | -                                    | 221                                   | 12   | 12                                |   |
| Public Transport: S106 supported bus costs  | -                               |                              | -                                   | 279                                  | -                                     | -  | -                                 |   |
| Public Transport: Supported Bus Services  | 3,003                           |                              | 3,003                               | 2,274                                | 3,237                                 | 234  | 234                               |   |
| Public Transport: Team and Overheads  | 465                             |                              | 465                                 | 362                                  | 460                                   | -5   | -5                                |   |
| St Ives (SOBC)  | 137                             |                              | 137                                 | 135                                  | 135                                   | -2   | -2                                |   |
| <b>Total Delivery and Strategy</b>  | <b>18,090</b>                   | <b>-</b>                     | <b>18,090</b>                       | <b>10,528</b>                        | <b>16,322</b>                         | <b>-1,768</b>                                      | <b>-633</b>                       | <b>948</b>                              |
| <i>* S106 supported bus costs is a net nil budget as all costs incurred are recharged to the County Council</i> |                                 |                              |                                     |                                      |                                       |  |                                   |   |
| <b><u>Housing</u></b>   |                                 |                              |                                     |                                      |                                       |  |                                   |   |
| CLT and £100k Homes   | 100                             |                              | 100                                 | 3                                    | 40                                    | -60  | -                                 | -                                       |
| Garden Villages   | 114                             |                              | 114                                 | 46                                   | 46                                    | -68  | -                                 | -                                       |
| <b>Total Housing</b>  | <b>214</b>                      | <b>-</b>                     | <b>214</b>                          | <b>49</b>                            | <b>86</b>                             | <b>-128</b>  | <b>-</b>                          | <b>-</b>                                |
|   |                                 |                              |                                     |                                      |                                       |  |                                   |   |
| <b>Total Workstream Expenditure</b>   | <b>46,810</b>                   | <b>-2,365</b>                | <b>44,445</b>                       | <b>24,204</b>                        | <b>39,226</b>                         | <b>-5,219</b>                                      | <b>-427</b>                       | <b>1,467</b>                            |
|   |                                 |                              |                                     |                                      |                                       |  |                                   |   |
| <b>Total Revenue Expenditure</b>  | <b>53,413</b>                   | <b>-2,365</b>                | <b>51,048</b>                       | <b>28,602</b>                        | <b>45,665</b>                         | <b>-5,383</b>                                      | <b>-841</b>                       | <b>1,472</b>                            |

## Appendix 2 –Capital Position to 31<sup>st</sup> January 2022

|  | Approved Budget<br>£'000 | 21-22 Actuals<br>£'000 | Balance to Spend<br>£'000 | Forecast Spend<br>£'000 | Forecast Over (Under) spend<br>£'000 | Change to Forecast Over (Under) spend<br>£'000 | Requested Slippage (inc STA)<br>£'000 |
|--|--------------------------|------------------------|---------------------------|-------------------------|--------------------------------------|--|---------------------------------------|
| <b>Business and Skills</b>                 |                          |                        |                           |                         |                                      |  |                                       |
| AEB Innovation Fund                        | 324                      | 251                    | -73                       | 324                     | -                                    | -  | -                                     |
| Cambridge Biomedical MO Building           | 1,702                    | 876                    | -827                      | 1,500                   | -202                                 | -202   | 202                                   |
| Cambridge City Centre                      | 691                      | 91                     | -600                      | 691                     | -                                    | -  | -                                     |
| CRC Construction and Digital Refurbishment | 911                      | 911                    | -                         | 911                     | -                                    | -  | -                                     |
| COVID and Capital Growth Grant Scheme      | 7                        | 7                      | -                         | 7                       | -                                    | -  | -                                     |
| Eastern Agritech Initiative                | 100                      | 162                    | 62                        | 181                     | 81                                   | -15  | -                                     |
| Green Home Grant Capital Programme         | 31,500                   | 4,487                  | -27,013                   | 8,218                   | -23,282                              | -44,857  | 23,282                                |
| Illumina Accelerator                       | 1,000                    | 200                    | -800                      | 1,000                   | -                                    | -  | -                                     |
| March Adult Education                      | 314                      | 314                    | -                         | 314                     | -                                    | -  | -                                     |
| Market Towns: Chatteris                    | 1,000                    | 22                     | -978                      | 436                     | -564                                 | -564   | 564                                   |
| Market Towns: Ely                          | 656                      | 117                    | -539                      | 656                     | -                                    | -  | -                                     |
| Market Towns: Huntingdon                   | 578                      | -                      | -578                      | 578                     | -                                    | -  | -                                     |
| Market Towns: Littleport                   | -                        | -                      | -                         | -                       | -                                    | -  | -                                     |
| Market Towns: March                        | 550                      | -                      | -550                      | 550                     | -                                    | -  | -                                     |
| Market Towns: Ramsey                       | 705                      | -                      | -705                      | 705                     | -                                    | -  | -                                     |
| Market Towns: Soham                        | 200                      | 18                     | -182                      | 200                     | -                                    | -  | -                                     |
| Market Towns: St Ives                      | 620                      | -                      | -620                      | 620                     | -                                    | -  | -                                     |
| Market Towns: St Neots                     | 220                      | -                      | -220                      | -                       | -220                                 | -220   | 220                                   |
| Market Towns: Whittlesey                   | 500                      | 58                     | -443                      | 500                     | -                                    | -  | -                                     |
| Market Towns: Wisbech                      | 601                      | 20                     | -582                      | 601                     | -                                    | -  | -                                     |
| Metalcraft (Advanced Manufacturing)        | 2,979                    | 1,963                  | -1,016                    | 2,979                   | -                                    | -  | -                                     |
| Peterborough City Centre                   | 681                      | 673                    | -7                        | 681                     | -                                    | -  | -                                     |
| South Fen Business Park                    | 997                      | 51                     | -946                      | 997                     | -                                    | -  | -                                     |
| St Neots Masterplan                        | 190                      | 20                     | -170                      | 20                      | -171                                 | -171   | -                                     |
| Start Codon (Equity)                       | 2,226                    | 456                    | -1,770                    | 1,000                   | -1,226                               | -  | 1,226                                 |
| The Growth Service Company                 | 3,000                    | -                      | -3,000                    | 2,000                   | -1,000                               | -1,000   | 1,000                                 |
| TTP Incubator                              | 33                       | 33                     | -                         | 33                      | -                                    | -  | -                                     |
| University of Peterborough Phase 2         | 14,600                   | 13,400                 | -1,200                    | 14,600                  | -                                    | -  | -                                     |
| <b>Total Business and Skills</b>           | <b>66,885</b>            | <b>24,129</b>          | <b>-42,756</b>            | <b>40,302</b>           | <b>-26,583</b>                       | <b>-47,029</b>                                 | <b>26,494</b>                         |

|  | Approved Budget<br>£'000 | 21-22 Actuals<br>£'000 | Balance to Spend<br>£'000 | Forecast Spend<br>£'000 | Forecast Over (Under) spend<br>£'000 | Change to Forecast Over (Under) spend<br>£'000 | Requested Slippage (inc STA)<br>£'000 |
|--|--------------------------|------------------------|---------------------------|-------------------------|--------------------------------------|--|---------------------------------------|
| <b><u>Delivery and Strategy</u></b>                        |                          |                        |                           |                         |                                      |  |                                       |
| A10 Dualling   | -                        | -                      | -                         | 100                     | 100                                  | -  | -100                                  |
| A1260 Nene Parkway Junction 15                             | 3,222                    | 11                     | -3,211                    | 429                     | -2,793                               | -2,793   | 2,793                                 |
| A1260 Nene Parkway Junction 32/3                           | 239                      | 129                    | -110                      | 213                     | -26                                  | -26  | 5,056                                 |
| A16 Norwood Dualling                                       | 626                      | 67                     | -559                      | 376                     | -250                                 | -151   | 670                                   |
| A505 Corridor  | 143                      | 6                      | -137                      | 6                       | -137                                 | -  | 137                                   |
| A605 Stanground - Whittlesea                               | 217                      | -                      | -217                      | -                       | -217                                 | -  | -                                     |
| CAM Innovation Company Set up                              | 2,000                    | -                      | -2,000                    | 2,000                   | -                                    | -  | -                                     |
| CAM Delivery to OBC  | 250                      | -                      | -250                      | 150                     | -100                                 | -  | -                                     |
| Coldhams Lane roundabout improvements                      | 234                      | -                      | -234                      | -                       | -234                                 | -  | 2,434                                 |
| Digital Connectivity Infrastructure Programme              | 3,139                    | 753                    | -2,386                    | 1,307                   | -1,831                               | -31  | 618                                   |
| Ely Area Capacity Enhancements                             | 326                      | 202                    | -124                      | 202                     | -124                                 | -  | 124                                   |
| Fengate Access Study - Eastern Industries Access - Phase 1 | 477                      | 282                    | -195                      | 394                     | -83                                  | 77   | 83                                    |
| Fengate Access Study - Eastern Industries Access - Phase 2 | 161                      | 119                    | -42                       | 186                     | 25                                   | 25   | -25                                   |
| Local Highways Maintenance & Pothole (with PCC and CCC)    | 27,695                   | 27,695                 | -                         | 27,695                  | -                                    | -  | -                                     |
| King's Dyke  | 7,589                    | 5,821                  | -1,767                    | 7,589                   | -                                    | -  | 2,100                                 |
| Lancaster Way  | 500                      | -                      | -500                      | -                       | -500                                 | -387   | -                                     |
| March Junction Improvements                                | 3,624                    | 903                    | -2,721                    | 2,083                   | -1,541                               | -1,541   | 2,769                                 |
| Regeneration of Fenland Railway Stations                   | 2,610                    | -                      | -2,610                    | 2,657                   | 47                                   | -  | 627                                   |
| Soham Station  | 9,244                    | 9,975                  | 732                       | 9,482                   | 238                                  | -  | -238                                  |
| Transport Modelling  | 750                      | 10                     | -740                      | 50                      | -700                                 | -504   | 700                                   |
| Wisbech Access Strategy                                    | 2,739                    | 859                    | -1,880                    | 2,739                   | -                                    | -  | -                                     |
| Wisbech Rail   | 306                      | -                      | -306                      | 110                     | -196                                 | -196   | 2,883                                 |
| <b>Total Delivery and Strategy</b>                         | <b>66,089</b>            | <b>46,833</b>          | <b>-19,256</b>            | <b>57,768</b>           | <b>-8,321</b>                        | <b>-5,527</b>                                  | <b>20,630</b>                         |

|   | Approved<br>Budget<br>£'000 | 21-22<br>Actuals<br>£'000 | Variance<br>to Budget<br>£'000 | Forecast<br>Spend<br>£'000 | Forecast Over<br>(Under) spend<br>£'000 | Change to<br>Forecast Over<br>(Under) spend<br>£'000 | Requested<br>Slippage<br>(inc STA)<br>£'000 |
|---|-----------------------------|---------------------------|--------------------------------|----------------------------|---|--|---|
| <b><u>Housing</u></b>                         |                             |                           |                                |                            |   |  |   |
| Affordable Housing Grant Programme            | 25,119                      | 893                       | -24,226                        | 24,355                     | -764                                    | 4,929  | 764   |
| Housing Investment Fund - contracted payments | 11,841                      | 8,304                     | -3,536                         | 10,196                     | -1,645                                  | -974   | 1,645                                       |
| <b>Total Housing</b>                          | <b>36,960</b>               | <b>9,197</b>              | <b>-27,763</b>                 | <b>34,551</b>              | <b>-2,409</b>                           | <b>3,955</b>   | <b>2,409</b>                                |
|   |                             |                           |                                |                            |   |  |   |
|   | Approved<br>Budget<br>£'000 | 21-22<br>Actuals<br>£'000 | Variance<br>to Budget<br>£'000 | Forecast<br>Spend<br>£'000 | Forecast Over<br>(Under) spend<br>£'000 | Change to<br>Forecast Over<br>(Under) spend<br>£'000 | Requested<br>Slippage<br>(inc STA)<br>£'000 |
| <b><u>Corporate Services</u></b>              |                             |                           |                                |                            |   |  |   |
| ICT Capital Costs                             | 44                          | -                         | -44                            | 44                         | -                                       | -  |   |
| Investment in Finance System                  | -                           | -                         | -                              | -                          | -                                       | -  | 150   |
| <b>Total Corporate Services</b>               | <b>44</b>                   | <b>-</b>                  | <b>-44</b>                     | <b>44</b>                  | <b>-</b>                                | <b>-</b>   | <b>150</b>                                  |
|   |                             |                           |                                |                            |   |  |   |
| <b>Total Capital Programme</b>                | <b>169,977</b>              | <b>80,159</b>             | <b>-89,818</b>                 | <b>132,665</b>             | <b>-37,313</b>                          | <b>-48,601</b>                                       | <b>49,683</b>                               |

## Appendix 3: Capital Programme

|   | Approved to Spend Budgets |                  |                  |                  | Total approved spend<br>£'000 | Subject to Approval budget |                  |                  |                  | Total project budgets<br>£'000 |
|---|---------------------------|------------------|------------------|------------------|-------------------------------|----------------------------|------------------|------------------|------------------|--------------------------------|
|   | 2021-22<br>£'000          | 2022-23<br>£'000 | 2023-24<br>£'000 | 2024-25<br>£'000 |                               | 2021-22<br>£'000           | 2022-23<br>£'000 | 2023-24<br>£'000 | 2024-25<br>£'000 |                                |
| <b><u>Business and Skills</u></b>           |                           |                  |                  |                  |                               |                            |                  |                  |                  |                                |
| AEB Innovation Fund                         | 324                       | -                | -                | -                | 324                           | -                          | -                | -                | -                | 324                            |
| Cambridge Biomedical MO Building            | 1,702                     | -                | -                | -                | 1,702                         | -                          | -                | -                | -                | 1,702                          |
| Cambridge City Centre                       | 691                       | -                | -                | -                | 691                           | -                          | -                | -                | -                | 691                            |
| CRC Construction and Digital Refurbishment  | 911                       | -                | -                | -                | 911                           | -                          | -                | -                | -                | 911                            |
| COVID and Capital Growth Grant Scheme       | 7                         | -                | -                | -                | 7                             | -                          | -                | -                | -                | 7                              |
| Eastern Agritech Initiative                 | 100                       | -                | -                | -                | 100                           | -                          | -                | -                | -                | 100                            |
| GSE Green Home Grant Capital Programme Ph 2 | 31,500                    | 21,840           | -                | -                | 53,340                        | -                          | -                | -                | -                | 53,340                         |
| GSE Green Home Grant Capital Programme Ph 3 | -                         | 73,675           | -                | -                | 73,675                        | -                          | -                | -                | -                | 73,675                         |
| GSE Home Upgrade Grant                      | -                         | 29,610           | -                | -                | 29,610                        | -                          | -                | -                | -                | 29,610                         |
| Illumina Accelerator                        | 1,000                     | 1,000            | -                | -                | 2,000                         | -                          | -                | -                | -                | 2,000                          |
| March Adult Education                       | 314                       | -                | -                | -                | 314                           | -                          | -                | -                | -                | 314                            |
| Market Towns: Chatteris                     | 1,000                     | -                | -                | -                | 1,000                         | -                          | -                | -                | -                | 1,000                          |
| Market Towns: Ely                           | 656                       | 344              | -                | -                | 1,000                         | -                          | -                | -                | -                | 1,000                          |
| Market Towns: Huntingdon                    | 578                       | -                | -                | -                | 578                           | -                          | 422              | -                | -                | 1,000                          |
| Market Towns: Littleport                    | -                         | -                | -                | -                | -                             | -                          | 1,000            | -                | -                | 1,000                          |
| Market Towns: March                         | 550                       | 1,550            | -                | -                | 2,100                         | -                          | -                | -                | -                | 2,100                          |
| Market Towns: Ramsey                        | 705                       | 295              | -                | -                | 1,000                         | -                          | -                | -                | -                | 1,000                          |
| Market Towns: Soham                         | 200                       | 470              | -                | -                | 670                           | -                          | 330              | -                | -                | 1,000                          |
| Market Towns: St Ives                       | 620                       | -                | -                | -                | 620                           | -                          | 380              | -                | -                | 1,000                          |
| Market Towns: St Neots                      | 220                       | 921              | 1,959            | -                | 3,100                         | -                          | -                | -                | -                | 3,100                          |
| Market Towns: Whittlesey                    | 500                       | 500              | -                | -                | 1,000                         | -                          | -                | -                | -                | 1,000                          |
| Market Towns: Wisbech                       | 601                       | 399              | -                | -                | 1,000                         | -                          | -                | -                | -                | 1,000                          |
| Metalcraft (Advanced Manufacturing)         | 2,979                     | -                | -                | -                | 2,979                         | -                          | -                | -                | -                | 2,979                          |
| Peterborough City Centre                    | 681                       | -                | -                | -                | 681                           | -                          | -                | -                | -                | 681                            |
| South Fen Business Park                     | 997                       | -                | -                | -                | 997                           | -                          | -                | -                | -                | 997                            |
| St Neots Masterplan                         | 190                       | 95               | -                | -                | 285                           | -                          | -                | -                | -                | 285                            |
| Start Codon (Equity)                        | 2,226                     | -                | -                | -                | 2,226                         | -                          | -                | -                | -                | 2,226                          |
| The Growth Service Company                  | 3,000                     | 3,000            | 3,000            | -                | 9,000                         | -                          | -                | -                | -                | 9,000                          |
| TTP Incubator                               | 33                        | -                | -                | -                | 33                            | -                          | -                | -                | -                | 33                             |

|                                    | Approved to Spend Budgets |                  |                  |                  | Total approved spend<br>£'000 | Subject to Approval budget |                  |                  |                  | Total project budgets<br>£'000 |
|------------------------------------|---------------------------|------------------|------------------|------------------|-------------------------------|----------------------------|------------------|------------------|------------------|--------------------------------|
|                                    | 2021-22<br>£'000          | 2022-23<br>£'000 | 2023-24<br>£'000 | 2024-25<br>£'000 |                               | 2021-22<br>£'000           | 2022-23<br>£'000 | 2023-24<br>£'000 | 2024-25<br>£'000 |                                |
| <b><u>Business and Skills</u></b>  |                           |                  |                  |                  |                               |                            |                  |                  |                  |                                |
| University of Peterborough Phase 2 | 14,600                    | -                | -                | -                | 14,600                        | -                          | -                | -                | -                | 14,600                         |
| University of Peterborough Phase 3 | -                         | 2,000            | -                | -                | 2,000                         | -                          | -                | -                | -                | 2,000                          |
| <b>Total Business and Skills</b>   | <b>66,885</b>             | <b>135,699</b>   | <b>4,959</b>     | <b>-</b>         | <b>207,543</b>                | <b>-</b>                   | <b>2,132</b>     | <b>-</b>         | <b>-</b>         | <b>209,675</b>                 |

|   | Approved to Spend Budgets |                  |                  |                  | Total approved to spend<br>£'000 | Subject to Approval budget |                  |                  |                  | Total project budgets<br>£'000 |
|---|---------------------------|------------------|------------------|------------------|----------------------------------|----------------------------|------------------|------------------|------------------|--------------------------------|
|   | 2021-22<br>£'000          | 2022-23<br>£'000 | 2023-24<br>£'000 | 2024-25<br>£'000 |                                  | 2021-22<br>£'000           | 2022-23<br>£'000 | 2023-24<br>£'000 | 2024-25<br>£'000 |                                |
| <b><u>Delivery and Strategy</u></b>                     |                           |                  |                  |                  |                                  |                            |                  |                  |                  |                                |
| A10 Dualling  | -                         | 4,000            | -                | -                | 4,000                            | -                          | -                | -                | -                | 4,000                          |
| A1260 Nene Parkway Junction 15                          | 3,222                     | 5,000            | -                | -                | 8,222                            | -                          | -                | -                | -                | 8,222                          |
| A1260 Nene Parkway Junction 32/3                        | 239                       | -                | -                | -                | 239                              | 5,030                      | 1,500            | -                | -                | 6,769                          |
| A141 capacity enhancements                              | -                         | -                | -                | -                | -                                | -                          | 650              | 1,300            | 2,300            | 4,250                          |
| A16 Norwood Dualling                                    | 626                       | -                | -                | -                | 626                              | 420                        | 12,000           | -                | -                | 13,046                         |
| A505 Corridor   | 143                       | -                | -                | -                | 143                              | -                          | -                | -                | -                | 143                            |
| A605 Stanground - Whittlesea                            | 217                       | -                | -                | -                | 217                              | -                          | -                | -                | -                | 217                            |
| CAM Delivery to OBC                                     | 250                       | -                | -                | -                | 250                              | -                          | -                | -                | -                | 250                            |
| CAM Innovation Company Set up                           | 2,000                     | -                | -                | -                | 2,000                            | -                          | -                | -                | -                | 2,000                          |
| Care Homes Reterofit Programme                          | -                         | -                | -                | -                | -                                | -                          | 1,000            | 1,000            | -                | 2,000                          |
| City of Cambridge Culture - Capital                     | -                         | -                | -                | -                | -                                | -                          | 183              | 153              | 30               | 366                            |
| Coldhams Lane roundabout improvements                   | 234                       | -                | -                | -                | 234                              | 2,200                      | -                | -                | -                | 2,434                          |
| Digital Connectivity Infrastructure Programme           | 3,139                     | 1,500            | 1,500            | 1,500            | 7,639                            | -                          | -                | -                | -                | 7,639                          |
| Ely Area Capacity Enhancements                          | 326                       | -                | -                | -                | 326                              | -                          | -                | -                | -                | 326                            |
| Fengate Access Study Eastern Industries Access - Ph1    | 477                       | -                | -                | -                | 477                              | -                          | 5,380            | -                | -                | 5,857                          |
| Fengate Access Study Eastern Industries Access - Ph2    | 161                       | 895              | 895              | -                | 1,951                            | -                          | -                | -                | -                | 1,951                          |
| Greater Cambridge Chalk Stream - Capital                | -                         | -                | -                | -                | -                                | -                          | 100              | 100              | 100              | 300                            |
| Hunts Biodiversity for all - Capital                    | -                         | -                | -                | -                | -                                | -                          | 400              | 400              | 400              | 1,200                          |
| King's Dyke   | 7,589                     | -                | -                | -                | 7,589                            | 2,100                      | -                | -                | -                | 9,689                          |
| Lancaster Way   | 500                       | -                | -                | -                | 500                              | -                          | -                | -                | -                | 500                            |
| Local Highways Maintenance & Pothole (with PCC and CCC) | 27,695                    | 27,695           | 27,695           | 27,695           | 110,780                          | -                          | -                | -                | -                | 110,780                        |

|   |               |               |               |               |                |               |               |               |              |                |
|---|---------------|---------------|---------------|---------------|----------------|---------------|---------------|---------------|--------------|----------------|
| Logan's Meadow Nature Reserve             | -             | -             | -             | -             | -              | -             | 250           | 30            | -            | 280            |
| Meanwhile, North East Cambridge - Capital | -             | -             | -             | -             | -              | -             | -             | 1,000         | -            | 1,000          |
| March Junction Improvements               | 3,624         | -             | -             | -             | 3,624          | 1,228         | -             | -             | -            | 4,852          |
| Nature and Environment Investment Fund    | -             | -             | -             | -             | -              | -             | 1,000         | -             | -            | 1,000          |
| Net Zero Villages Fund                    | -             | -             | -             | -             | -              | -             | 1,000         | -             | -            | 1,000          |
| Regeneration of Fenland Railway Stations  | 2,610         | -             | -             | -             | 2,610          | 674           | -             | -             | -            | 3,284          |
| Soham Station                             | 9,244         | 4,000         | -             | -             | 13,244         | -             | -             | -             | -            | 13,244         |
| Snailwell Loop                            | -             | -             | -             | -             | -              | 500           | -             | -             | -            | 500            |
| St Ives (SOBC, OBC & FBC)                 | -             | -             | -             | -             | -              | 500           | 1,000         | 1,400         | 1,500        | 4,400          |
| Transport Modelling                       | 750           | -             | -             | -             | 750            | -             | -             | -             | -            | 750            |
| Waterbeach solar PV vehicles - capital    | -             | -             | -             | -             | -              | -             | 2,000         | 700           | -            | 2,700          |
| Wisbech Access Strategy                   | 2,739         | -             | -             | -             | 2,739          | -             | -             | -             | -            | 2,739          |
| Wisbech Rail                              | 306           | -             | -             | -             | 306            | 2,688         | 3,000         | 5,000         | -            | 10,993         |
| <b>Total Delivery and Strategy</b>        | <b>66,089</b> | <b>43,090</b> | <b>30,090</b> | <b>29,195</b> | <b>196,159</b> | <b>15,340</b> | <b>29,463</b> | <b>11,083</b> | <b>4,330</b> | <b>228,679</b> |

|   | Approved to Spend Budgets |                  |                  |                  | Total approved to spend<br>£'000 | Subject to Approval budget |                  |                  |                  | Total project budgets<br>£'000 |
|---|---------------------------|------------------|------------------|------------------|----------------------------------|----------------------------|------------------|------------------|------------------|--------------------------------|
|   | 2021-22<br>£'000          | 2022-23<br>£'000 | 2023-24<br>£'000 | 2024-25<br>£'000 |                                  | 2021-22<br>£'000           | 2022-23<br>£'000 | 2023-24<br>£'000 | 2024-25<br>£'000 |                                |
| <b><u>Housing</u></b>                         |                           |                  |                  |                  |                                  |                            |                  |                  |                  |                                |
| Affordable Housing Grant Programme            | 25,119                    | -                | -                | -                | 25,119                           | -                          | -                | -                | -                | 25,119                         |
| Housing Investment Fund - contracted payments | 11,841                    | 593              | -                | -                | 12,434                           | -                          | -                | -                | -                | 12,434                         |
| <b>Total Housing</b>                          | <b>36,960</b>             | <b>593</b>       | <b>-</b>         | <b>-</b>         | <b>37,553</b>                    | <b>-</b>                   | <b>-</b>         | <b>-</b>         | <b>-</b>         | <b>37,553</b>                  |

|                                  | Approved to Spend Budgets |                  |                  |                  | Total approved to spend<br>£'000 | Subject to Approval budget |                  |                  |                  | Total project budgets<br>£'000 |
|----------------------------------|---------------------------|------------------|------------------|------------------|----------------------------------|----------------------------|------------------|------------------|------------------|--------------------------------|
|                                  | 2021-22<br>£'000          | 2022-23<br>£'000 | 2023-24<br>£'000 | 2024-25<br>£'000 |                                  | 2021-22<br>£'000           | 2022-23<br>£'000 | 2023-24<br>£'000 | 2024-25<br>£'000 |                                |
| <b><u>Corporate Services</u></b> |                           |                  |                  |                  |                                  |                            |                  |                  |                  |                                |
| Investment in Finance System     | -                         | -                | -                | -                | -                                | 150                        | -                | -                | -                | 150                            |
| ICT Capital costs                | 44                        | 42               | 42               | 42               | 169                              | -                          | -                | -                | -                | 169                            |
| Officer Fit-Out costs            | -                         | -                | -                | -                | -                                | -                          | 200              | -                | -                | 200                            |
| <b>Total Corporate Services</b>  | <b>44</b>                 | <b>42</b>        | <b>42</b>        | <b>38</b>        | <b>169</b>                       | <b>150</b>                 | <b>200</b>       | <b>-</b>         | <b>-</b>         | <b>519</b>                     |

|                                |                |               |               |               |                |               |               |              |              |                |
|--------------------------------|----------------|---------------|---------------|---------------|----------------|---------------|---------------|--------------|--------------|----------------|
| <b>Total Capital Programme</b> | <b>220,655</b> | <b>38,827</b> | <b>28,077</b> | <b>23,118</b> | <b>310,678</b> | <b>17,480</b> | <b>27,732</b> | <b>9,200</b> | <b>5,300</b> | <b>370,389</b> |
|--------------------------------|----------------|---------------|---------------|---------------|----------------|---------------|---------------|--------------|--------------|----------------|

## Appendix 4: Detailed Explanations of Material Variances

### Operational Revenue Variances >£100k

|  |              |                                |               |
|--|--------------|--------------------------------|---------------|
| <b>1. Committee/Business Board Allowances</b>  |              | Change in forecast expenditure | <b>-£119k</b> |
| 2021-22 Budget   | <b>£144k</b> | Forecast expenditure           | <b>£25k</b>   |
| <p>Per the Business Board's recommendation, 75% of their remuneration and expenses are being met from the Local Growth Fund topslice rather than from Enterprise Zone Receipts as was budgeted for. As such the expenditure charged to this line has been significantly reduced.</p> <p>As the Local Growth Funds have come to an end this is a one-year effect.</p> |              |                                |               |

### Workstream Revenue Variances >£250k

|  |                 |                           |                 |
|--|-----------------|---------------------------|-----------------|
| <b>2. AEB Devolution Programme</b>   |                 | Change in forecast income | <b>-£280k</b>   |
| 2021-22 Budget   | <b>£11,368k</b> | Forecast expenditure      | <b>£10,175k</b> |
| <p>The AEB Devolution programme has been forecasting an underspend against budget for most of the financial year.</p> <p>This underspend is made up of several component parts, including but not limited to:</p> <ul style="list-style-type: none"> <li>• Provider underperformance</li> <li>• COVID-19 pandemic impacts</li> <li>• Return of previous academic year underspend</li> <li>• Withdrawal of providers</li> </ul> <p>The increase in underspend for January 2022 is made up of the following:</p> <ul style="list-style-type: none"> <li>• -£145,657 return of underspend from the previous academic year</li> <li>• -£24,935 due to a withdrawal of a supplier from the current academic year</li> <li>• -£82,661 lower spend than forecast for the ITP's</li> </ul> <p>A paper is being taken to the March Skills Committee regarding funding flexibilities for the next academic year and several initiatives have been undertaken to mitigate the underspend including in-year growth cases and the procurement of new providers.</p> |                 |                           |                 |

|  |                |                                |                |
|--|----------------|--------------------------------|----------------|
| <b>3. Public Transport – Concessionary Fares</b>   |                | Change in forecast expenditure | <b>-£284k</b>  |
| 2021-22 Budget   | <b>£9,129k</b> | Forecast expenditure           | <b>£8,845k</b> |
| <p>The underspend on Public Transport Concessionary Fares is due to payment for transport providers remaining at pre-covid rates. The budget was originally set with an inflation element to be added to the rates paid each year to transport providers. This inflation element has not been applied to these rates in 2021-22, as we have been paying on-profile rather than based on actual ridership in line with national DfT instructions.</p> |                |                                |                |

### Capital Programme Variances >£500k

|   |                 |                                |                  |
|---|-----------------|--------------------------------|------------------|
| <b>4. Green Homes Grant Capital Programme</b>   |                 | Change in forecast expenditure | <b>-£23,282k</b> |
| 2021-22 Budget  | <b>£31,500k</b> | Forecast expenditure           | <b>£8,218k</b>   |
| <p>This budget was reprofiled at the January 2022 CA Board meeting further to the BEIS request for reprofile and repatriate forecast underspends. At this time, the end date of the programme was in dispute along with the delivery timetable.</p> <p>Subsequent to the reprofile, BEIS have since confirmed that, while works must be commissioned by the end of March 2022, programme delivery can continue through to June 2022 allowing providers to deliver services over a longer period to match supply chain requirements.</p> <p>The £23m underspend for this FY is a timing delay, rather than a further reduction in anticipated delivery, and the ringfenced funds are therefore requested to be slipped into 2022-23 to cover spend in the next financial year.</p> |                 |                                |                  |

|  |                |                                |               |
|--|----------------|--------------------------------|---------------|
| <b>5. Market Towns: Chatteris</b>  |                | Change in forecast expenditure | <b>-£564k</b> |
| 2021-22 Budget   | <b>£1,000k</b> | Forecast expenditure           | <b>£436k</b>  |
| <p>This forecast has been updated following a request from Chatteris Town Council which detailed that expenditure was no longer anticipated in the current financial year for the Local Skills Development and Civil Parking Enforcement elements of the programme.</p> <p>As both elements are still planned to be delivered in 2022-23 the budget is shown as forecasting a reduced spend this year and slippage requested into next year.</p> |                |                                |               |

|  |                |                                |                 |
|--|----------------|--------------------------------|-----------------|
| <b>6. The Growth Service Company</b>   |                | Change in forecast expenditure | <b>-£1,000k</b> |
| 2021-22<br>Approved Budget   | <b>£3,000k</b> | Forecast expenditure           | <b>£2,000k</b>  |
| <p>This budget line relates to the funding of small-scale equity investments into high growth potential companies, is funded by the LGF, and delivered by the Growth Co service.</p> <p>These equity awards have been delayed slightly due to the processes involved with the approvals of the funding. An equity investment panel exists that oversees, reviews and approves all applicants for this grant funding, and includes members from the Business Board as well as officers from both Growth Co and Growth Works.</p> <p>The original budget profile was the initial indicative forecast prior to the processes being established and enable the investments to begin. Equity investment grants were pushed towards the end of the 21/22 FY due to the time needed to set up panels and the market the investment offer.</p> <p>There are several funding applications that have been reviewed and approved, and it is expected that claims for these will be received in the next month.</p> <p>The underspend should be classed as slippage as the funding will be defrayed during the 22/23 FY.</p> |                |                                |                 |

|   |              |                                |               |
|---|--------------|--------------------------------|---------------|
| <b>7. Transport Modelling</b>   |              | Change in forecast expenditure | <b>-£504k</b> |
| 2021-22<br>Approved Budget  | <b>£750k</b> | Forecast expenditure           | <b>£50k</b>   |
| <p>The development of the regional transport model has been delayed, creating an underspend of £700k. Work was commissioned to put together a broad technical specification to accompany an invitation to tender to produce a full transport model. However, a study to consider the scope of the outputs and consider the best approach going forward, proposed the scope be changed from a regional transport model to the development of a data centre across all partners, for modelling across all disciplines (housing, economy, retail, education, transport, leisure) rather than just transport alone.</p> <p>Discussion as to the scope of the project continues with our partners. It is anticipated that a paper will be submitted to Transport &amp; Infrastructure Committee and Combined Authority Board in early 2022/23. Any unspent budget will be required in 2022/23 financial year, when a clearer idea of the scope of the project is expected.</p> |              |                                |               |

|  |                 |                                |                 |
|--|-----------------|--------------------------------|-----------------|
| <b>8. Affordable Housing Grant Programme</b>   |                 | Change in forecast expenditure | <b>£4,929k</b>  |
| 2021-22<br>Approved Budget   | <b>£25,119k</b> | Forecast expenditure           | <b>£24,355k</b> |
| <p>9 March 2022 Housing Committee agreed an updated grant for the affordable housing scheme at Wisbech Road. As well as increasing the value of the grant from £4.542m to £5.249m the amount of the grant due for starting on site increased from 25% to 75%, which increases the forecast for 21/22 by £2.8m.</p> <p>The remaining variance is largely due to a correction to the forecast for the start on site payments for 3 schemes which are expected to be paid in 22/23 now being accounted for in the 21/22 forecast on an accruals basis. These changes bring the outturn forecast closer to the budget.</p> |                 |                                |                 |

|   |                 |                                |                 |
|---|-----------------|--------------------------------|-----------------|
| <b>9. Housing Investment Fund</b>   |                 | Change in forecast expenditure | <b>-£974k</b>   |
| 2021-22<br>Approved Budget  | <b>£11,841k</b> | Forecast expenditure           | <b>£10,196k</b> |
| <p>The forecast has reduced due to updated drawdown forecasts for the affordable housing loans, reflecting the impact of Covid related delays.</p> <p>On the MOD Ely scheme spend has reduced as some of the units are now being sold without refurbishment.</p> <p>A 3-month extension to the Former Alexander House Ely loan was agreed at the 26th January Board meeting.</p> <p>All loans are being closely monitored and are anticipated to be repaid within terms of the current loan agreements.</p> |                 |                                |                 |

## Appendix 7 - Summary of Shortlisted Projects

### **Transport Model Replacement**

Procurement, commissioning, development, handover and operation of a Transport Analysis Guidance (TAG) compliant transport and land use model to replace the existing CSRM2 (Cambridge Sub-Region Model 2), including the collection of traffic and transport data, and extension of coverage to all of Cambridgeshire and Peterborough. Cambridgeshire and Peterborough currently operate two different models and this scheme will ensure that the resultant modelling system will work successfully, both for each location, and the CPCA area as a whole with the necessary component parts.

The new modelling system for Cambridgeshire and Peterborough will allow for:

- The production of transport evidence bases to support Local Plan development
- The assessment and production of business cases for transport schemes that are compliant with Department for Transport and Treasury guidance and with Combined Authority and local council assurance protocols.
- The production of transport and related metrics and data that cover the whole CPCA area the constituent local authority areas, and more localised data as required, including data to inform environmental, carbon, air quality and health assessments.

### **Peterborough Electric Buses**

The 350 strong bus network across Cambridgeshire and Peterborough is predominantly operated by diesel fueled vehicles from two depot locations. The business case this funding seeks to progress will establish the case for two activities as set out below. This case will feed into funding bids including the Bus Service Improvement Plan (BSIP) and the Zero Emissions Busses Regional Area (ZEBRA) aimed at unlocking the large scale capital investment required to deliver the zero emissions vision.

1. Undertake an Options Appraisal to identify the requirements for a new bus depot in Peterborough. The current bus depot is located in a busy, built-up part of the city. Not only is the location unsuitable but, crucially, the restricted size of the site means that it could not be retrofitted to enable a transition to a low carbon fleet.

The aim of the Options Appraisal is to develop a specification for a new depot, identify geographic constraints and determine the different economic models available to finance a new depot including exploring restrictions relating to potential state aid. At this stage the Council is only seeking to secure the budget to undertake the Options Appraisal, but it should be noted that funding is likely to be required in the future to relocate the depot depending on the options identified.

2. Convert the Cambridgeshire and Peterborough bus fleet to low carbon vehicles. The CPCA have committed that Buses operating within the CPCA area with public subsidies should be zero emission by 2030 (with progress by 2025). In order to achieve this all 350 of the current bus fleet operating need to be converted to alternative fuels. The CPCA have already developed a ZEBRA bid detailing how 30 buses will be financed initially with contributions from both the DfT, local operators and the CPCA and, the CPCA's Bus Service Improvement Plan bid includes funding to continue this roll-out across the whole of the area's fleet.

## **Active Travel Funding**

During the longlisting process every area of the Combined Authority put forward proposals to encourage the uptake of active travel. This budget ringfences a sizeable investment into active travel which the Combined Authority will allocate to help facilitate a modal shift away from private vehicle use to healthier, more sustainable alternatives. Examples of such projects include Fletton Quays footbridge, the A10 footbridge at Lancaster Way Ely, and the Peterborough Green Wheel.

## **Further Education Cold Spots**

The Combined Authority, together with our constituent local authorities: Cambridgeshire County Council, Huntingdon District Council and East Cambridgeshire Council are seeking Gainshare funding of £4.8m to initiate two new Post 16 education and training provisions in St Neots and East Cambridgeshire for c.4000 students. The funding from Gainshare will leverage further capital investment from the Department for Education (DfE) Capital Transformation Fund and Post 16 Demographic Growth Funds and/or local match funds, to address the gap in further education provision in the East and West of the sub-region.

The funding from Gainshare for this proposal provides a modest investment to ensure there is strategic alignment with the Employment and Skills Strategy. This will kick-start two major legacy projects for the Combined Authority, which will provide education and training opportunities for future generations and would not proceed without Combined Authority intervention.

Gainshare funding will be used to undertake a feasibility study for the proposed two campuses, legal due diligence, identification of education partners, preparation of funding applications and local 'match' to lever DfE and other capital funding.

## **Market Towns and Villages**

A continuation of the Market Towns Programme to support economic vitality and renaissance in our market towns, villages, and rural communities. To strengthen and improve the local offer to benefit all sections of the community, and to allow people to deepen their social, employment and learning networks in rural locations. All key elements in realising the potential of towns to act as service centers for their catchment areas, and particularly important for the relationship between our two core cities and the rural hinterlands.

Targeted intervention to support the creation and growth of local Social Enterprises. Like traditional businesses these community-based entities aim to make a profit but reinvest or donate financial gains to create positive social change locally. By supporting the social enterprise sectors to operate in the open market allows them to help tackle social problems, improve people's life chances, provide training and employment opportunities for those furthest from the market, support communities and help the environment. This will include support for Cultural industries to help overcome the negative impacts of social isolation within communities, and to provide the opportunity for people of all ages to participate in local cultural activities and promote positive community wellbeing.

## **Growth Works Equity Fund**

Equity Fund for SME growth businesses, and those operating in the green sector/low carbon sectors, to access funding across Cambridgeshire and Peterborough. Secondly the Fund will also create a unique approach to funding social enterprises and co-operatives (SEs) through a similar equity-based approach. The investments also specifically tackle the absence of funding to high growth, young businesses.

It is well documented that this segment of SMEs has a structural issue in access to finance. A combination including a lack of historical cashflow and physical assets places them in the too difficult to bank through banking channels and too large for start-up facilities. Private equity and venture capital larger sums surface more rapidly in the businesses life cycle around Series B (£5m to £10m) where the investment focus is on high-tech, secured IP based scale-ups with much higher revenues and growth rates. There is a clear gap that government continually seeks to fill through funds such as Seed to Series B. This initiative aims to follow the success of the Covid Future Fund, where it proved demand for matched investment of £125k to £1m by shareholders and government for equity investment to drive high growth SME businesses.

Investing at a broad range from £25k to £500k across a portfolio as a revolving fund with planned exit strategies, working with growing companies to create opportunities for re-investing with 70% of total fund coming back within 10 years for funding Round 2.

The fund splits across 3 pots:

- Pot 1: 50% of total fund invested in high growth projected firms (to create higher value knowledge intensive jobs) £4.75m (+ £4.75m raised investment match)
- Pot 2: 30% invested in firms green growth (low carbon products/services or investing in adaptations) £2.85 (+ £2.85m raised investment match) – targeting reduction in carbon emissions
- Pot 3: 20% invested in inclusive firms (Cooperatives, Community Interest Companies, Business Representative Organisations, GLG's, employee, member owned; Social Enterprises (SEs)) £1.9m (no match requirement) with 5+ year investment plan exit

Private companies to secure match investment funding (Pots 1 and 2) totaling with match: £17.1m



**‘GREEN HOMES GRANT LOCAL AUTHORITY  
DELIVERY PHASE 2 MEMORANDUM OF  
UNDERSTANDING ’**



Department for  
Business, Energy  
& Industrial Strategy

Date: 20/12/2021

**Delivery deadline of LAD Phase 2 MOU to June 2022**

To Whom It May Concern

As per the Secretary of State decision to allow continued delivery of LAD Phase 2 we would like to inform you that you will be granted additional time to complete your works with a new delivery completion date of 30th June 2022. This is conditional upon signing and returning before 28 January 2022 a copy of this addendum to the ‘Green Homes Grant Local Authority Delivery Phase 2 Memorandum of Understanding’ agreeing the following changes to the MOU.

**CHANGED DEFINITIONS**

**“Funding Period”** is the period from initial allocation of the Grant to 30<sup>th</sup> June 2022.

**“Phase 2”** means the Green Homes Grant Local Authority Delivery Phase 2, comprising the activities and outcomes for the Funding Period in line with the Sourcing Strategy, and which starts on the date of this MOU and concludes 30<sup>th</sup> June 2022.

**“Eligible Household”** means a domestic dwelling in England that has an energy performance certificate rating of Band D, E, F or G and occupied by those with an annual household income of no more than £30,000. Note that Band D properties should account for no greater than 50% of total homes upgraded across the region.

From the date of this amendment to the MOU, additional Band D homes can be included over the 50% cap with the prior written approval from BEIS. However BEIS expects Hubs to continue to target EFG homes as a priority and minimise the proportion of additional Band Ds upgraded with LAD funding. Breaching the 50% Band D cap may be allowed by exception and will need prior written approval from BEIS, which can be obtained through BEIS’s change control process.

Additional Band Ds may be allowed provided that Local Net Zero Hubs follow a fabric-first approach, prioritising insulation measures which will have the largest improvement in thermal efficiency, carbon savings, and reduction in energy bills. Heat pumps can be installed in well-insulated properties, where their installation will not lead to an increase in energy bills for fuel poor households. Other measures such as solar PV should be minimised or, where proposed, a clear rationale for these measures must be provided, for example installing Solar PV to electric homes that have already been insulated.

BEIS also expects Hubs to follow a ‘worst-first’ approach with these additional Band D properties, so that the properties with the lowest SAP scores in the band are treated first where possible.

Under Phase 2, alternate methodologies for identifying eligible households may be used where there is clear evidence, they are targeting low-income households likely to be in fuel poverty. An alternate methodology may include total household incomes above the £30,000 threshold, for example in certain areas where higher housing costs mean the resultant household income after housing costs is likely to be below £20,000, or where the household composition means that incomes are stretched across many dependent children. A viable way of targeting fuel poverty households would be to use the income thresholds set out in Annex 6 of the Energy Company Obligation flexible eligibility guidance for Local Authorities.

## **CHANGED BACKGROUND**

*Paragraph 8:* The GHG LAD scheme sets out to improve low energy performance homes in England by installing Eligible Measures. An initial competition (Phase 1A) was launched in August 2020 with a delivery deadline of March 2021. A second round of the Local Authority competition (Phase 1B) launched in October 2020 with a delivery deadline of 29<sup>th</sup> April 2022. A further £300m is planned to be allocated through Local Net Zero Hubs for regional delivery commencing in 2021, with a delivery deadline of 30<sup>th</sup> June 2022 (Phase 2). In order to support the early creation of jobs as part of a green recovery, Local Net Zero Hubs will maximise delivery, so far as reasonably possible, by the end of March 2022 (“prioritised delivery”).

Hubs are required to complete all household registration for LAD Phase 2 by 31<sup>st</sup> March 2022 and installations carried out by 30<sup>th</sup> June 2022 unless additional time is agreed with BEIS under exceptional circumstances. Households signed up post 31<sup>st</sup> March cannot be actioned under LAD Phase 2. This will be tracked monthly through delivery of Eligible Measures. Hubs are required to register measures with Trustmark and submit their final report no later than 29<sup>th</sup> July 2022.

## **CHANGED PARAGRAPHS – THE GRANT**

*Paragraph 15:* The Grant is made available for use during the period from the date of this MOU until 30<sup>th</sup> June 2022

## **CHANGED PARAGRAPHS – AGREED USE OF UNDERSPEND**

*Paragraph 47:* In the event that the Authority does not use all the Grant to secure delivery of the Proposal by 30<sup>th</sup> June 2022

- a. The Parties will work together to agree how the Authority will spend any unspent Grant funding in line with the expected outcomes of the GHG LAD; and
- b. If the Parties are unable to reach an agreement described in sub-paragraph(a), the Authority agrees to repay the unspent Grant within 30 days of 30<sup>th</sup> June 2022.

*New paragraph 63A* **NEW KPI FORECAST AND EXTENDED REVIEW PERIOD**

The Authority will provide to the Project Team a new KPI forecast demonstrating delivery until 30 June 2022, to be received no later than 28 January 2022.

The Authority will work with the Project Team to undertake a review of their project and confidence in delivering by 30 June 2022. The review will take into account information in the Monthly Reports and performance against the KPIs and the MOU outcomes, as well as progress against the Proposal.

**ANNEX B – Grant Conditions**

*Annex B, Para 2:* The Chief Executive and Chief Internal Auditor of each of the recipient authorities are required to sign and return to the team leader of the Energy Efficiency and Local Division of the Department for Business Energy and Industrial Strategy a declaration to be received no later than 29 July 2022 in the following terms:

“To the best of our knowledge and belief, and having carried out appropriate investigations and checks, in our opinion, in all significant respects, the conditions attached to GREEN HOMES GRANT: LOCAL AUTHORITY DELIVERY GRANT DETERMINATION (2020): No 31/5187 have been complied with”.

**Signed for and on behalf of the Secretary  
of State.  
Signature**

**Signed for and on behalf of the Authority.  
Local Authority Name:  
Signature:**

**Name: Steph Hurst  
Position: Deputy Director  
Date:**

**Name:  
Position:  
Date:**



**‘GREEN HOMES GRANT LOCAL AUTHORITY  
DELIVERY PHASE 2 MEMORANDUM OF  
UNDERSTANDING ’**



Department for  
Business, Energy  
& Industrial Strategy

Date: 24/02/2022

**LAD Phase 2 MOU – South East HUB**

**RETURN OF UNSPENT GRANT**

To Whom It May Concern,

Following the Secretary of State decision to allow continued delivery of LAD Phase 2, with a new delivery completion date of 30 June 2022, the parties to the ‘Green Homes Grant Local Authority Delivery Phase 2 Memorandum of Understanding’ have agreed the following addendum to that MOU:

**CHANGED PARAGRAPHS AGREED USE OF UNDERSPEND:**

Paragraph 47: In the event that the Authority considers that it will not be able to use, or does not use all the Grant to secure delivery of the Proposal by 30th June 2022:

- a. The Parties will work together to agree how the Authority will spend any unspent Grant funding in line with the expected outcomes of the GHG LAD; and
- b. If the Parties are unable to reach an agreement described in sub-paragraph(a), the Authority agrees to repay the unspent Grant within 30 days of the conclusion of attempts to reach an agreement or by 30th July 2022, whichever is the earlier.

**RETURN OF UNDERSPENT FUNDING:**

| Activity | Amount of underspend to be returned: |
|----------|--------------------------------------|
| Delivery | £22,000,000                          |

*In accordance with the updated paragraph 47 of the MOU, it is hereby agreed between the Authority and the Secretary of State that the sum of £22,000,000 will be returned to BEIS by the Authority by no later than Monday 28<sup>th</sup> February 2022.*

*It is also agreed that the Recovery Plan provided by the Authority shall form part of this addendum to the MOU and shall be subject to review (Dates to be agreed) between both parties until 30<sup>th</sup> June 2022.*

**Signed for and on behalf of the Secretary  
of State.  
Signature**

**Name: Shaun Garvey  
Position: Deputy Director  
Date:**

**Signed for and on behalf of the Authority.  
Local Authority Name:  
Signature:**

**Name:  
Position:  
Date:**



**CAMBRIDGESHIRE  
& PETERBOROUGH**  
COMBINED AUTHORITY

Agenda Item No: 2.2

## 2022-23 Financial Strategies

To: Cambridgeshire and Peterborough Combined Authority Board

Meeting Date: 30 March 2022

Public report: Yes

From: Jon Alsop, Chief Finance Officer

Key Decision: No

Forward Plan ref: n/a

Recommendations: The Combined Authority Board is recommended to:

- a) Approve the following financial strategies:
  - i. The Capital Strategy 2022-23
  - ii. The Investment Strategy 2022-23
  - iii. The Treasury Management Strategy 2022-23
- b) Approve the Minimum Revenue Provision statement for 2022-23

Voting arrangements: A simple majority of members present and voting.

To be carried, the vote must include the vote of the Mayor, or the Deputy Mayor when acting in place of the Mayor.

## 1. Purpose

- 1.1 The purpose of the report is for the Combined Authority Board to review and approve the proposed Financial Strategies and Minimum Revenue Provision statement for 2022/23.

## 2. Background

- 2.1. Under the Combined Authority's Constitution the Combined Authority Board is responsible for the adoption of, and any amendments to, the Financial Strategies.
- 2.2. According to its Terms of Reference, the Audit and Governance Committee shall "ensure there is effective scrutiny of the treasury management strategy and policies in accordance with CIPFA's Code of Practice".
- 2.3. The Audit and Governance Committee have reviewed the revised strategies for 2022-23 at their January and March meetings and their views are reflected in the proposed documents.

## 3. 2022-23 Strategies

- 3.1. The following strategies have been updated for 2022-23 and are attached as Appendix 1.

**(a) Capital Strategy:** To provide a high-level overview for elected members to understand how stewardship, value for money, prudence, sustainability and affordability will be secured.

**(b) Treasury Management Strategy:** Being the management of the Authority's cash flows, borrowing and investments and the associated risks.

**(c) Investment Strategy:** To meet the requirements of statutory guidance in which the Authority would support local public services by lending to or buying shares in other organisations, or to earn investment income.

**(d) Minimum Revenue Provision Statement:** A DLUCH requirement to approve an MRP Statement each year to ensure that capital expenditure is financed over a reasonable period

- 3.2. The Board is asked to review the suite of strategies for adoption from the 1<sup>st</sup> April 2022.

## 4. Changes since the 2021/22 Strategies

### Minimum Revenue Provision Statement

- 4.1. The MRP statement has been updated to reflect the change to accounting standards relating to leases (International Financial Reporting Standard 16) which comes into force for Local Authorities on the 1st April 2022. The only material lease the Combined Authority holds is for the office space in Ely on a short-term contract, but we are anticipating starting

a lease on a new office for the Combined Authority within the year.

- 4.2. This change in accounting standards is aimed to recognise leased assets, and liabilities, onto an organisation's balance sheet as it was possible for entities to 'hide' their real financial position under the previous rules. As the Combined Authority has no 'off balance sheet' assets or liabilities no material effect to our accounts is expected.

### Capital Strategy

- 4.3. There are no significant changes to this year's Capital Strategy. The changes made are updates to the amounts to bring them in line with the newly approved capital programme and a wording change to reflect the current considerations of where debt financing may be applied within the Combined Authority's.

### Investment Strategy

- 4.4. As the Combined Authority is not issuing any new housing loans, because the capital repayments from existing loans are being directed into grants for affordable housing, the section on the Investment Strategy relating to the conditions for housing loans has been reduced.
- 4.5. A number of limits in the investment strategy have been updated to reflect reduced expected investment into subsidiary companies over the next 12 months. This is in light of the Cambridgeshire Autonomous Metro (CAM) programme ceasing, and the Levelling Up Fund grant being awarded to Peterborough City Council rather than the Combined Authority and thus shares purchased with it not being held on the Combined Authority's balance sheet.
- 4.6. On advice from the Combined Authority's treasury management advisors the section of the investment strategy which covers equity investments has been significantly expanded. This does not reflect a change in process or procedure rather it sets out the existing practices which have been, and will continue to be, in place.
- 4.7. In addition to joint ventures to directly deliver core strategic objectives of the Combined Authority, such as the University of Peterborough and Business Growth Service, the Combined Authority also owns equities in small private companies as a result of the Combined Authority's role as the accountable body for the Business Board's Local Growth Fund – the primary output required from the Growth Funds are jobs and the Business Board have recommended several programmes which help support high growth potential start-up businesses in return for small equity holdings with the intention that these businesses will grow locally and create new jobs in the area.
- 4.8. As this is an unusual role for a Local Authority to be in, and investments in early-stage start-ups are high risk, our treasury management advisors recommended that more detail be included on these investments so that stakeholders of the Combined Authority could understand these holdings; including the rationale behind them and the risk mitigations that are in place to insulate the Combined Authority from the volatilities of high-risk investments.

## Treasury Management Strategy

- 4.9. The economic context section of the strategy has been updated to reflect the current national and international situation, beyond this there have been no major changes to the adopted indicators for 2022/23 compared to 2021/22
- 4.10. Minor changes include specifying the new UK Infrastructure Bank as a potential source of loan finance, committing to spreading the Authority's liquid assets across more providers to reduce our risk of exposure to any single entity, reducing the liquidity risk indicator to reflect lower anticipated balances by the end of the year and updating the year one 'Price risk indicator' due to a change in how it is calculated.

## Significant Implications

### 5. Financial Implications

- 5.1. None other than those highlighted in the main body of the report.

### 6. Legal Implications

- 6.1. Treasury Management activities have to conform to the Local Government Act 2003, the Local Authorities (Capital; Finance and Accounting) (England) Regulations 2003 (SI 2003/3146), which specifies that the Council is required to have regard to the CIPFA Prudential Code and the CIPFA Treasury Management Code of Practice and also the Local Authorities (Capital Finance and Accounting) (England) (Amendment) Regulations 2008 (SI 2008/414), which clarifies the requirements of the Minimum Revenue Provision guidance.

### 7. Public Health Implications

- 7.1. The adoption of the revised strategies will have a neutral direct effect on Public Health.

### 8. Environmental and Climate Change implications

- 8.1. The adoption of the revised strategies will have a neutral direct effect on the Environment, the Combined Authority is looking into the possibility of utilising positive ESG funds as part of its Treasury Management function however there are no appropriate funds with verified ESG credentials on the market at time of drafting.

### 9. Other Significant Implications

- 9.1. None

### 10. Appendices

10.1. Appendix 1 – Cambridgeshire and Peterborough Combined Authority Draft Strategies 2022-23

Appendix 1a: Capital Strategy 2022-23

Appendix 1b: Investment Strategy 2022-23

Appendix 1c: Treasury Management Strategy 2022-23

Appendix 1d: MRP Statement 2022-23

10.2. Appendix 2 – Cambridgeshire and Peterborough Combined Authority Draft Strategies 2022-23 (with track changes)

Appendix 2a: Capital Strategy 2022-23 (with tracked changes)

Appendix 2b: Investment Strategy 2022-23 (with tracked changes)

Appendix 2c: Treasury Management Strategy 2022-23 (with tracked changes)

Appendix 2d: MRP Statement 2022-23 (with tracked changes)

Accessible versions of the information contained in these appendices is available on request from [democratic.services@cambridgehirepeterborough-ca.gov.uk](mailto:democratic.services@cambridgehirepeterborough-ca.gov.uk)

## 11. Background Papers

11.1. [Cambridgeshire and Peterborough Combined Authority Capital Strategy 2021-22](#)

11.2. [Cambridgeshire and Peterborough Combined Authority Investment Strategy 2021-22](#)

11.3. [Cambridgeshire and Peterborough Combined Authority Treasury Management Strategy 2021-22](#)



## Cambridgeshire and Peterborough Combined Authority

### Capital Strategy Report 2022/23

#### **Introduction**

This capital strategy report gives a high-level overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of local public services along with an overview of how associated risk is managed and the implications for future financial sustainability. It has been written in an accessible style to enhance members' understanding of these sometimes technical areas.

Decisions made this year on capital and treasury management will have financial consequences for the Authority for many years into the future. They are therefore subject to both a national regulatory framework and to a local policy framework, summarised in this report.

#### **Capital Expenditure and Financing**

Capital expenditure is where an Authority spends money on assets, such as property, shares in companies or vehicles, that will be used for more than one year. In local government this includes spending on assets owned by other bodies, and loans and grants to other bodies enabling them to buy assets.

In 2022/23, the Authority is planning capital expenditure of £105.39m as summarised below.

*Table 1: Prudential Indicator: Estimates of Capital Expenditure in £ millions*

|                     | <b>2020/21<br/>actual</b> | <b>2021/22<br/>forecast</b> | <b>2022/23<br/>budget</b> | <b>2023/24<br/>budget</b> |
|---------------------|---------------------------|-----------------------------|---------------------------|---------------------------|
| Capital investments | 152.28                    | 176.96                      | 105.39                    | 58.45                     |
| <b>TOTAL</b>        | 152.28                    | 176.96                      | 105.39                    | 58.45                     |

The budget figures for 2022/23 and 2023/24 are taken from the Approved Capital Expenditure Programme as set out and described in the Medium Term Financial Plan approved by the Board in January 2022.

#### **Governance:**

The Combined Authority's Assurance Framework sets out:

(a) How the seven principles of public life shape the culture within the Combined Authority in undertaking its roles and responsibilities in relation to the use and administration of the Cambridgeshire and Peterborough Investment, incorporating

the Single Pot funding. This culture is developed and underpinned by processes, practices and procedures.

(b) Alongside the Combined Authority's constitution, sets out the respective roles and responsibilities of the Combined Authority, the Business Board (the Local Enterprise Partnership) and statutory officers.

(c) The key processes for ensuring accountability, including public engagement, probity, transparency, legal compliance and value for money.

(d) How potential investments to be funded through the Cambridgeshire and Peterborough Medium Term Financial Plan, incorporating the Single Pot, will be appraised, prioritised, approved, signed off and delivered.

(e) The processes for oversight of projects, programmes and portfolios and how the progress and impacts of these investments will be monitored and evaluated.

All capital expenditure must be financed, either from external sources (government grants and other contributions), the Authority's own resources (revenue, reserves and capital receipts) or debt (borrowing, leasing and Private Finance Initiative). The planned financing of the above expenditure is as follows:

*Table 2: Capital financing in £ millions*

|                         | <b>2020/21<br/>actual</b> | <b>2021/22<br/>forecast</b> | <b>2022/23<br/>budget</b> | <b>2023/24<br/>budget</b> |
|-------------------------|---------------------------|-----------------------------|---------------------------|---------------------------|
| Grant Funding           | 146.96                    | 155.09                      | 77.49                     | 48.02                     |
| Usable Capital Receipts | 5.32                      | 21.87                       | 27.90                     | 10.43                     |
| Debt                    | 0                         | 0                           | 0                         | 0                         |
| <b>TOTAL</b>            | <b>152.28</b>             | <b>176.96</b>               | <b>105.39</b>             | <b>58.45</b>              |

Debt is only a temporary source of finance, since loans and leases must be repaid, and this is therefore replaced over time by other financing, usually from revenue which is known as minimum revenue provision (MRP). Alternatively, proceeds from selling capital assets (known as capital receipts) may be used to replace debt finance.

The Combined Authority currently does not have any debt, but has the ability to borrow to facilitate delivery should it be needed. While there are no current projects within the MTFP which fund delivery via borrowing, the role of the Combined Authority in future affordable housing and the sustainability agenda is still in development and debt may form part of this role. While the Combined Authority has an allowance built into it's MTFP to service a small amount of debt, it is anticipated that any future borrowing would have to be supported by future receipts from the project delivery it funded.

The Authority's cumulative outstanding amount of debt finance is measured by the capital financing requirement (CFR). This increases with new debt-financed capital expenditure and reduces with MRP and capital receipts used to replace debt. The Authority currently has no debt and therefore no CFR.

The Authority expects that its capital financing requirement will be nil on 31<sup>st</sup> March 2022 and in line with the DLUHC Guidance expects to charge no MRP in 2022/23.

For capital expenditure loans to third parties that are repaid in annual or more frequent instalments of principal, the Authority will make nil MRP, but will instead apply the capital receipts arising from principal repayments to reduce the capital financing requirement instead.

Where loans are made from grant funds, there will be no Capital Finance Requirement and therefore no MRP. Where loans are debt funded, where creditworthiness of the borrower decreases or the asset value drops below the loan value, MRP will be charged on the shortfall.

**Asset disposals:** When a capital asset is no longer needed, it may be sold so that the proceeds, known as capital receipts, can be spent on new assets or to repay debt. Repayments of capital grants, loans and investments also generate capital receipts.

### **Treasury Management**

Treasury management is concerned with keeping sufficient, but not excessive, cash available to meet the Authority's spending needs, while managing the risks involved. Surplus cash is invested until required, while a shortage of cash will be met by borrowing, to avoid excessive credit balances or overdrafts in the bank current account. The Authority is typically cash rich in the short-term as grant income is received before it is spent.

As at 31 December 2021, the Authority had no borrowing and £345.6m treasury investments at an average rate of 0.12%

**Borrowing strategy:** The Authority's main objectives when borrowing would be to achieve a low but certain cost of finance while retaining flexibility should plans change in future. These objectives are often conflicting, and the Authority would therefore seek to strike a balance between cheap short-term loans (currently available at around 0.10%) and long-term fixed rate loans where the future cost is known but higher (currently 1.5 to 2.5%).

Projected levels of the Authority's total outstanding debt (which comprises borrowing, PFI liabilities, leases are shown below, compared with the capital financing requirement (see above).

*Table 3: Prudential Indicator: Gross Debt and the Capital Financing Requirement in £ millions*

|                               | 31.3.2021<br>actual | 31.3.2022<br>forecast | 31.3.2023<br>budget | 31.3.2024<br>budget |
|-------------------------------|---------------------|-----------------------|---------------------|---------------------|
| Debt (incl. PFI & leases)     | 0                   | 0                     | 0                   | 0                   |
| Capital Financing Requirement | 0                   | 0                     | 0                   | 0                   |

Statutory guidance is that debt should remain below the capital financing requirement, except in the short-term. The Authority expects to comply with this in the medium term.

**Liability benchmark:** To compare the Authority's actual borrowing against an alternative strategy, a liability benchmark is calculated showing the lowest risk level of borrowing. Given that there are no current plans to borrow, this benchmark is currently set at level to allow a small level of borrowing to facilitate delivery should it be needed, but will be kept under review.

*Table 4: Borrowing and the Liability Benchmark in £ millions*

|                       | 31.3.2021<br>actual | 31.3.2022<br>forecast | 31.3.2023<br>budget | 31.3.2024<br>budget |
|-----------------------|---------------------|-----------------------|---------------------|---------------------|
| Outstanding borrowing | 0                   | 0                     | 0                   | 0                   |
| Liability benchmark   | 0                   | 0                     | 8.50                | 8.50                |

**Affordable borrowing limit:** The Authority is legally obliged to set an affordable borrowing limit (also termed the authorised limit for external debt) each year and to keep it under review. In line with statutory guidance, a lower "operational boundary" is also set as a warning level should debt approach the limit.

*Table 5: Prudential Indicators: Authorised limit and operational boundary for external debt in £m*

|  | 2021/22<br>limit | 2022/23<br>limit | 2023/24<br>limit |
|--|------------------|------------------|------------------|
| Authorised limit – total external debt     | 84.61            | 84.61            | 84.61            |
| Operational boundary – total external debt | 74.61            | 74.61            | 74.61            |

**Treasury investment strategy:** Treasury investments arise from receiving cash before it is paid out again. Investments made for service reasons or for pure financial gain are not generally considered to be part of treasury management.

The Authority's policy on treasury investments is to prioritise security and liquidity over yield, that is to focus on minimising risk rather than maximising returns. Cash that is likely to be spent in the near term is invested securely, for example with the government, other local authorities or selected high-quality banks, to minimise the risk of loss. Money that will be held for longer terms can be invested more widely, including in bonds, shares and property, to balance the risk of loss against the risk of receiving returns below inflation. Both near-term and longer-term investments may be held in pooled funds, where an external fund manager makes decisions on which particular investments to buy and the Authority may request its money back at short notice.

**Risk management:** The effective management and control of risk are prime objectives of the Authority's treasury management activities. The treasury management strategy therefore sets out various indicators and limits to constrain the risk of unexpected losses and details the extent to which financial derivatives may be used to manage treasury risks.

**Governance:** Decisions on treasury management investment and borrowing are made daily and are therefore delegated to the Chief Finance Officer and staff, who must act in line with the treasury management strategy approved by the Board. Regular reports on treasury management activity are presented to the Audit and Governance Committee who are responsible for ensuring effective scrutiny of the treasury management strategy and policies in accordance with CIPFA's Code of Practice.

### **Investments for Service Purposes**

The Authority makes investments to assist local public services, including making loans to and buying shares in local service providers, local small businesses to promote economic growth and the Authority's subsidiaries that provide services. In light of the public service objective, the Authority is willing to take more risk than with treasury investments, however it still plans for service loans to at least break even after all costs.

**Governance:** Decisions on service investments are made by the relevant service manager in consultation with the Chief Finance Officer and must meet the criteria and limits laid down in the investment strategy. Most loans and shares are capital expenditure and purchases and will therefore also be approved as part of the capital programme.

### **Commercial Activities**

The Combined Authority currently does not hold any commercial investments.

## **Liabilities**

The Authority is committed to making future payments to cover its pension fund deficit (valued at £3.64m). There are currently no commitments to make future payments in relation to debt or other major liabilities. There is currently no requirement to cover risks of other provisions, financial guarantees or major contingent liabilities.

**Governance:** Decisions on incurring new discretionary liabilities are taken by Directors in consultation with the Chief Finance Officer. The risk of liabilities crystallising and requiring payment is monitored by the Finance team and reported to the Audit and Governance committee. New liabilities/loans are reported to the Board for approval/notification as appropriate.

## **Revenue Budget Implications**

Although capital expenditure is not charged directly to the revenue budget, interest payable on loans and MRP are charged to revenue, offset by any investment income receivable. The net annual charge is known as financing costs; this is compared to the net revenue stream i.e. the amount funded from general government grants.

*Table 6: Prudential Indicator: Proportion of financing costs to net revenue stream*

|                                  | <b>2020/21<br/>actual</b> | <b>2021/22<br/>forecast</b> | <b>2022/23<br/>budget</b> | <b>2023/24<br/>budget</b> |
|----------------------------------|---------------------------|-----------------------------|---------------------------|---------------------------|
| Financing costs (£m)             | 0                         | 0                           | £0.43m                    | £0.49m                    |
| Proportion of net revenue stream | 0%                        | 0%                          | 2.7%                      | 3.3%                      |

**Sustainability:** Due to the very long-term nature of capital expenditure and financing, the revenue budget implications of expenditure incurred in the next few years will extend into the future. The Chief Finance Officer is satisfied that the proposed capital programme is prudent, affordable and sustainable as demonstrated in the Medium-Term Financial Plan.

## **Knowledge and Skills**

The Authority employs professionally qualified and experienced staff in senior positions with responsibility for making capital expenditure, borrowing and investment decisions. For example, the Chief Finance Officer is a qualified accountant with over 25 years post qualification experience. The Authority pays for staff to study towards relevant professional qualifications and for all qualified staff to keep up to date with relevant 'continuing professional development'.

Where Authority staff do not have the knowledge and skills required, use is made of external advisers and consultants that are specialists in their field. The Authority currently employs Arlingclose Limited as treasury management advisers. This approach is more cost effective than employing such staff directly and ensures that the Authority has access to knowledge and skills commensurate with its risk appetite.



**Cambridgeshire and Peterborough Combined Authority**  
**Investment Strategy Report 2022/23**

**Introduction**

The Authority may invest its money for three broad purposes:

- because it has surplus cash as a result of its day-to-day activities, for example when income is received in advance of expenditure (known as **treasury management investments**),
- to support local public services, skills or economic growth by lending to or buying shares in other organisations (**service investments**), and
- to earn investment income (known as **commercial investments** where this is the main purpose).

This investment strategy meets the requirements of statutory guidance issued by the government in January 2018 and focuses on the second and third of these categories.

**Treasury Management Investments**

The Authority typically receives its income in cash (e.g. from grants) before it pays for its expenditure in cash (e.g. through payroll, invoices and grants). It also holds reserves for future expenditure. These activities, plus the timing of borrowing decisions, lead to a cash surplus which is invested in accordance with guidance from the Chartered Institute of Public Finance and Accountancy. The balance of treasury management investments is expected to fluctuate between £44m and £272m during the 2022/23 financial year.

**Contribution:** The contribution that these investments make to the objectives of the Authority is to support effective treasury management activities.

**Further details:** Full details of the Authority's policies and its plan for 2022/23 for treasury management investments are covered in a separate document, the treasury management strategy.

**Service Investments: Loans**

**Contribution:** The Council lends money to its subsidiaries and local businesses to support local public services, to support the provision of affordable housing and to stimulate local economic growth and skills development.

## Revolving Housing Fund

In September 2018, the Combined Authority Board approved the creation of a £40m revolving fund from the £100m fund receivable from central government to bring forward 2,000 affordable homes by March 2022. No new loans are being made from the fund as the returned funds are now being used to fund affordable housing grants. Of the five loans made under the scheme one has been fully repaid and the other four are due to be repaid by the end of March 2023.

## Recycled Growth Fund Loans

The Combined Authority offers capital loans to local companies, and other Local Authorities, on the advice of the Business Board, where the projects are considered to achieve value for money and fit with the strategic direction set out in the Local Industrial Strategy. As the majority of Growth Funds was awarded prior to March 2022 the extent of new loans that will be available in 2022-23 is likely to be quite small.

## Security of Service Loans

The main risk when making service loans is that the borrower will be unable to repay the principal lent and/or the interest due. In order to limit this risk, and ensure that total exposure to service loans remains proportionate to the size of the Authority, upper limits on the outstanding loans to each category of borrower have been set as follows:

*Table 1: Loans for service purposes in £ millions*

| Category of borrower | 31.3.2021 actual |                |                        | 2022/23        |
|----------------------|------------------|----------------|------------------------|----------------|
|                      | Balance owing    | Loss allowance | Net figure in accounts | Approved Limit |
| Subsidiaries         | 0.000            | 0.000          | 0.000                  | 20.000         |
| Local businesses     | 45.491           | 0.779          | 44.712                 | 60.000         |
| <b>TOTAL</b>         | <b>45.491</b>    | <b>0.779</b>   | <b>44.712</b>          | <b>80.000</b>  |

Accounting standards require the Authority to set aside loss allowance for loans, reflecting the likelihood of non-payment. The figures for loans in the Authority's statement of accounts are shown net of this loss allowance. However, the Authority makes every reasonable effort to collect the full sum lent and has appropriate credit control arrangements in place to recover overdue repayments.

**Risk assessment:** The Authority would assess the risk of loss before entering into and whilst holding service loans. All future loans would be subject to the following risk assessment and mitigating actions:

- 1) An appropriate level of due diligence, to include the use of external advisors where appropriate.
- 2) An appropriate loan period and timing of repayments
- 3) The calculation of an interest rate that would represent 'value for money', be of 'no detriment' to the Combined Authority, and to minimise the risk of Subsidy Control challenge
- 4) Approval being subject to a business case, due diligence, and loan agreement to the satisfaction of the Chief Executive, Monitoring Officer and Chief Finance Officer.
- 5) The business case would be reviewed to include focus on:
  - a. Impact of existing loans and charges on assets
  - b. Accuracy and reasonableness of Cashflow and profit forecasts
  - c. Ambition of future sales targets and income to repay loan
  - d. Provisions/allowances for contingency, inflation
  - e. Review of credit worthiness of business and collateralisation of loan
- 6) For housing development loans, first legal charge over land and assets
- 7) Regular review and valuation of the assets
- 8) Drawdown subject to a gateway process
- 9) Consideration of options of parent company guarantees
- 10) Consideration of obligations of S106 agreements

All loans are subject to approval by the Combined Authority Board.

### **Service Investments: Shares**

The Combined Authority invests in the shares primarily for the delivery of service outcomes rather than for financial return. It invests in equities of both subsidiaries and local businesses to support local public services and stimulate local economic growth. These investments are an intrinsic part of the delivery of the Combined Authority's programmes they are subject to the Combined Authority's Monitoring and Evaluation framework ([published here](#)) which has been reviewed by the Department for Business, Energy and Industrial Strategy including quarterly reporting on the service outcomes being delivered. As such this strategy only refers to monitoring of the company from a financial investor's perspective beyond what is done in line with the Monitoring and Evaluation framework.

The Combined Authority has approved a number of material service equity investments as part of the University of Peterborough, Transport, and Business and Skills agendas summarised below however, in consideration of the relative risk of equity investments over grants and loan funding, there are two overarching principals which the Combined Authority follows with all it's equity investments to ensure that it does not expose itself to undue financial risk:

- 1) The Combined Authority will only invest in limited companies – this limits the liability that the Combined Authority faces to the equity invested in the company, ensuring that the wider Combined Authority finances are insulated

from movement in the values of the companies.

- 2) The Combined Authority will assume no future financial returns on any equity investments within its Medium-Term Financial Plan (MTFP). This is, financially, the worst-case scenario with equity investments; by not assuming any future returns the Combined Authority is exposed to only up-side risk and the future financial stability of the organisation is not reliant on the performance of the investments i.e. there is no risk that the Combined Authority will be unable to proceed with its plans due to poorer than anticipated financial performance of the companies.

All existing material equity investments have been made following a recommendation of the Business Board as all involve an element of Local Growth Fund investment. As such, all equity investments will have followed the robust due diligence and scoring process which all potential investments must complete prior to being considered by the Business Board – this involves an independent external evaluation of the applicant's business case, financial statements, credit searches, management capability and experience, project key risks, and strategic fit. This results in a report on these areas, a score, and recommendations on what controls and risk mitigations should be put in place if the investment is entered into.

Alongside this, for investments of £500k or more, the applicant will also be required to present their proposal to an Entrepreneurs' Assessment Panel (EAP) made up of Members of the Business Board and external experts in the field who also score the projects.

The Business Board, whose voting membership is made up of experienced CEOs, will then consider the application, appraiser's report and EAP scoring and they can request further information, recommend investments to the Combined Authority for ratification, or reject the project.

The equity investments fall into three groups, in this strategy referred to as: subsidiaries, silent partner service investments, and other equity investments.

### **Subsidiaries**

Equity holdings in this group are in companies in which the Combined Authority has an active role in day-to-day management of the company. It is either a major, or sole, shareholder and appoints Directors to the company's boards as well as providing support services to the company across a range of areas including payroll, bank administration, management and legal support. These are the most closely monitored investments as Combined Authority staff actively manage and run the companies including production of monthly management updates and reports.

### **Peterborough HE Property Company Ltd - University of Peterborough Phases 1 & 3**

Equity investment into a Joint Venture along with Peterborough City Council (PCC) and Anglia Ruskin University (ARU) with a total Combined Authority investment of £25.5m against a c.£24m investment from PCC mostly funded from the Levelling Up Fund and a smaller share from ARU. This company will deliver two teaching buildings, which will form the basis for the Anglia Ruskin University – Peterborough to start delivering accredited university courses from September 2022.

### **Peterborough R&D Property Company Ltd – University of Peterborough Phase 2**

Equity investment into a Joint Venture with Photocentric to deliver a Research and Development centre on the University of Peterborough Campus, primarily funded by the Getting Building Fund grant provided specifically for the purpose from the Department of Business, Energy and Industrial Strategy. This company is constructing a 3-story building within the overall Peterborough University Quarter site with the intention to lease space to companies working on zero emission enabling technologies with Photocentric operating as an anchor tenant occupying one of the 3 floors.

### **Cambridgeshire and Peterborough Business Growth Company Limited**

This company was set up, with £5.4m of Local Growth Fund as equity, as a pilot to deliver support to local businesses and improve the skills offering in the Combined Authority area over 3 years. Via subcontracting with a consortia it delivers services on behalf of the Combined Authority including growth coaching for businesses, inward investment, and skills capacity building. The Combined Authority's equity investment is supported with other income streams including the Growth Hub grant, Community Renewal Funds (Start & Grow and Turning Point), EU funding, and the Careers and Enterprise Company contracts. It also manages the Capital Growth Scheme as discussed later.

### **CAM Special Purpose Vehicle**

In 2020-21 the Combined Authority Board approved the creation of a special purpose vehicle company as the preferred option for carrying forward the CAM project. In light of this £4.0m of Combined Authority funds have been invested to set up the company. In May 2021 the Mayor was elected under a clear commitment to no longer support the CAM and the company is now in the process of being wound up and remaining funds returned to the Authority

### **Silent partner service investments**

These investments are joint ventures with a partner organisation where the partner has significant expertise in the area in which the company will operate, with the Combined Authority providing financial support. In recognition of the knowledge and

experience of the other member of the joint ventures the Combined Authority does not operate significant control over the company regardless of the share ownership position, however it does have the right to appoint a director to each of the companies' Boards.

The Combined Authority receives all papers prepared for the company's boards and annually reviews the companies' financial position as part of the construction of the Combined Authority's group accounts.

### **Other Equity Investments**

#### **Illumina Accelerator Programme**

On the recommendation of the Business Board the Combined Authority awarded up to £3m to provide investments of £100k to start-up companies which are accepted onto the accelerator programme to support them to complete the accelerator programme run by Illumina. The accelerator programme offers high growth potential companies 6-months of coaching and access to Illumina's lab space to facilitate their growth and development of their concepts. The outputs for this service investment are new companies establishing in the area, and creating jobs, after completion of the accelerator.

While the overall Illumina programme was subject to the Business Board's due diligence processes, the investments within the programme are made directly into the companies by the Combined Authority. Illumina are not regulated investment advisors and thus do not recommend the companies to the Combined Authority as such the Combined Authority is making its own decision to invest in each company. While there is no recommendation from Illumina, the Combined Authority considers it appropriate to take assurance from a company's acceptance onto the Illumina Accelerator programme taking into consideration the following factors:

- i) By the nature of the accelerator programme the companies being accepted would be very early-stage start-ups which would likely not have a financial history from which to draw conclusions on their operations.
- ii) Illumina conduct a multi-phase assessment of applicants, including a questionnaire on the company's technology and business plans, interviews, and a 3rd party background check. Acceptance onto the programme therefore indicates Illumina's opinion that the company has a high chance of success, and Illumina invest in each of the companies accepted onto their accelerator programme. Given Illumina's experience and expertise in the sector, as demonstrated by the survival rate of graduates from the established Silicon Valley accelerator, it is reasonable to take assurance from this.
- iii) No potential future return on the amounts invested would be included in the Combined Authority's medium term financial plan or capital programme – as such

the Combined Authority's financial resilience is independent of the performance of the investments, even in the worst-case scenario of nil returns.

As the value of the investment in each company is low (£100k) and represents a small minority of each company's capital the Combined Authority has very little control over these entities. On this basis their financial accounts are only considered on an annual basis to assess materiality for inclusion in the Combined Authority's group accounts.

The intended outcome of these investments is to enable the company to survive its early development stage to the point at which it can attract further capital investment, not profit from capital growth. Reflecting this the Combined Authority seeks to sell its shares once the company has achieved further funding however the companies are not publicly traded so achieving a sale and exit is uncertain and could take a number of years.

### **Start Codon Fund**

On the recommendation of the Business Board the Combined Authority agreed a £3m investment into a £15m fund to provide pre-seed equity funding of £250k-£500k to early-stage start-up healthcare and life-science research and development businesses. The fund provides annual performance reports to all its investors beyond the service reporting required by the Monitoring and Evaluation framework.

Companies are identified by Start Codon, who's team is made up of local experts in the Bio-Pharma life sciences innovation sector, for acceptance onto the accelerator programme; the fund is managed, and investment decisions taken, by the Kin Group Ltd which specialises in venture capital investment.

The fund has a structured plan to sell its investments 10 years after the fund is fully invested, although this is subject to a possible 4-year extension if there is majority investor consent. At this point the fund's position will be liquidated and funding returned to the investors in the proportions in which they originally invested.

### **Capital Growth Scheme Investments**

The Cambridgeshire and Peterborough Business Growth Co Ltd is tasked with the delivery of a £5.5m fund for small-scale equity investments into SMEs. This programme provides working capital awards of up to £250k to fund growth projects which unlock growth in jobs or scale a company to secure more income generation and jobs at a level where private sector equity finance is lacking due to its focus on high-tech, Intellectual Property (IP) based start-ups and much higher growth rates, which typically favour much higher value equity investments of at least £250k up to £2m and higher.

The Cambridgeshire and Peterborough Business Growth Co Ltd will hold these investments, so they are not included in the limits in this strategy, however they are

mentioned as the Cambridgeshire and Peterborough Business Growth Co Ltd is wholly owned by the Combined Authority.

**Security:** One of the risks of investing in shares is that they fall in value meaning that the initial outlay may not be recovered. In order to limit this risk, upper limits on the sum invested in each category of shares have been set as follows:

*Table 2: Shares held for service purposes in £ millions*

| Category of company | 31.3.2021 actual |                 |                   | 2022/23        |
|---------------------|------------------|-----------------|-------------------|----------------|
|                     | Amounts invested | Gains or losses | Value in accounts | Approved Limit |
| Subsidiaries        | 32.202           | 3.813           | 28.389            | 35.000         |
| Local businesses    | 2.421            | 0.686           | 1.735             | 10.000         |
| <b>TOTAL</b>        | <b>34.623</b>    | <b>4.499</b>    | <b>30.124</b>     | <b>45.000</b>  |

**Risk assessment:** The Authority would assess the risk of loss before entering into, and whilst holding, share agreements. The approach followed would be to consider:

- 1) an assessment of the market that the Authority would be competing in, the nature and level of competition, how market/customer needs will evolve over time, barriers to entry and exit and any ongoing investment requirements;
- 2) whether to use external advisors;
- 3) risk assessment based on credit ratings and the use of credit rating agencies;
- 4) the monitoring of risk in accordance with the Combined Authority's risk management policy.

**Liquidity:** Investments will be subject to the drawdown requirements of the Capital programme as set out in the Medium-Term Financial Plan and as monitored in the monthly cashflow forecast.

**Non-specified Investments:** Shares (defined as equity and equity like instruments) are the only investment type that the Authority has identified that meets the definition of a non-specified investment in the government guidance. The limits above on share investments are therefore also the Authority's upper limits on non-specified investments. The Authority has not adopted any procedures for determining further categories of non-specified investment since none are likely to meet the definition.

### **Commercial Investments: Property**

The Authority currently does not invest in property with the intention of making a profit that will be spent on local public services and has no immediate plans to do so. In the event that commercial property investments would be held in future, the Authority would consider the following:

**Security:** In accordance with government guidance, the Authority considers a property investment to be secure if its accounting valuation is at or higher than its purchase cost including taxes and transaction costs.

**Risk assessment:** The Authority would assess the risk of loss before entering into and whilst holding property investments. The approach followed would be to consider:

- 1) A full due diligence exercise covering an assessment of: the property business plan, including sensitivity and scenario analysis; the credit quality of incumbent tenants (if any); the local property market, including demand, availability and voids in current similar commercial stock; the area's economic outlook and potential; how market/customer needs will evolve over time; barriers to entry and exit and any ongoing investment requirements;
- 2) Where in-house expertise does not cover the relevant investment opportunity, we will use external advisors for all/part of the due diligence and any other specialist areas;
- 3) External advice will be monitored by relevant officers, including adherence to deadlines, regular advisory meetings and adherence to project objectives;
- 4) The risk assessment will include credit ratings as part of the overall in-depth credit assessment of tenants. The creditworthiness of tenants will be monitored on a regular basis, using external expertise where necessary to give a credit view and an early warning of possible issues. As landlord, the Authority will maintain open dialogue with tenants, including discussion of financial stress;
- 5) The Authority will monitor the performance of the property asset against business plans throughout the life of the asset, assessing its performance and contribution of continued investment against the probable returns from sale.

**Liquidity:** Compared with other investment types, property is relatively difficult to sell and convert to cash at short notice and can take a considerable period to sell in certain market conditions. Each potential investment would be considered to ensure that the invested funds can be accessed when they are needed, for example to repay capital borrowed.

### **Loan Commitments and Financial Guarantees**

Although not strictly counted as investments, since no money has exchanged hands yet, loan commitments and financial guarantees carry similar risks to the Authority and were the Authority to enter into any, a process in line with that taken for service loans, as set out above, would be followed, including a calculation of a loss allowance where appropriate.

## **Investment Indicators**

The Authority has set the following quantitative indicators to allow elected members and the public to assess the Authority's total risk exposure as a result of its investment decisions.

**Total risk exposure:** The first indicator shows the Authority's total exposure to potential investment losses. This includes amounts the Authority is contractually committed to lend but have yet to be drawn down.

*Table 3: Total investment exposure in £millions*

| <b>Total investment exposure</b> | <b>31.03.2021<br/>Actual</b> | <b>31.03.2022<br/>Forecast</b> | <b>31.03.2023<br/>Forecast</b> |
|----------------------------------|------------------------------|--------------------------------|--------------------------------|
| Treasury management investments  | 231.000                      | 238.000                        | 30.000                         |
| Service investments: Loans       | 44.712                       | 37.000                         | 8.000                          |
| Service investments: Shares      | 30.124                       | 47.000                         | 48.000                         |
| <b>TOTAL INVESTMENTS</b>         | <b>305.836</b>               | <b>322.000</b>                 | <b>86.000</b>                  |
| Commitments to lend              | 3.880                        | 1.226                          | 0.000                          |
| <b>TOTAL EXPOSURE</b>            | <b>309.716</b>               | <b>323.226</b>                 | <b>86.000</b>                  |

### **How investments are funded:**

To date, all investments are funded by the Authority's useable reserves and income received in advance of expenditure. There are no immediate plans to borrow.

**Rate of return received:** This indicator shows the investment income received less the associated costs, including the cost of borrowing where appropriate, as a proportion of the sum initially invested. Note that due to the complex local government accounting framework, not all recorded gains and losses affect the revenue account in the year they are incurred.

*Table 4: Investment rate of return*

| <b>Investments net rate of return</b> | <b>2020/21<br/>Actual</b> | <b>2021/22<br/>Forecast</b> | <b>2022/23<br/>Forecast</b> |
|---------------------------------------|---------------------------|-----------------------------|-----------------------------|
| Treasury management investments       | 0.382%                    | 0.156%                      | 0.467%                      |
| Service investments - Loans           | 1.725%                    | 2.599%                      | 2.792%                      |
| <b>ALL INVESTMENTS</b>                | <b>0.598%</b>             | <b>0.481%</b>               | <b>0.516%</b>               |

**Cambridgeshire and Peterborough Combined Authority**

**Treasury Management Strategy Statement 2022/23**

**Introduction**

Treasury management is the management of the Authority's cash flows, borrowing and investments, and the associated risks. The Authority has invested substantial sums of money and is therefore exposed to financial risks including the loss of invested funds and the revenue effect of changing interest rates. The successful identification, monitoring and control of financial risk are therefore central to the Authority's prudent financial management.

Treasury risk management at the Authority is conducted within the framework of the Chartered Institute of Public Finance and Accountancy's *Treasury Management in the Public Services: Code of Practice 2017 Edition* (the CIPFA Code) which requires the Authority to approve a treasury management strategy before the start of each financial year. This report fulfils the Authority's legal obligation under the *Local Government Act 2003* to have regard to the CIPFA Code.

Investments held for service purposes or for commercial profit are considered in a different report, the Investment Strategy.

**Economic background:** The ongoing impact on the UK from coronavirus, together with higher inflation, higher interest rates, and the country's trade position post-Brexit, will be major influences on the Authority's treasury management strategy for 2022/23.

The Bank of England (BoE) increased Bank Rate to 0.25% in December 2021 while maintaining its Quantitative Easing programme at £895 billion. The Monetary Policy Committee (MPC) voted 8-1 in favour of raising rates, and unanimously to maintain the asset purchase programme.

Within the announcement the MPC noted that the pace of the global recovery was broadly in line with its November Monetary Policy Report. Prior to the emergence of the Omicron coronavirus variant, the Bank also considered the UK economy to be evolving in line with expectations, however the increased uncertainty and risk to activity the new variant presents, the Bank revised down its estimates for Q4 GDP growth to 0.6% from 1.0%. Inflation was projected to be higher than previously forecast, with CPI likely to remain above 5% throughout the winter and peak at 6% in April 2022. The labour market was generally performing better than previously forecast and the BoE now expects the unemployment rate to fall to 4% compared to 4.5% forecast previously, but notes that Omicron could weaken the demand for labour.

UK CPI for November 2021 registered 5.1% year on year, up from 4.2% in the previous month. Core inflation, which excludes the more volatile components, rose to 4.0% y/y from 3.4%. The most recent labour market data for the three months to October 2021 showed the unemployment rate fell to 4.2% while the employment rate rose to 75.5%.

In October 2021, the headline 3-month average annual growth rate for wages were 4.9% for total pay and 4.3% for regular pay. In real terms, after adjusting for inflation, total pay growth was up 1.7% while regular pay was up 1.0%. The change in pay growth has been affected by a change in composition of employee jobs, where there has been a fall in the number and proportion of lower paid jobs.

Gross domestic product (GDP) grew by 1.3% in the third calendar quarter of 2021 according to the initial estimate, compared to a gain of 5.5% q/q in the previous quarter, with the annual rate slowing to 6.6% from 23.6%. The Q3 gain was modestly below the consensus forecast of a 1.5% q/q rise. During the quarter activity measures were boosted by sectors that reopened following pandemic restrictions, suggesting that wider spending was flat. Looking ahead, while monthly GDP readings suggest there had been some increase in momentum in the latter part of Q3, Q4 growth is expected to be soft.

GDP growth in the euro zone increased by 2.2% in calendar Q3 2021 following a gain of 2.1% in the second quarter and a decline of -0.3% in the first. Headline inflation has been strong, with CPI registering 4.9% year-on-year in November, the fifth successive month of inflation. Core CPI inflation was 2.6% y/y in November, the fourth month of successive increases from July's 0.7% y/y. At these levels, inflation is above the European Central Bank's target of 'below, but close to 2%', putting some pressure on its long-term stance of holding its main interest rate of 0%.

The US economy expanded at an annualised rate of 2.1% in Q3 2021, slowing sharply from gains of 6.7% and 6.3% in the previous two quarters. In its December 2021 interest rate announcement, the Federal Reserve continue to maintain the Fed Funds rate at between 0% and 0.25% but outlined its plan to reduce its asset purchase programme earlier than previously stated and signalled they are in favour of tightening interest rates at a faster pace in 2022, with three 0.25% movements now expected.

**Credit outlook:** Since the start of 2021, relatively benign credit conditions have led to credit default swap (CDS) prices for the larger UK banks to remain low and had steadily edged down throughout the year up until mid-November when the emergence of Omicron has caused them to rise modestly. However, the generally improved economic outlook during 2021 helped bank profitability and reduced the level of impairments many had made as provisions for bad loans. However, the relatively recent removal of coronavirus-related business support measures by the government means the full impact on bank balance sheets may not be known for some time.

The improved economic picture during 2021 led the credit rating agencies to reflect this in their assessment of the outlook for the UK sovereign as well as several financial

institutions, revising them from negative to stable and even making a handful of rating upgrades.

Looking ahead, while there is still the chance of bank losses from bad loans as government and central bank support is removed, the institutions on the Authority's counterparty list are well-capitalised and general credit conditions across the sector are expected to remain benign. Duration limits for counterparties on the Authority's lending list are under regular review and will continue to reflect economic conditions and the credit outlook.

**Interest rate forecast:** The Authority's treasury management adviser Arlingclose is forecasting that Bank Rate will continue to rise in calendar Q1 2022 to subdue inflationary pressures and the perceived desire by the BoE to move away from emergency levels of interest rates.

Investors continue to price in multiple rises in Bank Rate over the next forecast horizon, and Arlingclose believes that although interest rates will rise again, the increases will not be to the extent predicted by financial markets. In the near-term, the risks around Arlingclose's central case are to the upside while over the medium-term the risks become more balanced.

Yields are expected to remain broadly at current levels over the medium-term, with the 5, 10 and 20 year gilt yields expected to average around 0.65%, 0.90%, and 1.15% respectively. The risks around for short and medium-term yields are initially to the upside but shifts lower later, while for long-term yields the risk is to the upside. However, as ever there will almost certainly be short-term volatility due to economic and political uncertainty and events.

Table 1 Arlingclose Interest Rate Forecast – December 2021

|                           | Dec-21 | Mar-22 | Jun-22 | Sep-22 | Dec-22 | Mar-23 | Jun-23 | Sep-23 | Dec-23 | Mar-24 | Jun-24 | Sep-24 | Dec-24 |
|---------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Official Bank Rate        |        |        |        |        |        |        |        |        |        |        |        |        |        |
| Upside risk               | 0.00   | 0.00   | 0.25   | 0.25   | 0.50   | 0.50   | 0.50   | 0.50   | 0.50   | 0.50   | 0.50   | 0.50   | 0.50   |
| Arlingclose Central Case  | 0.25   | 0.50   | 0.50   | 0.50   | 0.50   | 0.50   | 0.50   | 0.50   | 0.50   | 0.50   | 0.50   | 0.50   | 0.50   |
| Downside risk             | 0.00   | -0.25  | -0.25  | -0.25  | -0.25  | -0.25  | -0.25  | -0.25  | -0.25  | -0.25  | -0.25  | -0.25  | -0.25  |
| 3-month money market rate |        |        |        |        |        |        |        |        |        |        |        |        |        |
| Upside risk               | 0.05   | 0.05   | 0.25   | 0.35   | 0.50   | 0.50   | 0.50   | 0.50   | 0.50   | 0.50   | 0.50   | 0.50   | 0.50   |
| Arlingclose Central Case  | 0.25   | 0.55   | 0.55   | 0.60   | 0.60   | 0.60   | 0.60   | 0.65   | 0.65   | 0.65   | 0.65   | 0.65   | 0.65   |
| Downside risk             | 0.00   | -0.25  | -0.25  | -0.30  | -0.30  | -0.30  | -0.30  | -0.35  | -0.35  | -0.35  | -0.35  | -0.35  | -0.35  |
| 5yr gilt yield            |        |        |        |        |        |        |        |        |        |        |        |        |        |
| Upside risk               | 0.00   | 0.35   | 0.45   | 0.55   | 0.55   | 0.55   | 0.55   | 0.55   | 0.55   | 0.50   | 0.50   | 0.45   | 0.45   |
| Arlingclose Central Case  | 0.60   | 0.60   | 0.60   | 0.60   | 0.60   | 0.60   | 0.60   | 0.60   | 0.60   | 0.65   | 0.70   | 0.75   | 0.75   |
| Downside risk             | -0.10  | -0.20  | -0.25  | -0.25  | -0.25  | -0.25  | -0.25  | -0.25  | -0.25  | -0.30  | -0.35  | -0.40  | -0.40  |
| 10yr gilt yield           |        |        |        |        |        |        |        |        |        |        |        |        |        |
| Upside risk               | 0.10   | 0.25   | 0.35   | 0.40   | 0.45   | 0.50   | 0.50   | 0.50   | 0.50   | 0.50   | 0.55   | 0.55   | 0.55   |
| Arlingclose Central Case  | 0.80   | 0.85   | 0.85   | 0.85   | 0.85   | 0.85   | 0.85   | 0.85   | 0.85   | 0.90   | 0.90   | 0.95   | 0.95   |
| Downside risk             | -0.10  | -0.25  | -0.30  | -0.35  | -0.35  | -0.35  | -0.35  | -0.35  | -0.35  | -0.40  | -0.40  | -0.40  | -0.40  |
| 20yr gilt yield           |        |        |        |        |        |        |        |        |        |        |        |        |        |
| Upside risk               | 0.30   | 0.40   | 0.45   | 0.45   | 0.50   | 0.50   | 0.50   | 0.50   | 0.50   | 0.50   | 0.50   | 0.50   | 0.50   |
| Arlingclose Central Case  | 1.00   | 1.05   | 1.10   | 1.10   | 1.10   | 1.10   | 1.15   | 1.15   | 1.15   | 1.20   | 1.20   | 1.20   | 1.20   |
| Downside risk             | -0.15  | -0.30  | -0.35  | -0.40  | -0.40  | -0.40  | -0.40  | -0.40  | -0.40  | -0.45  | -0.45  | -0.45  | -0.45  |
| 50yr gilt yield           |        |        |        |        |        |        |        |        |        |        |        |        |        |
| Upside risk               | 0.25   | 0.30   | 0.40   | 0.45   | 0.45   | 0.50   | 0.50   | 0.50   | 0.50   | 0.50   | 0.50   | 0.50   | 0.50   |
| Arlingclose Central Case  | 0.70   | 0.75   | 0.80   | 0.85   | 0.90   | 0.95   | 1.00   | 1.05   | 1.05   | 1.10   | 1.10   | 1.15   | 1.15   |
| Downside risk             | -0.15  | -0.30  | -0.35  | -0.40  | -0.40  | -0.40  | -0.40  | -0.40  | -0.40  | -0.45  | -0.45  | -0.45  | -0.45  |

PWLB Standard Rate (Maturity Loans) = Gilt yield + 1.00%  
PWLB Certainty Rate (Maturity Loans) = Gilt yield + 0.80%  
PWLB Infrastructure Rate (Maturity Loans) = Gilt yield + 0.60%

## Local Context

On 31<sup>st</sup> December 2021 the Authority held £nil borrowing and £345.6m of treasury investments.

The underlying need to borrow for capital purposes is measured by the Capital Financing Requirement (CFR), while usable reserves and working capital are the underlying resources available for investment.

The Authority is currently debt free and its capital expenditure plans do not currently imply any need to borrow over the forecast period. Investments are forecast to fall from current levels (end of Dec 2021) of £346m to £18m (end Mar 2026) as capital funding is used to finance capital expenditure as set out in the Capital programme and the Medium-Term Financial Plan.

CIPFA's *Prudential Code for Capital Finance in Local Authorities* recommends that the Authority's total debt should be lower than its highest forecast CFR over the next three years.

The Authority expects that its capital financing requirement will be nil on 31st March 2022 and in line with the MHCLG Guidance it expects to charge no MRP in 2022/23. The Combined Authority has no current requirement to borrow over the lifetime of the Medium

Term Financial Plan and so the forecast CFR until 2026 is £nil.

### **Borrowing Strategy**

The Authority is not currently in receipt of any loans. The balance sheet forecast shows that the Authority does not expect to need to borrow in 2022/23. However, the Authority may borrow to pre-fund future years' requirements, providing this does not exceed the authorised limit for borrowing of £84.61 million.

**Objectives:** The Authority's chief objective when borrowing money is to strike an appropriately low risk balance between securing low interest costs and achieving certainty of those costs over the period for which funds are required. The flexibility to renegotiate loans should the Authority's long-term plans change is a secondary objective.

**Strategy:** The Authority's borrowing strategy will address the key issue of affordability without compromising the longer-term stability of any future debt portfolio. With short-term interest rates currently much lower than long-term rates, it is likely to be more cost effective in the short-term to either use internal resources, or to borrow short-term loans instead.

The benefits of internal / short-term borrowing will be monitored regularly against the potential for incurring additional costs by deferring borrowing into future years when long-term borrowing rates are forecast to rise modestly. Arlingclose will assist the Authority with this 'cost of carry' and breakeven analysis. Its output may determine whether the Authority borrows additional sums at long-term fixed rates in 2022/23 with a view to keeping future interest costs low, even if this causes additional cost in the short-term.

The Authority expects to borrow any long-term loans from the PWLB or the UKIB, but will consider long-term loans from other sources including banks, pensions and local authorities, and will investigate the possibility of issuing bonds and similar instruments, in order to lower interest costs and reduce over-reliance on one source of funding in line with the CIPFA Code. PWLB loans are no longer available to local authorities planning to buy investment assets primarily for yield; the Authority intends to avoid this activity in order to retain its access to PWLB loans.

Alternatively, the Authority may arrange forward starting loans, where the interest rate is fixed in advance, but the cash is received in later years. This would enable certainty of cost to be achieved without suffering a cost of carry in the intervening period.

In addition, the Authority may borrow short-term loans to cover unplanned cash flow shortages.

**Sources of borrowing:** The approved sources of long-term and short-term borrowing are:

- HM Treasury's PWLB lending facility (formerly the Public Works Loan Board)

- The UK Infrastructure Bank
- any institution approved for investments (see below)
- any other bank or building society authorised to operate in the UK
- any other UK public sector body
- UK public and private sector pension funds (except the Combined Authority's Pension Fund)
- capital market bond investors
- UK Municipal Bonds Agency plc and other special purpose companies created to enable local authority bond issues

**Other sources of debt finance:** In addition, capital finance may be raised by the following methods that are not borrowing, but may be classed as other debt liabilities:

- leasing
- hire purchase
- Private Finance Initiative
- sale and leaseback

**Municipal Bonds Agency:** UK Municipal Bonds Agency plc was established in 2014 by the Local Government Association as an alternative to the PWLB. It issues bonds on the capital markets and lends the proceeds to local authorities. This is a more complicated source of finance than the PWLB for two reasons: borrowing authorities will be required to provide bond investors with a guarantee to refund their investment in the event that the agency is unable to for any reason; and there will be a lead time of several months between committing to borrow and knowing the interest rate payable. Any decision to borrow from the Agency will therefore be the subject of a separate report to the Board.

**Short-term and variable rate loans:** These loans leave the Authority exposed to the risk of short-term interest rate rises and are therefore subject to the interest rate exposure limits in the treasury management indicators below. Financial derivatives may be used to manage this interest rate risk (see section below).

**Debt rescheduling:** The PWLB allows authorities to repay loans before maturity and either pay a premium or receive a discount according to a set formula based on current interest rates. Other lenders may also be prepared to negotiate premature redemption terms. The Authority may take advantage of this in the future and replace some loans with new loans, or repay loans without replacement, where this is expected to lead to an overall cost saving or a reduction in risk.

### **Treasury Investment Strategy**

The Authority holds significant invested funds, representing income received in advance of expenditure plus balances and reserves held. In the past 12 months, the Authority's treasury investment balance has ranged between £167m and £346m, and levels are

expected to be subject to the drawdown of funds to support the delivery of the Combined Authority's priorities and objectives as set out in the Business Plan and the Medium-Term Financial Plan.

**Objectives:** The CIPFA Code requires the Authority to invest its treasury funds prudently, and to have regard to the security and liquidity of its investments before seeking the highest rate of return, or yield. The Authority's objective when investing money is to strike an appropriate balance between risk and return, minimising the risk of incurring losses from defaults and the risk of receiving unsuitably low investment income. Where balances are expected to be invested for more than one year, the Authority will aim to achieve a total return that is equal or higher than the prevailing rate of inflation, in order to maintain the spending power of the sum invested.

**Negative interest rates:** The COVID-19 pandemic has increased the risk that the Bank of England will set its Bank Rate at or below zero, which is likely to feed through to negative interest rates on all low risk, short-term investment options. Since investments cannot pay negative income, negative rates will be applied by reducing the value of investments. In this event, security will be measured as receiving the contractually agreed amount at maturity, even though this may be less than the amount originally invested.

**Strategy:** Given the increasing risk and very low returns from short-term unsecured bank investments, the Authority will continue to diversify into more secure and/or higher yielding asset classes during 2022/23. Due to current liquidity requirements, an increasing proportion of the Authority's surplus cash is currently invested in short-term unsecured bank deposits, and money market funds.

**Approved counterparties:** The Authority may invest its surplus funds with any of the counterparty types in table 2 below, subject to the cash limits (per counterparty) and the time limits shown.

*Table 2: Treasury investment counterparties and limits*

| <b>Sector</b>                                 | <b>Time limit</b> | <b>Counterparty limit</b> | <b>Sector limit</b> |
|---|-------------------|---------------------------|---------------------|
| The UK Government                             | 50 years          | Unlimited                 | n/a                 |
| Local authorities & other government entities | 25 years          | £25m                      | Unlimited           |
| Secured investments *                         | 25 years          | £25m                      | Unlimited           |
| Banks (unsecured) *                           | 13 months         | £15m                      | Unlimited           |
| Building societies (unsecured) *              | 13 months         | £15m                      | £25m                |
| Registered providers (unsecured) *            | 5 years           | £15m                      | £50m                |
| Money market funds *                          | n/a               | £25m                      | Unlimited           |
| Strategic pooled funds                        | n/a               | £25m                      | £100m               |
| Real estate investment trusts                 | n/a               | £25m                      | £50m                |
| Other investments *                           | 5 years           | £15m                      | £25m                |

This table must be read in conjunction with the notes below

**Minimum Credit rating:** Treasury investments in the sectors marked with an asterisk will only be made with entities whose lowest published long-term credit rating is no lower than A-. Where available, the credit rating relevant to the specific investment or class of investment is used, otherwise the counterparty credit rating is used. However, investment decisions are never made solely based on credit ratings, and all other relevant factors including external advice will be taken into account.

For entities without published credit ratings, investments may be made where external advice indicates the entity to be of similar credit quality.

**Government:** Loans, bonds and bills issued or guaranteed by national governments, regional and local authorities and multilateral development banks. These investments are not subject to bail-in, and there is generally a lower risk of insolvency, although they are not zero risk. Investments with the UK Central Government are deemed to be zero credit risk due to its ability to create additional currency and therefore may be made in unlimited amounts for up to 50 years.

**Secured investments:** Investments secured on the borrower's assets, which limits the potential losses in the event of insolvency. The amount and quality of the security will be a key factor in the investment decision. Covered bonds and reverse repurchase agreements with banks and building societies are exempt from bail-in. Where there is no investment specific credit rating, but the collateral upon which the investment is secured has a credit rating, the higher of the collateral credit rating and the counterparty credit rating will be used. The combined secured and unsecured investments with any one counterparty will not exceed the cash limit for secured investments.

**Banks and building societies (unsecured):** Accounts, deposits, certificates of deposit and senior unsecured bonds with banks and building societies, other than multilateral development banks. These investments are subject to the risk of credit loss via a bail-in should the regulator determine that the bank is failing or likely to fail. See below for arrangements relating to operational bank accounts.

**Registered providers (unsecured):** Loans to, and bonds issued or guaranteed by registered providers of social housing and registered social landlords, formerly known as housing associations. These bodies are regulated by the Regulator of Social Housing (in England), the Scottish Housing Regulator, the Welsh Government and the Department for Communities (in Northern Ireland). As providers of public services, they retain the likelihood of receiving government support if needed.

**Money market funds:** Pooled funds that offer same-day or short notice liquidity and very low or no price volatility by investing in short-term money markets. They have the advantage over bank accounts of providing wide diversification of investment risks, coupled with the services of a professional fund manager in return for a small fee. Although no sector limit applies to money market funds, the Authority will take care to diversify its liquid investments over a variety of providers to ensure access to cash at all times.

**Strategic pooled funds:** Bond, equity and property funds that offer enhanced returns over the longer term, but are more volatile in the short term. These allow the Authority to diversify into asset classes other than cash without the need to own and manage the underlying investments. Because these funds have no defined maturity date, but are available for withdrawal after a notice period, their performance and continued suitability in meeting the Authority's investment objectives will be monitored regularly.

**Real estate investment trusts:** Shares in companies that invest mainly in real estate and pay the majority of their rental income to investors in a similar manner to pooled property funds. As with property funds, REITs offer enhanced returns over the longer term, but are more volatile especially as the share price reflects changing demand for the shares as well as changes in the value of the underlying properties.

**Other investments:** This category covers treasury investments not listed above, for example unsecured corporate bonds and company loans. Non-bank companies cannot be bailed-in but can become insolvent placing the Authority's investment at risk.

**Operational bank accounts:** The Authority may incur operational exposures, for example through current accounts, collection accounts and merchant acquiring services, to any UK bank with credit ratings no lower than BBB- and with assets greater than £25 billion. These are not classed as investments, but are still subject to the risk of a bank bail-in, and balances will therefore be kept below £25m per bank. The Bank of England has stated that in the event of failure, banks with assets greater than £25 billion are more likely to be bailed-in than made insolvent, increasing the chance of the Authority maintaining operational continuity.

**Risk assessment and credit ratings:** Credit ratings are obtained and monitored by the Authority's treasury advisers, who will notify changes in ratings as they occur. The credit rating agencies in current use are listed in the Treasury Management Practices document. Where an entity has its credit rating downgraded so that it fails to meet the approved investment criteria then:

- no new investments will be made,
- any existing investments that can be recalled or sold at no cost will be, and
- full consideration will be given to the recall or sale of all other existing investments with the affected counterparty.

Where a credit rating agency announces that a credit rating is on review for possible downgrade (also known as "negative watch") so that it may fall below the approved rating criteria, then only investments that can be withdrawn on the next working day will be made with that organisation until the outcome of the review is announced. This policy will not apply to negative outlooks, which indicate a long-term direction of travel rather than an imminent change of rating.

**Other information on the security of investments:** The Authority understands that credit ratings are good, but not perfect, predictors of investment default. Full regard will therefore be given to other available information on the credit quality of the organisations in which it invests, including credit default swap prices, financial statements, information on potential government support, reports in the quality financial press and analysis and advice from the Authority's treasury management adviser. No investments will be made with an organisation if there are substantive doubts about its credit quality, even though it may otherwise meet the above criteria.

When deteriorating financial market conditions affect the creditworthiness of all organisations, as happened in 2008 and 2020, this is not generally reflected in credit ratings, but can be seen in other market measures. In these circumstances, the Authority will restrict its investments to those organisations of higher credit quality and reduce the maximum duration of its investments to maintain the required level of security. The extent

of these restrictions will be in line with prevailing financial market conditions. If these restrictions mean that insufficient commercial organisations of high credit quality are available to invest the Authority's cash balances, then the surplus will be deposited with the UK Government via the Debt Management Office or invested in government treasury bills for example, or with other local authorities. This will cause investment returns to fall but will protect the principal sum invested.

**Investment limits:** In order to minimise the risk of a single default against available reserves, the maximum that will be lent to any one organisation (other than the UK Government) will be £25m. A group of entities under the same ownership will be treated as a single organisation for limit purposes.

Credit risk exposures arising from non-treasury investments, financial derivatives and balances greater than £25m in operational bank accounts would be taken account of against the relevant investment limits when making treasury management investments, but the limits in this strategy do not apply to service investments.

Limits will also be placed on fund managers, investments in brokers' nominee accounts, foreign countries as below. Investments in pooled funds and multilateral development banks do not count against the limit for any single foreign country, since the risk is diversified over many countries.

*Table 4: Investment limits*

|   | <b>Cash limit</b> |
|---|-------------------|
| Any group of pooled funds under the same management       | £50m per manager  |
| Negotiable instruments held in a broker's nominee account | £50m per broker   |
| Foreign countries   | £25m per country  |

**Liquidity management:** The Authority uses cash flow forecasting to determine the maximum period for which funds may prudently be committed. The forecast is compiled on a prudent basis to minimise the risk of the Authority being forced to borrow on unfavourable terms to meet its financial commitments. Limits on long-term investments are set by reference to the Authority's medium-term financial plan and cash flow forecast.

The Authority will spread its liquid cash over at least three providers (e.g. bank accounts and money market funds) to ensure that access to cash is maintained in the event of operational difficulties at any one provider.

### **Treasury Management Indicators**

The Authority measures and manages its exposures to treasury management risks using the following indicators.

**Security:** The Authority has adopted a voluntary measure of its exposure to credit risk by monitoring the value-weighted average credit score of its investment portfolio. This is calculated by applying a score to each investment (AAA=1, AA+=2, etc.) and taking the arithmetic average, weighted by the size of each investment. Unrated investments are assigned a score based on their perceived risk.

| Credit risk indicator           | Target |
|---------------------------------|--------|
| Portfolio average credit rating | 6 (A)  |

**Liquidity:** The Authority has adopted a voluntary measure of its exposure to liquidity risk by monitoring the amount of cash available to meet payments within a rolling three month period, without additional borrowing.

| Liquidity risk indicator             | Target |
|--------------------------------------|--------|
| Total cash available within 3 months | £25m   |

**Interest rate exposures:** This indicator is set to control the Authority's exposure to interest rate risk:

| Interest rate risk indicator   | Limit |
|--|-------|
| Upper limit on one-year revenue impact of a 1% <u>rise</u> in interest rates | £1.5m |
| Upper limit on one-year revenue impact of a 1% <u>fall</u> in interest rates | £1.5m |

The impact of a change in interest rates is calculated on the assumption that maturing loans and investments will be replaced at current rates.

Time periods start on the first day of each financial year. The maturity date of borrowing is the earliest date on which the lender can demand repayment.

**Principal sums invested for periods longer than a year (excluding loans):** The purpose of this indicator is to control the Authority's exposure to the risk of incurring losses by seeking early repayment of its investments. The limits on the long-term principal sum invested to final maturities beyond the period end will be:

| Price risk indicator                        | 2022/23 | 2023/24 | 2024/25 |
|---|---------|---------|---------|
| Limit on principal invested beyond year end | £50m    | £30m    | £20m    |

## **Related Matters**

The CIPFA Code requires the Authority to include the following in its treasury management strategy.

**Financial Derivatives:** Local authorities have previously made use of financial derivatives embedded into loans and investments both to reduce interest rate risk (e.g. interest rate collars and forward deals) and to reduce costs or increase income at the expense of greater risk (e.g. LOBO loans and callable deposits). The general power of competence in Section 113A of the Local Democracy, Economic Development and Construction Act 2009 removes much of the uncertainty over combined authorities' use of standalone financial derivatives (i.e. those that are not embedded into a loan or investment).

The Authority will only use standalone financial derivatives (such as swaps, forwards, futures and options) where they can be clearly demonstrated to reduce the overall level of the financial risks that the Authority is exposed to. Additional risks presented, such as credit exposure to derivative counterparties, will be taken into account when determining the overall level of risk. Embedded derivatives, including those present in pooled funds and forward starting transactions, will not be subject to this policy, although the risks they present will be managed in line with the overall treasury risk management strategy.

Financial derivative transactions may be arranged with any organisation that meets the approved investment criteria, assessed using the appropriate credit rating for derivative exposures. An allowance for credit risk calculated using the methodology in the Treasury Management Practices document will count against the counterparty credit limit and the relevant foreign country limit.

In line with the CIPFA Code, the Authority will seek external advice and will consider that advice before entering into financial derivatives to ensure that it fully understands the implications.

**Markets in Financial Instruments Directive:** The Authority has opted up to professional client status with its providers of financial services, allowing it access to a greater range of services but without the greater regulatory protections afforded to individuals and small companies. Given the size and range of the Authority's treasury management activities, the Chief Financial Officer believes this to be the most appropriate status.

## **Financial Implications**

The budget for investment income in 2022/23 is £0.07 million, based on the expected investment portfolio. There is budget of £0.50 million for debt interest paid in 2022/23.

Where investment income exceeds budget, e.g. from higher risk investments including pooled funds, or debt interest paid falls below budget, e.g. from cheap short-term

borrowing, then consideration will be given to transferring a portion of the revenue savings will be transferred to a treasury management reserve to cover the risk of capital losses or higher interest rates payable in future years.

### **Other Options Considered**

The CIPFA Code does not prescribe any particular treasury management strategy for local authorities to adopt. The Chief Finance Officer believes that the above strategy represents an appropriate balance between risk management and cost effectiveness. Some alternative strategies, with their financial and risk management implications, are listed below.

| <b>Alternative</b>  | <b>Impact on income and expenditure</b>  | <b>Impact on risk management</b>  |
|---|--|---|
| Invest in a narrower range of counterparties and/or for shorter times | Interest income will be lower  | Lower chance of losses from credit related defaults, but any such losses may be greater   |
| Invest in a wider range of counterparties and/or for longer times     | Interest income will be higher   | Increased risk of losses from credit related defaults, but any such losses may be smaller   |
| Borrow additional sums at long-term fixed interest rates              | Debt interest costs will rise; this is unlikely to be offset by higher investment income | Higher investment balance leading to a higher impact in the event of a default; however long-term interest costs may be more certain            |
| Borrow short-term or variable loans instead of long-term fixed rates  | Debt interest costs will initially be lower  | Increases in debt interest costs will be broadly offset by rising investment income in the medium term, but long-term costs may be less certain |
| Reduce level of borrowing   | Saving on debt interest is likely to exceed lost investment income                       | Reduced investment balance leading to a lower impact in the event of a default; however long-term interest costs may be less certain            |

## Appendix A – Existing Investment & Debt Portfolio Position

|  | 31 De 2021<br>Actual<br>Portfolio<br>£m | Average<br>Rate<br>% |
|--|---|----------------------|
| <b>External borrowing:</b>             |   |                      |
| Public Works Loan Board                | 0                                       |                      |
| Local authorities                      | 0                                       |                      |
| LOBO loans from banks                  | 0                                       |                      |
| Other loans                            | 0                                       |                      |
| <b>Total external borrowing</b>        | <b>0</b>                                |                      |
| <b>Total gross external debt</b>       | <b>0</b>                                |                      |
| <b>Treasury investments:</b>           |   |                      |
| Banks & building societies (unsecured) | 0.1                                     | 0.01                 |
| Government (incl. local authorities)   | 290.5                                   | 0.14                 |
| Money Market Funds                     | 55.0                                    | 0.05                 |
| <b>Total treasury investments</b>      | <b>345.6</b>                            | <b>0.12</b>          |
| <b>Net debt</b>                        | <b>(345.6)</b>                          |                      |



## **Cambridgeshire and Peterborough Combined Authority**

### **Minimum Revenue Provision Statement 2022/23**

#### **Annual Minimum Revenue Provision Statement 2022/23**

Where the Authority finances capital expenditure by debt, it must put aside resources to repay that debt in later years. The amount charged to the revenue budget for the repayment of debt is known as Minimum Revenue Provision (MRP), although there has been no statutory minimum since 2008. The Local Government Act 2003 requires the Authority to have regard to the former Ministry of Housing, Communities and Local Government's *Guidance on Minimum Revenue Provision* (the MHCLG Guidance) most recently issued in 2018.

The broad aim of the MHCLG Guidance is to ensure that capital expenditure is financed over a period that is either reasonably commensurate with that over which the capital expenditure provides benefits, or, in the case of borrowing supported by Revenue Grant, reasonably commensurate with the period implicit in the determination of that grant.

The MHCLG Guidance requires the Authority to approve an Annual MRP Statement each year and recommends a number of options for calculating a prudent amount of MRP. The following statement incorporates options recommended in the Guidance.

- The Authority expects that its capital financing requirement will be nil on 31<sup>st</sup> March 2022 and in line with the MHCLG Guidance it expects to charge no MRP in 2022/23.
- For capital expenditure loans to third parties that are repaid in annual or more frequent instalments of principal, the Authority will make nil MRP, but will instead apply the capital receipts arising from principal repayments to reduce the capital financing requirement instead. In years where there is no principal repayment, MRP will be charged in accordance with the MRP policy for the assets funded by the loan, including where appropriate, delaying MRP until the year after the assets become operational. While this is not one of the options in the MHCLG Guidance, it is thought to be a prudent approach since it ensures that the capital expenditure incurred in the loan is fully funded over the life of the assets.
- Where loans are made from grant funds, there will be no Capital Finance Requirement and therefore no MRP.
- Where former operating leases have been brought onto the balance sheet on 1<sup>st</sup> April 2022 due to the adoption of the *IFRS 16 Leases* accounting standard, and the asset values have been adjusted for accruals, prepayments, premiums and/or

discounts, then the annual MRP charges will be adjusted so that the total charge to revenue remains unaffected by the new standard.

- The table below summarises the MRP Policy.

| <b>Capital Expenditure Incurred</b>                   | <b>MRP Policy</b>   |
|---|---|
| Expenditure funded by unsupported borrowing           | Asset Life, annuity method – MRP will be based on the prevailing PWLB interest rate for a loan with a term equivalent to the estimated life of the project.   |
| Finance Leases  | MRP will be determined as being equal to the element of the rent or charge that goes to write down the balance sheet liability.   |
| Secured Loans to third parties repaid in bullet form. | No MRP will be charged as reliance can be placed on the capital receipt that will be generated when the loan is repaid or, in the event of a default, the realisation of the security. If realisation of the security does not equate to the original loaned amount, the Authority will recognise the associated impairment and will charge MRP on the outstanding balance. |

# Cambridgeshire and Peterborough Combined Authority

## Capital Strategy Report ~~2021/22~~2022/23

### Introduction

This capital strategy report gives a high-level overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of local public services along with an overview of how associated risk is managed and the implications for future financial sustainability. It has been written in an accessible style to enhance members' understanding of these sometimes technical areas.

Decisions made this year on capital and treasury management will have financial consequences for the Authority for many years into the future. They are therefore subject to both a national regulatory framework and to a local policy framework, summarised in this report.

### Capital Expenditure and Financing

Capital expenditure is where an Authority spends money on assets, such as property, shares in companies or vehicles, that will be used for more than one year. In local government this includes spending on assets owned by other bodies, and loans and grants to other bodies enabling them to buy assets.

In ~~2021/22~~2022/23, the Authority is planning capital expenditure of £~~132.37m~~105.39m as summarised below.

Table 1: Prudential Indicator: Estimates of Capital Expenditure in £ millions

|                     | <del>2019/20</del> 2020/21<br>actual | <del>2020/21</del> 2021/22<br>forecast | <del>2021/22</del> 2022/23<br>budget | <del>2022/23</del> 2023/24<br>budget |
|---------------------|--------------------------------------|--|--------------------------------------|--------------------------------------|
| Capital investments | <del>86.39</del> 152.28              | <del>182.34</del> 176.96               | <del>132.37</del> 105.39             | <del>144.86</del> 58.45              |
| <b>TOTAL</b>        | <del>86.39</del> 152.28              | <del>182.34</del> 176.96               | <del>132.37</del> 105.39             | <del>144.86</del> 58.45              |

The budget figures for ~~2021/22 and~~2022/23 and 2023/24 are taken from the Approved Capital Expenditure Programme as set out and described in the Medium Term Financial Plan approved by the Board in January ~~2021~~2022.

### **Governance:**

The Combined Authority's Assurance Framework sets out:

(a) How the seven principles of public life shape the culture within the Combined Authority in undertaking its roles and responsibilities in relation to the use and administration of the Cambridgeshire and Peterborough Investment, incorporating the Single Pot funding. This culture is developed and underpinned by processes, practices and procedures.

(b) Alongside the Combined Authority's constitution, sets out the respective roles and responsibilities of the Combined Authority, the Business Board (the Local Enterprise Partnership) and statutory officers.

(c) The key processes for ensuring accountability, including public engagement, probity, transparency, legal compliance and value for money.

(d) How potential investments to be funded through the Cambridgeshire and Peterborough Medium Term Financial Plan, incorporating the Single Pot, will be appraised, prioritised, approved, signed off and delivered.

(e) The processes for oversight of projects, programmes and portfolios and how the progress and impacts of these investments will be monitored and evaluated.

All capital expenditure must be financed, either from external sources (government grants and other contributions), the Authority's own resources (revenue, reserves and capital receipts) or debt (borrowing, leasing and Private Finance Initiative). The planned financing of the above expenditure is as follows:

Table 2: Capital financing in £ millions

|                         | <u>2019/2020/21</u><br>actual | <u>2020/21/22</u><br>forecast | <u>2021/22/23</u><br>budget | <u>2022/23/24</u><br>budget |
|-------------------------|-------------------------------|-------------------------------|-----------------------------|-----------------------------|
| Grant Funding           | <u>86.01146.96</u>            | <u>175.57155.09</u>           | <u>104.8677.49</u>          | <u>84.8448.02</u>           |
| Usable Capital Receipts | <u>0.385.32</u>               | <u>6.7421.87</u>              | <u>27.5490</u>              | <u>30.0210.43</u>           |
| Debt                    | 0                             | 0                             | 0                           | 0                           |
| <b>TOTAL</b>            | <u><b>86.39152.28</b></u>     | <u><b>182.31176.96</b></u>    | <u><b>132.37105.39</b></u>  | <u><b>114.8658.45</b></u>   |

Debt is only a temporary source of finance, since loans and leases must be repaid, and this is therefore replaced over time by other financing, usually from revenue which is known as minimum revenue provision (MRP). Alternatively, proceeds from selling capital assets (known as capital receipts) may be used to replace debt finance.

The Combined Authority currently does not have any debt, but is considering debt funding schemes has the ability to borrow to facilitate delivery should it be needed. While there are no current projects within the Housing directorate, and significant work is being done to establish what the financing requirements will be for MTFP which fund delivery via borrowing, the Cambridge Autonomous Metro and whether role of the Combined Authority borrowing in future affordable housing and the sustainability agenda is still in development and debt may have a role in form part of this. A provision is included in role. While the budget and Combined Authority has an allowance built into it's MTFP from 2022/23 to service approximately £40m a small amount of debt costs (based on 25-year maturity rates from PWLB as at 20<sup>th</sup> January 2021) which would cover, it is anticipated that any charges incurred from future borrowing for the potential Housing directorate debt would have to be supported by future receipts from the project delivery it funded programme. n.

The Authority's cumulative outstanding amount of debt finance is measured by the capital financing requirement (CFR). This increases with new debt-financed capital expenditure and reduces with MRP and capital receipts used to replace debt. The Authority currently has no debt and therefore no CFR.

The Authority expects that its capital financing requirement will be nil on 31<sup>st</sup> March 2021/2022 and in line with the ANCLGDLUHC Guidance expects to charge no MRP in 2021/22/2022/23.

For capital expenditure loans to third parties that are repaid in annual or more frequent instalments of principal, the Authority will make nil MRP, but will instead apply the capital receipts arising from principal repayments to reduce the capital financing requirement instead.

Where loans are made from grant funds, there will be no Capital Finance Requirement and therefore no MRP. Where loans are debt funded, where creditworthiness of the borrower decreases or the asset value drops below the loan value, MRP will be charged on the shortfall.

**Asset disposals:** When a capital asset is no longer needed, it may be sold so that the proceeds, known as capital receipts, can be spent on new assets or to repay debt. Repayments of capital grants, loans and investments also generate capital receipts.

### Treasury Management

Treasury management is concerned with keeping sufficient, but not excessive, cash available to meet the Authority's spending needs, while managing the risks involved. Surplus cash is invested until required, while a shortage of cash will be met by borrowing, to avoid excessive credit balances or overdrafts in the bank current account. The Authority is typically cash rich in the short-term as revenue grant income is received before it is spent.

As at 31 December ~~2020~~2021, the Authority had no borrowing and £~~187.5m~~345.6m treasury investments at an average rate of ~~0.34~~12%

**Borrowing strategy:** The Authority's main objectives when borrowing ~~are~~would be to achieve a low but certain cost of finance while retaining flexibility should plans change in future. These objectives are often conflicting, and the Authority would therefore ~~seek~~seek to strike a balance between cheap short-term loans (currently available at around 0.10%) and long-term fixed rate loans where the future cost is known but higher (currently 1.5 to 2.5%).

Projected levels of the Authority's total outstanding debt (which comprises borrowing, PFI liabilities, leases are shown below, compared with the capital financing requirement (see above).

*Table 3: Prudential Indicator: Gross Debt and the Capital Financing Requirement in £ millions*

|                               | 31.3. <del>2020</del> <u>2021</u><br>actual | 31.3. <del>2021</del> <u>2022</u><br>forecast | 31.3. <del>2022</del> <u>2023</u><br>budget | 31.3. <del>2023</del> <u>2024</u><br>budget |
|-------------------------------|---|---|---|---|
| Debt (incl. PFI & leases)     | 0   | 0   | 0   | 0   |
| Capital Financing Requirement | 0   | 0   | 0   | 0   |

Statutory guidance is that debt should remain below the capital financing requirement, except in the short-term. The Authority expects to comply with this in the medium term.

**Liability benchmark:** To compare the Authority's actual borrowing against an alternative strategy, a liability benchmark is calculated showing the lowest risk level of borrowing. Given that there are no current plans to borrow, this benchmark is currently set at the existing debt cap level to allow a small level of borrowing to facilitate delivery should it be needed, but will be kept under review.

*Table 4: Borrowing and the Liability Benchmark in £ millions*

|                       | 31.3. <del>2020</del> <u>2021</u><br>actual | 31.3. <del>2021</del> <u>2022</u><br>forecast | 31.3. <del>2022</del> <u>2023</u><br>budget | 31.3. <del>2023</del> <u>2024</u><br>budget |
|-----------------------|---|---|---|---|
| Outstanding borrowing | 0   | 0   | 0   | 0   |
| Liability benchmark   | 0   | 0   | <u>84.618.50</u>                            | <u>84.618.50</u>                            |

**Affordable borrowing limit:** The Authority is legally obliged to set an affordable borrowing limit (also termed the authorised limit for external debt) each year and to keep it under review. In line with statutory guidance, a lower “operational boundary” is also set as a warning level should debt approach the limit.

Table 5: Prudential Indicators: Authorised limit and operational boundary for external debt in £m

|  | <u>2020/21</u> <u>2021/22</u><br>limit | <u>2021/22</u> <u>2022/23</u><br>limit | <u>2022/23</u> <u>2023/24</u><br>limit |
|--|--|--|--|
| Authorised limit - total external debt     | 84.61                                  | 84.61                                  | 84.61                                  |
| Operational boundary - total external debt | 74.61                                  | 74.61                                  | 74.61                                  |

**Treasury investment strategy:** Treasury investments arise from receiving cash before it is paid out again. Investments made for service reasons or for pure financial gain are not generally considered to be part of treasury management.

The Authority's policy on treasury investments is to prioritise security and liquidity over yield, that is to focus on minimising risk rather than maximising returns. Cash that is likely to be spent in the near term is invested securely, for example with the government, other local authorities or selected high-quality banks, to minimise the risk of loss. Money that will be held for longer terms is can be invested more widely, including in bonds, shares and property, to balance the risk of loss against the risk of receiving returns below inflation. Both near-term and longer-term investments may be held in pooled funds, where an external fund manager makes decisions on which particular investments to buy and the Authority may request its money back at short notice.

**Risk management:** The effective management and control of risk are prime objectives of the Authority's treasury management activities. The treasury management strategy therefore sets out various indicators and limits to constrain the risk of unexpected losses and details the extent to which financial derivatives may be used to manage treasury risks.

**Governance:** Decisions on treasury management investment and borrowing are made daily and are therefore delegated to the Head of Chief Finance Officer and staff, who must act in line with the treasury management strategy approved by the Board. Regular reports on treasury management activity are presented to the Audit and Governance Committee who are responsible for ensuring effective scrutiny of the treasury management strategy and policies in accordance with CIPFA's Code of Practice.

### Investments for Service Purposes

The Authority makes investments to assist local public services, including making loans to and buying shares in local service providers, local small businesses to promote economic growth and the Authority's subsidiaries that provide services. In light of the public service objective, the Authority is willing to take more risk than with treasury investments, however it still plans for service loans to at least break even after all costs.

**Governance:** Decisions on service investments are made by the relevant service manager in consultation with the Head of Chief Finance Officer and must meet the criteria and limits laid down in the investment strategy. Most loans and shares are capital expenditure and purchases and will therefore also be approved as part of the capital programme.

### Commercial Activities

The Combined Authority currently does not invest in hold any commercial property for financial gain

investments.

## Liabilities

The Authority is committed to making future payments to cover its pension fund deficit (valued at £1.55m3.64m). There are currently no commitments to make future payments in relation to debt or other major liabilities. There is currently no requirement to cover risks of other provisions, financial guarantees or major contingent liabilities.

**Governance:** Decisions on incurring new discretionary liabilities are taken by Directors in consultation with the ~~Head of~~Chief Finance Officer. The risk of liabilities crystallising and requiring payment is monitored by the Finance team and reported to the Audit and Governance committee. New liabilities/loans are reported to the Board for approval/notification as appropriate.

## Revenue Budget Implications

Although capital expenditure is not charged directly to the revenue budget, interest payable on loans and MRP are charged to revenue, offset by any investment income receivable. The net annual charge is known as financing costs; this is compared to the net revenue stream i.e. the amount funded from general government grants.

Table 6: Prudential Indicator: Proportion of financing costs to net revenue stream

|                                  | <del>31.3.2020/21</del><br>actual | <del>31.3.2021/22</del><br>forecast | <del>31.3.2022/23</del><br>budget | <del>31.3.2023/24</del><br>budget |
|----------------------------------|-----------------------------------|-------------------------------------|-----------------------------------|-----------------------------------|
| Financing costs (£m)             | 0                                 | 0                                   | £0.43m                            | £0.73m49m                         |
| Proportion of net revenue stream | 0%                                | 0%                                  | 02.7%                             | 4.13.3%                           |

**Sustainability:** Due to the very long-term nature of capital expenditure and financing, the revenue budget implications of expenditure incurred in the next few years will extend into the future. The ~~Head of~~Chief Finance Officer is satisfied that the proposed capital programme is prudent, affordable and sustainable as demonstrated in the Medium-Term Financial Plan.

## Knowledge and Skills

The Authority employs professionally qualified and experienced staff in senior positions with responsibility for making capital expenditure, borrowing and investment decisions. For example, the ~~Head of~~Chief Finance Officer is a qualified accountant with over 25 years post qualification experience. The Authority pays for staff to study towards relevant professional qualifications and for all qualified staff to keep up to date with relevant 'continuing professional development'.

Where Authority staff do not have the knowledge and skills required, use is made of external advisers and consultants that are specialists in their field. The Authority currently employs Arlingclose Limited as treasury management advisers. This approach is more cost effective than employing such staff directly and ensures that the Authority has access to knowledge and skills commensurate with its risk appetite.



# Cambridgeshire and Peterborough Combined Authority

## Investment Strategy Report ~~2021/22~~2022/23

### Introduction

The Authority ~~invests~~may invest its money for three broad purposes:

- because it has surplus cash as a result of its day-to-day activities, for example when income is received in advance of expenditure (known as **treasury management investments**),
- to support local public services, skills or economic growth by lending to or buying shares in other organisations (**service investments**), and
- to earn investment income (known as **commercial investments** where this is the main purpose).

This investment strategy meets the requirements of statutory guidance issued by the government in January 2018 and focuses on the second and third of these categories.

### Treasury Management Investments

The Authority typically receives its income in cash (e.g. from grants) before it pays for its expenditure in cash (e.g. through payroll, invoices and grants). It also holds reserves for future expenditure. These activities, plus the timing of borrowing decisions, lead to a cash surplus which is invested in accordance with guidance from the Chartered Institute of Public Finance and Accountancy. The balance of treasury management investments is expected to fluctuate between ~~£464m~~44m and ~~£236m~~272m during the ~~2021/22~~2022/23 financial year.

**Contribution:** The contribution that these investments make to the objectives of the Authority is to support effective treasury management activities.

**Further details:** Full details of the Authority's policies and its plan for ~~2021/22~~2022/23 for treasury management investments are covered in a separate document, the treasury management strategy.

### Service Investments: Loans

**Contribution:** The Council lends money to its subsidiaries and local businesses to support local public services, to support the provision of affordable housing and to stimulate local economic growth and skills development.

### Revolving Housing Fund

In September 2018, the Combined Authority Board approved the creation of a £40m revolving fund from the £100m fund receivable from central government to bring forward 2,000 affordable homes by March 2022. No new loans are being made from the fund as the returned funds are now being used to fund affordable housing grants. Of the five loans made under the scheme one has been fully repaid and the other four are due to be repaid by the end of March 2023.

~~The £40m fund will gradually grow over time through financial investment, including the provision of loans to re-invest into more housing schemes.~~

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Key objectives and principles in the service investments within the Housing Strategy include the following:

- To accelerate housing delivery to support Economic Growth.
- To create Prosperous Places where people want to live.
- To expand housing choices and opportunity through promotion of steps to promote home ownership using alternative tenure structures, potential starter homes and more shared ownership schemes.
- Promoting all Housing (not just affordable) that is in addition to the existing development pipeline and encourage accelerated delivery within adopted local plans.
- Be creative, in using a range of financial delivery mechanisms that have not traditionally been a method through which public sector organisations have supported and delivered housing. This aims to create a revolving fund that will outlast the £170m programme that will help to meet the longer term target of an additional 100,000 homes by 2037.
- An ambition to deliver 40,000 affordable homes within the same time period, to help address the affordability of housing, particularly for key workers, first time buyers and those in low and medium paid employment who cannot easily access the home ownership market without family or other third party support. This will support more sustainable communities.
- To support the spread of Community Land Trusts (CLT's) which support their local communities.
- Ensuring that housing supports the most vulnerable by offering increased choice and affordability for those requiring specialist care.
- Supporting infrastructure to enable new housing schemes through a co-ordinated approach, particularly regarding transport by making strong links across strategies and projects within the Combined Authority.
- Encouraging best use of all property assets, bringing homes that are currently excluded from the market back into market use and supporting the creation of new homes from existing built assets not currently in residential use.
- To consider using the combined authorities borrowing powers to help to accelerate schemes using financial mechanisms, where it aligns to the overall Combined Authority Investment strategy.

#### Housing 'Top-Up' Fund

The Combined Authority can borrow to deliver capital programmes if this borrowing is in line with the prudential framework. While the Combined Authority has not borrowed to date, there is an opportunity to borrow to on loan to housing developers which would enable a larger number of projects to be advanced simultaneously than the £40m revolving housing fund alone would allow.

#### Recycled Growth Fund Loans

The [CPCA Combined Authority](#) offers capital loans to local companies, and other Local Authorities, on the advice of the Business Board, where the projects are considered to achieve value for money and fit with the strategic direction set out in the Local Industrial Strategy. As the majority of Growth Funds ~~were~~[was](#) awarded prior to March ~~2024~~[2022](#) the extent of new loans that will be available in ~~2024-22~~[2022-23](#) is likely to be quite small.

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#### Security of Service Loans

The main risk when making service loans is that the borrower will be unable to repay the principal lent and/or the interest due. In order to limit this risk, and ensure that total exposure to service loans remains proportionate to the size of the Authority, upper limits on the outstanding loans to each category of borrower have been set as follows:

Table 1: Loans for service purposes in £ millions

| Category of borrower | 31.3.20202021 actual |                 |                        | 2021/222022/23   |
|----------------------|----------------------|-----------------|------------------------|------------------|
|                      | Balance owing        | Loss allowance  | Net figure in accounts | Approved Limit   |
| Subsidiaries         | 0.000                | 0.000           | 0.000                  | 20.000           |
| Local businesses     | 39.66245.491         | 0.643779        | 39.01944.712           | 9060.000         |
| <b>TOTAL</b>         | <b>39.66245.491</b>  | <b>0.643779</b> | <b>39.01944.712</b>    | <b>44080.000</b> |

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Accounting standards require the Authority to set aside loss allowance for loans, reflecting the likelihood of non-payment. The figures for loans in the Authority's statement of accounts are shown net of this loss allowance. However, the Authority makes every reasonable effort to collect the full sum lent and has appropriate credit control arrangements in place to recover overdue repayments.

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**Risk assessment:** The Authority would assess the risk of loss before entering into and whilst holding service loans. All future loans would be subject to the following risk assessment and mitigating actions:

- 1) An appropriate level of due diligence, to include the use of external advisors where appropriate.
- 2) An appropriate loan period and timing of repayments
- 3) The calculation of an interest rate that would represent 'value for money', be of 'no detriment' to the Combined Authority, and to minimise the risk of State Aid Subsidy Control challenge
- 4) Approval being subject to a business case, due diligence, and loan agreement to the satisfaction of the Chief Executive, Monitoring Officer and Chief Finance Officer.
- 5) The business case would be reviewed to include focus on:
  - a. Impact of existing loans and charges on assets
  - b. Accuracy and reasonableness of Cashflow and profit forecasts
  - c. Ambition of future sales targets and income to repay loan
  - d. Provisions/allowances for contingency, inflation
  - e. Review of credit worthiness of business and collateralisation of loan
- 6) For housing development loans, first legal charge over land and assets
- 7) Regular review and valuation of the assets
- 8) Drawdown subject to a gateway process
- 9) Consideration of options of parent company guarantees
- 10) Consideration of obligations of S106 agreements

All loans are subject to approval by the Combined Authority Board.

#### Service Investments: Shares

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Contribution: The Council/Combined Authority invests in the shares of its primarily for the delivery of service outcomes rather than for financial return. It invests in equities of both subsidiaries and local businesses to support local public services and stimulate local economic growth. These investments are an intrinsic part of the delivery of the Combined Authority's programmes they are subject to the Combined Authority's Monitoring and Evaluation framework (published here) which has been

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reviewed by the Department for Business, Energy and Industrial Strategy including quarterly reporting on the service outcomes being delivered. As such this strategy only refers to monitoring of the company from a financial investor's perspective beyond what is done in line with the Monitoring and Evaluation framework.

The ~~CPCA~~ Combined Authority has approved a number of ~~material~~ service equity investments as part of both the ~~CAM programme~~ University of Peterborough, Transport, and the Business and Skills agenda, agendas summarised below however, in consideration of the relative risk of equity investments over grants and loan funding, there are two overarching principals which the Combined Authority follows with all but one of these it's equity investments ~~had~~ to ensure that it does not expose itself to undue financial risk:

- 1) The Combined Authority will only invest in limited companies – this limits the liability that the Combined Authority faces to the equity invested in the company, ensuring that the wider Combined Authority finances are insulated from movement in the values of the companies.
- 2) The Combined Authority will assume no future financial returns on any equity investments within its Medium-Term Financial Plan (MTFP). This is, financially, the worst-case scenario with equity investments; by not assuming any future returns the Combined Authority is exposed to only up-side risk and the future financial stability of the organisation is not reliant on the performance of the investments i.e. there is no risk that the Combined Authority will be unable to proceed with it's plans due to poorer than anticipated financial performance of the companies.

All existing material equity investments have been made by the end of March 2021, with only the ~~Getting Building~~ following a recommendation of the Business Board as all involve an element of Local Growth Fund investment. As such all equity investments will have followed the robust due diligence and scoring process which all potential investments must complete prior to being considered by the Business Board – this involves an independent external evaluation of the applicant's business case, financial statements, credit searches, management capability and experience, project key risks, and strategic fit. This results in a report on these areas, a score, and recommendations on what controls and risk mitigations should be put in place if the investment is entered into the second phase of the University of Peterborough outstanding.

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Alongside this, for investments of £500k or more, the applicant will also be required to present their proposal to an Entrepreneurs' Assessment Panel (EAP) made up of Members of the Business Board and external experts in the field who also score the projects.

The Business Board, who's voting membership is made up of experienced CEOs, will then consider the application, appraiser's report and EAP scoring and they can request further information, recommend investments to the Combined Authority for ratification, or reject the project.

The equity investments fall into three groups, in this strategy referred to as: subsidiaries, silent partner service investments, and other equity investments.

### Subsidiaries

Equity holdings in this group are in companies in which the Combined Authority has an active role in day-to-day management of the company. It is either a major, or sole, shareholder and appoints Directors to the company's boards as well as providing support services to the company across a range of areas including payroll, bank administration, management and legal support. These are the most closely monitored investments as Combined Authority staff actively manage and run the companies including production of monthly management updates and reports.

#### Peterborough HE Property Company Ltd - University of Peterborough PhasePhases 1 & 3

Equity investment into a Joint Venture along with Peterborough City Council (PCC) and Anglia Ruskin University (ARU) with a total CPCACombined Authority investment of £2325.5m- against a c.£24m investment from PCC mostly funded from the Levelling Up Fund and a smaller share from ARU. This company will deliver two teaching buildings, which will form the basis for the Anglia Ruskin University – Peterborough to start delivering accredited university courses from September 2022.

#### Peterborough R&D Property Company Ltd – University of Peterborough Phase 2

This project was put forward to Government in response to a call for projects in 2020-21, and £14.6m of grant was awarded to the CPCA (the Getting Building Fund). The majority of this funding is being investedEquity investment into a Joint Venture with Photocentric to deliver a Research and Development centre on the University of Peterborough Campus, primarily funded by the Getting Building Fund grant provided specifically for the purpose from the Department of Business, Energy and Industrial Strategy. This company is constructing a 3-story building within the overall Peterborough University Quarter site with the intention to lease space to companies working on zero emission enabling technologies with Photocentric operating as an anchor tenant occupying one of the 3 floors.

#### TheCambridgeshire and Peterborough Business Growth Service-Company Limited

Approved by CPCA and involves equity investment of up to £7.7m of CPCA and LGF fundingThis company was set up, with £5.4m of Local Growth Fund as equity, as a pilot to deliver support to local businesses and improve the skills offering in the Combined Authority area over 3 years. Via subcontracting with a consortia it delivers services on behalf of the Combined Authority including growth coaching for businesses, inward investment, and skills capacity building. The Combined Authority's equity investment is supported with other income streams including the Growth Hub

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grant, Community Renewal Funds (Start & Grow and Turning Point), EU funding, and the Careers and Enterprise Company contracts. It also manages the Capital Growth Scheme as discussed later.

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#### Other Growth Fund equity investments

There are a number of smaller equity investments made within the Growth Fund programme, these total £5.7m currently awarded with a further pipeline of up to £1.0m.

#### **CAM Special Purpose Vehicle**

In 2020-21 the Combined Authority Board approved the creation of a special purpose vehicle company as the preferred option for carrying forward the CAM project. In light of this £24.0m of CPCA Combined Authority funds have been invested to set up the company, with an expected further £2.0m. In May 2021 the Mayor was elected under a clear commitment to no longer support the CAM and the company is now in 2021-22 the process of being wound up and remaining funds returned to the Authority

#### Silent partner service investments

These investments are joint ventures with a partner organisation where the partner has significant expertise in the area in which the company will operate, with the Combined Authority providing financial support. In recognition of the knowledge and experience of the other member of the joint ventures the Combined Authority does not operate significant control over the company regardless of the share ownership position, however it does have the right to appoint a director to each of the companies' Boards.

The Combined Authority receives all papers prepared for the company's boards and annually reviews the companies' financial position as part of the construction of the Combined Authority's group accounts.

#### Other Equity Investments

##### Illumina Accelerator Programme

On the recommendation of the Business Board the Combined Authority awarded up to £3m to provide investments of £100k to start-up companies which are accepted onto the accelerator programme to support them to complete the accelerator programme run by Illumina. The accelerator programme offers high growth potential companies 6-months of coaching and access to Illumina's lab space to facilitate their growth and development of their concepts. The outputs for this service investment are new companies establishing in the area, and creating jobs, after completion of the accelerator.

While the overall Illumina programme was subject to the Business Board's due diligence processes, the investments within the programme are made directly into the companies by the Combined Authority. Illumina are not regulated investment advisors and thus do not recommend the companies to the Combined Authority as such the Combined Authority is making its own decision to invest in each company. While there is no recommendation from Illumina, the Combined Authority considers it appropriate to take assurance from a company's acceptance onto the Illumina Accelerator programme taking into consideration the following factors:

i) By the nature of the accelerator programme the companies being accepted would be very early-stage start-ups which would likely not have a financial history from which to draw conclusions on their operations.

ii) Illumina conduct a multi-phase assessment of applicants, including a questionnaire on the company's technology and business plans, interviews, and a 3rd party background check. Acceptance onto the programme therefore indicates Illumina's opinion that the company has a high chance of success, and Illumina invest in each of the companies accepted onto their accelerator programme. Given Illumina's experience and expertise in the sector, as demonstrated by the survival rate of graduates from the established Silicon Valley accelerator, it is reasonable to take assurance from this.

iii) No potential future return on the amounts invested would be included in the Combined Authority's medium term financial plan or capital programme – as such the Combined Authority's financial resilience is independent of the performance of the investments, even in the worst-case scenario of nil returns.

As the value of the investment in each company is low (£100k) and represents a small minority of each company's capital the Combined Authority has very little control over these entities. On this basis their financial accounts are only considered on an annual basis to assess materiality for inclusion in the Combined Authority's group accounts.

The intended outcome of these investments is to enable the company to survive its early development stage to the point at which it can attract further capital investment, not profit from capital growth. Reflecting this the Combined Authority seeks to sell its shares once the company has achieved further funding however the companies are not publicly traded so achieving a sale and exit is uncertain and could take a number of years.

#### **Start Codon Fund**

On the recommendation of the Business Board the Combined Authority agreed a £3m investment into a £15m fund to provide pre-seed equity funding of £250k-£500k to early-stage start-up healthcare and life-science research and development businesses. The fund provides annual performance reports to all its investors beyond the service reporting required by the Monitoring and Evaluation framework.

Companies are identified by Start Codon, who's team is made up of local experts in the Bio-Pharma life sciences innovation sector, for acceptance onto the accelerator programme; the fund is managed, and investment decisions taken, by the Kin Group Ltd which specialises in venture capital investment.

The fund has a structured plan to sell its investments 10 years after the fund is fully invested, although this is subject to a possible 4-year extension if there is majority investor consent. At this point the fund's position will be liquidated and funding returned to the investors in the proportions in which they originally invested.

#### **Capital Growth Scheme Investments**

~~The~~ The Cambridgeshire and Peterborough Business Growth Service Co Ltd is tasked with the delivery of a ~~£11m~~ £5.5m fund for ~~a combination of grants and~~ small-scale equity investments into SMEs. This programme ~~is to provide~~ provides working capital awards of up to £250k to fund growth projects which unlock growth in jobs or scale a company to secure more income generation and jobs at a level where private sector equity finance is lacking due to its focus on high-tech, Intellectual Property (IP) based start-ups and much higher growth rates, which typically favour much higher value equity investments of at least £250k up to £2m and higher.

~~It is expected that the~~ The Cambridgeshire and Peterborough Business Growth Service Co Ltd will hold these investments, so they are not included in the limits in this strategy, however they are mentioned as the Cambridgeshire and Peterborough Business Growth Service Co Ltd is wholly owned by the ~~CPCA~~ Combined Authority.

**Security:** One of the risks of investing in shares is that they fall in value meaning that the initial outlay may not be recovered. In order to limit this risk, upper limits on the sum invested in each category of shares have been set as follows:

Table 2: Shares held for service purposes in £ millions

| Category of company | 31.3.20202021 actual |                   |                    | 2024/222022/23  |
|---------------------|----------------------|-------------------|--------------------|-----------------|
|                     | Amounts invested     | Gains or losses   | Value in accounts  | Approved Limit  |
| Subsidiaries        | 0.00032.202          | 0.0003.813        | 0.00028.389        | 6035.000        |
| Local businesses    | 0.3442.421           | 0.208686          | 0.4331.735         | 10.000          |
| <b>TOTAL</b>        | <b>0.34434.623</b>   | <b>0.4324.499</b> | <b>0.20930.124</b> | <b>7045.000</b> |

**Risk assessment:** The Authority would assess the risk of loss before entering into, and whilst holding, share agreements. The approach followed would be to consider:

- 1) an assessment of the market that the Authority would be competing in, the nature and level of competition, how market/customer needs will evolve over time, barriers to entry and exit and any ongoing investment requirements;
- 2) whether to use external advisors;
- 3) risk assessment based on credit ratings and the use of credit rating agencies;
- 4) the monitoring of risk in accordance with the Combined Authority's risk management policy.

**Liquidity:** Investments will be subject to the drawdown requirements of the Capital programme as set out in the Medium-Term Financial Plan and as monitored in the monthly cashflow forecast.

**Non-specified Investments:** Shares (defined as equity and equity like instruments) are the only investment type that the Authority has identified that meets the definition of a non-specified investment in the government guidance. The limits above on share investments are therefore also the Authority's upper limits on non-specified investments. The Authority has not adopted any procedures for determining further categories of non-specified investment since none are likely to meet the definition.

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#### Commercial Investments: Property

The Authority currently does not invest in property with the intention of making a profit that will be spent on local public services and has no immediate plans to do so. In the event that commercial property investments would be held in future, the Authority would consider the following:

**Security:** In accordance with government guidance, the Authority considers a property investment to be secure if its accounting valuation is at or higher than its purchase cost including taxes and transaction costs.

**Risk assessment:** The Authority would assess the risk of loss before entering into and whilst holding property investments. The approach followed would be to consider:

- 1) A full due diligence exercise covering an assessment of: the property business plan, including sensitivity and scenario analysis; the credit quality of incumbent tenants (if any); the local property market, including demand, availability and voids in current similar commercial stock; the area's economic outlook and potential; how market/customer needs will evolve over time; barriers to entry and exit and any ongoing investment requirements;

- 2) Where in-house expertise does not cover the relevant investment opportunity, we will use external advisors for all/part of the due diligence and any other specialist areas;
- 3) External advice will be monitored by relevant officers, including adherence to deadlines, regular advisory meetings and adherence to project objectives;
- 4) The risk assessment will include credit ratings as part of the overall in-depth credit assessment of tenants. The creditworthiness of tenants will be monitored on a regular basis, using external expertise where necessary to give a credit view and an early warning of possible issues. As landlord, the Authority will maintain open dialogue with tenants, including discussion of financial stress;
- 5) The Authority will monitor the performance of the property asset against business plans throughout the life of the asset, assessing its performance and contribution of continued investment against the probable returns from sale.

**Liquidity:** Compared with other investment types, property is relatively difficult to sell and convert to cash at short notice and can take a considerable period to sell in certain market conditions. Each potential investment would be considered to ensure that the invested funds can be accessed when they are needed, for example to repay capital borrowed.

#### Loan Commitments and Financial Guarantees

Although not strictly counted as investments, since no money has exchanged hands yet, loan commitments and financial guarantees carry similar risks to the Authority and were the Authority to enter into any, a process in line with that taken for service loans, as set out above, would be followed, including a calculation of a loss allowance where appropriate.

#### Investment Indicators

The Authority has set the following quantitative indicators to allow elected members and the public to assess the Authority's total risk exposure as a result of its investment decisions.

**Total risk exposure:** The first indicator shows the Authority's total exposure to potential investment losses. This includes amounts the Authority is contractually committed to lend but have yet to be drawn down.

*Table 3: Total investment exposure in £millions*

| Total investment exposure       | 31.03.20202021<br>Actual | 31.03.20242022<br>Forecast | 31.03.20222023<br>Forecast |
|---------------------------------|--------------------------|----------------------------|----------------------------|
| Treasury management investments | 459.924231.000           | 90238.000                  | 5030.000                   |
| Service investments: Loans      | 39.01944.712             | 5037.000                   | 508.000                    |
| Service investments: Shares     | 0.43330.124              | 4047.000                   | 6048.000                   |
| TOTAL INVESTMENTS               | 499.073305.836           | 480322.000                 | 46086.000                  |
| Commitments to lend             | 6.9023.880               | 00.0001.226                | 0.000                      |
| TOTAL EXPOSURE                  | 205.975309.716           | 480.000323.226             | 46086.000                  |

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#### How investments are funded:

To date, all investments are funded by the Authority's useable reserves and income received in advance of expenditure. There are no immediate plans to borrow.

**Rate of return received:** This indicator shows the investment income received less the associated costs, including the cost of borrowing where appropriate, as a proportion of the sum initially invested. Note that due to the complex local government accounting framework, not all recorded gains and losses affect the revenue account in the year they are incurred.

Table 4: Investment rate of return

| Investments net rate of return  | <del>2019/20</del> 2020/21<br>Actual | <del>2020/21</del> 2021/22<br>Forecast | <del>2021/22</del> 2022/23<br>Forecast |
|---------------------------------|--------------------------------------|--|--|
| Treasury management investments | 0.844382%                            | 0.442156%                              | 0.484467%                              |
| Service investments - Loans     | 2.5781.725%                          | 2.949599%                              | 3.0342.792%                            |
| ALL INVESTMENTS                 | 0.943598%                            | 0.784481%                              | 0.888516%                              |

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# Cambridgeshire and Peterborough Combined Authority

## Treasury Management Strategy Statement ~~2021/22~~2022/23

### Introduction

Treasury management is the management of the Authority's cash flows, borrowing and investments, and the associated risks. The Authority has invested substantial sums of money and is therefore exposed to financial risks including the loss of invested funds and the revenue effect of changing interest rates. The successful identification, monitoring and control of financial risk are therefore central to the Authority's prudent financial management.

Treasury risk management at the Authority is conducted within the framework of the Chartered Institute of Public Finance and Accountancy's *Treasury Management in the Public Services: Code of Practice 2017 Edition* (the CIPFA Code) which requires the Authority to approve a treasury management strategy before the start of each financial year. This report fulfils the Authority's legal obligation under the *Local Government Act 2003* to have regard to the CIPFA Code.

Investments held for service purposes or for commercial profit are considered in a different report, the Investment Strategy.

**Economic background:** The ongoing impact on the UK from coronavirus, lockdown measures, the rollout of vaccines, as well as the new trading arrangements together with the European Union (EU), will remain higher inflation, higher interest rates, and the country's trade position post-Brexit, will be major influences on the Authority's treasury management strategy for ~~2021/22~~2022/23.

The Bank of England (BoE) ~~maintained~~increased Bank Rate ~~at to~~ 0.4025% in December ~~2020 and 2021 while maintaining its~~ Quantitative Easing programme at £895 billion ~~having extended it by £150 billion in the previous month.~~ The Monetary Policy Committee (MPC) voted 8-1 in favour of raising rates, and unanimously for both, but no mention was made of the potential future use of negative interest rates. In the to maintain the asset purchase programme.

Within the announcement the MPC noted that the pace of the global recovery was broadly in line with its November Monetary Policy Report (MPR) forecasts, the Bank expects the UK economy to shrink -2% in Q4 2020 before growing by 7.25% in 2021, lower than the previous forecast of 9%. The BoE also forecasts the economy will now take until Q1 2022 to reach its pre-pandemic level rather than the end of 2021 as previously forecast. By the time of the December MPC announcement, a COVID-19 vaccine was approved for use, which the Bank noted would reduce some of the downside risks. Prior to the economic outlook outlined in the November MPR emergence of the Omicron coronavirus variant, the Bank also considered the UK economy to be evolving in line with expectations, however the increased uncertainty and risk to activity the new variant presents, the Bank revised down its estimates for Q4 GDP growth to 0.6% from 1.0%. Inflation was projected to be higher than previously forecast, with CPI likely to remain above 5% throughout the winter and peak at 6% in April 2022. The labour market was generally performing better than previously forecast and the BoE now expects the unemployment rate to fall to 4% compared to 4.5% forecast previously, but notes that Omicron could weaken the demand for labour.

UK ~~Consumer Price Inflation (CPI)~~ for November ~~2020~~2021 registered ~~0.35.1%~~ year on year, ~~down~~up from ~~0.74.2%~~ in the previous month. Core inflation, which excludes the more volatile components, ~~fell~~rose to ~~4.1%4.0% y/y~~ from ~~4.53.4%~~. The most recent labour market data for the three months to October ~~2020~~2021 showed the unemployment rate ~~rose~~fell to ~~4.92%~~ while the employment rate ~~fell to 75.2%.~~ Both measures are expected to deteriorate further due to the ongoing impact of coronavirus on the jobs

market, particularly when the various government job retention schemes start to be unwound in 2021, with the BoE forecasting unemployment will peak at 7.75% in Q2 2021, rose to 75.5%.

In October 2021, the headline 3-month average annual growth rate for wages were 2.74.9% for total pay and 2.84.3% for regular pay. In real terms, after adjusting for inflation, total pay growth was up by 1.97% while regular pay was up 2.4%-1.0%. The change in pay growth has been affected by a change in composition of employee jobs, where there has been a fall in the number and proportion of lower paid jobs.

Gross domestic product (GDP-growth-rebounded) grew by 16.0% in Q3 2020 having fallen by -18.81.3% in the secondthird calendar quarter of 2021 according to the initial estimate, compared to a gain of 5.5% q/q in the previous quarter, with the annual rate risingslowing to -86.6% from -20.8%. All sectors rose quarter-on-quarter, with dramatic gains in construction (41.2%), followed by services and production (both 14.7%). Monthly GDP estimates have shown the economic recovery slowing and remains well23.6%. The Q3 gain was modestly below its pre-the consensus forecast of a 1.5% q/q rise. During the quarter activity measures were boosted by sectors that reopened following pandemic peak-restrictions, suggesting that wider spending was flat. Looking ahead, the BoE's November MPR forecasts economic growth will risewhile monthly GDP readings suggest there had been some increase in momentum in 2021 with GDP reaching 11% inthe latter part of Q3, Q4 2021, 3.1% in Q4 2022 and 1.6% in Q4 2023growth is expected to be soft.

GDP growth in the euro zone reboundedincreased by 12.72.2% in calendar Q3 2020 after contracting by -3.7%2021 following a gain of 2.1% in the second quarter and -11.8a decline of -0.3% in the first and second quarters, respectively. Headline inflation, however, remains extremely weak, has been strong, with CPI registering -0.34.9% year-on-year in November, the fourthfifth successive month of deflation. Core inflation registered 0.2% y/y, well belowinflation. Core CPI inflation was 2.6% y/y in November, the fourth month of successive increases from July's 0.7% y/y. At these levels, inflation is above the European Central Bank's (ECB) target of 'below, but close to 2%'. The ECB is expected to continue, putting some pressure on its long-term stance of holding its main interest rate of 0% and deposit facility rate of -0.5% for some time but expanded its monetary stimulus in December 2020, increasing the size of its asset purchase scheme to €1.85 trillion and extended it until March 2022.%.

The US economy contractedexpanded at an annualised rate of 31.4% in Q2 2020 and then rebounded by 33.4% in Q3-2.1% in Q3 2021, slowing sharply from gains of 6.7% and 6.3% in the previous two quarters. In its December 2021 interest rate announcement, the Federal Reserve maintainedcontinue to maintain the Fed Funds rate at between 0% and 0.25% and announced a change to its inflation targeting regime to a more flexible form of average targeting. The Fed also provided strong indications that interest rates are unlikely to change from current levels over the nextbut outlined its plan to reduce its asset purchase programme earlier than previously stated and signalled they are in favour of tightening interest rates at a faster pace in 2022, with three years0.25% movements now expected.

Former vice-president Joe Biden won the 2020 US presidential election. Mr Biden is making tackling coronavirus his immediate priority and will also be reversing several executive orders signed by his predecessor and take the US back into the Paris climate accord and the World Health Organization.

**Credit outlook:** After spiking in late March as coronavirus became a global pandemic and then rising again in October/November, Since the start of 2021, relatively benign credit conditions have led to credit default swap (CDS) prices for the larger UK banks have to remain low and had steadily fallen back to almost pre-pandemic levels. Although uncertainly around COVID-19 related loan defaults lead to banks provisioning billions for potential losses in the first half of 2020, drastically reducing profits, reported impairments for Q3 were much reduced in some institutions.edged down throughout the year up until mid-November when the emergence of Omicron has caused them to rise modestly. However, general the

generally improved economic outlook during 2021 helped bank profitability in 2020 and 2021 may be significantly lower than in previous years.

The credit ratings for and reduced the level of impairments many UK institutions were downgraded on the back of downgrades to the sovereign rating. Credit conditions more generally though in banks and building societies have tended to be relatively benign, despite the impact of the pandemic had made as provisions for bad loans. However, the relatively recent removal of coronavirus-related business support measures by the government means the full impact on bank balance sheets may not be known for some time.

Looking forward, The improved economic picture during 2021 led the potential for credit rating agencies to reflect this in their assessment of the outlook for the UK sovereign as well as several financial institutions, revising them from negative to stable and even making a handful of rating upgrades.

Looking ahead, while there is still the chance of bank losses to be greater than expected when from bad loans as government and central bank support starts to be removed remains a risk, suggesting a cautious approach, the institutions on the Authority's counterparty list are well-capitalised and general credit conditions across the sector are expected to bank deposits in 2021/22 remains advisable remain benign. Duration limits for counterparties on the Authority's lending list are under regular review and will continue to reflect economic conditions and the credit outlook.

**Interest rate forecast:** The Authority's treasury management adviser Arlingclose is forecasting that BoE Bank Rate will remain at 0.1% until at least the first quarter of 2024. The risks to this forecast are judged to be to the downside as the BoE and UK government continue to react to the coronavirus pandemic and the new EU trading arrangements. The BoE extended its asset purchase programme to £895 billion in November while keeping Bank Rate on hold and maintained this position in December. However, further interest rate cuts to zero, or possibly negative, cannot yet be ruled out but this is not part of the Arlingclose central forecast Bank Rate will continue to rise in calendar Q1 2022 to subdue inflationary pressures and the perceived desire by the BoE to move away from emergency levels of interest rates.

Gilt yields are expected to remain very low in the medium-term while short-term yields are likely remain below or at zero until such time as the BoE expressly rules out the chance of negative interest rates or growth/inflation prospects improve. The central case is for 10-year and 20-year to rise to around 0.60% and 0.90% respectively over the time horizon. The risks around the gilt yield forecasts are judged to be broadly balanced between upside and downside risks, but Investors continue to price in multiple rises in Bank Rate over the next forecast horizon, and Arlingclose believes that although interest rates will rise again, the increases will not be to the extent predicted by financial markets. In the near-term, the risks around Arlingclose's central case are to the upside while over the medium-term the risks become more balanced.

Yields are expected to remain broadly at current levels over the medium-term, with the 5, 10 and 20 year gilt yields expected to average around 0.65%, 0.90%, and 1.15% respectively. The risks around for short and medium-term yields are initially to the upside but shifts lower later, while for long-term yields the risk is to the upside. However, as ever there will almost certainly be short-term volatility due to economic and political uncertainty and events.

Table 1 Arlingclose Interest Rate Forecast – ~~January~~ December 2021

|                                  | Mar-21 | Jun-21 | Sep-21 | Dec-21 | Mar-22 | Jun-22 | Sep-22 | Dec-22 | Mar-23 | Jun-23 | Sep-23 | Dec-23 | Mar-24 |
|----------------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| <b>Official Bank Rate</b>        |        |        |        |        |        |        |        |        |        |        |        |        |        |
| Upside risk                      | 0.00   | 0.00   | 0.15   | 0.15   | 0.15   | 0.15   | 0.30   | 0.30   | 0.30   | 0.30   | 0.30   | 0.30   | 0.30   |
| Arlingclose Central Case         | 0.10   | 0.10   | 0.10   | 0.10   | 0.10   | 0.10   | 0.10   | 0.10   | 0.10   | 0.10   | 0.10   | 0.10   | 0.10   |
| Downside risk                    | 0.30   | 0.40   | 0.50   | 0.50   | 0.50   | 0.50   | 0.50   | 0.50   | 0.50   | 0.50   | 0.50   | 0.50   | 0.50   |
| <b>3-month money market rate</b> |        |        |        |        |        |        |        |        |        |        |        |        |        |
| Upside risk                      | 0.05   | 0.05   | 0.10   | 0.10   | 0.15   | 0.20   | 0.30   | 0.30   | 0.30   | 0.30   | 0.30   | 0.30   | 0.30   |
| Arlingclose Central Case         | 0.10   | 0.10   | 0.15   | 0.15   | 0.20   | 0.20   | 0.20   | 0.20   | 0.20   | 0.20   | 0.20   | 0.20   | 0.20   |
| Downside risk                    | 0.30   | 0.40   | 0.50   | 0.50   | 0.50   | 0.50   | 0.50   | 0.50   | 0.50   | 0.50   | 0.50   | 0.50   | 0.50   |
| <b>1yr money market rate</b>     |        |        |        |        |        |        |        |        |        |        |        |        |        |
| Upside risk                      | 0.05   | 0.05   | 0.10   | 0.10   | 0.15   | 0.20   | 0.40   | 0.40   | 0.40   | 0.40   | 0.40   | 0.40   | 0.40   |
| Arlingclose Central Case         | 0.15   | 0.15   | 0.25   | 0.25   | 0.30   | 0.30   | 0.30   | 0.30   | 0.30   | 0.30   | 0.30   | 0.30   | 0.30   |
| Downside risk                    | 0.15   | 0.15   | 0.15   | 0.15   | 0.15   | 0.15   | 0.15   | 0.15   | 0.15   | 0.15   | 0.15   | 0.15   | 0.15   |
| <b>5yr gilt yield</b>            |        |        |        |        |        |        |        |        |        |        |        |        |        |
| Upside risk                      | 0.40   | 0.40   | 0.45   | 0.45   | 0.50   | 0.50   | 0.55   | 0.60   | 0.60   | 0.65   | 0.65   | 0.70   | 0.70   |
| Arlingclose Central Case         | 0.00   | 0.00   | 0.05   | 0.10   | 0.15   | 0.20   | 0.20   | 0.20   | 0.25   | 0.25   | 0.25   | 0.25   | 0.25   |
| Downside risk                    | 0.40   | 0.45   | 0.50   | 0.55   | 0.60   | 0.60   | 0.60   | 0.60   | 0.60   | 0.60   | 0.60   | 0.60   | 0.60   |
| <b>10yr gilt yield</b>           |        |        |        |        |        |        |        |        |        |        |        |        |        |
| Upside risk                      | 0.30   | 0.35   | 0.40   | 0.45   | 0.50   | 0.50   | 0.55   | 0.60   | 0.60   | 0.65   | 0.65   | 0.70   | 0.70   |
| Arlingclose Central Case         | 0.25   | 0.30   | 0.35   | 0.35   | 0.40   | 0.40   | 0.45   | 0.45   | 0.50   | 0.55   | 0.55   | 0.55   | 0.60   |
| Downside risk                    | 0.50   | 0.50   | 0.55   | 0.55   | 0.55   | 0.55   | 0.55   | 0.55   | 0.55   | 0.55   | 0.55   | 0.55   | 0.55   |
| <b>20yr gilt yield</b>           |        |        |        |        |        |        |        |        |        |        |        |        |        |
| Upside risk                      | 0.40   | 0.40   | 0.45   | 0.45   | 0.50   | 0.50   | 0.55   | 0.60   | 0.60   | 0.65   | 0.65   | 0.70   | 0.70   |
| Arlingclose Central Case         | 0.70   | 0.70   | 0.75   | 0.75   | 0.75   | 0.80   | 0.80   | 0.85   | 0.85   | 0.85   | 0.85   | 0.90   | 0.90   |
| Downside risk                    | 0.30   | 0.30   | 0.35   | 0.35   | 0.35   | 0.40   | 0.40   | 0.40   | 0.40   | 0.40   | 0.40   | 0.40   | 0.40   |
| <b>50yr gilt yield</b>           |        |        |        |        |        |        |        |        |        |        |        |        |        |
| Upside risk                      | 0.40   | 0.40   | 0.45   | 0.45   | 0.50   | 0.50   | 0.55   | 0.60   | 0.60   | 0.65   | 0.65   | 0.70   | 0.70   |
| Arlingclose Central Case         | 0.60   | 0.60   | 0.65   | 0.65   | 0.65   | 0.70   | 0.70   | 0.75   | 0.75   | 0.75   | 0.75   | 0.80   | 0.80   |
| Downside risk                    | 0.30   | 0.30   | 0.35   | 0.35   | 0.35   | 0.40   | 0.40   | 0.40   | 0.40   | 0.40   | 0.40   | 0.40   | 0.40   |

PWLB Certainty Rate (Maturity Loans) = Gilt yield + 0.80%

PWLB Infrastructure Rate (Maturity Loans) = Gilt yield + 0.60%

|                                  | Dec-21 | Mar-22 | Jun-22 | Sep-22 | Dec-22 | Mar-23 | Jun-23 | Sep-23 | Dec-23 | Mar-24 | Jun-24 | Sep-24 | Dec-24 |
|----------------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| <b>Official Bank Rate</b>        |        |        |        |        |        |        |        |        |        |        |        |        |        |
| Upside risk                      | 0.00   | 0.00   | 0.25   | 0.25   | 0.50   | 0.50   | 0.50   | 0.50   | 0.50   | 0.50   | 0.50   | 0.50   | 0.50   |
| Arlingclose Central Case         | 0.25   | 0.50   | 0.50   | 0.50   | 0.50   | 0.50   | 0.50   | 0.50   | 0.50   | 0.50   | 0.50   | 0.50   | 0.50   |
| Downside risk                    | 0.00   | -0.25  | -0.25  | -0.25  | -0.25  | -0.25  | -0.25  | -0.25  | -0.25  | -0.25  | -0.25  | -0.25  | -0.25  |
| <b>3-month money market rate</b> |        |        |        |        |        |        |        |        |        |        |        |        |        |
| Upside risk                      | 0.05   | 0.05   | 0.25   | 0.35   | 0.50   | 0.50   | 0.50   | 0.50   | 0.50   | 0.50   | 0.50   | 0.50   | 0.50   |
| Arlingclose Central Case         | 0.25   | 0.55   | 0.55   | 0.60   | 0.60   | 0.60   | 0.60   | 0.65   | 0.65   | 0.65   | 0.65   | 0.65   | 0.65   |
| Downside risk                    | 0.00   | -0.25  | -0.25  | -0.30  | -0.30  | -0.30  | -0.30  | -0.35  | -0.35  | -0.35  | -0.35  | -0.35  | -0.35  |
| <b>5yr gilt yield</b>            |        |        |        |        |        |        |        |        |        |        |        |        |        |
| Upside risk                      | 0.00   | 0.35   | 0.45   | 0.55   | 0.55   | 0.55   | 0.55   | 0.55   | 0.55   | 0.50   | 0.50   | 0.45   | 0.45   |
| Arlingclose Central Case         | 0.60   | 0.60   | 0.60   | 0.60   | 0.60   | 0.60   | 0.60   | 0.60   | 0.60   | 0.65   | 0.70   | 0.75   | 0.75   |
| Downside risk                    | -0.10  | -0.20  | -0.25  | -0.25  | -0.25  | -0.25  | -0.25  | -0.25  | -0.25  | -0.30  | -0.35  | -0.40  | -0.40  |
| <b>10yr gilt yield</b>           |        |        |        |        |        |        |        |        |        |        |        |        |        |
| Upside risk                      | 0.10   | 0.25   | 0.35   | 0.40   | 0.45   | 0.50   | 0.50   | 0.50   | 0.50   | 0.50   | 0.55   | 0.55   | 0.55   |
| Arlingclose Central Case         | 0.80   | 0.85   | 0.85   | 0.85   | 0.85   | 0.85   | 0.85   | 0.85   | 0.85   | 0.90   | 0.90   | 0.95   | 0.95   |
| Downside risk                    | -0.10  | -0.25  | -0.30  | -0.35  | -0.35  | -0.35  | -0.35  | -0.35  | -0.35  | -0.40  | -0.40  | -0.40  | -0.40  |
| <b>20yr gilt yield</b>           |        |        |        |        |        |        |        |        |        |        |        |        |        |
| Upside risk                      | 0.30   | 0.40   | 0.45   | 0.45   | 0.50   | 0.50   | 0.50   | 0.50   | 0.50   | 0.50   | 0.50   | 0.50   | 0.50   |
| Arlingclose Central Case         | 1.00   | 1.05   | 1.10   | 1.10   | 1.10   | 1.10   | 1.15   | 1.15   | 1.15   | 1.20   | 1.20   | 1.20   | 1.20   |
| Downside risk                    | -0.15  | -0.30  | -0.35  | -0.40  | -0.40  | -0.40  | -0.40  | -0.40  | -0.40  | -0.45  | -0.45  | -0.45  | -0.45  |
| <b>50yr gilt yield</b>           |        |        |        |        |        |        |        |        |        |        |        |        |        |
| Upside risk                      | 0.25   | 0.30   | 0.40   | 0.45   | 0.50   | 0.50   | 0.50   | 0.50   | 0.50   | 0.50   | 0.50   | 0.50   | 0.50   |
| Arlingclose Central Case         | 0.70   | 0.75   | 0.80   | 0.85   | 0.90   | 0.95   | 1.00   | 1.05   | 1.05   | 1.10   | 1.10   | 1.15   | 1.15   |
| Downside risk                    | -0.15  | -0.30  | -0.35  | -0.40  | -0.40  | -0.40  | -0.40  | -0.40  | -0.40  | -0.45  | -0.45  | -0.45  | -0.45  |

PWLB Standard Rate (Maturity Loans) = Gilt yield + 1.00%

PWLB Certainty Rate (Maturity Loans) = Gilt yield + 0.80%

PWLB Infrastructure Rate (Maturity Loans) = Gilt yield + 0.60%

## Local Context

On 31<sup>st</sup> December 2020 the Authority held £nil borrowing and £187.5m of treasury investments.

The underlying need to borrow for capital purposes is measured by the Capital Financing Requirement (CFR), while usable reserves and working capital are the underlying resources available for investment.

The Authority is currently debt free and its capital expenditure plans do not currently imply any need to borrow over the forecast period. Investments are forecast to fall from current levels (end of Dec 2020/2021) of £188m346m to £23m18m (end Mar 2025/2026) as capital funding is used to finance capital expenditure as set out in the Capital programme and the Medium-Term Financial Plan.

CIPFA's *Prudential Code for Capital Finance in Local Authorities* recommends that the Authority's total debt should be lower than its highest forecast CFR over the next three years.

The Authority expects that its capital financing requirement will be nil on 31st March 2024/2022 and in line with the MHCLG Guidance it expects to charge no MRP in 2024/22/2022/23. The Combined Authority has no current requirement to borrow over the lifetime of the Medium Term Financial Plan and so the forecast CFR until 2025/2026 is £nil.

### **Borrowing Strategy**

The Authority is not currently in receipt of any loans. The balance sheet forecast shows that the Authority does not expect to need to borrow in 2024/22/2022/23. However, the Authority may borrow to pre-fund future years' requirements, providing this does not exceed the authorised limit for borrowing of £84.61 million.

**Objectives:** The Authority's chief objective when borrowing money is to strike an appropriately low risk balance between securing low interest costs and achieving certainty of those costs over the period for which funds are required. The flexibility to renegotiate loans should the Authority's long-term plans change is a secondary objective.

**Strategy:** The Authority's borrowing strategy will address the key issue of affordability without compromising the longer-term stability of any future debt portfolio. With short-term interest rates currently much lower than long-term rates, it is likely to be more cost effective in the short-term to either use internal resources, or to borrow short-term loans instead.

The benefits of internal / short-term borrowing will be monitored regularly against the potential for incurring additional costs by deferring borrowing into future years when long-term borrowing rates are forecast to rise modestly. Arlingclose will assist the Authority with this 'cost of carry' and breakeven analysis. Its output may determine whether the Authority borrows additional sums at long-term fixed rates in 2024/22/2022/23 with a view to keeping future interest costs low, even if this causes additional cost in the short-term.

~~The government has reversed the 1% increase in PWLB rates introduced in October 2019. As a result of this,~~ The Authority expects to borrow any long-term loans from the PWLB or the UKIB, but will consider long-term loans from other sources including banks, pensions and local authorities, and will investigate the possibility of issuing bonds and similar instruments, in order to lower interest costs and reduce over-reliance on one source of funding in line with the CIPFA Code. PWLB loans are no longer available to local authorities planning to buy investment assets primarily for yield; the Authority intends to avoid this activity in order to retain its access to PWLB loans.

Alternatively, the Authority may arrange forward starting loans, where the interest rate is fixed in advance, but the cash is received in later years. This would enable certainty of cost to be achieved without suffering a cost of carry in the intervening period.

In addition, the Authority may borrow short-term loans to cover unplanned cash flow shortages.

**Sources of borrowing:** The approved sources of long-term and short-term borrowing are:

- HM Treasury's PWLB lending facility (formerly the Public Works Loan Board)
- [The UK Infrastructure Bank](#)
- any institution approved for investments (see below)
- any other bank or building society authorised to operate in the UK
- any other UK public sector body
- UK public and private sector pension funds (except the Combined Authority's Pension Fund)
- capital market bond investors
- UK Municipal Bonds Agency plc and other special purpose companies created to enable local authority bond issues

**Other sources of debt finance:** In addition, capital finance may be raised by the following methods that are not borrowing, but may be classed as other debt liabilities:

- leasing
- hire purchase
- Private Finance Initiative
- sale and leaseback

**Municipal Bonds Agency:** UK Municipal Bonds Agency plc was established in 2014 by the Local Government Association as an alternative to the PWLB. It issues bonds on the capital markets and lends the proceeds to local authorities. This is a more complicated source of finance than the PWLB for two reasons: borrowing authorities will be required to provide bond investors with a guarantee to refund their investment in the event that the agency is unable to for any reason; and there will be a lead time of several months between committing to borrow and knowing the interest rate payable. Any decision to borrow from the Agency will therefore be the subject of a separate report to the Board.

**Short-term and variable rate loans:** These loans leave the Authority exposed to the risk of short-term interest rate rises and are therefore subject to the interest rate exposure limits in the treasury management indicators below. Financial derivatives may be used to manage this interest rate risk (see section below).

**Debt rescheduling:** The PWLB allows authorities to repay loans before maturity and either pay a premium or receive a discount according to a set formula based on current interest rates. Other lenders may also be prepared to negotiate premature redemption terms. The Authority may take advantage of this in the future and replace some loans with new loans, or repay loans without replacement, where this is expected to lead to an overall cost saving or a reduction in risk.

### **Treasury Investment Strategy**

The Authority holds significant invested funds, representing income received in advance of expenditure plus balances and reserves held. In the past 12 months, the Authority's treasury investment balance has ranged between [£464m167m](#) and [£236million346m](#), and levels are expected to be subject to the drawdown of funds to support the delivery of the Combined Authority's priorities and objectives as set out in the Business Plan and the Medium-Term Financial Plan.

**Objectives:** The CIPFA Code requires the Authority to invest its treasury funds prudently, and to have regard to the security and liquidity of its investments before seeking the highest rate of return, or yield. The Authority's objective when investing money is to strike an appropriate balance between risk and return, minimising the risk of incurring losses from defaults and the risk of receiving unsuitably low investment income. Where balances are expected to be invested for more than one year, the Authority will aim to achieve a total return that is equal or higher than the prevailing rate of inflation, in order to maintain the spending power of the sum invested.

**Negative interest rates:** The COVID-19 pandemic has increased the risk that the Bank of England will set its Bank Rate at or below zero, which is likely to feed through to negative interest rates on all low risk, short-term investment options. Since investments cannot pay negative income, negative rates will be applied by reducing the value of investments. In this event, security will be measured as receiving the contractually agreed amount at maturity, even though this may be less than the amount originally invested.

**Strategy:** Given the increasing risk and very low returns from short-term unsecured bank investments, the Authority will continue to diversify into more secure and/or higher yielding asset classes during [2021/222022/23](#). Due to current liquidity requirements, an increasing proportion of the Authority's surplus cash is currently invested in short-term unsecured bank deposits, and money market funds.

**Approved counterparties:** The Authority may invest its surplus funds with any of the counterparty types in table 2 below, subject to the cash limits (per counterparty) and the time limits shown.

Table 2: Treasury investment counterparties and limits

| Sector  | Time limit | Counterparty limit | Sector limit |
|---|------------|--------------------|--------------|
| The UK Government                             | 50 years   | Unlimited          | n/a          |
| Local authorities & other government entities | 25 years   | £25m               | Unlimited    |
| Secured investments *                         | 25 years   | £25m               | Unlimited    |
| Banks (unsecured) *                           | 13 months  | £15m               | Unlimited    |
| Building societies (unsecured) *              | 13 months  | £15m               | £25m         |
| Registered providers (unsecured) *            | 5 years    | £15m               | £50m         |
| Money market funds *                          | n/a        | £25m               | Unlimited    |
| Strategic pooled funds                        | n/a        | £25m               | £100m        |
| Real estate investment trusts                 | n/a        | £25m               | £50m         |
| Other investments *                           | 5 years    | £15m               | £25m         |

This table must be read in conjunction with the notes below

**Minimum Credit rating:** Treasury investments in the sectors marked with an asterisk will only be made with entities whose lowest published long-term credit rating is no lower than **[A-]**. Where available, the credit rating relevant to the specific investment or class of investment is used, otherwise the counterparty credit rating is used. However, investment decisions are never made solely based on credit ratings, and all other relevant factors including external advice will be taken into account.

For entities without published credit ratings, investments may be made where external advice indicates the entity to be of similar credit quality.

**Government:** Loans, bonds and bills issued or guaranteed by national governments, regional and local authorities and multilateral development banks. These investments are not subject to bail-in, and there is generally a lower risk of insolvency, although they are not zero risk. Investments with the UK Central Government are deemed to be zero credit risk due to its ability to create additional currency and therefore may be made in unlimited amounts for up to 50 years.

**Secured investments:** Investments secured on the borrower's assets, which limits the potential losses in the event of insolvency. The amount and quality of the security will be a key factor in the investment decision. Covered bonds and reverse repurchase agreements with banks and building societies are exempt from bail-in. Where there is no investment specific credit rating, but the collateral upon which the investment is secured has a credit rating, the higher of the collateral credit rating and the counterparty credit rating will be used. The combined secured and unsecured investments with any one counterparty will not exceed the cash limit for secured investments.

**Banks and building societies (unsecured):** Accounts, deposits, certificates of deposit and senior unsecured bonds with banks and building societies, other than multilateral development banks. These investments are subject to the risk of credit loss via a bail-in should the regulator determine that the bank is failing or likely to fail. See below for arrangements relating to operational bank accounts.

**Registered providers (unsecured):** Loans to, and bonds issued or guaranteed by registered providers of social housing and registered social landlords, formerly known as housing associations. These bodies are regulated by the Regulator of Social Housing (in England), the Scottish Housing Regulator, the Welsh Government and the Department for Communities (in Northern Ireland). As providers of public services, they retain the likelihood of receiving government support if needed.

**Money market funds:** Pooled funds that offer same-day or short notice liquidity and very low or no price volatility by investing in short-term money markets. They have the advantage over bank accounts of providing wide diversification of investment risks, coupled with the services of a professional fund manager in return for a small fee. Although no sector limit applies to money market funds, the Authority will take care to diversify its liquid investments over a variety of providers to ensure access to cash at all times.

**Strategic pooled funds:** Bond, equity and property funds that offer enhanced returns over the longer term, but are more volatile in the short term. These allow the Authority to diversify into asset classes other than cash without the need to own and manage the underlying investments. Because these funds have no defined maturity date, but are available for withdrawal after a notice period, their performance and continued suitability in meeting the Authority's investment objectives will be monitored regularly.

**Real estate investment trusts:** Shares in companies that invest mainly in real estate and pay the majority of their rental income to investors in a similar manner to pooled property funds. As with property funds, REITs offer enhanced returns over the longer term, but are more volatile especially as the share price reflects changing demand for the shares as well as changes in the value of the underlying properties.

**Other investments:** This category covers treasury investments not listed above, for example unsecured corporate bonds and company loans. Non-bank companies cannot be bailed-in but can become insolvent placing the Authority's investment at risk.

**Operational bank accounts:** The Authority may incur operational exposures, for example through current accounts, collection accounts and merchant acquiring services, to any UK bank with credit ratings no lower than BBB- and with assets greater than £25 billion. These are not classed as investments, but are still subject to the risk of a bank bail-in, and balances will therefore be kept below £25m per bank. The Bank of England has stated that in the event of failure, banks with assets greater than £25 billion are more likely to be bailed-in than made insolvent, increasing the chance of the Authority maintaining operational continuity.

**Risk assessment and credit ratings:** Credit ratings are obtained and monitored by the Authority's treasury advisers, who will notify changes in ratings as they occur. The credit rating agencies in current use are listed in the Treasury Management Practices document. Where an entity has its credit rating downgraded so that it fails to meet the approved investment criteria then:

- no new investments will be made,
- any existing investments that can be recalled or sold at no cost will be, and
- full consideration will be given to the recall or sale of all other existing investments with the affected counterparty.

Where a credit rating agency announces that a credit rating is on review for possible downgrade (also known as “negative watch”)) so that it may fall below the approved rating criteria, then only investments that can be withdrawn on the next working day will be made with that organisation until the outcome of the review is announced. This policy will not apply to negative outlooks, which indicate a long-term direction of travel rather than an imminent change of rating.

**Other information on the security of investments:** The Authority understands that credit ratings are good, but not perfect, predictors of investment default. Full regard will therefore be given to other available information on the credit quality of the organisations in which it invests, including credit default swap prices, financial statements, information on potential government support, reports in the quality financial press and analysis and advice from the Authority’s treasury management adviser. No investments will be made with an organisation if there are substantive doubts about its credit quality, even though it may otherwise meet the above criteria.

When deteriorating financial market conditions affect the creditworthiness of all organisations, as happened in 2008 and 2020, this is not generally reflected in credit ratings, but can be seen in other market measures. In these circumstances, the Authority will restrict its investments to those organisations of higher credit quality and reduce the maximum duration of its investments to maintain the required level of security. The extent of these restrictions will be in line with prevailing financial market conditions. If these restrictions mean that insufficient commercial organisations of high credit quality are available to invest the Authority’s cash balances, then the surplus will be deposited with the UK Government via the Debt Management Office or invested in government treasury bills for example, or with other local authorities. This will cause investment returns to fall but will protect the principal sum invested.

**Investment limits:** In order to minimise the risk of a single default against available reserves, the maximum that will be lent to any one organisation (other than the UK Government) will be £25m. A group of entities under the same ownership will be treated as a single organisation for limit purposes.

Credit risk exposures arising from non-treasury investments, financial derivatives and balances greater than £25m in operational bank accounts would be taken account of against the relevant investment limits when making treasury management investments, but the limits in this strategy do not apply to service investments.

Limits will also be placed on fund managers, investments in brokers’ nominee accounts, foreign countries and industry sectors as below. Investments in pooled funds and multilateral development banks do not count against the limit for any single foreign country, since the risk is diversified over many countries.

*Table 4: Investment limits*

|   | Cash limit       |
|---|------------------|
| Any group of pooled funds under the same management       | £50m per manager |
| Negotiable instruments held in a broker’s nominee account | £50m per broker  |
| Foreign countries   | £25m per country |

**Liquidity management:** The Authority uses cash flow forecasting to determine the maximum period for which funds may prudently be committed. The forecast is compiled on a prudent basis to minimise the risk of the Authority being forced to borrow on unfavourable terms to meet its financial commitments. Limits on long-term investments are set by reference to the Authority’s medium-term financial plan and cash flow forecast.

The Authority will spread its liquid cash over at least three providers (e.g. bank accounts and money market funds) to ensure that access to cash is maintained in the event of operational difficulties at any one provider.

### **Treasury Management Indicators**

The Authority measures and manages its exposures to treasury management risks using the following indicators.

**Security:** The Authority has adopted a voluntary measure of its exposure to credit risk by monitoring the value-weighted average credit score of its investment portfolio. This is calculated by applying a score to each investment (AAA=1, AA+=2, etc.) and taking the arithmetic average, weighted by the size of each investment. Unrated investments are assigned a score based on their perceived risk.

| Credit risk indicator           | Target |
|---------------------------------|--------|
| Portfolio average credit rating | 6 (A)  |

**Liquidity:** The Authority has adopted a voluntary measure of its exposure to liquidity risk by monitoring the amount of cash available to meet payments within a rolling three month period, without additional borrowing.

| Liquidity risk indicator             | Target                     |
|--------------------------------------|----------------------------|
| Total cash available within 3 months | <del>£50m</del> <u>25m</u> |

**Interest rate exposures:** This indicator is set to control the Authority's exposure to interest rate risk:

| Interest rate risk indicator   | Limit |
|--|-------|
| Upper limit on one-year revenue impact of a 1% <u>rise</u> in interest rates | £1.5m |
| Upper limit on one-year revenue impact of a 1% <u>fall</u> in interest rates | £1.5m |

The impact of a change in interest rates is calculated on the assumption that maturing loans and investments will be replaced at current rates.

Time periods start on the first day of each financial year. The maturity date of borrowing is the earliest date on which the lender can demand repayment.

**Principal sums invested for periods longer than a year (excluding loans):** The purpose of this indicator is to control the Authority's exposure to the risk of incurring losses by seeking early repayment of its investments. The limits on the long-term principal sum invested to final maturities beyond the period end will be:

| Price risk indicator                        | <del>2021/22</del> <u>2022/23</u> | <del>2023/24</del> <u>2022/23</u> | <del>2024/25</del> <u>2023/24</u> |
|---|-----------------------------------|-----------------------------------|-----------------------------------|
| Limit on principal invested beyond year end | <del>£160m</del> <u>50m</u>       | <del>£50m</del> <u>30m</u>        | <del>£50m</del> <u>20m</u>        |

### **Related Matters**

The CIPFA Code requires the Authority to include the following in its treasury management strategy.

**Financial Derivatives:** Local authorities have previously made use of financial derivatives embedded into loans and investments both to reduce interest rate risk (e.g. interest rate collars and forward deals) and to reduce costs or increase income at the expense of greater risk (e.g. LOBO loans and callable deposits). The general power of competence in Section 113A of the Local Democracy, Economic Development and Construction Act 2009 removes much of the uncertainty over combined authorities' use of standalone financial derivatives (i.e. those that are not embedded into a loan or investment).

The Authority will only use standalone financial derivatives (such as swaps, forwards, futures and options) where they can be clearly demonstrated to reduce the overall level of the financial risks that the Authority is exposed to. Additional risks presented, such as credit exposure to derivative counterparties, will be taken into account when determining the overall level of risk. Embedded derivatives, including those present in pooled funds and forward starting transactions, will not be subject to this policy, although the risks they present will be managed in line with the overall treasury risk management strategy.

Financial derivative transactions may be arranged with any organisation that meets the approved investment criteria, assessed using the appropriate credit rating for derivative exposures. An allowance for credit risk calculated using the methodology in the Treasury Management Practices document will count against the counterparty credit limit and the relevant foreign country limit.

In line with the CIPFA Code, the Authority will seek external advice and will consider that advice before entering into financial derivatives to ensure that it fully understands the implications.

**Markets in Financial Instruments Directive:** The Authority has opted up to professional client status with its providers of financial services, allowing it access to a greater range of services but without the greater regulatory protections afforded to individuals and small companies. Given the size and range of the Authority's treasury management activities, the Chief Financial Officer believes this to be the most appropriate status.

### Financial Implications

The budget for investment income in ~~2021/22~~2022/23 is £0.~~2307~~ million, based on the expected investment portfolio. There is ~~no~~ budget of £0.50 million for debt interest paid in ~~2021/22 as no borrowing is expected~~2022/23.

Where investment income exceeds budget, e.g. from higher risk investments including pooled funds, or debt interest paid falls below budget, e.g. from cheap short-term borrowing, then consideration will be given to transferring a portion of the revenue savings will be transferred to a treasury management reserve to cover the risk of capital losses or higher interest rates payable in future years.

### Other Options Considered

The CIPFA Code does not prescribe any particular treasury management strategy for local authorities to adopt. The Chief ~~Financial~~Finance Officer, ~~having consulted the Portfolio Holder for Investment and Finance,~~ believes that the above strategy represents an appropriate balance between risk management and cost effectiveness. Some alternative strategies, with their financial and risk management implications, are listed below.

| Alternative | Impact on income and expenditure | Impact on risk management |
|-------------|----------------------------------|---------------------------|
|-------------|----------------------------------|---------------------------|

|   |  |   |
|---|--|---|
| Invest in a narrower range of counterparties and/or for shorter times | Interest income will be lower  | Lower chance of losses from credit related defaults, but any such losses may be greater   |
| Invest in a wider range of counterparties and/or for longer times     | Interest income will be higher   | Increased risk of losses from credit related defaults, but any such losses may be smaller   |
| Borrow additional sums at long-term fixed interest rates              | Debt interest costs will rise; this is unlikely to be offset by higher investment income | Higher investment balance leading to a higher impact in the event of a default; however long-term interest costs may be more certain            |
| Borrow short-term or variable loans instead of long-term fixed rates  | Debt interest costs will initially be lower  | Increases in debt interest costs will be broadly offset by rising investment income in the medium term, but long-term costs may be less certain |
| Reduce level of borrowing   | Saving on debt interest is likely to exceed lost investment income                       | Reduced investment balance leading to a lower impact in the event of a default; however long-term interest costs may be less certain            |

## Appendix A - Existing Investment & Debt Portfolio Position

|  | 31 De <del>2020</del> 2021 |                    |
|--|----------------------------|--------------------|
|  | Actual Portfolio<br>£m     | Average Rate<br>%  |
| <b>External borrowing:</b>             |                            |                    |
| Public Works Loan Board                | 0                          |                    |
| Local authorities                      | 0                          |                    |
| LOBO loans from banks                  | 0                          |                    |
| Other loans                            | 0                          |                    |
| <b>Total external borrowing</b>        | 0                          |                    |
| <b>Total gross external debt</b>       | 0                          |                    |
| <b>Treasury investments:</b>           |                            |                    |
| Banks & building societies (unsecured) | 0.1                        | 0.01               |
| Government (incl. local authorities)   | <del>147.4</del>           | 0.39 <del>14</del> |
| Money Market Funds                     | <del>40290.5</del>         | 0.02 <del>05</del> |
|  | <del>55.0</del>            |                    |
| <b>Total treasury investments</b>      | <del>187.5345.6</del>      | 0.34 <del>12</del> |
| <b>Net debt</b>                        | <del>(187.5345.6)</del>    |                    |

# Cambridgeshire and Peterborough Combined Authority

## Minimum Revenue Provision Statement ~~2021/22~~2022/23

### Annual Minimum Revenue Provision Statement ~~2021/22~~2022/23

Where the Authority finances capital expenditure by debt, it must put aside resources to repay that debt in later years. The amount charged to the revenue budget for the repayment of debt is known as Minimum Revenue Provision (MRP), although there has been no statutory minimum since 2008. The Local Government Act 2003 requires the Authority to have regard to the ~~former~~ Ministry of Housing, Communities and Local Government's *Guidance on Minimum Revenue Provision* (the MHCLG Guidance) most recently issued in 2018.

The broad aim of the MHCLG Guidance is to ensure that capital expenditure is financed over a period that is either reasonably commensurate with that over which the capital expenditure provides benefits, or, in the case of borrowing supported by Revenue Grant, reasonably commensurate with the period implicit in the determination of that grant.

The MHCLG Guidance requires the Authority to approve an Annual MRP Statement each year and recommends a number of options for calculating a prudent amount of MRP. The following statement incorporates options recommended in the Guidance.

- The Authority expects that its capital financing requirement will be nil on 31<sup>st</sup> March ~~2021/22~~2022 and in line with the MHCLG Guidance it expects to charge no MRP in ~~2021/22~~2022/23.
- For capital expenditure loans to third parties that are repaid in annual or more frequent instalments of principal, the Authority will make nil MRP, but will instead apply the capital receipts arising from principal repayments to reduce the capital financing requirement instead. In years where there is no principal repayment, MRP will be charged in accordance with the MRP policy for the assets funded by the loan, including where appropriate, delaying MRP until the year after the assets become operational. While this is not one of the options in the MHCLG Guidance, it is thought to be a prudent approach since it ensures that the capital expenditure incurred in the loan is fully funded over the life of the assets.
- Where loans are made from grant funds, there will be no Capital Finance Requirement and therefore no MRP.
- Where former operating leases have been brought onto the balance sheet on 1<sup>st</sup> April 2022 due to the adoption of the IFRS 16 Leases accounting standard, and the asset values have been adjusted for accruals, prepayments, premiums and/or discounts, then the annual MRP charges will be adjusted so that the total charge to revenue remains unaffected by the new standard.
- The table below summarises the MRP Policy.

| Capital Expenditure Incurred                          | MRP Policy  |
|---|---|
| Expenditure funded by unsupported borrowing           | Asset Life, annuity method - MRP will be based on the prevailing PWLB interest rate for a loan with a term equivalent to the estimated life of the project.   |
| Finance Leases  | <del>Charged in relation to asset life on the annuity method</del> MRP will be determined as being equal to the element of the rent or charge that goes to write down the balance sheet liability.  |
| Secured Loans to third parties repaid in bullet form. | No MRP will be charged as reliance can be placed on the capital receipt that will be generated when the loan is repaid or, in the event of a default, the realisation of the security. If realisation of the security does not equate to the original loaned amount, the Authority will recognise the associated impairment and will charge MRP on the outstanding balance. |



**CAMBRIDGESHIRE  
& PETERBOROUGH**  
COMBINED AUTHORITY

Agenda Item No: 3.1

## Sustainable Growth Ambition Statement

|                      |   |
|----------------------|---|
| To:                  | Cambridgeshire and Peterborough Combined Authority Board  |
| Meeting Date:        | 30 March 2022   |
| Public report:       | Yes   |
| Lead Member:         | Mayor Dr Nik Johnson  |
| From:                | Paul Raynes, Director of Delivery and Strategy  |
| Key decision:        | No  |
| Forward Plan ref:    | n/a   |
| Recommendations:     | <p>The Combined Authority Board is recommended to:</p> <p>Adopt the Sustainable Growth Ambition Statement attached at Appendix 1.</p>   |
| Voting arrangements: | <p>A simple majority of all Members present and voting.</p> <p>To be carried, the vote must include the vote of the Mayor, or the Deputy Mayor when acting in place of the Mayor.</p> |

## 1. Purpose

- 1.1 To adopt the Sustainable Growth Ambition Statement.

## 2. Background

- 2.1 The Constitution and Assurance Framework require funding to be allocated in line with the Combined Authority's strategic policy framework. A key element of that policy framework since 2018 has been the Growth Ambition Statement. This statement was adopted by the Combined Authority in November 2018 and now needs to be updated.
- 2.2 The Board is invited to adopt the new draft Sustainable Growth Ambition Statement set out at Appendix 1. The text was published for consultation alongside the draft medium term financial plan (MTFP) between 26 November and 31 December 2021. The text before the Board today reflects comments made during the consultation and has been further revised following discussion by the Board on 26 January 2022.
- 2.3 The Sustainable Growth Ambition Statement restates the Devolution Deal commitment to double the size of the Cambridgeshire and Peterborough economy over the 25 years from the date of the Deal. It also describes six themes which inform the Combined Authority's investment programme. These reflect an economic approach anchored in growth theory, aiming to maximise not only annual headline growth in the economy, but also the stock of capital that will support future growth and make it sustainable.
- 2.4 Since the first draft of this Statement was put before the Board in November, a similar "six capitals" approach has been adopted as the economic basis for the Government's Levelling Up White Paper, published in February 2022.
- 2.5 The draft Sustainable Growth Ambition Statement's investment themes will be supported by measurable outcomes. These will provide a more robust and consistent framework for prioritising future investments and developing business cases that are consistent with the principles of the HM Treasury Green Book.
- 2.6 As was the case with the previous Growth Ambition Statement, the Sustainable Growth Ambition Statement will provide the strategic policy anchor for future updates of the other key policy documents that make up the Authority's strategic framework.

## Significant Implications

## 3. Financial Implications

- 3.1 The Sustainable Growth Ambition Statement and the six themes will be used to guide the allocation of the budget in order to ensure strategic alignment, which is a key element of the value for money assessment required by the HMT Green Book and our own Assurance Framework.

## 4. Legal Implications

- 4.1 There are no direct legal implications from the Statement.

## 5. Public Health Implications

- 5.1 The Statement includes population health within one of the six themes. By guiding the allocation of Combined Authority funding and shaping other strategies, the Statement will embed a commitment to invest in improving health across the Combined Authority's programme.

## 6. Environmental and Climate Change Implications

- 6.1 The Statement includes natural capital development as one of the six themes. By guiding the allocation of Combined Authority funding and shaping other strategies, the Statement will embed a commitment to invest in the natural environment and tackling Climate Change across the Combined Authority's programme.

## 7. Other Significant Implications

- 7.1 None

## 8. Appendices

- 8.1 Appendix 1 – Sustainable Growth Ambition Statement
- 8.2 An accessible version of Appendix 1 is available on request from [Nathan.Bunting@cambridgeshirepeterborough-ca.gov.uk](mailto:Nathan.Bunting@cambridgeshirepeterborough-ca.gov.uk)

## 9. Background Papers

- 9.1 [Combined Authority Board report 28 November 2018](#)
- 9.2 [Combined Authority Board report 24 November 2021](#)
- 9.3 [Combined Authority Board report 26 January 2022](#)



## CA SUSTAINABLE GROWTH AMBITION STATEMENT

The Devolution Deal between the government and Cambridgeshire and Peterborough established a programme of investment in our economic future, with the aim of doubling the size of the economy and creating more good jobs. In pursuing economic growth, we have a responsibility to ensure that rising prosperity makes life better, healthier and fairer, and does not exhaust the resources our children will need for the future. More and more people are recognising that we don't just need growth: rather we need to ensure we are delivering good growth. Our aim is not simply to increase our income, but to increase our area's wealth, in a way that is driven by our values.

Since the Devolution Deal was enacted, much has changed – Brexit, Covid-19, increased awareness of the need to protect our environment and the impact our actions are having on the climate and our wellbeing are all factors we need to be cognisant of in delivering future sustainable growth.

In the past, even though the Board has, in reality, made investments that do address issues of fairness and sustainability we have tended to focus more narrowly on the target of doubling GVA. But growth and investment choices go together: it is only because we invest in the future that we can look forward to sustainable growth. The investments we pick reflect our values and are the foundations of our future.

The Combined Authority's strategy is therefore unashamedly values-driven. The values the Mayor wishes to be the hallmark of his term in office are

- Compassion
- Cooperation
- Community.

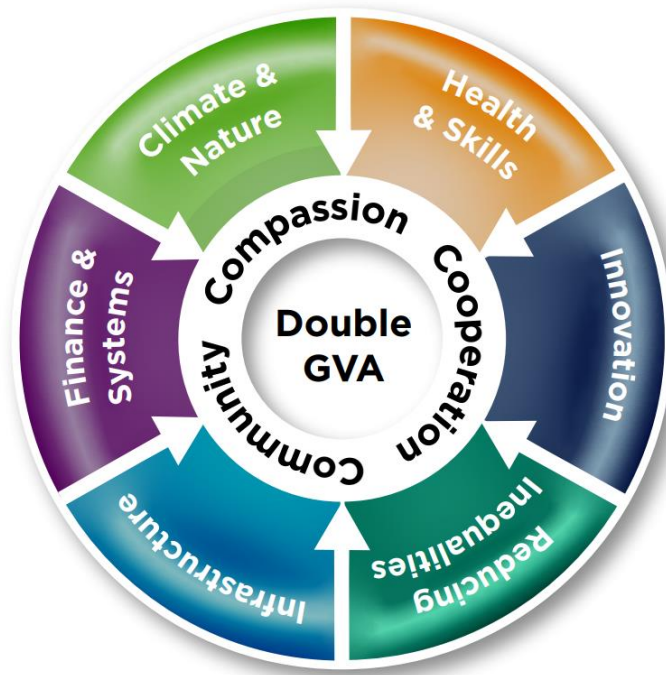
These help to frame how we will pursue the devolution deal's overall aim of achieving sustainable growth and integral human development.

We propose that we should recognise that our investment programme has six themes, all of which are anchored in the devolution deal. We aim to build up the capital stock of Cambridgeshire and Peterborough across the six dimensions of

- People: building human capital - the health and skills of the population - to raise both productivity and the quality of life so that that people in our region are healthy and able to pursue the jobs and lives they want.
- Climate and Nature: restoring the area's depleted natural capital and addressing the impact of climate change on our low-lying area's special vulnerabilities and encouraging businesses to come up with solutions.
- Infrastructure: from digital and public transport connectivity to water and energy, building out the networks needed to support a successful future.
- Innovation: building on our reputation for new thinking, new technology and new ideas in Cambridgeshire and Peterborough in order to ensure this area can continue to be one of the most dynamic and dense knowledge economies in Europe.

- Reducing inequalities: investing in the community and building social capital to complement improved skills and connectivity as part of the effort to narrow the big gaps in life expectancy and people's income between places.
- Financial and systems: improving the institutional capital – the ways we work, organise and fund ourselves - which supports decision-making and delivery.

Shown as a diagram, it looks like this:



This approach requires us to monitor more outcomes than simply GVA growth (data which is anyway only available from the ONS with a two-year time lag). The Combined Authority will be tracking progress on outcome indicators such as the gap in healthy life expectancy, employment, land use for nature, CO2 emissions, and earnings gaps.

This strategic approach will be reflected in the Combined Authority's overall work programme. Plans and strategies such as the Local Transport Plan, Economic Recovery Strategy, and Digital Infrastructure Strategy will identify how they are driven by the ambitions for capital development under each of the themes and include outcome indicators to show how they will deliver against those themes. Ensuring each theme is supported through the development of sustainable skills is a key part of the Combined Authority's mission.



**CAMBRIDGESHIRE  
& PETERBOROUGH**  
COMBINED AUTHORITY

Agenda Item No: 3.2

## University of Peterborough Phase 2 novation of a Design Contract between CPCA and Mace Ltd to PropCo2 (Peterborough R&D Property Company Limited)

To: Cambridgeshire and Peterborough Combined Authority Board

Meeting Date: 30<sup>th</sup> March 2022

Lead Member: Mayor Dr Nik Johnson

From: Roger Thompson, Director of Housing and Development

Key decision: Yes

Forward Plan ref: KD2022/009

Recommendations: The Combined Authority Board is recommended to:

Delegate authority to the Director of Housing and Development (in consultation with the Monitoring Officer and Chief Finance Officer) to novate the design contract between CPCA and MACE Limited from CPCA to PropCo2 (Peterborough R&D Property Company Limited).

Voting arrangements: A simple majority of all Members present and voting.

To be carried, the vote must include the vote of the Mayor, or the Deputy Mayor when acting in place of the Mayor.

## 1. Purpose

- 1.1 The Combined Authority Board's approval is sought to delegate authority to the Director of Housing and Development to novate a design contract between CPCA and MACE Limited from CPCA to PropCo2 (Peterborough R&D Property Company Limited), trading as Peterborough R&D Property Co Limited.

## 2. Background

- 2.1 As part of the Mayoral priorities, the CPCA is working to deliver a new University of Peterborough and on behalf of the project, secured Local Growth Funding (LGF) of £14.6m to deliver the project through the Getting Building Funding from the Ministry of Housing, Communities and Local Government (MHCLG). The Business Board agreed at its Extraordinary Board meeting on 9th July 2020 that the Peterborough University Phase 2 Manufacturing and Materials Research & Development Centre project was the only project to be formally invited to apply for this funding based on MHCLG Officer and CPCA Officer evaluation that led to this project being ranked 1 out of all projects submitted from the MHCLG call for 'Shovel Ready Projects'.
- 2.2 The funding included conditions that required the design and planning requirements for the build to commence immediately to facilitate the procurement for a contractor and commercial operator. In September 2020 through an Officer Decision Notice (ODN), the CPCA appointed MACE Ltd using direct award from the Crown Commercial Services Framework Multi-Disciplinary Design Services Lot, for the design and development of the University of Peterborough Manufacturing & Materials Research & Development Centre project.
- 2.3 On the 5<sup>th</sup> of November 2020 the Mayor, using his general power of competence and having consulted with the Combined Authority Board Members at the Leaders' Strategy Meeting on 28<sup>th</sup> October 2020, approved £14.6 million Getting Building Funding into the University of Peterborough Manufacturing & Materials Research & Development Centre project. This was ratified at the Combined Authority Board on 25<sup>th</sup> November 2020 and the incorporation of PropCo2, trading as Peterborough R&D Property Co Limited, followed shortly after.
- 2.4 Whilst the principles and necessary governance arrangements required for these arrangements were approved by the Combined Authority Board, the recommendation to novate the design contract between CPCA and MACE Ltd from CPCA to PropCo2 was overlooked. It is therefore necessary to obtain Combined Authority Board approval for the design contract with MACE Ltd to be novated. The total value of the contract with MACE Ltd is £755,524.00.

## Significant Implications

## 3. Financial Implications

- 3.1 There are no significant financial implications. The contract for the multi-disciplinary design services with MACE Ltd is best placed with PropCo2, who since their incorporation have the GBF in place to oversee and manage this work.

- 3.2 All costs incurred prior to the incorporation of PropCo2 have been re-charged back to the company, so there have been no costs or charges incurred by the CPCA.

## 4. Legal Implications

- 4.1 The original contract being novated to the PropCo2 was part of the original purpose that PropCo2 serves, therefore there are no Governance considerations.

## 5. Public Health Implications

- 5.1 The University of Peterborough and the Manufacturing & Materials Research & Development Centre, through local employment, training and education opportunities will encourage healthy lifestyles and behaviours in all actions and activities while respecting people's personal choices.

## 6. Environmental and Climate Change Implications

- 6.1 The University of Peterborough and the Manufacturing & Materials Research & Development Centre, through local employment, training and education opportunities will support local and environmentally sustainable choices regarding travel and transport. The design of the building will meet BREEAM Excellent standards. As the University Campus develops over time there are further strategies in place to work with the University Partners and the tenants of the Research & Development Centre, for the site and buildings to have net carbon zero impact by 2030.
- 5.2 The Research and Development Centre will focus on Net Carbon Zero Manufacturing, with the aim of attracting further investment into the local area in this developing sector.

## 7. Other Significant Implications

- 7.1 There are no other significant implications.

## 8. Background Papers

- 8.1 [Business Board 9 July 2020 - Funding and Local Growth Fund](#)
- 8.2 [Combined Authority Board 25 November 2020 - Allocation of Getting Building Fund](#)





**CAMBRIDGESHIRE  
& PETERBOROUGH**  
COMBINED AUTHORITY

Agenda Item No: 3.3

## Combined Authority Office Accommodation

To: Cambridgeshire and Peterborough Combined Authority Board

Meeting Date: 30 March 2022

Public report: This report contains an appendix which is exempt from publication under Part 1 of Schedule 12A of the Local Government Act 1972, as amended, in that it would not be in the public interest for this information to be disclosed (information relating to the financial or business affairs of any particular person (including the authority holding that information)). The public interest in maintaining the exemption outweighs the public interest in publishing the appendices.

Lead Member: Mayor Dr Nik Johnson

From: Roger Thompson, Director of Housing and Development

Key decision: Yes

Forward Plan ref: KD2021/084

Recommendations: The Combined Authority Board is recommended to:

- a) Identify Pathfinder House, Huntingdon, as the preferred option for corporate office accommodation.
- b) Authorise the acquisition of a leasehold property interest and delegate authority to the Chief Executive to finalise tenancy terms in consultation with the Mayor.
- c) Authorise the acceptance of a tenancy at will to facilitate operational occupation until formal lease documentation can be finalised.
- d) Delegate authority to the Chief Executive to approve a preferred layout and design, and to incur associated expenditure to implement that design.

Voting arrangements: A simple majority of all Members present and voting.

To be carried, the vote must include the vote of the Mayor, or the Deputy Mayor when acting in place of the Mayor.

## 1. Purpose

- 1.1 This report seeks authority to provide operational office accommodation for the Cambridgeshire and Peterborough Combined Authority (CPCA).

## 2. Background

- 2.1 The CPCA vacated office accommodation at Alconbury Weald in summer 2020. Employees have since worked remotely, with a small minority of staff utilising the limited amount of office space at 72/74 Market Street, Ely, which is used by the Mayor.
- 2.2 At a Leaders Strategy meeting on 8<sup>th</sup> December 2021 an Accommodation Strategy and Options Appraisal process were discussed and approved. The strategy identified part of Sand Martin House, Peterborough, and part of Pathfinder House, Huntingdon as preferred options for corporate office accommodation. The strategy and scored options matrix can be found at Appendix 1.
- 2.3 Leaders asked officers to assess these options in greater detail and negotiations were undertaken with officers from Huntingdonshire District Council (HDC) and Peterborough City Council (PCC). Provisional lease terms were reported to a Leaders strategy meeting on 9<sup>th</sup> March 2022 and during this meeting PCC submitted a more competitive revised offer. A tabulated summary detailing the headline terms of both final offers can be found at Exempt Appendix 2.
- 2.4 The Accommodation Strategy determined that both accommodation options provide positive benefits in terms of public transport accessibility, cost and energy efficiency. However, after careful consideration officers consider the offer of Pathfinder House to be more competitive than that of Sand Martin House for the following reasons:
- i. Based on proportionate floor area the combined costs of Pathfinder House equate to less than those of Sand Martin House.
  - ii. The location of Pathfinder House is more central within the CPCA region than Sand Martin House. This provides more convenience to most staff and Members using the accommodation on a regular basis, and associated travel expenses and carbon impact are reduced.
  - iii. Pathfinder House includes the ability to sub-let part of the premises to an organisation providing services to the CPCA, and this provides potential to generate income from the property.
- 2.5 The Mayor has indicated a preference to retain an operational office base at Market St, Ely, the cost of this is met from a separate mayoral budget. The tenancy for this accommodation expires on 31<sup>st</sup> December 2022, but there would remain scope to negotiate a new lease, possibly involving the use of less space. The headline terms of the lease for these premises can be found at Exempt Appendix 3.

## Significant Implications

## 3. Financial Implications

- 3.1 Finance officers have confirmed that both options are affordable within existing budgets. The fixed annual revenue costs of Pathfinder House and Sand Martin House demonstrate

significant cost savings when compared to the annual fixed cost of the former office at Alconbury.

- 3.2 The revenue budget approved by Board in January provides for £300K per annum for accommodation and an additional £31K for associated costs such as service charges. There is separate and additional provision of £77K per annum allocated for the Mayor's accommodation budget.
- 3.3 Both options incorporate the ability to book additional public meeting rooms and for Democratic Services teams to co-ordinate forward diary planning to ensure effective utilisation of these shared facilities. Democratic Services have confirmed that it would be reasonable to assume that 50 meetings shall occur each year for Committees, Board and Business Board purposes. An allowance of 4 hours duration per meeting would add approximately £10,000 to the cost of Pathfinder House, and £8,000 to the cost of Sand Martin House.
- 3.4 There is further provision in the capital budget for 2022/23 of £200K towards accommodation fit-out costs that would be sufficient to cover the cost of implementing a final layout design.

## 4. Legal Implications

- 4.1 The recommendations accord with CPCA's powers under Part 4 of the Cambridgeshire and Peterborough Combined Authority Order 2017 (SI 2017/251).

## 5. Public Health Implications

- 5.1 The report recommendations have neutral implications for public health, and Government guidance in respect of Covid 19 for office workers can be adhered to.

## 6. Environmental and Climate Change Implications

- 6.1 The proposal has neutral environmental and climate change implications as office accommodation is to be re-provided in an energy efficient building that is located within close proximity to public transport infrastructure.

## 7. Other Significant Implications

- 7.1 Options to be considered were confined to the public sector asset portfolio so the proposal seeks to ensure efficient utilisation of public sector property assets.
- 7.1 Staff were consulted through a designated forum during the formation of the Accommodation Strategy, and proposed layout designs have been shared with the staff forum for comment.
- 7.3 This Accommodation Strategy was shared with the Overview and Scrutiny Committee. At the time of writing, this paper is scheduled to be discussed by Overview and Scrutiny Committee in advance of the Board meeting.

## 8. Appendices

- 8.1 Appendix 1 – Accommodation Strategy and Options Assessment Process including scored Options Appraisal matrix.

- 8.2 Exempt Appendix 2 – Summary of proposed lease terms for Pathfinder House and Sand Martin House.
- 8.3 Exempt Appendix 3 – Summary of proposed lease terms for 72&74 Market St, Ely.

## **ACCOMMODATION STRATEGY AND OPTIONS ASSESSMENT PROCESS**

### **BACKGROUND & CURRENT STATUS**

The previous office accommodation was leased from Urban and Civic.

Employees have since worked remotely, and when permitted and possible, utilised the limited amount of office space at the Mayor's office at 72/74 Market Street, Ely. Some teams have also conducted gatherings and meetings at third party locations for team meetings and team building.

With the national vaccination programme having progressed and with the gradual opening-up and return to work evolving alongside new Covid secure working practices, the CPCA needs to consider future office needs and requirements. Suitable office accommodation would provide a base for the organisation and a workplace for employees.

An officer working group has now been established to identify and consider options to secure an office accommodation solution.

### **IDENTIFYING ACCOMMODATION REQUIREMENTS**

The effort required to identify and equip office accommodation should not be underestimated and the correct solution can significantly improve the efficiency of an organisation. The standard of accommodation can impact upon recruitment and retention of staff and provide an identity and image for the organisation.

The officer working group has identified principal factors to consider throughout the identification and selection process:

#### **Staff consideration**

A staff survey was undertaken in September 2021 to aid understanding of the anticipated accommodation needs of the employees, and to help identify how employees might envisage using any future office.

The staff survey appears to show that behaviours and expectations have changed following the Covid pandemic. Staff anticipate using an office as a hub to meet, communicate and collaborate rather than a place to spend extensive time working at a desk.

The survey revealed that the intended frequency of using an office was varied and it seems reasonable to assume a generic arrangement whereby employees spend 2 days a week working in an office and 3 days remotely or at home. Consequently, the officer working group has adopted a minimum 40% occupancy requirement to reflect that that on average 40 staff will require use of the office at one time.

Many staff preferred a location somewhere in the A1 corridor from Huntingdon/St Neots to Peterborough.

In addition to the findings of the staff survey there is a requirement to be attentive to any equality, diversity or inclusion implications that may arise.

## **Tenure implications**

If a long-term solution is desirable and capital available, the acquisition of a freehold or long-term leasehold property would provide greater asset control and the opportunity to build or modify accommodation to an exact specification.

If capital is not available and less commitment is preferred, then a leasehold property with a revenue commitment will need to be considered. This option is likely to provide less flexibility as lease terms often impose greater constraints.

The officer working group has adopted the working assumption that it will not be preferable to acquire a freehold or long-leasehold property at the present time due to time constraints and the identification of potentially suitable options described below. A leasehold with a term of five years would provide a medium-term solution. The tenancy should fall inside the protection provided by Part II of the Landlord & Tenant Act 1954.

## **Physical attributes**

### **Size**

The office should be able to cater for a minimum of 40 staff members attending on any one day which equates to approximately 40% of the current staff. The availability of meeting rooms would also be required as an additional facility.

Workplace regulations require a minimum working space per employee of 11 cubic metres. In a typical office with 2.4m high ceilings this equates to a floor area requirement of 184 sq.m to accommodate 40 staff, but this does not allow for ancillary factors such as meeting rooms and break out space.

Based on this, the officer working adopted the working assumption of a total floor area requirement of between 465 – 750 sq. m (5,000 – 8,000 sq. ft) of floor space. The range reflects that some options are likely to share facilities such as meeting rooms, and other options will provide exclusive use of facilities. For comparison the former office at Alconbury had a floor area of 702 sq.m that included meeting rooms and break out areas for exclusive use.

### **Layout**

Ideally the layout should be versatile and capable of flexible orientation between large spaces with smaller meeting rooms that could be provided by modern high quality space dividing systems. There should also be informal collaborative space(s).

The accommodation and layout must be accessible for disabled people and may require lifts.

### **Facilities**

High-speed internet availability and futureproofing has been identified as an essential requirement and this is to be confirmed by IT specialists.

Video conferencing facilities will be required to allow external colleagues and stakeholders to join meetings without disturbing other office users. This will require more than one meeting room.

Use of a substantial kitchen or refectory area will also be required and this should be separate from the general working area.

There should be accessible toilets and it would be desirable to have access to shower facilities.

### **Energy efficiency**

Given the combined authority's adoption of the Climate Commissions recommendations, the working group has adopted a working assumption that its offices should have sustainability and low carbon footprint credentials and meet a high energy efficiency standard. An Energy Performance Certificate (EPC) displays the energy efficiency grade of a commercial building. The best result is an A grade (most efficient) and the lowest being G (least efficient).

### **Accessibility including car parking**

An accessible location is important and the accommodation should be convenient for public transport infrastructure as this will complement the authority's carbon footprint.

Convenient access to car parking will be required but this does not have to be on-site. For comparison the former office at Alconbury had 30 allocated car parking spaces.

Accessibility of the building itself and the rooms and spaces within it are also important. A site visit and assessment of this will be made for any shortlisted location options.

### **Cost**

Accommodation is an expensive overhead for any organisation and up-front capital will be required to commit to a contractual agreement and fit-out the accommodation. Typical revenue expenditure includes rent, rates, maintenance, insurance, service charges and facilities management costs.

The overhead incurred with the previous office accommodation at Alconbury amounted to approximately £36,000 per month.

### **Availability**

The officer working group has adopted the working assumption of the commencement of the 2022-23 financial year as a target date for operational occupation.

### **Additional benefits**

Accommodation solutions often incorporate benefits that are not exclusive to each occupier and significant benefits can be derived by sharing facilities or co-locating with similar organisations. Such benefits include shared facilities such as bookable meeting rooms, or café / refectory facilities and these initiatives often generate significant revenue savings.

## **RECENT ACTIVITY**

Recognising the significant cost implications and benefits of co-locating with similar users it was necessary to identify any opportunities that might currently exist from within the public sector. This collaborative approach ensures that elements of expenditure are re-circulated for the benefit of the taxpayer and demonstrates effective utilisation of the public sector property portfolio.

One Public Estate (OPE) partnerships exist across the country to enhance the value of working together across the public sector and adopt a strategic approach to asset management. Officers submitted an accommodation request through the Cambridgeshire OPE group and five partner organisations expressed interest in providing an accommodation solution.

The potential options identified were leasehold and these are listed below:

| <u>Partner Organisation</u>           | <u>Potential Option Identified</u>                            |
|---------------------------------------|---|
| Cambridge City Council                | Part of 4 Cyrus Way, Hampton, Peterborough.                   |
| Huntingdonshire District Council      | Part of Civic Suite, or part of Pathfinder House, Huntingdon. |
| Fenland District Council              | Part of Fenland Hall, March                                   |
| Peterborough City Council             | Part of Sand Martin House, Peterborough                       |
| South Cambridgeshire District Council | Part of South Cambs Hall, Cambourne                           |

The officer working group decided that all of these options were to be explored further and in the event that no suitable option is identified, the group can report back before conducting a full open market search.

## **CRITERIA FOR APPRAISING OPTIONS**

The suitability of each of the potential options is to be assessed by the officer working group, which will offer recommendations to the Leaders. This is a complicated task because each of the options has different pros and cons and there are many variable factors to consider.

In order to ensure a fair and transparent method of evaluating each option a scoring matrix has been produced that can be found at Annex A. The officer working group shall assess how each option complies with the requirements identified above and attribute a score in the matrix.

Some requirements are considered to be more important than others, so weightings are to be applied to reflect this before an overall score is calculated for each option. For example, the availability of an asset will be less important than the physical attributes or cost, so a lower weighting factor could be applied to the availability scores to reflect this.

It is proposed that the officer working group shall decide on the weighting factors to apply to the appraisal scores of each accommodation requirement.

## **SELECTION PROCESS**

Following the option appraisal exercise it is proposed that the two highest scoring options will be shortlisted for further investigation and more detailed consideration. This is likely to include negotiating financial terms and full benefits before identifying a preferred option. A recommendation can then be made to a Leaders Strategy Meeting and then the Board.

## **OTHER ISSUES**

### Office at 72/74 Market Street, Ely

The offices at Market St, Ely currently used by the Mayor are leased from East Cambridgeshire District Council (ECDC) and the arrangement is due to expire on 31<sup>st</sup> December 2021.

Terms have been provisionally agreed by officers for occupation to continue and the proposal is to be considered by ECDC's Finance and Assets Cttee on 25<sup>th</sup> November 2021. If the arrangement is implemented the Combined Authority will be able to serve three months advance notice to terminate the agreement at any time from 30<sup>th</sup> June 2022.

**Office Accommodation Option Appraisal Matrix**

| Option            | ATTRIBUTE                         |                                      |                 |                   |                                  |              |  |        |
|-------------------|-----------------------------------|--------------------------------------|-----------------|-------------------|----------------------------------|--------------|--|--------|
|                   | Public Transport Accessibility    | Staff Considerations inc. car access | Indicative Cost | Energy Efficiency | Physical Attributes/ Versatility | Availability | Additional benefits incl meeting space | Totals |
|                   | SCORES<br>1 = Poor, 5 = Very good |                                      |                 |                   |                                  |              |  |        |
| Civic Suite       | 5                                 | 3                                    | 3               | 4                 | 1                                | 5            | 5                                      |        |
| Pathfinder House  | 5                                 | 3                                    | 3               | 4                 | 5                                | 5            | 5                                      |        |
| Cyrus Way         | 2                                 | 3 re-visit if contender              | 4               | 3                 | 2                                | 1            | 1                                      |        |
| Sand Martin House | 5                                 | 5                                    | 3               | 5                 | 5                                | 5            | 5                                      |        |
| Fenland Hall      | 1                                 | 1                                    | 5               | 2                 | 1                                | 5            | 1                                      |        |
| South Cambs Hall  | 2                                 | 2                                    | 3               | 5                 | 4                                | 3            | 4                                      |        |
|                   | WEIGHTING FACTORS                 |                                      |                 |                   |                                  |              |  |        |
|                   | 1.2                               | 1.5                                  | 1               | 1                 | 1.2                              | 0.3          | 1                                      |        |
| Civic Suite       | 6                                 | 4.5                                  | 3               | 4                 | 1.2                              | 1.5          | 5                                      | 25.2   |
| Pathfinder House  | 6                                 | 4.5                                  | 3               | 4                 | 6                                | 1.5          | 5                                      | 30     |
| Cyrus Way         | 2.4                               | 4.5                                  | 4               | 3                 | 2.4                              | 0.3          | 1                                      | 17.6   |
| Sand Martin House | 6                                 | 7.5                                  | 3               | 5                 | 6                                | 1.5          | 5                                      | 34     |
| Fenland Hall      | 1.2                               | 1.5                                  | 5               | 2                 | 1.2                              | 1.5          | 1                                      | 13.4   |
| South Cambs Hall  | 2.4                               | 3                                    | 3               | 5                 | 4.8                              | 0.9          | 4                                      | 23.1   |





**CAMBRIDGESHIRE  
& PETERBOROUGH**  
COMBINED AUTHORITY

Agenda Item No: 3.4

## Climate Change Action Plan

|                      |   |
|----------------------|---|
| To:                  | Cambridgeshire and Peterborough Combined Authority Board  |
| Meeting Date:        | 30 March 2022   |
| Public report:       | Yes   |
| Lead Member:         | Councillor Bridget Smith, Lead Member for the Environment and Climate Change  |
| From:                | Paul Raynes, Director of Delivery and Strategy  |
| Key decision:        | Yes   |
| Forward Plan ref:    | 2022/001  |
| Recommendations:     | <p>The Combined Authority Board is recommended to:</p> <p>Agree the Climate Action Plan.</p>  |
| Voting arrangements: | <p>A simple majority of all Members present and voting.</p> <p>To be carried, the vote must include the vote of the Mayor, or the Deputy Mayor when acting in place of the Mayor.</p> |

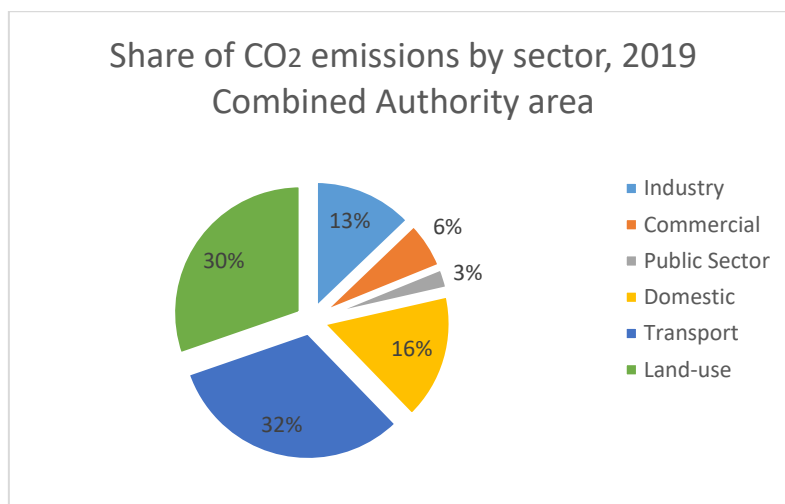
## 1. Purpose

- 1.1 To agree the Climate Action Plan recommended by the Climate Working Group. This sets out strategic actions on climate issues for implementation by the Combined Authority in collaboration with other organisations over the period 2022-2025.

## 2. Background

- 2.1 The Cambridgeshire and Peterborough Independent Commission on Climate launched its full report October 2021. Its recommendations were considered at the November CPCA Board meeting. The Board agreed that a Climate Working Group (comprising the Leaders or nominees and representatives of business, housebuilders, environmental groups, climate groups, government and infrastructure providers) should develop a cross-sector Action Plan by February 2022, to be considered by the CPCA Board in March 2022.
- 2.2 The Climate Working Group convened in December, chaired by the Mayor. Technical support for developing the Action Plan was provided by Climate Working Group (Officers) group, chaired by a Director from Cambridgeshire County Council. Further technical input on individual themes was led by representatives of existing specialist groups.
- 2.3 The Climate Working Group and the Officer Group have met monthly. A three-stage approach was adopted to fit the timeline: initial mobilisation; gap analysis (January); action planning (February). The recommended Action Plan is attached as Appendix 1.
- 2.4 The Climate Working Group agreed to focus on developing a set of actions that could be implemented over the period to 2025, with a regular review process to monitor progress and update actions. The Climate Working Group acknowledged the breadth of individual actions that participant organisations were taking to mitigate and adapt to climate change, and associated actions such as reducing economic inequalities. In order to focus the action plan on additionality they set out five principles to guide the identification of new actions:
  - Is the action establishing the crucial building blocks to support the whole range of Climate Commission recommendations?
  - Is the action bigger than any one organisation to scope and/or deliver?
  - Does the action directly cut carbon emissions or improve nature?
  - Can the action deliver adaptation benefits in addition to carbon emissions or nature improvement?
  - Will the action have a strategic impact to make best use of the resources we have?
- 2.5 Excluding those actions to be taken forward by individual organisations, the majority of the Commission's recommendations are addressed in this Climate Action Plan. The exceptions are collective net zero standards for new buildings, waste targets and a long-term vision for the Fens. All three of these topics are subject to emerging government policy. Developing the actions under the various themes (such as transport, waste etc) were led by officers or organisations operating in that space.
- 2.6 Public sector CO<sub>2</sub> emissions comprised 3% of the total attributed to the Combined Authority area in 2019 (based on the latest data from BEIS) as shown on the graphic. Public bodies, including constituent members of the Combined Authority, are taking their own actions to

mitigate emissions under their control through decarbonisation schemes and specific action plans. The Climate Action Plan 2022-2025 recognises that and focuses on additional collaborative action that can be delivered at a Cambridgeshire and Peterborough level.



- 2.7 Since 2005 the carbon emissions attributed to the area have decreased by 24% from 9.5 million tonnes to 7.2 million tonnes. These reductions are largely due to the decarbonisation of electricity generation for domestic, commercial and industrial usage, plus energy efficiency. This decrease is against the backdrop of the rising population and economic growth in Cambridgeshire and Peterborough over that period. However, acceleration of this change is needed to meet the carbon reduction pathway recommended by the Independent Commission. The Climate Action Plan acknowledges that significant behaviour change and funded interventions are needed to support this shift.
- 2.8 The Climate Working Group has agreed to reconvene to consider proposals for monitoring and supporting the Action Plan.

## Significant Implications

### 3. Financial Implications

- 3.1 The Climate Action Plan has financial implications for the Combined Authority. Directly, it contains a set of costed proposals for action by the Combined Authority totalling £10.5m. These are consistent with the Medium Term Financial Plan budget allocations on climate-related activity agreed at January 2022 Board (subject to approval of relevant business cases). The Climate Action Plan also identifies policy development activity where interventions need to be scoped, such as financial mechanisms to increase investment in infrastructure. As per the Constitution any financial requirements will be brought to the Board for consideration.
- 3.2 The Climate Action Plan recommends that the impacts of the changing climate and the need to respond are considered in the ongoing revisions to the Local Transport and Connectivity Plan and the Economic Growth and Skills Strategy, both of which will guide future expenditure. This is underway in the development of those strategies.

## 4. Legal Implications

4.1 None.

## 5. Public Health Implications

5.1 The Climate Action Plan has positive implications for public health. It has a specific action to support coordinated work with the new Integrated Care System organisation on the green plan for the NHS. This promotes the link between taking action on climate and a range of health benefits, such as improving air quality. The Climate Action Plan also identifies funding allocated by the Combined Authority to enable care homes to invest in climate adaptation measures.

## 6. Environmental and Climate Change Implications

6.1 The Climate Action Plan has positive implications for the environment and climate change. As well as climate change mitigation and adaptation aspects, the Plan promotes wider use of nature-based climate solutions which will also benefit nature and the environment.

## 7. Other Significant Implications

7.1 The Climate Action Plan recognises that there are existing inequalities in the area that would be negatively impacted by the changing climate (as some of the more vulnerable areas are where residents and business have the least capacity to respond). It encourages appropriate action to support the costs of transition.

## 8. Appendices

8.1 Appendix 1 – Climate Action Plan

8.2 An accessible version of Appendix 1 is available on request from [Adrian.Cannard@cambridgeshirepeterborough-ca.gov.uk](mailto:Adrian.Cannard@cambridgeshirepeterborough-ca.gov.uk)

## 9. Background Papers

9.1 [Full report of the Cambridgeshire and Peterborough Independent Commission on Climate Change](#)

9.2 [Combined Authority Board 24 November 2021 - Item 3.1 refers](#)

9.3 [Combined Authority Board 27 October 2021 - Items 2.5 refers](#)

9.4 [Combined Authority Board 30 June 2021 - Item 4.3 refers](#)

# Cambridgeshire and Peterborough Climate Action Plan 2022-2025



## Climate action supporting sustainable growth

### REDUCING INEQUALITIES

Residents supported to upgrade their homes heating and insulation through a £6.5m scheme starting in 2022, with extra support for those on low incomes

Funding for at least 20 communities to take their own local action to reach Net Zero emissions

Improving access to electric vehicle charging, with more public sites for when home charging isn't an option

Growth in 'cleantech' jobs in the northern part of the region as businesses grow around the University of Peterborough



### HEALTH AND SKILLS

Retrofitting care homes through a £2m project so they protect our most vulnerable residents from extreme weather

Taking forward a green plan to make health and social care services climate resilient and improve health outcomes

Funding new training and learning opportunities for the workforce for the changing economy

£2.5m on nature schemes will improve local access to nature and greenspace



### CLIMATE AND NATURE

£1m fund to delivering nature-based solutions to climate problems (that also help restore biodiversity)

Link climate action with local nature recovery

£1.5m funding for local demonstration projects on biodiversity and chalk streams to show how different benefits can be combined

An ambition for a 20% increase in biodiversity from new developments



## INNOVATION

Linking businesses with expertise on new climate-friendly technologies

Helping local businesses develop the capacity to thrive in a low carbon economy

Helping our agricultural sector adapt to the more variable and extreme weather

Linking cleantech businesses with large organisations, such as the NHS, to drive local innovation



## INFRASTRUCTURE

Putting plans in place to ensure our energy systems generate and deliver renewable energy

More investment in a transport system that provides great walking, cycling, and low carbon public transport. Support the shift to electric vehicles

Investing in new infrastructure to maintain water supplies and biodiversity

Improving our flood resilience and helping local communities take action



## FINANCE

Setting up a decarbonisation fund to help businesses and residents make changes

Establishing a nature fund to encourage more investment in nature-based solutions

Help maximise take-up of available grants and support across Cambridgeshire and Peterborough

Working with the finance sector to identify affordable ways to deliver climate action



## Cambridgeshire and Peterborough Climate Action Plan 2022-2025

The Final Report of the Cambridgeshire and Peterborough Independent Commission on Climate looked at climate related risks, sources of greenhouse gases in the area and the ability of residents and businesses to respond. It made 58 recommendations to set the area on a pathway to net zero emissions and to prepare for climate change impacts. It complements the work of organisations on their own strategies and action plans. The Commission highlighted that significant reductions in emissions were needed early over the next ten years to reduce the amount of greenhouse gases collecting in the atmosphere.



### What is the added value this action plan offers?

- The 58 recommendations of the Commission set out a wide range of actions covering multiple organisations, individual organisations and businesses (as well as residents). There will be thousands of individual decisions taken over the next few years on investment, upgrades or repairs. Collectively these will determine how successful the area is in mitigating and adapting to climate change.
- Climate Action Plan has a focus on identifying and supporting strategic priorities and collaborative action, where more can be achieved working together or particular gaps addressed

### What principles apply to determine the actions in this plan?

- Is the action establishing the crucial building blocks to support the whole range of recommendations?
- Is the action bigger than any one organisation to scope and/or deliver?
- Does the action directly cut carbon emissions or improve nature?
- Can the action deliver adaptation benefits in addition to carbon emissions or nature improvement with 'no regret' investment?
- Will the action have a strategic impact to make best use of the resources we have including tackling economic, social and health inequalities?



### What this plan isn't?

This plan will not cover the climate commitments of individual organisations, we will assume actions under their direct control will be delivered. For example, the role Local Planning Authorities have in setting the climate policies for new built development. However, we will seek co-ordination and a collaborative approach where appropriate, to maximise our impact.

It does not include actions which are reliant on further government policy after 2025, such as exploring hydrogen-based option for homes.

### Affordability

Many residents and businesses want to make a difference and are making changes where they can. However, the current economic circumstances, with the sharp rise in energy costs and inflation, will restrict what some can do. Although these factors are outside the control of this action plan, delivering on the actions can have a positive impact. For example, energy efficiency improvements reduce energy costs, and this action plan sets out how energy retrofits for homes can be supported. For businesses the rise in materials costs has to be managed, supporting the actions around reduction in waste and promoting a circular economy. Some of the projects funded in this action plan are helping businesses to build capacity in new green markets, which will reduce costs over time. The Commission's initial report helpfully includes a guide for residents on what practical changes they can make and many of these are about changing how things done and don't involve additional spend. [Climate change: second national adaptation programme \(2018 to 2023\) - GOV.UK \(www.gov.uk\)](#) Progress on the delivery of this action plan will be monitored to ensure that everyone is supported to respond to the climate challenges.

### Resourcing the plan?

Actions are needed across many different sectors, and the role of other thematic partnerships is set out in this action plan, many of which have influence over funding that needs to also support climate objectives. The Commission was clear that everyone needs to action on climate change, which ultimately means making best use of the £26bn annual economic value of the local economy. All organisations need to understand the importance that all of its spend is undertaken with an understanding of the context of tackling climate change.

The Cambridgeshire and Peterborough Combined Authority has convened work on this Climate Action Plan and has a key role in supporting the collaborative work. With the elected Mayor and Board it brings together local government, with its constituent

partners the local authorities and also includes the Business Board. The Combined Authority has already identified £9.5m of new spend on specific climate projects for the period to March 2025 supported by £1.4m of revenue spend (the projects are included in this action plan). Additional activity will be identified later in the year when the local transport and economic plans are finalised.

Affordability

### Managing Climate risk for our communities and adapting to climate change

Mitigation and adaptation go hand in hand. One is cutting carbon emissions to reduce long term impacts of climate change and the other is ensuring our communities are resilient to the climate impacts we are currently experiencing. Adaptation also means taking advantage of new opportunities, such as supporting the green economy. Many actions in the climate action plan can achieve both mitigation and adaptation benefits and these should be actively pursued. Every action needs to think about consequences to avoid creating future issues, with no regret investment. Even with mitigation of future emissions, Cambridgeshire and Peterborough needs to adapt to the climate changes already happening as a result of past emissions.



### Green Recovery Plan outcomes

As a response to the Covid-19 pandemic a green recovery plan was developed. This included how the area can get to Net-Zero carbon emissions, reflecting the Commission's work. The Recovery Plan set out how this can be achieved through:

- Phasing out the burning of fossil fuels to heat homes and businesses and replace with low carbon heating solutions
- Increase production of renewable energy locally to supply consumers as close to source as possible
- Significantly increase energy efficiency of all buildings and improve EPC ratings through retrofitting
- Electrify transport and shift travel from the private car to greater levels of homeworking, active travel and mass transport solution
- Generate clean hydrogen locally to fuel large vehicles, freight and gas networks to reduce fossil fuels
- Invest in digital infrastructure to facilitate more home working, and remote access to public services, to reduce the need to travel
- Carbon sequestration in the landscape such as peatland restoration, tree planting, creating new wetlands and better soil management
- Incentivising farmers and agri-tech businesses to capture and store carbon and improve food production technique

It also linked in the Doubling nature ambition:

Improving quality of existing green space to actively support nature  
Increasing (to at least double) the area of land managed for nature benefits  
Developing new business models that value natural capital and create reliable income streams for nature restoration (e.g. carbon and biodiversity credits).  
Speed up investments into natural capital to prevent future costs for infrastructure e.g. underpinning buildings, flood risk management, overheating, crop productivity

Actions in this climate action plan make progress on these outcomes through to 2025. Some topics will need to be considered over a longer period (for example national projects are testing the future role of hydrogen).

### What does success look like? How will communities judge its success?

£100m+ Energy Infrastructure and Investment Programme identified to support net zero

Water Resources Plan in place to address short term and longer term water management issues

20 Communities have cut 1000 tonnes of CO2 emissions as a result of the Net Zero Communities Fund

£1m Nature Fund leverages significant further investment

Increase in the amount of rich wildlife areas and green space, towards the Doubling Nature ambition

High take-up of Environmental Land Management Scheme grants for land owners/farmers

500 charge points installed in 18 months

6MW of installed PV capacity on homeowner roofs installed by summer 2023

1000 homes retrofitted by summer 2023 and further investment secured for a further 2000 home retrofits

All actions have taken into account the need to reduce emissions and the need to adapt to the impacts of the changing climate

**The following actions have been developed in line with the themes of the Commission's report. The type of action is also identified:**



Building block projects - things that need to happen to enable adaptation and mitigation, such as electric vehicle charging points



Finance model – making sure there are ways to invest in climate change actions














Community action – helping communities take action









Direct Emissions reductions – actions that directly themselves reduce the emission of greenhouse gases










Nature based solutions – using our natural environment to take climate action


| Theme               | What's already happening?<br>Links to key strategies, plans,<br>evidence bases and<br>partnerships already delivering   | Strategic Actions   |  | Resources   | Lead Groups   | What adaptation (A) and<br>mitigation (M) does this<br>lead to or deliver?   |
|---------------------|---|---|--|---|---|--|
| Sustainable Finance | <p>Zero Carbon Delivery Vehicle</p> <p>Green Bonds</p> <p>CUSPE 2021 <a href="https://www.cleantechday.com/london/">Decarbonisation Fund</a></p> <p>Cleantech Venture Day<br/><a href="http://www.cleantechday.com/london/index.php/dealflow-companies/">http://www.cleantechday.com/london/index.php/dealflow-companies/</a></p> <p>Cleantech dealflow and pitching for Companies<br/><a href="http://www.cleantechday.com/london/index.php/dealflow-companies/">http://www.cleantechday.com/london/index.php/dealflow-companies/</a></p> <p>Cambridge Cleantech _ Impact Report</p> <p><a href="#">Home - Cambridge Cleantech – Cambridge Cleantech</a></p> <p><a href="#">Cambridge Cleantech Finance Special Interest group</a></p> | <p>1. By March 2023 assess, identify, and set up relevant Funding models to attract investment into:</p> <ul style="list-style-type: none"> <li>•Low carbon infrastructure,</li> <li>•nature, and</li> <li>•adaptation.</li> <li>•Low carbon businesses</li> </ul> <p>2. By June 2023 set up a C&amp;P Decarbonisation Fund that attracts investment from businesses purchasing local carbon credits for 'hard to treat carbon emissions only' to invest in local carbon and nature projects.</p> <p>3. By Oct 2022 collectively build local capacity and capability to assemble suitable projects ready for these opportunities. Build up project pipeline</p> |  <br> <br>  | <p>1. £1m capital fund to pump prime investment in Nature and the Environment (CPCA) And low carbon infrastructure fund – Net Zero Funding and Delivery Vehicle</p> <p>2. Include this as part of the CPCA financing work. Identify funding for projects that generate local carbon credits incl. government grants, competitions, CPCA, LAs</p> <p>3. Develop guidance for projects on carbon emissions reductions and the development of projects for inclusion in the Decarbonisa-</p> | <p>1. Set up Sustainable Finance/Green Investment Group (possibly linking into Local Economic Recovery Working Group)</p> <p>2. As above</p> <p>3. All Groups identified in the mapping slide</p>                                     | <p>(AM) -Functioning markets that make it desirable to invest in and deliver climate beneficial outcomes.</p> <p>(M)-Fostering investment in Cambridgeshire and Peterborough projects rather than 'off-shoring'</p> <p>(AM)-Unlocking private sector investment into the area that currently is restricted by the lack of suitable products/models [target £20m]</p> <p>(AM)-Encouraging innovation in green products and technologies.</p> <p>(AM)-Cleantech – Business Deal Flow to allow 'anchor' institutions (e.g. NHS Trusts, LAs educational institutions and businesses) to attract inward investment.</p> |
| Engagement          | <p>All LA comms leads regularly meet to coordinate activity on climate issues (CPCA convenes).</p> <p>Link with Cambridgeshire and Peterborough Integrated Care System Green Plan</p> <p><a href="#">Greater Cambridge Partnership Citizens Assembly</a></p> <p><a href="#">Consult Cambridgeshire   Home-page (engagementhq.com)</a></p> <p><a href="#">Cambridge City Leaders Climate Collaboration</a></p> <p><a href="#">Peterborough City Leaders Climate Change Partnership and commitment</a></p>  | <p>1. By June 2022 develop an Engagement Plan for people and businesses to build knowledge, culture, and incentivise action on Climate ensuring links across plans, including NHS, RECAP and local partnerships.</p> <p>2. By July 2022 set up a fund for small scale community projects to access to build local momentum and awareness.</p> <p>3. Engaging with COP policy advisors to influence COP27 negotiations with Cambridgeshire and Peterborough issues</p>   |  <br> <br><br> | <p>1.CPCA and LAs</p> <p>2. £1m Net Zero Villages programme for community projects (CPCA)</p> <p>3. Staff resources to feed into three conferences e.g April 2022</p>   | <p>1. Climate Working Group supported by communications leads and relevant specialist groups</p> <p>2. CPCA and links to partners including County Council Think Communities team, District Council officers</p> <p>3. All Groups</p> | <p>AM) - Reduce barriers to change through uncertainty/lack of knowledge. Shared best practice.</p>  |






| Theme  | What's already happening?<br>Links to key strategies, plans, evidence bases and partnerships already delivering  | Strategic Actions   |   | Resources   | Lead Groups   | What adaptation (A) and mitigation (M) does this lead to or deliver?   |
|--------|--|---|---|---|---|--|
| Energy | <p>UKPN RII02 Business plan (2023-2028) expanding internal capacity to support local areas on Local Area Energy Plans (LAEPs) first and exploring the scope for customer participation through increased flexibility</p> <p><a href="#">Peterborough Integrated Renewables Infrastructure Project (PIRI)</a></p> <p><a href="#">Low carbon energy programme Cambridgeshire</a></p> <p><a href="#">Integrating Renewable Energy and EcoSystems Services in environmental and energy policies, IRENES Project CUSPE 21 Research on Heat Zones and Heat Networks</a></p> <p><a href="#">Cambridgeshire Local Authorities Energy Projects Performance Contract</a> – this procurement is 2020-2024 and can support development of outline business cases for energy projects</p> | 1. & 2. By March 2024 deliver two Local Area Energy Plans for both Cambridgeshire and Peterborough which include infrastructure investment programmes spatially mapped to deliver net zero by 2050. |  | <p>1. A Peterborough LAEP is being developed by the Energy Systems Catapult.</p> <p>2. A Cambs LAEP will cost approximately £5 -600K and contributions with support from UKPN, Businesses, CPCA, CCC and LPAs .</p> | <p>1. PCC / Energy Systems Catapult</p> <p>2. Establish New Group to Progress the LAEP. Explore cost options with BEIS/IRENES Project ARU and Energy Systems Catapult</p> | <p>(AM)- Energy infrastructure plans against which investment can be secured.</p> <p>(M)- A building block for decarbonising heating and hot water for homes, and transport. Keeping pace and supporting rapid take-up.</p> <p>(M)-Detailed understanding of future energy demand and the energy infrastructure to support this including renewables, storage, network distribution, energy efficiency and the land and growth impacts.</p> <p>(A)- Resilient infrastructure adapted to future climate</p> |











| Theme     | What's already happening?<br>Links to key strategies, plans, evidence bases and partnerships already delivering  | Strategic Actions  |   | Resources  | Lead Groups   | What adaptation (A) and mitigation (M) does this lead to or deliver?   |
|-----------|--|--|---|--|---|--|
| Buildings | <p>Cambridgeshire Energy Retrofit Partnership established. BEIS is investing funding into retrofit of buildings, principally domestic buildings and public sector buildings. Our area is within that administered by the Greater South East Energy Hub (GSEEH).</p> <p>Public Sector Decarbonisation funding to develop a heat decarbonisation plan for maintained schools in Peterborough by end March.</p> | <p>1. Immediate - target government decarbonisation scheme, private funding, and other competitions to support retrofits (focusing on low income/vulnerable homes and public buildings).</p> <p>2. By July 2022 set up relevant Delivery Vehicles and Procurement Frameworks for home retrofits accessible by partners and homeowners to deliver self-financed and grant funded retrofits.</p> <p>3. By October 2022 provide accredited suppliers that make accessing suppliers easier for those able to pay such as 'collective solar' or bulk purchase ASHPs.</p> <p>4. By March 2024 undertake care home retrofit programme</p> <p>5. Undertake in 2022 a regional domestic buildings retrofit study to identify sector skills needs/ delivery/manufacturing.</p> | <br><br><br><br><br><br><br><br><br> | <p>1. Deploy £6.5m Sustainable Warmth funding (by March 2023) in the Cambridgeshire area.</p> <p>2. Peterborough City Council has been awarded Sustainable Warmth funding as part of the Warmer Homes consortium.</p> <p>3. Retrofit partnership</p> <p>4. £2m project to support care homes retrofit (CPCA)</p> <p>5. Skills Strategy / GSEEH</p> | <p>1. Cambridgeshire Energy Retrofit Partnership</p> <p>2. Warmer Homes Consortium</p> <p>3. Cambridgeshire Action on Energy</p> <p>4. CPCA, CCC/PCC</p> <p>5. GSEEH plus Business Board/ green Skills; plus soft market testing with LA procurement managers and NHS estate managers</p> | <p>(AM) Retrofits will address risks of rising fossil fuel costs; cooling and shading for hotter summers as well as energy efficiency and carbon reductions.</p> <p>(M) Procurement frameworks will provide homeowners access to suppliers to undertake retrofit works.</p> <p>(AM) To ensure Cambridgeshire and Peterborough properties are able to access the Sustainable Warmth grants.</p> |

| Theme     | What's already happening?<br>Links to key strategies, plans, evidence bases and partnerships already delivering   | Strategic Actions   |  | Resources  | Lead Groups  | What adaptation (A) and mitigation (M) does this lead to or deliver?   |
|-----------|---|---|--|--|--|--|
| Transport | <p>£13m per annum is spent supporting bus services in the area (CPCA).<br/>Bus Reform Taskgroup.<br/>Alternative Fuels study.<br/>Electric bus, E -Scooter and E -bike trials.<br/>Rail connectivity improvements.<br/>Capability funding from the DfT</p> <p>Peterborough City Council have introduced HVO (biodiesel) across all of its Highways fleet.<br/>Cambridge Chargepoint <a href="#">Project</a><br/>See also GoAscendal project in Business and Skills section.</p> | <p>1. In 2022 to revise the Local Transport and Connectivity Plan to support active travel and passenger transport, reducing the number of miles driven and agree key delivery plans including 2. an Alternative Fuel Strategy and delivery plan.</p> <p>3. By Dec 2022 implement project to replace nearly 10% of bus fleet with electric buses (ZEBRA scheme).</p> <p>4. By xx implement a process to 'design down carbon' across all major highway construction schemes supported by the CPCA.</p> | <div>   </div> | <p>1. Approve LTCP in 2022, and make appropriate transport investments (the CPCA will consider transport schemes for funding from multiple sources, including CPCA's Capital Single Pot) .<br/>2.UKPN RII02 business plan supporting additional on -</p> <p>street public chargers and strategic upgrades at motorway and trunk road service stations.</p> <p>3. Government grant/CPCA/ GCP contributions/Private operator funding</p> | <p>1. Local Transport Plan Working Group;<br/>Heads of Environmental Health – pollution, air quality ?</p> <p>2. Alternative Fuel Strategy Task Group</p> <p>3. ZEBRA Task Group</p> | <p>(AM) Moving towards a low carbon transport system that supports the connectivity and accessibility needs of residents and businesses across the varied geography of the area.<br/>(M) To implement the development of schemes that will reduce the number of miles driven and increase the mode share of alternatives. Increases in the proportion of zero emission vehicles.</p> |

| Theme                 | What's already happening?<br>Links to key strategies, plans, evidence bases and partnerships already delivering   | Strategic Actions   |  | Resources   | Lead Groups  | What adaptation (A) and mitigation (M) does this lead to or deliver?  |
|-----------------------|---|---|--|---|--|---|
| Business & Commercial | <p>Local Economic and Skills strategies being refreshed.</p> <p>New University of Peterborough to support net zero innovation, including research centre 3D printing research, sustainable plastics, and new ways to make batteries.</p> <p>Agri-tech report published.</p> <p>The Business Board has established the Growth Company to provide a range of business support, including coaching, online support, investment and skills.</p> <p><a href="#">CUSPE 21 Carbon Advisory Service for SMEs</a></p> <p>Environmental performance is part of the criteria for investment prioritisation.</p> <p>Green Business Grants of up to £10k to help reduce carbon emissions and save money (Cambridge City Council – runs to March 2022).</p> <p>£1m Local Growth Fund investment in GoAscendal Labs, a new mobility technology accelerator. Co-located with a local bus operator, start-ups will develop innovative new technologies targeted at improving mobility, including public transport, cycling and walking in the region</p> <p>NHS ambition “Delivering a Net Zero National Health Service” .</p> <p><a href="https://cambridgecleantech.org.uk/">Cambridge Cleantech</a></p> | <p>1.In 2022 the Climate recommendations to inform the revision of the Local Economic and Skills Strategies;</p> <p>2.By March 2023 scope a Carbon Advisory Service to support SMEs linked to the Decarbonisation Fund</p> <p>3.By March 2023 through the Economic Strategy identify the economic and planning levers that can incentivise and attract businesses to the area to deliver re-manufacturing facilities for a local circular economy and low carbon ambitions.</p> <p>4.In 2022 new Cambridgeshire and Peterborough NHS Integrated Care System organisation to produce and implement Green Plan, building on existing strategies and action.</p> <p>5. By March 2023 mapping the cleantech sector companies by the government definition to understand baseline, create a database, to identify strengths in the subsectors; to target investment and measure progress against low carbon growth/jobs to provide opportunities</p> | <br><br><br><br><br><br>  | <p>1. A combined Local Economic and Skills Strategy approved in 2022</p> <p>2. Link to Cambridgeshire Decarbonisation Fund</p> <p>3a. Completion of £16.7m Manufacturing and Materials Research and Development Centre building as part of the Peterborough University campus (ARU)</p> <p>3b. New mobility technology accelerator, GoAscendal Labs: A further two programme cycles taking place over the next two years.</p> | <p>1. Business Board, CPCA</p> <p>2. Set up Sustainable Finance/Green Investment Working Group and use Local Economic Recovery Working Group and Business Board ?</p> <p>3. Business Board with delivery partners.</p> <p>Plus link into Cambridge Cleantech networks</p> <p>4. C&amp;P ICS, with support from NHS East Greener Team</p> <p>5. Cambridge Cleantech</p> | <p>AM) -The local business sectors enhance their prosperity in a climate positive way, seize opportunities presented by the low carbon economy, and are adapting to the changing climate and minimising risks.</p> <p>(AM)-Enhanced local business capacity to deliver retrofit and to innovate new low carbon opportunities.</p> <p>(AM) leveraging the strengths of innovation networks in C&amp;P to test and implement green products and technologies and to promote investment in green innovations</p> |

| Theme  | What's already happening?<br>Links to key strategies, plans,<br>evidence bases and<br>partnerships already delivering  | Strategic Actions  |  | Resources   | Lead Groups  | What adaptation (A) and<br>mitigation (M) does this<br>lead to or deliver?   |
|--------|--|--|--|---|--|--|
| Nature | <p>Doubling Nature ambition.<br/>OxCam Arc Environment<br/>Principles (20% BNG ambition).<br/>£200K Round 1 NEIRF project on<br/>BNG (NE/CCC)</p> <p>Developing ecosystem service<br/>models to flood risk management<br/>and green growth</p> | <p>1. By Dec 2023 deliver a Local Nature<br/>Recovery Strategy for Cambridgeshire and<br/>Peterborough;</p> <p>2. By March 2023 set up fund for nature-based<br/>solutions through a 'Fund for Nature and the<br/>Environment'</p> <p>3. By March 2024 establish an effective<br/>Biodiversity Net Gain system for Cambridgeshire<br/>and Peterborough that maximises outcomes</p> <p>4. By March 2023 deliver successful legacy for<br/>the Future Parks Accelerator (FPA) that puts in<br/>place arrangements to secure the health and<br/>wellbeing, climate change mitigation and nature<br/>restoration benefits provided by parks and open<br/>spaces.</p> <p>5. By March 2023 provide advice on Biodiversity<br/>strategies taking account of climate change for<br/>all organisations with substantial landownership</p> |  | <p>See Finance section above<br/>for details on the Nature fund.</p> <p>£1.3m Huntingdonshire<br/>Biodiversity Project (CPCA)<br/>£125k Doubling Nature<br/>Metrics (CPCA)<br/>£280k Logans Meadow LNR<br/>extension (CPCA)</p> <p>3. LAs staff / Natural<br/>Cambridgeshire</p> <p>4. £217k made up of<br/>contributions from each<br/>District Council, the County<br/>Council and PCC for 1 year<br/>pilot programme</p> <p>5. Organisations funding</p> | <p>1. CCC, Districts,<br/>Natural Cambridgeshire,<br/>CPCA</p> <p>2. CPCA and delivery<br/>partners: HDC, Cambs<br/>City.</p> <p>3. Local authorities via<br/>planning system,<br/>assisted by Natural<br/>Cambridgeshire</p> <p>4. Existing FPA Legacy<br/>governance structures<br/>including elected<br/>members from CPCA,<br/>CCC, PCC and all the<br/>Districts and Executive<br/>Board including officers<br/>from all local authorities<br/>and the LNP.</p> <p>5. Natural<br/>Cambridgeshire as<br/>advisor</p> | (AM)-Develop and invest in<br>nature-based solutions that<br>maximise the reduction in<br>emissions, adaptation risks<br>and deliver co-benefits such<br>as biodiversity / access. |

| Theme        | What's already happening?<br>Links to key strategies, plans,<br>evidence bases and<br>partnerships already delivering | Strategic Actions   |   | Resources   | Lead Groups   | What adaptation (A) and<br>mitigation (M) does this<br>lead to or deliver?  |
|--------------|---|---|---|---|---|---|
| Soils & Peat | Established the Fenlands SOIL partnership.  | <p>1. By March 2023 complete the mapping of peatland assets</p> <p>2. Immediate -identify operating costs/impacts to shift farming practice to sustainable farming practice</p> <p>3. Immediate - demonstrate practical projects working with landowners on restoration</p> | <br><br><br><br> | <p>1. CPCA and private sector support for Fenland SOIL</p> <p>2. £100K Peat Discovery funding (NE).</p> <p>3. The Fens East Peat Partnership has been awarded £815k to explore the feasibility of restoring peatlands in the Fens. (Lincolnshire Wildlife Trust are leading the project on behalf of The National Trust, NE, Norfolk Wildlife Trust, RSPB and the Wildlife Trust for Bedfordshire, Cambridgeshire &amp; Northamptonshire).</p> <p>3b. CPCA revenue funding for restoration capacity building.</p> | <p>. Fenland SOIL</p> <p>2. NFU, Lowland Peat Taskforce. Delivery partners.</p> <p>3. The Fens East Peat Partnership.</p> <p>3b. CPCA</p> | <p>(AM)-A joined-up strategy by landowners, farmers and public sector to manage the peat resources to balance climate, nature and food production</p> |

| Theme                     | What's already happening?<br>Links to key strategies, plans, evidence bases and partnerships already delivering   | Strategic Actions  |   | Resources   | Lead Groups   | What adaptation (A) and mitigation (M) does this lead to or deliver?  |
|---------------------------|---|--|---|---|---|---|
| Water                     | Water Resources East bringing together stakeholders on water supply planning.<br>Environment Agency changes to risk planning for drought events. Planning for two new reservoirs entered into the RAPID programme to accelerate decision -making.<br>Future Fens Integrated Adaptation project.<br>Environment Agency changes to abstraction [policy]<br><a href="#">Anglian Water Business Plan 2020 -25</a><br><br>Strategic Pipelines Alliance | 1. Immediate - support existing partnerships and plans to deliver water efficiency, supply, storage and manage flood risk including WRE Regional Plan by Dec 2023, Future Fens Integrated Adaptation Plan, and Future Fens Project. Ensure strategies by agencies and stakeholders are aligned and complementary<br>2. Ongoing- update/include policies in local plans that actively tackle water issues;<br>3. Immediate -Collaborate on land management changes and understanding of what we plan for in terms of flood defences for the future.<br>4. By March 2024 develop innovative and nature based solutions for flood/water management                          | <br><br><br><br><br> | 1. WRE core funding. Partners funding of FF:IA. Regional Flood and Coastal Committee.<br><br>2. LA core funding<br><br>3. Regional Flood and Coastal Committee / Lead Flood Authorities / Internal Drainage Boards / Environment Agency<br><br>4. CCC/WRE chalk streams work, and £420k Chalk Stream project (CPCA) | 1.Future Fens Project, Water Resources East, EA, FF:IA<br>Fens Water Partnership 1, 2 & 4. Regional Flood and Coastal Committee / Lead Flood Authorities / Internal Drainage Boards / Environment Agency<br><br>2. LPAs, LLFA and Council sustainable drainage officers | (AM) Easing of the water-stress pressures in C&P, with greater balance between supply and demand to support the growth and development of the area and to support homes and businesses in meeting the challenges of flooding.                             |
| Waste                     | Pilot projects testing new vehicles and low carbon fuels.<br>Review of RECAP Waste Strategy for Cambridgeshire and Peterborough which will update targets and actions for increased municipal waste and resources recycling and reduction.  | 1. Immediate - Informing and enabling our communities in Cambridgeshire and Peterborough to reduce, reuse and recycle their waste through the facilitated development of circular waste economies with the aim of reducing the emissions from the collection, treatment and disposal of waste.<br>2. Ongoing - Within the priorities of individual authorities, funding and contracts, move toward low carbon (electric, biofuels etc) waste vehicles to cut transport emissions from waste. This includes investigating RECAP wide tender opportunities for low carbon diesel alternative fuels building on the pilot projects at Waterbeach and Peterborough Highways. | <br><br><br>   | 1. Existing resources.<br><br>2a. £2.3m Waterbeach Depot Solar PV project to enable rollout of low emission vehicles (CPCA)<br><br>2b. Peterborough City Council Highways fleet piloting use of HVO (biodiesel).  | 1. Recap Partnership<br><br>2a. CPCA, Cambs City and South Cams District (Shared Waste Service)<br><br>2b. PCC  | (M)- Supporting the waste hierarchy of reduce, reuse and recycle to minimise the waste stream (and the embodied carbon from production).<br>(A) – Build the local circular economy (M) -Reducing the emissions from waste collection and waste management |
| Evaluation and Monitoring | <a href="#">AR6 Climate Change 2022: Impacts, Adaptation and Vulnerability — IPCC</a>   | 1. Immediate - fund the CPICC to monitor progress against their recommendations and carbon footprint<br>2. By March 2025 CPICC Undertake deep dives into different sectors e.g. supply chain maturity for retrofits or economic benefit to low carbon living<br>3. By March 2023 identify the Adaptation Trajectory and develop an adaption response for the area.<br>4. Ongoing - Monitor,evaluate, and review this Action Plan, with an annual update by each March.   | <br>  | 1. & 2. CPCA budget provision<br><br>3. CWG<br><br>4. CPCA  | 1. & 2. CPICC supported via the CPCA Climate Working Group<br><br>3. CWG, Environment Agency.<br><br>4. Climate Working Group   | (A) – Resilient infrastructure and homes designed to withstand climate change impacts   |



**CAMBRIDGESHIRE  
& PETERBOROUGH**  
COMBINED AUTHORITY

Agenda Item No: 3.5

## Market Towns Programme – Approval of Recommended Projects (Funding Call 8 - March 2022)

To: Cambridgeshire and Peterborough Combined Authority Board

Meeting Date: 30<sup>th</sup> March 2022

Public report: Yes

Lead Member: Mayor Dr Nik Johnson

From: Alan Downton, Deputy Chief Officer Business Board, Senior Responsible Officer Business Growth Service/ Energy

Key Decision: Yes

Forward Plan ref: KD2021/079 (previously titled Market Towns Programme – Approval of Recommended Projects (Final Funding Call))

Recommendations: The Combined Authority Board is recommended to:

- (a) approve the project bid received under Market Towns Programme for the town of Soham in East Cambridgeshire to the sum of £330,000.
- (b) consider the request received from Huntingdonshire District Council and East Cambridgeshire District Council to extend the approval timeline to secure remaining programme budget allocations for Huntingdonshire (£802,150 for the towns of Huntingdon and St Ives) and East Cambridgeshire (£1m for the town of Littleport), and agree to:
  - i. approve the request and extend the deadline for project bids to September 2022; Or
  - ii. approve the request and extend the funding timeline but remaining town allocations will be subject to new assessment criteria agreed under the Revitalising Market Towns and Villages

Programme (where there will be greater focus placed on public consultation and community-based interventions); Or

- iii. reject the request and reallocate all remaining funds to the Revitalising Market Towns & Villages Programme.

Voting arrangements: A simple majority of all Members present and voting.

To be carried, the vote must include the vote of the Mayor, or the Deputy Mayor when acting in place of the Mayor.

## 1. Purpose

- 1.1 To seek Combined Authority Board approval of a bid proposal received from Soham Town Council with East Cambridgeshire District Council for the market town of Soham, under the eighth funding call for the Cambridgeshire and Peterborough Combined Authority (CPCA) Market Towns Programme.
- 1.2 To seek Combined Authority Board approval to extend the budget approval timeline on remaining allocations for Huntingdonshire District Council (Huntingdon and St Ives) and East Cambridgeshire District Council (Littleport).

## 2. Background

- 2.1 The CPCA is committed to helping the region's market towns to thrive and is investing to ensure towns remain vibrant and thriving places. This commitment included the production of a Masterplan for each of the key market towns (based on new research and analysis required to deliver the bold growth ambitions) and their interventions hereby enshrine the importance of inclusive growth, in line with CPIER and LIS recommendations.
- 2.2 Cambridgeshire and Peterborough Combined Authority funding of £13.1m was allocated across the market towns, with district authority leads able to bid for capital funds for each town. Proposals are invited to support the mobilisation of each Masterplan and against activities which address the needs and those interventions identified as required to drive targeted growth and regeneration of each town in a post Covid-19 pandemic economy.
- 2.2 All project proposals are independently appraised where the strategic need, economic and commercial case is assessed against an agreed set of appraisal metrics. Appraised applications are scored based on programme criteria set and must achieve a minimum pass mark to be recommended for Combined Authority Board approval.
- 2.3 To date, there have been six funding calls under the Programme, resulting in 46 projects being approved by the Combined Authority Board, awarding a total of £11,297,850 in grant funding (and bringing in an additional £11,755,295 of partner match funding).
- 2.4 CPCA are working with all local authority leads to confirm what has been delivered before the end of March 2022 for grant claims this financial year, and to set-out what is profiled over financial year 2022/23, by which programme funds must be expended.
- 2.5 In terms of programme monitoring, monthly update meetings are held with respective leads to track delivery and hold to account districts around progress. This information is used to inform the internal monthly highlight reporting and management processes. Furthermore, going forwards and with the programme transitioning to delivery, the Combined Authority Board will receive regular monitoring updates. The next update report will go before the Board from July 2022 onwards to set-out the latest positions.

## 3. Funding Call 8 – March 2022

- 3.1 The following bid is recommended for Combined Authority Board approval. Copies of the Application Form, Independent Appraisal Report and Scoring Matrix are included as

Appendices to this report:

| Funding Call 8 - March 2022       |  |                   |                 |
|-----------------------------------|--|-------------------|-----------------|
| PROJECT NAME                      | DESCRIPTION  | CPCA GRANT AMOUNT | MATCH FUNDING   |
| <b>East Cambridgeshire</b>        |  |                   |                 |
| 47. Soham to Wicken Fen Cycle Way | This project supports the construction of the cycle-way to deliver a year-round sustainable travel connection between Soham's new station with the Wicken Fen nature reserve and national cycle network. | £330,000          | £325,000 (ECDC) |

- 3.2 The Board is asked to note this bid is being submitted, pending Soham Town Council securing the balance of funding (matched) in the form of a separate application for funding from East Cambridgeshire District Council, who could, subject to Combined Authority Board approval of this bid, bridge the gap up to £325,000 to support completion of the project.

## 4. Remaining Programme Budget Allocations

- 4.1 The total funding awarded to date and remaining budget allocations against each town is as follows:

| Town       | Total Allocation   | Total Funding Approved | Funding Call 8 (final) - Mar 2022 | Remaining Allocation |
|------------|--------------------|------------------------|-----------------------------------|----------------------|
| St Ives    | £1,000,000         | £620,125               |                                   | £379,875             |
| Huntingdon | £1,000,000         | £577,725               |                                   | £422,275             |
| Ramsey     | £1,000,000         | £1,000,000             |                                   | £0                   |
| Wisbech    | £1,000,000         | £1,000,000             |                                   | £0                   |
| March      | £1,000,000         | £1,000,000             |                                   | £0                   |
| Whittlesey | £1,000,000         | £1,000,000             |                                   | £0                   |
| Chatteris  | £1,000,000         | £1,000,000             |                                   | £0                   |
| Ely        | £1,000,000         | £1,000,000             |                                   | £0                   |
| Soham      | £1,000,000         | £670,000               | £330,000                          | £0                   |
| Littleport | £1,000,000         | 0                      |                                   | £1,000,000           |
| St Neots   | £3,100,000         | £3,100,000             |                                   |                      |
|            | <b>£13,100,000</b> | <b>£10,967,850</b>     | <b>£330,000</b>                   | <b>£1,802,150</b>    |

- 4.2 The intention was to get the Programme budget fully allocated and approved by the Combined Authority Board by March 2022. This has been impacted by delays because of Covid-19 and there is £1,802,150 of remaining budget allocated to Huntingdonshire (Huntingdon & St Ives) and East Cambridgeshire (Littleport) still subject to Board approval.
- 4.3 Huntingdonshire District Council and East Cambridgeshire District Council have subsequently requested that remaining budget allocations be re-profiled into 2022/23 financial year with the aim of bringing final bid proposals before the Combined Authority Board by September 2022 for final approval.
- 4.4 Huntingdonshire - on 30th September 2020, the Combined Authority Board approved £300,000 of Market Towns funds to HDC for additional feasibility work across the towns, and appointed Tetra Tech in August 2021 (with Steer Economic Consulting and Thomas

Lister, Land and Property Advisors) to provide an updated baseline socio-economic profile and evidence base and including the identification of a pipeline of projects. This offers a firm basis for the remaining Market Towns funds to be invested in priority projects. This also provides a timely financial resource which HDC can use as a basis for leveraging other public and private sector investment for regeneration priorities in the towns.

- 4.5 East Cambridgeshire - This slight delay in submission is a direct result of having to review the various pipeline projects and best assess intervention(s) for the community and deliverability. A future application is nearing conclusion and awaiting external technical input for completion.
- 4.6 Once approved, it is expected that remaining funds will be fully expended by before March 2024 in reflection of the delays with bid submission.

## Significant Implications

### 5. Financial Implications

- 5.1 Financial approval is requested for £330,000. Payments to fund approved projects will be subject to the conditions as set out in the assessment report being met and signed funding agreement in place.

### 6. Legal Implications

- 6.1 None.

### 7. Environmental & Public Health Implications

- 7.1 The community added value of such a project will come from a reduced need for cars to travel to and from the site. It will also encourage students from Wicken to cycle to school, away from the busy A1123 road with all associated health benefits. In addition, workers and visitors will also benefit from a shorter, safer new route between destinations.

### 8. Other Significant Implications

- 8.1 The Market Towns Programme is a substantial commitment being made between the Combined Authority and the local areas, with scope for significant impacts on the growth of the local sub-economies. Successful delivery will have positive benefits to residents, community groups, and businesses and workers from across Cambridgeshire and Peterborough.

### 9. Appendices

- 9.1 Appendix 1 – Market Towns Application (Soham to Wicken Fen Cycle Way)
- 9.2 Appendix 2 – Market Towns Appraisal Report (March 2022)

9.3 Appendix 3 – Market Towns Scoring Matrix (March 2022)

## 10. Background Papers

10.1 [Combined Authority Board report September 2020 - Approval of Market Towns Programme Investment Prospectus](#)

## CPCA MARKET TOWNS PROGRAMME FUNDING APPLICATION FORM

| APPLICANT DETAILS   |   |  |    |
|---|---|--|----|
| <b>Project Title</b>  | SOHAM TO WICKEN FEN CYCLE WAY                               |  |    |
| <b>Market Town</b>  | SOHAM   |  |    |
| <b>Lead Authority</b>   | SOHAM TOWN COUNCIL  |  |    |
| <b>UK Registered Address</b>  | PO BOX 21 THE PAVILLION FOUNTAIN LANE, SOHAM, CAMBS CB7 5PL |  |    |
| <b>Contact Person</b><br><small>(please include job title and project role)</small>           | DIANNE MARSHALL<br><br>SOHAM TOWN COUNCIL CLERK             |  |    |
| <b>Contact Telephone</b>  | 01353 723472  |  |    |
| <b>Contact Email</b>  | clerk@soham-tc.gov.uk                                       |  |    |
| <b>VAT Registration Number</b>  | 214 2590 90   | <b>Companies House Registration Number</b> |    |
| <b>Number of Employees</b>  | <5  |  |    |
| <b>Key Documents in Place</b>   | Equal Opportunities/Diversity Policy                        | Yes  |    |
|   | Modern Slavery Policy                                       |  | No |
|   | Health & Safety Policy                                      | Yes  |    |
| <b>We do not require copies of these policies at this stage, please circle as appropriate</b> |   |  |    |

## PROJECT DETAILS

**Project Description – please provide details of the project and what specifically will be delivered (please refer to the Investment Prospectus and Guidance)**

### **SOHAM TO WICKEN FEN CYCLE WAY**

#### **REQUEST FOR MARKET TOWN PROGRAMME FUNDING - £330,000**

Soham Town Council is pursuing support for projects and initiatives which it has undertaken extensive due diligence, research and works that will promote 'events, experiences and activities. This to draw footfall to the town and which will underpin and enhance the introduction of the new railway station: **Foremost of these projects** is the introduction of a cycle-way between Soham and Wicken Fen.

With the support of East Cambridgeshire District Council, Soham Town Council has been encouraged to make a direct bid to the Combined Authority's Market Town Programme fund. This follows work also carried out by independent consultants Metro Dynamics. Their review, as part of an evidence-based study for the town, ranked this as the top medium-term investment (extract attached).

Linking Soham's new Station to Wicken Fen and the national cycle network. With Soham being the nearest public transport hub (2.6 miles from Soham station to Wicken Fen) and an area promoted by the National Trust in its literature; it is estimated that a minimum of 15% of visitors will use the station, a footfall of circa 10,000 visitors a year. This may be a low estimate bearing in mind the nature of the destination and the attraction of visitors that will be environmentally aware and prefer to use public transport. Soham has a number of attractions including its unique commons, habitat and SSI's which would appeal to the same travellers. With proposals for the greening of Soham High Street, its history being promoted by the active Heritage and Tourist group; Soham itself will become a destination in its own right

With the station now fully operational, a developed cycleway as part of a link between Wicken and a vibrant Soham High Street, is also expected to encourage visitor footfall. With associated GVA increase driven within the local economy, a conservative estimate of £100,000 of extra high street spend per year is forecast.

The community added value of such a project will come from a reduced need for cars to travel to and from the site. It will also encourage students from Wicken to cycle to school, away from the busy A1123 road with all associated health benefits. In addition, workers and visitors will also benefit from a shorter, safer new route between destinations.

**About Wicken Fen.** The area is one of Europe's most important wetlands and supports an abundance of wildlife. There are more than 9,000 species, including a spectacular array of plants, birds and dragonflies. Wicken Fen is part of the National Trust and currently has some 65,000 visitors a year. As there is no public transport to the village it is estimated that 90% of all visitors arrive by car.

## The Project

There is a 2.4Km byway along the proposed cycleway route that needs upgrading with a compliant sub-base and paving. These pictures were taken in February 2022 and illustrate the uneven, often sodden/impassable winter route. This is informally used by walkers, horses and some vehicles. Soham Town Council have improved parts of the route with hardcore type surfacing over the past five years. The entire route now needs completing with a hard (paved) surface.



A cycleway along the byway route has been subject to a detailed study by Sustran's in 2013. This was updated with some changed recommendations/costings in October 2021. Both reports are attached for the detail.

In summary, the route considered is illustrated on this map.



The basis of this application is the construction of the cycle-way, in line with the Sustran's independent report and subsequent 2021 update, where possible. This to deliver a year-round connection between Soham's station and town centre to the village of Wicken and its outstanding nature reserve.

## Costs and Funding

The 2021 Sustran's report provides as follows;

**Table 1. Summary of costs**

| Item                       | Length | Unit Cost    | Cost                |
|----------------------------|--------|--------------|---------------------|
| 3m wide sealed path        | 2400m  | £170- 230/m  | £410,000 - £550,000 |
| 2m sealed path             | 2400m  | £140 - 200/m | £340,000- £480,000  |
| Pothole repairs Mill Drove |        |              | £20,000             |
| <b>Prelims</b>             |        |              | <b>£25,000</b>      |

For the entire project, the maximum cost above, of £595,000+ a 10% contingency to offset uncertain labour and material costs has been allowed. This brings the total budget cost to £655,000.

Soham Town Council's bid to the Market Town Fund of £330,000, therefore represents circa 50% of this total project costs.

The balance of funding (matched) will be in the form of a separate application for funding with East Cambs District Council, who could, subject to the CPCA granting this bid, bridge the gap up to £325,000 with a separate grant to support completion of the project.

As the authority with best understanding of the project, Soham Town Council will lead the bid process and onward project management.

Upon confirmation of the grant awards, work could start on the project in Q2 2022 with anticipated completion before end of Q2 2024 (subject to weather conditions).

### **Project Partners - please list any key partners in the project and the engagement on the project to date**

Soham Town council  
 CPCA  
 East Cambridgeshire District Council  
 County Rights of Way team

|                                    |         |
|------------------------------------|---------|
| <b>Proposed project Start date</b> | Q2 2022 |
|------------------------------------|---------|

|  |         |
|--|---------|
| <b>Proposed project Completion date</b><br><br><b>(Please note: CPCA Market Towns funding must be spent by the project delivery body by 31 March 2022)</b> | Q2 2024 |
|--|---------|

**Key Milestones – please detail project phasing to delivery**

This detail needs to be agreed with contractors and third parties. The offer of this grant should be conditional upon information being provided before commencement of procurement and within the project completion deadline of Q2 2024 being achievable.

**PROJECT DELIVERABLES**

**Project Outcomes - please indicate how the project will deliver against job outputs and wider economic outcomes, including any increases in productivity and volumes of trade exports (please refer to the Investment Prospectus and Guidance)**

As outlined above

- Project has been researched and independently verified to deliver an important cycle link between Soham and Wicken.
- Provision of paved cycleway with year around usability
- Delivers against objectives in ECDC's Soham Market town plan and completes considerable work already carried out by Soham Town Council over the past few years
- Increased visitor numbers to the town with positive indirect impact on GVA
- Encourages visitors and commuters to utilise the train and cycle instead of the car
- Allows further promotion of linked tourism and access to the important National Trust Area
- Promotes linkage of communities and safe cycle access to Soham's schooling shops, leisure and business.
- Further enables usage of community greenspace
- Further encourages cycle usage and associated health benefits
- Delivers strong community benefit
- Consistent with the CPCA's 3 C's approach.



|  |   |
|--|---|
|  |   |
| <b>Which key sector(s) does this project intend to support?</b>  | Community benefit, tourism and leisure, town centre retail and green transportation |
|  |   |
| <b>Is the project part of a wider development/programme/project? If so, please provide details</b>   | Yes part of the wider joined up Market town programme in the station/town area      |
| •  |   |
| <b>What is the current status of your project (or key elements)?</b>   |   |
| <b>E.g. In development, Outline design, Planning approved, Ready to start or Project underway?</b>   |   |
| Sustrans report outlines measures necessary. The byway will need final design and approval. Project is therefore near ready to commence.   |   |
| <b>Is Planning Permission required? If so, by when is this anticipated?</b>  |   |
| County Rights of Way agreement.  |   |
| <b>If the project includes development or redevelopment of land or premises, please indicate whether your organisation has control of the site or when you expect to have control or ownership</b>   | Registered Byway  |
| In 2015, Soham Town Council obtained County Council permission to harden the byway surface, over the proposed length of the cycle way, with project completion by 2022. An element of this new project will be a further application to extend this timescale to 2024 and provide an upgraded top surface specification. |   |

| SITE DETAILS (FOR CONSTRUCTION PROJECTS) |     |
|--|-----|
| Location                                 | N/A |
| Site Ownership                           |     |
| Current Use                              |     |
| Proposed Use                             |     |
| Site Area (ha)                           |     |
| Existing Built Floorspace (sqm)          |     |
| Planning Permissions?                    |     |
| Section 106 Agreements?                  |     |
| Existing Land Charges or                 |     |

|                      |  |
|----------------------|--|
| <b>Restrictions?</b> |  |
|----------------------|--|

| <b>SITE DETAILS (FOR REFURBISHMENT PROJECTS)</b> |   |
|--|---|
| <b>Location</b>                                  | Soham Byway as described in Map above   |
| <b>Site Ownership</b>                            | The registered Byway sits on land owned by abutting landowners (see additional comments below and attached email) |
| <b>Current Use</b>                               | Registered Byway  |
| <b>Proposed Use</b>                              | Byway and cycle route   |
| <b>Site Area (ha)</b>                            | N/A   |
| <b>Existing Built Floorspace (sqm)</b>           | N/A   |
| <b>Planning Permissions?</b>                     |   |
| <b>Section 106 Agreements?</b>                   | N/A   |
| <b>Existing Land Charges or Restrictions?</b>    | N/A   |

| PROJECT OUTPUTS 2020/21  |   |  |  |  |   |
|--|---|--|--|--|---|
| Project Outputs - please indicate how the project will deliver against the outputs below – complete only those that apply to your project. |   |  |  |  |   |
| <b>Employment &amp; Skills</b>   |   |  |  |  |   |
| Number of permanent jobs to be created   | Number of temp jobs to be created                         | Number of indirect jobs to be created                          | Number of apprenticeships to be established – Level 1  | Number of apprenticeships to be established – Level 2        | Number of apprenticeships to be established – Level 3 |
|  |   |  |  |  |   |
| Area of learning/training space improved (m2)  | Area of learning/training floorspace rationalised (m2)    | New learners assisted (on courses to full qualification)       |  |  |   |
|  |   |  |  |  |   |
| <b>Business &amp; Enterprise</b>   |   |  |  |  |   |
| Number of businesses receiving grant support (high street/town centres)  | Number of businesses receiving grant support (wider town) | Number of businesses receiving non-financial support           |  |  |   |
|  |   |  |  |  |   |
| <b>Commercial</b>  |   |  |  |  |   |
| Area of commercial floorspace to be created (m2)   | Area of commercial floorspace to be refurbished (m2)      | Area of public realm / outside space improved or enhanced (m2) | Area of commercial land / floorspace rationalised (m2) | Number of commercial premises with improved broadband access |   |
|  |   |  |  |  |   |
| <b>Transport</b>   |   |  |  |  |   |
| Length of new cycleway to be created (m)   | Length of new footpaths to be created (m)                 | Number of new public transport services                        |  |  |   |
|  |   |  |  |  |   |

| <b>Development Sites &amp; Housing</b>              |   |   |  |  |  |
|---|---|---|--|--|--|
| Area of land to be developed (hectares)             | Number of new housing units/dwellings to be created | Number of new housing units/dwellings to be refurbished |  |  |  |
|   |   |   |  |  |  |
| <b>Community</b>                                    |   |   |  |  |  |
| Area of new community floorspace to be created (m2) | Area of community floorspace to be refurbished (m2) | Area of community floorspace rationalised (m2)          | Number of community groups receiving grant support |  |  |
|   |   |   |  |  |  |
|   |   |   |  |  |  |

| PROJECT OUTPUTS 2021/22  |   |  |  |  |   |
|--|---|--|--|--|---|
| Project Outputs - please indicate how the project will deliver against the outputs below – complete only those that apply to your project. |   |  |  |  |   |
| <b>Employment &amp; Skills</b>   |   |  |  |  |   |
| Number of permanent jobs to be created   | Number of temp jobs to be created                         | Number of indirect jobs to be created                          | Number of apprenticeships to be established – Level 1  | Number of apprenticeships to be established – Level 2        | Number of apprenticeships to be established – Level 3 |
|  |   |  |  |  |   |
| Area of learning/training space improved (m2)  | Area of learning/training floorspace rationalised (m2)    | New learners assisted (on courses to full qualification)       |  |  |   |
|  |   |  |  |  |   |
| <b>Business &amp; Enterprise</b>   |   |  |  |  |   |
| Number of businesses receiving grant support (high street/town centres)  | Number of businesses receiving grant support (wider town) | Number of businesses receiving non-financial support           |  |  |   |
|  |   |  |  |  |   |
| <b>Commercial</b>  |   |  |  |  |   |
| Area of commercial floorspace to be created (m2)   | Area of commercial floorspace to be refurbished (m2)      | Area of public realm / outside space improved or enhanced (m2) | Area of commercial land / floorspace rationalised (m2) | Number of commercial premises with improved broadband access |   |
|  |   |  |  |  |   |
| <b>Transport</b>   |   |  |  |  |   |
| Length of new cycleway to be created (m)   | Length of new footpaths to be created (m)                 | Number of new or improved public transport services            |  |  |   |
|  |   |  |  |  |   |

| Development Sites & Housing                         |   |   |  |  |  |
|---|---|---|--|--|--|
| Area of land to be developed (hectares)             | Number of new housing units/dwellings to be created | Number of new housing units/dwellings to be refurbished |  |  |  |
|   |   |   |  |  |  |
| Community   |   |   |  |  |  |
| Area of new community floorspace to be created (m2) | Area of community floorspace to be refurbished (m2) | Area of community floorspace rationalised (m2)          | Number of community groups receiving grant support |  |  |
|   |   |   |  |  |  |
|   |   |   |  |  |  |

| PROJECT OUTPUTS 2022/23 (Onwards)  |   |  |  |  |   |
|--|---|--|--|--|---|
| Project Outputs - please indicate how the project will deliver against the outputs below – complete only those that apply to your project. |   |  |  |  |   |
| <b>Employment &amp; Skills</b>   |   |  |  |  |   |
| Number of permanent jobs to be created   | Number of temp jobs to be created                         | Number of indirect jobs to be created                          | Number of apprenticeships to be established – Level 1  | Number of apprenticeships to be established – Level 2        | Number of apprenticeships to be established – Level 3 |
|  |   |  |  |  |   |
| Area of learning/training space improved (m2)  | Area of learning/training floorspace rationalised (m2)    | New learners assisted (on courses to full qualification)       |  |  |   |
|  |   |  |  |  |   |
| <b>Business &amp; Enterprise</b>   |   |  |  |  |   |
| Number of businesses receiving grant support (high street/town centres)  | Number of businesses receiving grant support (wider town) | Number of businesses receiving non-financial support           |  |  |   |
|  |   |  |  |  |   |
| <b>Commercial</b>  |   |  |  |  |   |
| Area of commercial floorspace to be created (m2)   | Area of commercial floorspace to be refurbished (m2)      | Area of public realm / outside space improved or enhanced (m2) | Area of commercial land / floorspace rationalised (m2) | Number of commercial premises with improved broadband access |   |
|  |   |  |  |  |   |
| <b>Transport</b>   |   |  |  |  |   |
| Length of new cycleway to be created (m)   | Length of new footpaths to be created (m)                 | Number of new or improved public transport services            |  |  |   |
| 2,400 m  |   |  |  |  |   |

| Development Sites & Housing                         |   |   |  |  |  |
|---|---|---|--|--|--|
| Area of land to be developed (hectares)             | Number of new housing units/dwellings to be created | Number of new housing units/dwellings to be refurbished |  |  |  |
|   |   |   |  |  |  |
| Community   |   |   |  |  |  |
| Area of new community floorspace to be created (m2) | Area of community floorspace to be refurbished (m2) | Area of community floorspace rationalised (m2)          | Number of community groups receiving grant support |  |  |
|   |   |   |  |  |  |
|   |   |   |  |  |  |

| FINANCIAL DETAILS  |         |          |                 |             |
|--|---------|----------|-----------------|-------------|
| <b>Total Capital</b>   |         | £655,000 |                 |             |
| <b>Total Revenue</b>   |         |          |                 |             |
| <b>Total Market Town Funds requested</b>   |         | £330,000 |                 |             |
| Please provide a financial summary for the project. All information should relate to the project for which Growth Funds are being sought |         |          |                 |             |
|  | 2020/21 | 2021/22  | 2022/23 onwards | TOTAL COSTS |
| <b>COSTS (£)</b>   |         |          |                 |             |
| Contribution to capital cost of delivery   |         |          | £330,000        |             |
|  |         |          |                 |             |
|  |         |          |                 |             |
|  |         |          |                 |             |
|  |         |          |                 |             |
| <b>TOTALS</b>  |         |          |                 |             |
|  |         |          |                 |             |
| Please submit any information which substantiates these values and costs   |         |          |                 |             |

| PROJECT FUNDING   |                   |                       |                                    |
|---|-------------------|-----------------------|------------------------------------|
| Please provide details of the funding already secured and/ or any being sought in addition to Market Town Funds, including, where appropriate any funding certificates                          |                   |                       |                                    |
| <b>SOURCE</b>   | <b>VALUE (£)</b>  | <b>TYPE (CAP/REV)</b> | <b>STATUS</b>                      |
| ECDC grant application  |                   | £325,000              | Awaiting confirmation of this ward |
|   |                   |                       |                                    |
|   |                   |                       |                                    |
| Please confirm the projected expenditure profile for the Market Town Funding requested  |                   |                       |                                    |
| <b>MILESTONE</b>  | <b>AMOUNT (£)</b> | <b>DATE</b>           |                                    |
| 50/50 split (start/completion   | £163,000          | Q2 2022               |                                    |
| TBA WITH CPCA)  | £162,000          | 2022/23               |                                    |
|   |                   |                       |                                    |
|   |                   |                       |                                    |
| Please describe any other options (including funding options) that have been considered and explain why the amount being requested is the minimum necessary in order for the project to proceed |                   |                       |                                    |
| N/A   |                   |                       |                                    |

## STATE AIDS

**Please confirm the Project is State Aid compliant:**

[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/325465/bis-14-943-state-aid-general-block-exemption-guidance.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/325465/bis-14-943-state-aid-general-block-exemption-guidance.pdf)

**(Please provide a copy of any legal advice received in this respect)**

Yes. ECDC & STC's policy objective behind the subsidy is to ensure there is an environmentally sustainable means of public access for the benefit of the local community and wider society.

## PROJECT RISKS

**What are the key risks associated with the project and identified mitigation measures?**

See attached.

**Do you have any additional comments/information to support your application?**

The registered Byway sits on land owned by abutting landowners. The only Body that has a Statutory duty in regards to public highways including public rights of ways such as footpaths and byways are Cambridgeshire County Council. Therefore, with agreement of CCC/landowner, (TBA), there is no preclusion for the town/parish councils to provide, under s137 or some other power, some contribution in funding on an annual basis to Cambridgeshire County Council to ensure that the surfaces of both for byway 113 and footpath 126 are maintained and remain fit for their intended purpose. (also see attached CCC email)

## DECLARATION

- I/We certify that to the best of our knowledge the information provided is a true and accurate reflection of our business circumstances. If this is found not to be the case the application will be declined without any further reference to us.
- I/We authorise Cambridgeshire & Peterborough Combined Authority (CPCA) undertake any searches or other investigations deemed necessary in the assessment of my/our application. CPCA is under no obligation to notify me/us of the nature of these searches.
- I/We authorise CPCA to notify HM Government Ministry of Housing, Communities & Local Government (MHCLG) and any of its subsidiaries of our application, where, in the opinion of CPCA, alternative and more appropriate sources of funding may be available.
- I/We confirm that CPCA may make enquiries of any person who may have access to information relevant to my/our application without prior reference to me/us.
- I/We agree that CPCA may use our company name in conjunction with their marketing activities.
- I/We agree that CPCA's decision is final.
- I/We have read and understood the features and eligibility criteria of the Programme.

**Signature**

|                 |  |
|-----------------|--|
|                 |  |
| <b>Name</b>     |  |
| <b>Position</b> |  |
| <b>Date</b>     |  |

| <b>APPLICATION CHECKLIST</b>   |
|--|
| <b>Please check you have included copies the following with your completed application:</b>  |
| <ul style="list-style-type: none"> <li>• <del>A completed and signed application form</del></li> <li>• <del>A spreadsheet setting out the timeline for drawing down funds against key project milestones</del></li> <li>• <del>A project cashflow spreadsheet (setting out all project costs and Market Towns funding)</del></li> <li>• <del>A completed Risk Log (template provided)</del></li> <li>• <del>Lead organisation Health &amp; Safety Policy</del></li> <li>• <del>Lead organisation Anti Slavery Policy</del></li> <li>• <del>Lead organisation Equal Opportunity Policy</del></li> </ul> <p>Please note</p> <ul style="list-style-type: none"> <li>• Submissions must be electronic</li> <li>• Applicants agree to the information contained in this form being processed by Cambridgeshire &amp; Peterborough Combined Authority for the express use of statistical analysis</li> </ul> |

| <b>COMPLETED APPLICATIONS</b>  |
|--|
| <b>Please return completed Application forms to:</b>   |
| <a href="mailto:Domenico.Cirillo@cambridgeshirepeterborough-ca.gov.uk">Domenico.Cirillo@cambridgeshirepeterborough-ca.gov.uk</a> |
| <b>If you have any queries, please contact the CPCA on 01480 277180</b>  |
|  |





**CAMBRIDGESHIRE  
& PETERBOROUGH**  
COMBINED AUTHORITY

**MARKET TOWNS PROGRAMME  
Investment Prospectus**

Appraisal Report

2<sup>nd</sup> March 2022

**Hewdon Consulting** 

**Hewdon Consulting  
Kemp House  
156-160 City Road  
London  
EC1V 2NX**

[www.hewdon.com](http://www.hewdon.com)

Registered in England No. 4187876

DISCLAIMER- This report is provided solely for the purpose for which it is commissioned by the person to whom it is addressed. No liability is accepted for its use for any other purpose or by any other person.

1. Cambridgeshire & Peterborough Combined Authority issued its eighth call for Market Towns funding projects with **one application** received by the agreed timescale.
2. We were asked to act as the independent assessors for the call and this report is prepared to assist the Entrepreneurial Advisory Panel (EAP) conduct its review before the bids are presented onto the Combined Authority's Board for a decision on each project.
3. The application was submitted by Soham Town Council for the **Soham to Wicken Fen Cycle Way**. This project links Soham's new Station to the National Trust Nature Reserve and the national cycle network. It is estimated that some 15% of visitors to the site will use the station, a footfall of circa 10,000 visitors a year. With the station now fully operational this project aims to encourage visitor footfall to the town's High Street. The application is estimating £100,000 of extra high street spend per year within the local economy.
4. Wicken Fen. The area is one of Europe's most important wetlands and supports an abundance of wildlife. Charles Darwin is said to have collected beetles on the site in the 1820s and many eminent Victorian naturalists collected specimens that can still be found in museums across the country. Wicken Fen is part of the National Trust and currently has some 65,000 visitors a year. As there is no public transport service to the site it is estimated that 90% of all visitors arrive by car.
5. This application is the construction of the cycleway to deliver a year-round connection between Soham's station and its outstanding nature reserve. This has been a long held local ambition and the byway route was subject to a detailed study by Sustrans in 2013. Matching funding of £325,000 is to come from a East Cambridgeshire District Council grant application which is pending final confirmation.
6. We have recommended the project for approval totalling **£330,000** from the market towns programme subject to confirmation of matching funding; assurances that any cost overrun will be met by the District and Town Councils; and agreeing an appropriate monitoring framework be agreed to assess the project's impact on high street visitor spend..
7. The detailed recommendations are set out in the next section. This report should be read in conjunction with the appraisal matrix which is provided as a separate attachment.

| App No. | Applicant          | Project                       | Grant Requested  | Recommendations   |
|---------|--------------------|-------------------------------|------------------|---|
| 1       | Soham Town Council | Soham to Wicken Fen Cycle Way | £330,000         | Approval for the requested amount of £330,000 subject to the following conditions: 1. Confirmation of matching funding. 2. Confirmation that any capital cost overrun will be met by East Cambridgeshire District Council and/or Soham Town Council 3. An appropriate monitoring framework be agreed to assess the project's impact on high street visitor spend. |
|         | <b>TOTAL</b>       |                               | <b>£ 330,000</b> |   |

## Market Towns Programme Investment Prospectus

### Application Appraisal Matrix (summary)

|  |   |
|--|---|
| <b>Weighted Score (max 99 available)</b> |   |
|  | <b>Minimum pass is 74 marks (75%)</b>             |
| <b>Project Title / Town:</b>             | <b>East Cambs - Soham to Wicken Fen Cycle Way</b> |
| <b>Criteria</b>                          | <b>Mark - Edit</b>                                |
| <b>Rationale</b>                         | 4   |
| <b>Timescales</b>                        | 4   |
| <b>Activities/Milestones</b>             | 3   |
| <b>Delivery Arrangements</b>             | 9   |
| <b>Outputs/Outcomes</b>                  | 15  |
| <b>Strategic Fit</b>                     | 15  |
| <b>State Aid</b>                         | 3   |
| <b>Costs</b>                             | 6   |
| <b>Resourcing</b>                        | 8   |
| <b>VFM</b>                               | 15  |
| <b>Risks</b>                             | 6   |
| <b>Total Score</b>                       | <b>88.0</b>                                       |
| <b>Percentage Score</b>                  | <b>88.9%</b>                                      |



| Market Towns Programme Investment Prospectus: Application Appraisal Matrix (with Weighting) |   |  |  |  | Weighted Score (max 99 available) |             |        |
|---|---|--|--|--|-----------------------------------|-------------|--------|
| Project Title / Town: East Cambs - Soham to Wicken Fen Cycle Way                            |   |  |  |  | Minimum pass is 74 marks (75%)    |             | 88.0   |
| Name: Hewdon Consulting<br>Date: 04.01.21   |   | <b>0 = not answered</b><br><b>1 = does not meet the criteria</b><br><b>2 = meets the criteria</b>  |  |  |                                   |             |        |
| Criteria  | Definitions   | Marking Guide (1-5)  |  | Comments   | Weighting                         | Mark - Edit | Total  |
| Rationale   | Does the application evidence strong market failure?  | 1. No<br>2. Partially<br>3. Yes  |  | The application is based on the opportunities stemming from Soham's new rail connection and the desire to encourage more sustainable local transport with the introduction of a cycle-way between the town and Wicken Fen.   | 2                                 | x 2         | = 4.0  |
| Timescales  | What is the planned implementation timetable and can spend be achieved by March 2022?   | 1. No, expenditure extends beyond 31 March 2021<br>2. Yes, expenditure achieved by March 2021<br>3. Yes, expenditure achieved by March 2021 but further work on the project, using alternative funding sources, continues after March 2021 |  | The project ostensibly started in 2015, this final phase is expected to be completed by December 2024. However matching funding has not yet been secured, and contractor(s) are still to be appointed. Therefore slippage is a possibility.  | 2                                 | x 2         | = 4.0  |
| Activities/Milestones   | How well defined are the principal activities and what more development work is recommended for the full application?   | 1. Not defined/inadequate<br>2. Activities broken down<br>3. Activities with key milestones identified   |  | The application was submitted with the original f. study, right of way application, and is the final stage of a project started in 2015. The works are modest and should be relatively straight forward to deliver, however it is pending confirmation of matching funding.  | 1                                 | x 3         | = 3.0  |
| Delivery Arrangements   | How developed is the project plan and does it have the following attributes?<br>e.g. route to and level of risk in securing land, planning and remaining funding if build or transport project<br>e.g. route to and level of risk in securing remaining funding and competent/experienced delivery resources if a service | 1.No strategy to secure any of the key elements<br>2.Poor strategy to secure some of the key elements<br>3.Good strategy to secure ALL of the key elements but high risks apparent   |  | As stated above the application is the final stage of a project started in 2015. The works are modest and the local partners are well placed to complete its delivery.   | 3                                 | x 3         | = 9.0  |
| Outputs/Outcomes  | Because the value of funding being requested can be considered a Strategic Investment, it is important that the application demonstrates outcomes that make a strategic-level impact against the approved Market Town Masterplan  | 1. No Output and outcome information<br>2. Output and outcome information not clearly specified<br>3. Outputs and outcome detailed clearly specified   |  | 2.4km of cycleway will result from this project, though the application also claims £100k GVA increase from extra high street spend per year. If supported it is recommended that this also be monitored to assess the project's impact.   | 5                                 | x 3         | = 15.0 |
| Strategic Fit   | Because the value of funding being requested can be considered a Strategic Investment, it is important that the application demonstrates good fit with the CPIER, Skills Strategy, or LIS   | 1. No<br>2. Partially<br>3. Yes  |  | The Town plan for Soham centred on four major themes. This project aligns strongly with the 'Opening up our town through better connectivity' theme following the opening of the new rail station. This cycleway provides a link between Wicken and the town's High Street, is expected to encourage visitor footfall / spend to the town. | 5                                 | x 3         | = 15.0 |
| State Aid   | Is the project State Aid compliant? Has information been submitted on why state aid does not apply?   | 1. No information<br>2. Insufficient information provided<br>3. Sufficient information provided  |  | Public access for the benefit of the local community and wider society. No issues envisaged.   | 1                                 | x 3         | = 3.0  |

|                          |   |  |   |                    |   |   |   |             |
|--------------------------|---|--|---|--------------------|---|---|---|-------------|
| <b>Costs</b>             | Are costs set out, at least as an initial budget estimate?  | 1. No cost information<br>2. Some top level cost information<br>3. Breakdown of cost information | High level costings were provided but have yet to be market tested. If supported, ECDC and Soham TC should be asked to provide evidence of an appropriate tender exercise and provide a guarantee that they will meet any costs over run.   | 3                  | x | 2 | = | 6.0         |
| <b>Resourcing</b>        | Because the value of funding being requested, it is important that there is good leverage and/or match funding  | 1. No match funding<br>2. Yes, match funding - <50%<br>3. Yes, match funding >50%                | ECDC stated that match funding for this phase of the cycleway will come from an unspecified grant application upon which they are awaiting confirmation of. If supported, ECDC and Soham TC should be asked to confirm match funding before making any claim to the CPCA.   | 4                  | x | 2 | = | 8.0         |
| <b>VFM</b>               | Because the value of funding being requested and limited resources allocated to each town, it is important that the application demonstrates a competitive cost per outcomes                                  | 1. No VFM information offered<br>2. Poor Vfm<br>3. Good value for money                          | As stated above, the project delivers 2.4km of new public access and £100k increase per annum of GVA. If achieved then the project would represent good VFM.  | 5                  | x | 3 | = | 15.0        |
| <b>Risks</b>             | Is there a realistic assessment of risks?   | 1. No risks identified<br>2. Poor risk assesment<br>3. Risks identified and explained            | Adequate risk register provided   | 2                  | x | 3 | = | 6.0         |
| <b>Recommendation(s)</b> | Approval and progress onto next stage (EAP and CA Board approval)<br>Push back on applicant further information or clarity<br>Reject as unsuitable.<br><br>Please comment to explain recommendation decision. |  | Approval for the requested amount of £330,000 subject to the following conditions: 1. Confirmation of matching funding. 2. Confirmation that any capital cost overrun will be met by East Cambridgeshire DC and/or Soham Town Council 3. An appropriate monitoring framework be agreed to assess the project's impact on high street visitor spend. | <b>Total Score</b> |   |   |   | <b>88.0</b> |



**CAMBRIDGESHIRE  
& PETERBOROUGH**  
COMBINED AUTHORITY

Agenda Item No: 3.6

## Transforming Cities Fund Report

|                      |  |
|----------------------|--|
| To:                  | Cambridgeshire and Peterborough Combined Authority Board   |
| Meeting Date:        | 30 March 2022  |
| Public report:       | Yes  |
| Lead Member:         | Mayor Dr Nik Johnson   |
| From:                | Rowland Potter Head of Transport   |
| Key decision:        | No   |
| Forward Plan ref:    | n/a  |
| Recommendations:     | <p>The Combined Authority Board is recommended to:</p> <ul style="list-style-type: none"><li>a) Note the contents of the Annual Transforming Cities Fund Report (Appendix 1) for submission to Department for Transport (DfT)</li><li>b) Support the principle of utilisation of TCF Capital underspend to support Sustainable Transport schemes (Active Travel &amp; Bus Improvements) as agreed in future budget reports.</li><li>c) To delegate authority to the Chief Executive Officer to submit the Transforming Cities Fund Report to DfT</li></ul> |
| Voting arrangements: | <p>A simple majority of all Members present and voting.</p> <p>To be carried, the vote must include the vote of the Mayor, or the Deputy Mayor when acting in place of the Mayor.</p>  |

## 1. Purpose

- 1.1 The purpose of this report is to share with the Board the Transforming Cities Fund Report for submission to the DfT as per the criteria within the TCF Grant Award of 2018.

## 2. Background

- 2.1 As stated within the Grant Determination of March 2018, the purpose of the Transforming Cities Fund (TCF) is to boost productivity, transform intra-city connectivity and reduce congestion through investment in public and sustainable transport in Cambridgeshire and Peterborough.
- 2.2 In Cambridgeshire and Peterborough, the TCF has been devolved and decisions about how to invest the fund are taken by the Combined Authority Board in accordance with the aims for the Fund set out in the devolution agreement, the Combined Authority's Constitution, Assurance Framework, and strategic policy framework.
- 2.3 The attached TCF Report details the projects on which TCF funds are allocated from the Gainshare. The spend to date as of January 2022 and the forecast expenditure ( tables 1-5 within the main report).
- 2.4 The report also provides summary reports into the context of each project and delivery confidence as reported regularly at Transport and Infrastructure committee.
- 2.5 The TCF time limitations are for projects to be delivered by the end of March 2023, as the funding and expenditure report details there is a potential shortfall in spending ( see Transforming Cities Fund Budget Expenditure and Forecast page 8 of main report) across the current identified projects.
- 2.6 It is proposed that following agreement of the Annual Gainshare budget that consideration be given in relation to capital swap of some current TCF projects for newly agreed sustainable transport projects that could be delivered within the time frame with actual physical completion, most notably temporary active travel schemes being made permanent following Tranche 1 & 2 Capability Funding development and design

## 3. Financial Implications

- 3.1 It is a requirement for retention of our TCF funding that we submit this report

## 4. Legal Implications

- 4.1 None.

## 5. Other Significant Implications

- 5.1 There are no other significant implications to this report

## 6. Appendices

### 6.1 Appendix 1 – Transforming Cities Fund Report March 22





**CAMBRIDGESHIRE  
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# Transforming Cities Fund

## Cambridgeshire and Peterborough Delivery Plan

March 2022



## Contents

|   |   |    |
|---|---|----|
| 1 | Introduction .....  | 3  |
| 2 | Projects funded from TCF in 18/19, 19/20 & 20/21 .....                    | 5  |
| 3 | Funded projects 2021-22 .....   | 7  |
| 4 | Proposed TCF delivery 2022/23.....  | 8  |
| 5 | Value for money, monitoring and evaluation .....                          | 8  |
| 6 | Delivery timescales .....   | 9  |
|   | Appendix 1: Transforming Cities Fund Budget Expenditure and Forecast..... | 10 |
|   | Appendix 2: Project Context and Delivery Rationale .....                  | 10 |

## 1 Introduction

The local transport Plan is currently, undergoing a rewrite which will be consulted upon in May 2022 as Local Transport and Connectivity Plan.

Refreshed vision



A transport network which secures a future in which the region and its people can thrive.

It must put improved public health at its core, it must help create a fairer society, it must respond to climate change targets, it must protect our environment and clean up our air, and it must be the backbone of sustainable economic growth in which everyone can prosper.

And it must bring a region of cities, market towns and very rural areas closer together.

It will be achieved by investing in a properly joined-up, net zero carbon transport system, which is high quality, reliable, convenient, affordable, and accessible to everyone. Better, cleaner public transport will reduce private car use, and more cycling and walking will support both healthier lives and a greener region. Comprehensive connectivity, including digital improvements, will support a sustainable future for our region's nationally important and innovative economy.



Aims and Objectives:



Over the 5 years since it commenced operations, the Combined Authority has developed a strong track record in progressing infrastructure schemes in a timely manner for the benefit of businesses and residents alike.

As stated within the Grant Determination of March 2018, the purpose of the Transforming Cities Fund (TCF) is to boost productivity, transform intra-city connectivity and reduce congestion through investment in public and sustainable transport in Cambridgeshire and Peterborough.

In Cambridgeshire and Peterborough, the TCF has been devolved and decisions about how to invest the fund are taken by the Combined Authority Board in accordance with the aims

for the Fund set out in the devolution agreement<sup>1</sup>, the Combined Authority's Constitution, Assurance Framework, and strategic policy framework.

Within the TCF Guidance, Government outlined that it recognises Local Authorities are best-placed to identify the types of projects to deliver and seeks to partner with regions to develop packages of proposals which will deliver transformative improvements in connectivity. The Delivery Plan and associated schemes contained within the LTP are strongly aligned to the vision, aims and objectives of the LTP and other key strategic documents, such as the Devolution Deal, the Cambridgeshire and Peterborough Independent Economic Review (CPIER) and the CPCA Growth Ambition Statement which responded to it, the Non-Statutory Spatial Framework and the Local Industrial Strategy. The LTP was developed in tandem with these documents to ensure it outlines a coherent and complementary suite of schemes, programmes and initiatives that support wider environmental, social, and economic objectives.

The CPCA's overarching ambition and objectives are contained within our Growth Ambition Statement and annual business plans. The CPCA and its partners, over the next 25 years, will deliver a leading place to live, learn and work. This will be realised through the achievement of the following ambitions:

- Doubling the size of the local economy over 25 years.
- Accelerating house building rates to meet the local and UK need.
- Delivering outstanding and much needed connectivity in terms of transport and digital links.
- Transforming public service delivery to be much more seamless and responsive to local need.
- Growing international recognition for our knowledge-based economy.
- Improving quality of life by tackling areas suffering from deprivation; and
- Providing the UK's most technically skilled workforce.

The delivery of an appropriate transport network plays a key, critical role in the realisation of these ambitions. The CPCA's programme of measures offers a coherent package of integrated interventions that will transform connectivity across the region and on specific key commuter routes within Cambridgeshire and Peterborough. The CPCA is continually challenging the status quo and looking for new, innovative approaches (such as new technologies, engineering solutions and delivery models) to deliver the necessary improvements across the region.

The CPCA consider transport as a key enabler to economic and housing growth, we are running an integrated work programme across spatial planning, transport and housing to ensure that the region grasps the economic opportunities open to it, and these economic opportunities are of national significance.

The CPIER provides the most comprehensive assessment of the region's economy ever undertaken and identifies a significant opportunity for transformational growth that aligns with the CPCA devolution deal objective of doubling the size of the regional economy. This will only happen though if the transport challenges facing greater Cambridge are overcome, and TCF has a key role to play in this.

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<sup>1</sup> TCF grant letter dated [27 March 2018].

There is strong alignment between the Government's ambitions to transform connectivity through improved public transport and active travel infrastructure, reducing congestion and enhancing air quality, and the aims of the LTP, and the Combined Authority reflects those priorities in its own arrangements for scheme prioritisation.

The Transforming Cities Fund grant is treated as part of the Combined Authority's Investment Fund. Decisions about its allocation to individual projects in support of the overall aims of the Fund and of the Combined Authority are made by the Combined Authority and subject to its local Assurance Framework.

## 2 Projects funded from TCF in 18/19, 19/20 & 20/21

The Investment Fund funding is designated corporately, taking account of spend in each year, available funding sources, and any restrictions – actual attribution is then reviewed when the accounts are closed, and actual expenditure for the year known, to make the most efficient use of the funds available to us.

TCF funding forms part of the larger single pot allocation to its transport programme. The projects within this report are financed solely by the TCF funding or a combination of TCF and partner funding. The TCF Budget Expenditure and Forecast table (Appendix 1) further in this report details the spend to date in years and the approved and subject to approval future forecast, within this table there is a column against each project that details; approved by the board (committed) and subject to approval within a gateway approval process in line with our assurance framework.

The Combined Authority will comply with the requirement to make a full project closedown report to DfT after completion of projects which are TCF funded.

The projects funded by TCF in 2018-19 are set out in the table below:

| <b>Project</b>                                | <b>Transforming Cities Funding</b> |
|---|------------------------------------|
| Transport Services                            | 66                                 |
| Cambridge South Station                       | 250                                |
| A505 Corridor                                 | 122                                |
| Wisbech Rail                                  | 39                                 |
| A10 Upgrade                                   | 226                                |
| Coldhams Lane roundabout improvements         | 71                                 |
| A47 Dualling                                  | 597                                |
| Wisbech Access Study                          | 275                                |
| Soham Station                                 | 1,858                              |
| A1260 Nene Parkway Junction 15                | 121                                |
| A1260 Nene Parkway Junction 32-3              | 34                                 |
| March junction improvements                   | 303                                |
| A141 capacity enhancements                    | 133                                |
| Queen Adelaide Level Crossing                 | 183                                |
| A605 Oundle Rd Widening - Alwalton-Lynch Wood | 225                                |
| Eastern Industries Access - Phase 1           | 122                                |
| <b>Grand Total</b>                            | <b>4,626</b>                       |

Table 1: Projects funded by TCF in 2018-2019

The projects funded by TCF in 2019-20 are set out in the table below:

| <b>Project</b>                        | <b>Transforming Cities Funding</b> |
|---------------------------------------|------------------------------------|
| Soham Station                         | 1,213                              |
| March junction Improvements           | 455                                |
| Wisbech Rail                          | 1,139                              |
| Coldhams Lane roundabout improvements | 121                                |
| Fengate Access Study - Phase 1        | 86                                 |
| Regeneration of Fenland Railway       | 492                                |
| A1260 Nene Parkway Junction 15        | 171                                |
| A1260 Nene Parkway Junction 32-3      | 303                                |
| A16 Norwood Dualling                  | 69                                 |
| University Access (Fengate Ph 2)      | 53                                 |
| <b>Grand Total</b>                    | <b>4,103</b>                       |

Table 2: Projects funded by TCF in 2019-2020

The TCF funded projects in 2020-21 is set out in the table below:

| <b>Project</b>                        | <b>Transforming Cities Funding</b> |
|---------------------------------------|------------------------------------|
| Soham Station                         | 4,493                              |
| March junction Improvements           | 583                                |
| Wisbech Rail                          | 336                                |
| Coldhams Lane roundabout improvements | 175                                |
| Fengate Access Study - Phase 1        | 287                                |
| Regeneration of Fenland Railway       | 297                                |
| A1260 Nene Parkway Junction 15        | 446                                |
| A1260 Nene Parkway Junction 32-3      | 278                                |
| A16 Norwood Dualling                  | 65                                 |
| A10 Junctions & Dualling              | -                                  |
| A141 Capacity Enhancements            | 143                                |
| A505 Corridor                         | 279                                |
| A605 Oundle Rd Widening – Alwalton    | 781                                |
| University Access (Fengate Ph 2)      | 146                                |
| Cambridge South Station               | 1,134                              |
| A47 Dualling                          | 53                                 |
| <b>Grand Total</b>                    | <b>9,495</b>                       |

Table 3: Projects funded by TCF in 2020-21

### 3 Funded projects 2021-22

The project as listed below, have slipped during the period due to several factors, to include:

- Significant policy changes Nationally and regionally
- Upgrading LTN 120 / Gearchange compliance within stage design
- Environmental design additions due to climate change policy changes
- Road space clashes with Strategic Road network schemes.

Each of the above has meant revision to the way the business cases are delivered from their stage inception. Some schemes have already come to board for change approvals. This slippage is considered carefully within the 2022/23 budget paper.

The Combined Authority will approach the DfT to discuss potential extension to the March 2023 delivery completion date due to the substantial policy changes in year.

In agreement with DfT colleagues' and Combined Authority Board members, recommendations will come back to board to propose a capital swap of projects that are likely to underspend or slip further in 2022/23, with new sustainable travel projects identified within the Medium-Term Financial Plan presented at March 2022 board.

These could include for instance:

- permanent delivery of Tranche 1 & 2 Capability funded temporary schemes
- additional active travel schemes across the region
- new Nene cycle / footbridge across Peterborough
- Thorpe Wood Cycle Scheme Peterborough
- Green Wheel extension Peterborough.

The TCF funded projects in 2021-22 is set out in the table below:

| Project                               | Transforming Cities Funding |
|---------------------------------------|-----------------------------|
| Soham Station                         | 9,244                       |
| March junction Improvements           | 4,582                       |
| Wisbech Rail                          | 2,993                       |
| Coldhams Lane roundabout improvements | 2,434                       |
| Fengate Access Study - Phase 1        | 1,657                       |
| Regeneration of Fenland Railway       | 3,284                       |
| A1260 Nene Parkway Junction 15        | 5,208                       |
| A1260 Nene Parkway Junction 32-3      | 5,269                       |
| A16 Norwood Dualling                  | 1,046                       |
| A10 Junctions & Dualling              | 2,000                       |
| A141 Capacity Enhancements            | 826                         |
| A605 Oundle Rd Widening – Alwalton    | -                           |
| A505 Corridor                         | 143                         |
| University Access (Fengate Ph 2)      | 821                         |
| <b>Grand Total</b>                    | <b>39,777</b>               |

Table 4: Projects funded by TCF in 2021-22

(at time of writing this report the schemes identified for TCF spend in 2021/22 were showing a delivery spend slippage of £23.7m, some will be carried forward into 2022/23 for continued delivery, some will be identified for proposed capital swap as described in body of text)

#### 4 Proposed TCF delivery 2022/23

In addition to the projects detailed within the table below, consideration will be given for capital swaps between single pot transport projects, where more appropriate Active Travel and Bus Improvement schemes can be delivered in an accelerated way. The TCF funded projects in 2022-23 is set out in the table below:

| Project                               | Transforming Cities Funding |
|---------------------------------------|-----------------------------|
| Soham Station                         | 4,000                       |
| March junction Improvements           | -                           |
| Wisbech Rail                          | 3,000                       |
| Coldhams Lane roundabout improvements | -                           |
| Fengate Access Study - Phase 1        | 4,200                       |
| Regeneration of Fenland Railway       | -                           |
| A1260 Nene Parkway Junction 15        | -                           |
| A1260 Nene Parkway Junction 32-3      | 1,500                       |
| A16 Norwood Dualling                  | 12,000                      |
| A10 Junctions & Dualling              | -                           |
| A141 Capacity Enhancements            | 1,650                       |
| A605 Oundle Rd Widening – Alwalton    | -                           |
| University Access (Fengate Ph 2)      | 1,280                       |
| Zebra Phase 1 - Cambridge             | 1,693                       |
| <b>Grand Total</b>                    | <b>29,323</b>               |

Table 5: Proposed Project funding by TCF in 2022-23 (prior to any agreed carry forwards of unspent 2021-22 budgets)

#### 5 Value for money, monitoring and evaluation

Transport projects within the CA are prioritised and their value for money is independently assessed in accordance with our Assurance Framework; the latest version of our assurance framework can be found here:

[Local-Assurance-Framework-.pdf \(cambridgeshirepeterborough-ca.gov.uk\)](#) Only projects offering strong value for money or strategic importance are approved for funding, subject to clearly specified exceptions agreed with DfT

Monitoring and Evaluation is carried out in line with the Combined Authority's Monitoring and Evaluation framework. A copy of that framework can be found here:

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[Monitoring-and-Evaluation-Framework-v1.6.pdf \(cambridgeshirepeterborough-ca.gov.uk\)](#) **All projects are subject to robust project management arrangements including monthly highlight reporting. All projects are required to have a logic model and evaluation plan.**

In addition, we are a partner in the independent gateway review of TCF and are engaging with the independent review team appointed by DfT.

## **6 Delivery timescales**

The below appendices include:

- Appendix 1 - A expenditure and forecast budget profile (as at January 2022) with indicative delivery programmes against each
- Appendix 2 - A summary report for each scheme as of January 2022

## **Appendix 1: Transforming Cities Fund Budget Expenditure and Forecast**

| Project | 2018/19 | 2019/20 | 2020/21 | 2021/22 | 2022/23 | Total   | 2021/22  | 2021/22                             | 2021/22 | 2021/22 |      |      |      | 2022/23 |      |      |      | Delivery   |
|---------|---------|---------|---------|---------|---------|---------|----------|-------------------------------------|---------|---------|------|------|------|---------|------|------|------|------------|
|         | Actual  | Actual  | Actual  | Budget  | Budget  | Budget  | Forecast | Forecast                            |         | Qtr1    | Qtr2 | Qtr3 | Qtr4 | Qtr1    | Qtr2 | Qtr3 | Qtr4 |            |
|         | (£000s) | (£000s) | (£000s) | (£000s) | (£000s) | (£000s) | Spend    | Underspend                          |         |         |      |      |      |         |      |      |      | Confidence |
|         |         |         |         |         |         |         | (£000s)  | (c/fwd into 2022/23 budget) (£000s) |         |         |      |      |      |         |      |      |      |            |

**Income**

|                                 |              |               |               |               |               |               |
|---------------------------------|--------------|---------------|---------------|---------------|---------------|---------------|
| DFT                             | 5,000        | 17,000        | 22,000        | 30,000        | 21,000        | 95,000        |
| Brought Forward from Prior Year | 0            | 374           | 13,271        | 10,438        | 1,405         |               |
| <b>Total Income</b>             | <b>5,000</b> | <b>17,374</b> | <b>35,271</b> | <b>40,438</b> | <b>22,405</b> | <b>95,000</b> |

**Expenditure**

|                                       |       |       |       |        |        |        |        |         |  |  |                              |                               |                               |      |      |
|---------------------------------------|-------|-------|-------|--------|--------|--------|--------|---------|--|--|------------------------------|-------------------------------|-------------------------------|------|------|
| Expenditure                           |       |       |       |        |        |        |        |         |  |  | GRIP 6 Construction Complete |                               | GRIP 7/8                      |      | 100% |
| Soham Station                         | 1,858 | 1,213 | 4,493 | 9,244  | 4,000  | 20,809 | 10,975 | (1,731) |  | FBC & Quick Win Construction   |                              |                               | 100%                          |      |      |
| March Junction Improvements           | 303   | 455   | 583   | 4,852  | -      | 6,193  | 2,083  | 2,769   |  | Review GRIP 3 Heavy Rail   |                              |                               | GRIP 3 Light Rail Development | 100% |      |
| Wisbech Rail                          | 39    | 1,139 | 336   | 2,993  | 3,000  | 7,506  | 110    | 2,883   |  | Project Currently on Hold  |                              |                               | 25%                           |      |      |
| Coldhams Lane roundabout improvements | 71    | 121   | 175   | 2,434  | -      | 2,801  | -      | 2,434   |  | OBC  |                              | FBC                           |                               | 100% |      |
| Fengate Access Study - Phase 1        | 122   | 86    | 287   | 1,657  | 4,200  | 6,352  | 418    | 1,239   |  | Construction March and Manea Stations plus Design works for Whittlesea station Carpark |                              |                               | 100%                          |      |      |
| Regeneration of Fenland Railway       | -     | 492   | 297   | 3,284  | -      | 4,074  | 2,657  | 627     |  | FBC  |                              | Construction                  |                               | 100% |      |
| A1260 Nene Parkway Junction 15        | 121   | 171   | 446   | 5,208  | -      | 5,946  | 429    | 4,779   |  | FBC  |                              | Construction Preparation      |                               | 75%  |      |
| A1260 Nene Parkway Junction 32-3      | 34    | 303   | 278   | 5,269  | 1,500  | 7,384  | 213    | 5,056   |  | FBC  |                              | Pre Lim Design & Construct    |                               | 100% |      |
| A16 Norwood Dualling                  | -     | 69    | 65    | 1,046  | 12,000 | 13,180 | 376    | 670     |  | FBC  |                              |                               |                               | 100% |      |
|                                       |       |       |       |        |        |        |        |         |  |  |                              |                               |                               |      |      |
| A10 Junctions and Dualling            | 226   | -     | -     | 2,000  | -      | 2,226  | 50     | 1,950   |  | OBC  |                              |                               | 50%                           |      |      |
| A141 St Ives capacity enhancements    | 133   | -     | 143   | 826    | 1,650  | 2,752  | 337    | 489     |  | SOBC   |                              | OBC & Quick Wins Construction |                               | 100% |      |
| A505 Corridor                         | 122   | -     | 279   | 143    | -      | 544    | 6      | 137     |  | Pre SOBC   |                              |                               | SOBC                          | 50%  |      |
| A605 Oundle Rd Widening - Alwalton    | 225   | -     | 781   | -      | -      | 1,006  | -      | -       |  | Project Complete   |                              |                               | 100%                          |      |      |
| University Access (Fengate Ph 2)      | -     | 53    | 146   | 821    | 1,280  | 2,300  | 186    | 635     |  | OBC  |                              | FBC                           |                               | 100% |      |
| Zebra Phase 1 - Cambridge             | -     | -     | -     | -      | 1,693  | 1,693  | -      | -       |  |  |                              | Implementation                |                               | 100% |      |
| Transport services                    | 66    | -     | -     | -      | -      | 66     | -      | -       |  | No further funding   |                              |                               | 100%                          |      |      |
| Cambridge South Station               | 250   | -     | 1,134 | -      | -      | 1,384  | -      | -       |  | CPCA Funded Stage Complete   |                              |                               | 100%                          |      |      |
| A47 Dualling                          | 597   | -     | 53    | -      | -      | 650    | -      | -       |  | CPCA Funded Stage Complete   |                              |                               | 100%                          |      |      |
| Wisbech Access Strategy               | 275   | -     | -     | -      | -      | 275    | -      | -       |  | FBC stage completion for future funding consideration (Future Pipeline Scheme)         |                              |                               | 100%                          |      |      |
| Queen Adelaide Crossing               | 183   | -     | -     | -      | -      | 183    | -      | -       |  | CPCA Funded Stage Complete   |                              |                               | 100%                          |      |      |
| Total Expenditure                     | 4,626 | 4,103 | 9,495 | 39,777 | 29,323 | 87,324 | 17,840 | 21,937  |  |  |                              |                               |                               |      |      |

Figure 1: An expenditure and forecast budget profile (as at Jan 2022) with indicative delivery programmes against each

## **Appendix 2: Project Context and Delivery Rationale**

### Summary Reports

|                      |   |                     |  |
|----------------------|---|---------------------|--|
| Project              | Soham Station   | Delivery Confidence |  |
| Description          | Develop the GRIP 4 to 8 design of a new Railways Station and car park in Soham.   |                     |  |
| Confidence rationale | Station opened in December 2021 as planned 6 months ahead of schedule.  |                     |  |
| Project              | March Junction Improvements   | Delivery Confidence |  |
| Description          | "The aim of the study is to identify potential transport interventions in March, Fenland which will address existing capacity and safety problems whilst mitigating for future growth. In addition, a set of Quick Win schemes have been identified by the project team in collaboration with the Member Steering Group."   |                     |  |
| Confidence rationale | Preliminary design work complete and OBC approved by independent technical review. CCC H&T committee and CA T&I committee approved moving to FBC/detailed design stage in November 2021. CA Board approved £1.51m funding for next stage on 24 November 2021. Funding agreement for next stage ready to be signed/sealed. Some underspend from current stage of study (£180k) re-allocated to progress detailed design for Broad St scheme. Completion date extended to 31 Mar 2022 to reflect that. CCC PD and Atkins developing activity schedule, fee proposal and design programme for detailed design. PD team also engaging and facilitating development of FBC with Milestone. The walking and cycling feasibility study work is underway Task 1 and 2 completed, Task 3 underway. Work related to final two QW schemes is ongoing and detailed design and programmes to construction are in development. RAG maintained as Green for these reasons. |                     |  |
| Project              | Wisbech Rail  | Delivery Confidence |  |
| Description          | To progress development work to support the reopening of the historic railway line between March and Wisbech. The Combined Authority working with Network Rail will look to refine the existing work delivered by the Combined Authority, as well as assessing options for the Wisbech to March line, and developing significant cost savings.  |                     |  |
| Confidence rationale | Network Rail light rail team are reviewing the options for Wisbech Rail to enable the Combined Authority to address previously received feedback from DfT about options. PACE/GRIP and Engineering reviews underway and good progress being made  |                     |  |
| Project              | Coldhams Lane Roundabout improvements   | Delivery Confidence |  |
| Description          | This project will consider introducing improvements to the roundabout at the junction of Coldhams Lane, Brooks Road and Barnwell Road, Cambridge.   |                     |  |
| Confidence rationale | Project currently on hold. At previous T&I Committee it was agreed that this project remain live subject to future funds becoming available. Red is status as the project remains on hold.  |                     |  |

|                      |  |                     |  |
|----------------------|--|---------------------|--|
| Project              | Fengate access Study Phase 1   | Delivery Confidence |  |
| Description          | A business case and design to look at improving access to a large employment area at Red Brick Farm within Eastern Industries at Fengate.  |                     |  |
| Confidence rationale | Approval for additional funding to develop business case for sustainable transport additionality.  |                     |  |
| Project              | Regeneration of Fenland Railway Stations   | Delivery Confidence |  |
| Description          | The Fenland Stations Regeneration Programme contains a range of short, medium and long-term projects, designed to improve Manea, March and Whittlesea Stations. These are station improvements that are part of a wider Fenland Rail Development Strategy (2011-2031) including railway service improvements and more local community involvement with the railways.   |                     |  |
| Confidence rationale | Manea and March schemes are currently in construction - both currently on budget. There are slight delays on programme mostly linked to the weather but both projects are on target to complete in early 2022. A new SOBC and options assessment study has been commissioned for Whittlesea Station and is in early progress. This will confirm the revised approach for this station in the Spring/Summer 2022, it remains green as a result. |                     |  |
| Project              | A1260 Nene Parkway Junction 15   | Delivery Confidence |  |
| Description          | Improvement works on the junction linking the A47 with A1260 Nene Parkway.   |                     |  |
| Confidence rationale | Current phase of the project is Full Business Case and Detailed Design. A paper was taken to November Board, and it was resolved to approve the FBC and the £8.014m for construction. Construction is expected to begin in February and complete in December 22. Official completion following demobilisation is February 2023.  |                     |  |
| Project              | A1260 Nene Parkway Junction 32/3   | Delivery Confidence |  |
| Description          | Improvements between Junction 32 of A1260 Nene Parkway and Junction 3 of A1139 Fletton Parkway which experiences severe congestion during peak hours of the day.   |                     |  |
| Confidence rationale | The current phase of the project is Full Business Case and Detailed Design. This project cannot begin construction until next year when A1260 J15 has completed and therefore project has moved down to Amber.   |                     |  |
| Project              | A16 Norwood Dualling   | Delivery Confidence |  |
| Description          | Infrastructure improvements to the existing section of the A16 to the roundabout with the A47, to aid with additional traffic growth expected from Norwood development.  |                     |  |

|                      |  |                     |  |
|----------------------|--|---------------------|--|
| Confidence rationale | Pre-lim design and OBC modelling work continuing. Responses to the consultation have been received and are being reviewed.   |                     |  |
| Project              | A10 Junctions & Dualling   | Delivery Confidence |  |
| Description          | This stage of the A10 Dualling and Junctions project is to refine the SOBC options to a single preferred option and the production of a robust high quality Outline Business Case (OBC) to the highest standard of scrutiny via an infrastructure and Projects Authority independent review. |                     |  |
| Confidence rationale | Project remains Amber whilst delivery scope discussion with CCC ongoing.   |                     |  |
| Project              | A141 / St Ives Capacity Enhancements   | Delivery Confidence |  |
| Description          | Individual SOBC work for A141 Huntingdon and St Ives Capacity studies, bringing both into a single delivery.   |                     |  |
| Confidence rationale | Completion of A141 and St Ives SOBC work for congestion relief and journey time reliability with Sustainable Transport Solutions. Approval to join schemes into single OBC with St Ives Quick Wins   |                     |  |
| Project              | A505 Corridor  | Delivery Confidence |  |
| Description          | Capacity Study along A505 and surrounding corridors  |                     |  |
| Confidence rationale | Pre sobc work complete and awaiting proposal from CCC to progress SOBC stage   |                     |  |
| Project              | University Access Fengate Phase 2  | Delivery Confidence |  |
| Description          | Access and congestion improvements around the Peterborough Embankment and the site for the new University of Peterborough.   |                     |  |
| Confidence rationale | Project status is green. Phase 2 OBC is funding approval at January CPCA Board - 26/1/22. Next Phase to begin in April 2022.   |                     |  |
| Project              | Wisbech Access Strategy  | Delivery Confidence |  |
| Description          | This is phase 1 of a three-phase programme to improve traffic flow in and around Wisbech, stimulating 3550 new homes and 2500 new jobs.  |                     |  |
| Confidence rationale | The status of the project has been revised to Green following revised scope of works as agreed with CA Board on 25/08/2021 for the scheme to complete design and land purchase only, becoming a shovel ready pipeline scheme for future funding opportunities.                               |                     |  |





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Agenda Item No: 3.7

## Skills Bootcamps Wave 3

|                      |   |
|----------------------|---|
| To:                  | Cambridgeshire and Peterborough Combined Authority Board  |
| Meeting Date:        | 30 <sup>th</sup> March 2022   |
| Public report:       | Yes   |
| Lead Member:         | Mayor Dr Nik Johnson  |
| From:                | Fliss Miller, Interim Associate Director for Skills   |
| Key decision:        | Yes   |
| Forward Plan ref:    | KD2022/012 (General Exception)  |
| Recommendations:     | <p>The Combined Authority Board is recommended to:</p> <ul style="list-style-type: none"><li>a) Accept the Grant offer of £4,891,985 from the Department for Education (DfE) to deliver Wave 3 Skills Bootcamps for the 2022-23 financial year, and approve the addition of a corresponding budget for delivery of the Bootcamps in the 2022-23 budget.</li><li>b) Delegate authority to the Chief Executive, in consultation with the Chief Finance Officer and Monitoring Officer, authority to:<ul style="list-style-type: none"><li>i. Make awards to and enter grant agreements with existing training providers to deliver Skills Bootcamps where procurement rules allow; and,</li><li>ii. Make awards to and enter into grant agreements with new providers for Wave 3 following an appropriate appointment exercise.</li></ul></li></ul> |
| Voting arrangements: | <p>A simple majority of all Members present and voting,</p> <p>To be carried, the vote must include the vote of the Mayor, or the Deputy Mayor when acting in place of the Mayor.</p>   |

## 1. Purpose

- 1.1 To inform the Combined Authority Board of the successful proposal submitted to the Department for Education (DfE) for the delivery of Skills Bootcamps in the Combined Authority. This paper outlines the key considerations for taking this forward.
- 1.2 The Board is asked to approve the recommendations to sign and receive the grant award, create a new budget line and to delegate authority to the Chief Executive to be able to enter into, sign and award grant agreements and awards to training providers to deliver on Wave Three Skills Bootcamps following an appropriate procurement exercise.

## 2. Background

- 2.1 The Department for Education via the National Skills Fund has invested in the delivery of Skills Bootcamps across the country to meet the skills needs of local areas. Skills Bootcamps form part of the Lifetime Skills Guarantee announced by the Prime Minister in September 2020.
- 2.2 The Combined Authority have been delivering Digital Skills Bootcamps since September 2021 following a successful competitive bid to the DfE for delivery across the East of England. This Wave 2 funding concludes for new starts on 31<sup>st</sup> March 2022.
- 2.3 Skills Bootcamps are intensive, Level 3-5 or equivalent flexible training courses up to 16 weeks, with a guaranteed job interview (in the case of a new job), which equip adults with technical skills that enable them to access in demand jobs, apprenticeships, new opportunities and an increased level of income over time (including for the self-employed).
- 2.4 Skills Bootcamps rely on local knowledge of skills shortages and employer needs, and the ability to attract and train local learners and to help them achieve better job outcomes.
- 2.5 Following a proposal submitted by the Combined Authority to DfE on the 28<sup>th</sup> January 2022, the Combined Authority received notification on the 8<sup>th</sup> March 2022 of award for the full amount proposed; £4,891,985 in grant funding to deliver Wave 3 Skills Bootcamps to 1,780 learners, for the first year period from 1<sup>st</sup> April 2022 to 31<sup>st</sup> March 2023. Within the grant award £342,439 has been allocated to management costs.
- 2.6 The Combined Authority has been approved to deliver Skills Bootcamps in the following sectors; digital, technical (including engineering and advanced manufacturing) construction, green and a number of pathways to accelerated apprenticeships. Furthermore, up to 10% of the value of the Funding is being allowed to test the value and effectiveness of Skills Bootcamps in the sectors defined by the Combined Authority in addition to the sectors outlined above.
- 2.7 The DfE may extend the funding period of this agreement for 12 months, by giving written notice to The Combined Authority no later than 31 March 2023 and a further 12 months, by giving written notice to The Combined Authority no later than 31 March 2024.

### 3. Funding and Governance

- 3.1 For Wave Three Skills Bootcamps the funding is received via a Grant. This is different from Wave 2 funding. The Combined Authority will receive 50% of delivery costs and all management costs in Quarter one. The remaining 50% of delivery costs will be paid in arrears after the initial 50% of grant funding allocation has been utilised.
- 3.2 The management fee will cover legal, procurement, finance, marketing. In addition, new posts will be created on a fixed term basis to administer the successful and compliant programme.
- 3.3 Unlike Wave 2, the Combined Authority has the freedom to decide, acting reasonably, how best to ensure that the funded Activities are delivered during Wave 3 in accordance with the relevant aims and objectives of this Grant Funding Agreement. The Combined Authority can therefore decide to engage with providers to deliver Bootcamps in three ways; issue grant awards, issue direct awards and/or undertake a competitive tendering process, provided that, where applicable, it complies in full with its duties as a contracting authority under the Public Contracts Regulations 2015 and internal governance rules and duly selects and awards contracts to providers in accordance with those Regulations and such rules.
- 3.4 As there are time pressures to deliver a proportion of the contract by the end of July 2022 and September 2022 a procurement exercise is being developed in consultation with Procurement and Legal and will be launched imminently. It is proposed that delegated authority is given to the Chief Executive to be able to enter into, sign and award grant agreements and awards to training providers to deliver on Wave Three Skills Bootcamps.
- 3.5 The Bootcamps are fully funded by the Government for those that are:
- Employed, self-employed, or
  - Career changers/returners/redeployed, or
  - Unemployed

Where an employer requests for an employee to attend a Skills Bootcamp, it is co-funded: the employer's cash contribution is 30% of the Skills Bootcamp cost and the Combined Authority- through the grant funding - pays 70% of the cost of the Bootcamp. However, if the employer is an SME their cash contribution is 10% of the Skills Bootcamp cost and the grant funding pays 90%.

- 3.6 A Programme Board chaired by the Interim Director of Skills will be formed to monitor quality of delivery and contract performance.

### Significant Implications

#### 4. Financial Implications

- 4.1 This project is not currently reflected in the 2022-23 budget, so the Board are recommended to approve the addition of £4,891,985 expenditure, fully funded by the DfE grant, to the 2022-23 budget.

- 4.2 All CPCA resourcing costs incurred by this project will be covered by the £342,439 management fee, resulting in a net zero impact on current budgets.

## 4. Legal Implications

- 4.1 There are no significant legal implications.

## 5. Public Health implications

- 5.1 The report recommendations have positive implications for public health. Participation in adult learning improves the health and wellbeing of participants and wider society. In addition, some of the bootcamps are for professionals in the health care sector.

## 6. Environmental and Climate Change Implications

- 6.1 The report recommendations have positive implications for the environment. Bootcamps will be delivered to support the NetZero agenda.

## 7. Other Significant Implications

- 7.1 The recommendations in this report have due regard to the Combined Authority's Equalities duties under the Equality Act 2010 in implementing funding policies which seek to widen participation and make learning opportunities more accessible for all citizens including all protected characteristics.

## 8. Appendices

- 8.1 None.

## 9. Background Papers

- 9.1 None.



**CAMBRIDGESHIRE  
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Agenda Item No: 4.1

## A141 and St Ives

|                      |  |
|----------------------|--|
| To:                  | Cambridgeshire and Peterborough Combined Authority Board   |
| Meeting Date:        | 30 March 2022  |
| Public report:       | Yes  |
| Lead Member:         | Mayor Dr Nik Johnson   |
| From:                | Rowland Potter, Head of Transport  |
| Key decision:        | Yes  |
| Forward Plan ref:    | KD2022/005   |
| Recommendations:     | <p>The Combined Authority Board is recommended to:</p> <ul style="list-style-type: none"><li>a) Approve the drawdown of £2.3 million for the consultation and commencement of the St Ives Local Improvement Schemes.</li><li>b) Delegate authority to the Head of Transport and Chief Finance Officer to agree a Grant Funding Agreement with Cambridgeshire County Council.</li></ul>                                     |
| Voting arrangements: | <p>A vote in favour by at least two thirds of all Members (or their Substitute Members) appointed by the Constituent Councils present and voting, to include the Members appointed by Cambridgeshire County Council or Peterborough City Council, or their Substitute Members <i>or</i></p> <p>Any vote in favour must include the vote of the Mayor, or the Deputy Mayor acting in place of the Mayor, to be carried.</p> |

## 1. Purpose

- 1.1 On 26 January 2022, the Combined Authority Board received the findings of the A141 and St Ives strategic outline business case and an update on the St Ives Local Improvement schemes. Both studies were approved for progression onto the next stage. This included further collaboration with Cambridgeshire County Council (CCC) to develop a proposal, cost and programme in order to seek approval to drawdown the funds and commence the schemes as soon as possible.
- 1.2 These proposals were considered by the Transport and Infrastructure Committee on 14 March 2022. Following discussion, the Committee resolved unanimously to recommend the proposals to the Combined Authority Board for approval.
- 1.3 The Committee report and appendices can be viewed via the link below. Item 2.1 refers:  
[Transport and Infrastructure Committee - 14 March 2022](#)

## 2. Considerations

- 2.1 None.

## 3. Appendices

- 3.1 None

## 4. Background Papers

- 4.1 [A141-St Ives Option Assessment Report Part A1](#)
- 4.2 [A141-St Ives Option Assessment Report Part A2](#)
- 4.3 [Transport and Infrastructure Report 12 January 2022](#)
- 4.4 [Combined Authority Board report 26 January 2022](#)



**CAMBRIDGESHIRE  
& PETERBOROUGH**  
COMBINED AUTHORITY

Agenda Item No: 4.2

## Demand Responsive Transport

To: Cambridgeshire and Peterborough Combined Authority Board

Meeting Date: 30 March 2022

Public report: Yes

Lead Member: Mayor Dr Nik Johnson

From: Rowland Potter, Head of Transport

Key decision: No

Forward Plan ref: n/a

Recommendations: The Combined Authority Board is recommended to:

Note that the DRT trial has been extended from ending in April to ending in July. The service will be retendered to allow a seamless transition from original contract to new contract.

Voting arrangements: n/a

## 1. Purpose

- 1.1 On 25 October 2021 the Combined Authority started a new demand responsive transport (DRT) service in west Huntingdonshire named Ting. The service employs four small single deck Stagecoach East buses to provide bus services on demand across 360 sq kms of the county. Passenger levels have continued to increase significantly, with over 110 journeys per day. This level of patronage is encouraging and the Transport & Infrastructure Committee on 14 March authorised the extension of the 6-month trial for a further 3 months (the maximum permitted on this contract). This additional time will be used to review progress and potentially tender for a revised service to commence in July 2022, upon the successful completion of the trial.
- 1.2 These proposals were considered by the Transport and Infrastructure Committee on 14 March 2022. Following discussion, the Committee resolved unanimously to approve the proposals.
- 1.3 The Committee report and appendices can be viewed via the link below. Item 2.2 refers:

[Transport and Infrastructure Committee 14 March 2022](#)

## 2. Considerations

- 2.1 The TING Demand Responsive Transport (DRT) service has proved successful in providing far greater public transport access from deep rural areas, and has been consistently rated on Trip Advisor at 4.9/5.0 out of 5. On average the buses are carrying 110 passengers a day. The cost of the service is higher than conventional bus services.
- 2.2 The Transport & Infrastructure Committee meeting on 14 March unanimously approved the extension of the TING contract by three months to late July to give officers time to assimilate data and negotiate and activate a new DRT contract.

## 3. Appendices

- 3.1 None.

## 4. Background Papers

- 4.1 [Combined Authority Board 30 September 2020- Item 4.3 - Bus Reform](#)



**CAMBRIDGESHIRE  
& PETERBOROUGH**  
COMBINED AUTHORITY

Agenda Item No: 4.3

## March Area Transport Study: Broad Street Scheme

To: Cambridgeshire and Peterborough Combined Authority Board

Meeting Date: 30 March 2022

Public report: Yes

Lead Member: Mayor Dr Nik Johnson

From: Rowland Potter, Head of Transport

Key decision: Yes

Forward Plan ref: KD2022/004

Recommendations: The Combined Authority Board is recommended to:

- a) Re-purpose £586,205 of CPCA Future High Street Fund monies to undertake the initial phases of the March Area Transport Study Broad Street construction.
- b) Approve the drawdown of £3,780,387 for the construction of March Area Transport Study Broad Street scheme, in full, (subject to the independent evaluation and sign off of the Full Business Case by the Combined Authority Board at a future meeting).
- c) Delegate authority to the Head of Transport and Chief Finance Officer to enter into Grant Funding Agreements with Cambridgeshire County Council in relation to the March Area Transport Study.

Voting arrangements: A vote in favour by at least two thirds of all Members (or their Substitute Members) appointed by the Constituent Councils present and voting, to include the Members appointed by Cambridgeshire County Council or Peterborough City Council, or their Substitute Members.

Any vote in favour must include the vote of the Mayor, or the Deputy Mayor acting in place of the Mayor, to be carried.

## 1. Purpose

- 1.1 The Board's approval is sought to re-purpose of £586,205 of CPCA Future High Street Fund monies to undertake early tasks of the March Area Transport Study (MATS) Broad Street construction stage. Approval is also sought for the drawdown of £3,780,387 for construction of MATS Broad Street scheme.
- 1.2 The approval of funds is dependent on the Full Business Case being subject to independent evaluation and subsequently signed off under assurance. This is programmed for December 2022. Following this assurance, £586,205 of the funds will be repurposed back to the CPCA Future High Street Fund budget
- 1.3 These proposals were considered by the Transport and Infrastructure Committee on 14 March 2022. Following discussion, the Committee resolved unanimously to recommend the proposals to the Combined Authority Board for approval.
- 1.4 The Committee report and appendices can be viewed via the link below. Item 2.3 refers:

[Transport and Infrastructure Committee - 14 March 2022](#)

## 2. Considerations

- 2.1 Following discussions at the Transport and Infrastructure Committee, it is proposed in the recommendation that the Full Business Case be brought back to the Combined Authority Board for sign off.

## 3. Appendices

- 3.1 [Appendix 1 - March Area Transport Study Broad Street LTN 1-20](#)
- 3.2 [Appendix 2 - March Area Transport Study FBC Carbon Assessment](#)

## 4. Background Papers

- 4.1 [Combined Authority Board 25 November 2020](#)
- 4.2 [Combined Authority Board report 29 September 2021](#)





**CAMBRIDGESHIRE  
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COMBINED AUTHORITY

Agenda Item No: 4.4

## E-Scooter Trial and E-Bike Update

|                      |   |
|----------------------|---|
| To:                  | Cambridgeshire and Peterborough Combined Authority Board  |
| Meeting Date:        | 30 March 2022   |
| Public report:       | Yes   |
| Lead Member:         | Mayor Dr Nik Johnson  |
| From:                | Rowland Potter, Head of Transport   |
| Key decision:        | No  |
| Forward Plan ref:    | n/a   |
| Recommendations:     | <p>The Combined Authority Board is recommended to:</p> <ul style="list-style-type: none"><li>a) Approve the extension of the e-scooter trial to 30 November 2022.</li><li>b) Approve market engagement and a procurement process to enable the expansion of the e-bike service region wide.</li><li>c) Delegate authority to the Head of Transport in consultation with the Chief Finance Officer and Chief Legal Officer to enter a contract with the successful tenderer.</li></ul> |
| Voting arrangements: | <p>A simple majority of those members present and voting.</p> <p>Any vote in favour must include the vote of the Mayor, or the Deputy Mayor acting in place of the Mayor, to be carried.</p>  |

## 1. Purpose

- 1.1 To seek approval to an extension to the e-scooter trial in Cambridge and to undertake market engagement and procurement for expanding e-bikes to our market towns.
- 1.2 These proposals were considered by the Transport and Infrastructure Committee on 14 March 2022. Following discussion, the Committee resolved unanimously to recommend the proposals to the Combined Authority Board for approval.
- 1.3 The Committee report and appendices can be viewed via the link below. Item 2.4 refers:  
[Transport and Infrastructure Committee - 14 March 2022](#)

## 2. Considerations

- 2.1 Voi notified the Combined Authority that it has three investors with Russian links and is reviewing its contractual position with each individual. Voi has ceased its business arrangements with Russia following the invasion of Ukraine. We are awaiting advice from Government which we will advise upon verbally at Board.

## 3. Appendices

- 3.1 None

## 4. Background Papers

- 4.1 [Transport and Infrastructure Committee 8 September 2021 - Item 2.3](#)
- 4.2 [Combined Authority Board 29 September 2021 - Item 4.4](#)



**CAMBRIDGESHIRE  
& PETERBOROUGH**  
COMBINED AUTHORITY

Agenda Item No: 5.1

## Adult Education Budget Funding Allocations 2022/23 and Proposed Funding Policy Changes

To: Cambridgeshire and Peterborough Combined Authority Board

Meeting Date: 30 March 2022

Public report: Yes

Lead Member: Councillor Lucy Nethsingha, Lead Member for Skills

From: Fliss Miller, Interim Associate Skills Director

Key decision: Yes

Forward Plan ref: KD2021/081

Recommendations: The Combined Authority Board is recommended to:

- a) Approve the funding allocations for the 2022/23 academic year, from the devolved Adult Education Budget (AEB) to the grant-holders, set out in Table A to the report.
- b) Approve the funding allocations for the 2022/23 academic year from the delegated National Skills Fund for level 3 courses, to the grant-holders set out in Table A to the report.
- c) Delegate authority to the Interim Associate Director of Skills in consultation with Chief Finance Officer and Monitoring Officer, to enter into multi-year grant funding agreements with the grant holders set out in Table A to the report, for a three-year period.
- d) Approve the funding policy changes and flexibilities for the 2022/23 academic year.

Voting arrangements: A simple majority of all Members present and voting

Any vote in favour must include the vote of the Mayor, or the Deputy Mayor acting in place of the Mayor, to be carried.

## 1. Purpose

### 1.1 The Board's approval is sought to:

- Make the funding allocations to grant-holders, from the devolved Adult Education Budget (AEB) of £11.9m for the academic year 2022/23, as set out in Table A below. Funding allocations total £10,080,000.
- Allocate a further £745,000 to grant-holders, from the delegated National Skills Fund (NSF) of £0.9m for the academic year 2022/23, ring-fenced for the delivery of level 3 courses, as included in Table A below.
- Enter into grant funding agreements for a multi-year period for three academic years period: 2022/23, 2023/24 and 2024/25 as approved by the Combined Authority Board (November 2021). A further paper setting out the final allocations for the three-year period will be considered by the Skills Committee in June 2022.
- Implement further funding policy changes to increase participation in skills training among citizens, improving productivity, in-work progression and supporting the 'levelling up' of skills across the sub-region.

### 1.2 Table A:

| <b>Provider</b>               | <b>Proposed AEB allocations for 2022/23</b> | <b>Proposed NSF allocations for 2022/23</b> | <b>TOTAL</b>          |
|-------------------------------|---|---|-----------------------|
| Cambridge Regional College    | £2,600,000.00                               | £105,000.00                                 | £2,705,000.00         |
| Cambridgeshire County Council | £2,000,000.00                               | £50,000.00                                  | £2,050,000.00         |
| Inspire Education Group       | £2,300,000.00                               | £250,000.00                                 | £2,452,000.00         |
| City College Peterborough     | £1,500,000.00                               | £105,000.00                                 | £1,605,000.00         |
| The College of West Anglia    | £500,000.00                                 | £50,000.00                                  | £550,000.00           |
| Bedford College               | £200,000.00                                 | £35,000.00                                  | £235,000.00           |
| West Suffolk College          | £500,000.00                                 | £150,000.00                                 | £370,000.00           |
| North Hertfordshire College   | £100,000.00                                 | £-  | £100,000.00           |
| Workers Education Association | £380,000.00                                 | £-  | £380,000.00           |
| <b>TOTAL</b>                  | <b>£10,080,000.00</b>                       | <b>£745,000.00</b>                          | <b>£10,825,000.00</b> |

1.3 These proposals were considered by the Skills Committee on 16 March 2022. Following discussion, the Committee resolved unanimously to recommend the proposals to the Combined Authority Board for approval.

1.4 The report and appendices presented to the Skills Committee can be viewed via the link below. Item 2.1 refers:

## 2. Considerations

2.1 None.

## 3. Appendices

3.1 None

## 4. Background Papers

4.1 None.





**CAMBRIDGESHIRE  
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COMBINED AUTHORITY

Agenda Item No: 6.1

## Local Growth Fund Management Budget

|                      |  |
|----------------------|--|
| To:                  | Cambridgeshire and Peterborough Combined Authority Board   |
| Meeting Date:        | 30 March 2022  |
| Public report:       | Yes  |
| Lead Member:         | Austen Adams, Chair of the Business Board  |
| From:                | Alan Downton, Deputy Chief Officer Business Board, Senior Responsible Officer Business Growth Service/ Energy  |
| Key decision:        | No   |
| Forward Plan ref:    | n/a  |
| Recommendations:     | <p>The Combined Authority Board is recommended to:</p> <p>Approve the reprofile of the Local Growth Fund's management budget into 2023/2024.</p>   |
| Voting arrangements: | <p>A simple majority of all Members present and voting.</p> <p>Any vote in favour must include the vote of the Mayor, or the Deputy Mayor acting in place of the Mayor, to be carried.</p> |

## 1. Purpose

- 1.1 The Combined Authority Board's approval is sought to reprofile the Local Growth Fund's management 'top slice' from 2022/2023 into 2023/2024.
- 1.2 This management 'top slice' is used to support staffing costs, evaluation and monitoring, partial Business Board remuneration, procurement, and programme reports.
- 1.3 Officers have reviewed the forecast budget and, with a mix of savings obtained due to unspent legal costs, a reduction in travel expenses and other reduced costs, it is anticipated that there will be sufficient funds available to finance the staffing costs for a further year.
- 1.4 These proposals were considered by the Business Board on 14 March 2022. Following discussion, the Business Board resolved unanimously to recommend the proposals to the Combined Authority Board for approval.
- 1.5 The report to the Business Board can be viewed via the link below. Item 2.2 refers:

[Business Board - 14 March 2022](#)

## 2. Considerations

- 2.1 None.

## 3. Appendices

- 3.1 None.

## 4. Background Papers

- 4.1 None.



**CAMBRIDGESHIRE  
& PETERBOROUGH**  
COMBINED AUTHORITY

Agenda Item No: 7.1

## Annual Report and Business Plan 2022/23

To: Cambridgeshire and Peterborough Combined Authority Board

Meeting Date: 30 March 2022

Public report: Yes

Lead Member: Mayor Dr Nik Johnson

From: Paul Raynes, Director of Delivery & Strategy

Key decision: No

Forward Plan ref: n/a

Recommendations: The Combined Authority Board is recommended to:

Approve the 2022/23 Annual Report & Business Plan

Voting arrangements: A simple majority of all Members present and voting.

To be carried, the vote must include the vote of the Mayor, or the Deputy Mayor when acting in place of the Mayor.

## 1. Purpose

- 1.1 This report recommends the 2022/23 Annual Report & Business Plan for adoption by the Combined Authority Board.

## 2. Background

- 2.1 In January 2021, the Board adopted the third Combined Authority Business Plan for the 2021/22 Financial Year. This was followed by a mid-year update in September 2021. In late 2021, work commenced on the Business Plan for 2022/23.
- 2.2 The Business Plan, driven by the themes of the Sustainable Growth Ambition Strategy, aims to set out to the public and stakeholders what we will be delivering within the next financial year.
- 2.3 The structure has changed from previous iterations to better align our ambition, strategies and projects, therefore explaining to the public the rational for why we are delivering what we are delivering.
- 2.4 This Business Plan includes projects that have budget lines within the Combined Authority Medium Term Financial Plan as at January 2022 Board meeting.

## Significant Implications

### 3. Financial Implications

- 3.1 There are no financial implications arising from the recommendations in this report.

### 4. Legal Implications

- 4.1 There are no significant legal implications at this point.

### 5. Public Health Implications

- 5.1 There are no significant legal implications at this point.

### 6. Environmental and Climate Change Implications

- 6.1 Environmental and Climate Change Implications

## 7. Appendices

- 6.1 Appendix 1 – 2022/23 Business Plan

# COMBINED AUTHORITY BUSINESS PLAN 2022/23



|   |  |  |  |   |  |  |  |  |  |  |  |
|---|--|--|--|---|--|--|--|--|--|--|--|
| 2   | 4  | 6  | 10   | 16  | 20   | 24   | 28   | 34   | 38   | 40   | 50   |
|  |  |  |  |  |  |  |  |  |  |  |  |
| Mayor's Introduction  | About Us   | Our Mission and Values   | Climate & Nature   | Health & Skills   | Innovation   | Reducing Inequalities  | Infrastructure   | Finance & Systems  | Our Key Achievements 2021/22   | Appendix 1   | Appendix 2   |

# Contents

# Mayor's introduction

## Equality of Life

The public good.

That's what the Combined Authority was set up to serve and I am proud that this annual report – a snapshot of the year's achievements and our ambitions for the future - shows just how effective and passionate the Combined Authority is in helping every one of us here in Cambridgeshire and Peterborough to improve our lives.

Greater than the sum of its parts, the Combined Authority is big enough to make a difference, to deliver landmark projects that its constituent councils cannot take on alone.And in the few years of the Combined Authority's existence, it has proved how well the public good is served by holistic improvements that can join up to form a fairer, healthier environment in which everyone can flourish.

As a doctor, I've been struck by what I see as the similarity between the NHS - a force for equality and community - and the Combined Authority, which works for public wellbeing in its widest sense as a force for innovation, transformation, and beneficial change.

The mission of the Combined Authority is to make life better. If infrastructure is weak, broken, or lacking, we help to sort it out; If an area fails to thrive, we are on hand with support.

But we're not just about the hardware. Building infrastructure isn't an end, it's a beginning. It is the frame on which we hang the future. Wider opportunity for more people. More prosperity, less isolation, better public health, a less car-polluted environment, greater wellbeing, and, yes, more contentment and happiness for us and our children.



A sense of wellbeing is about more than quality of life, it's about equality of opportunity - it's about each person feeling buoyed up within a caring and sharing community and having fair access to transport, green space and clean air, to homes, education, training, jobs, and to the cultural and leisure opportunities that make life fun.

We want equality of life and that means inclusivity. Nobody should be left out, nobody left behind, so infrastructure projects must be compassionate by design, planned as much around the vulnerable and less able as they are around the strong and the fit.

We are in the business of caring – and that means caring for business. From market stalls to leading-edge life sciences, our businesses support the whole county, and I'm proud to say the Combined Authority was there for them during Covid, helping with grants, loans, and advice and nurturing skills -while still doing its day job of continuing to nurture an environment in which Cambridgeshire and Peterborough's innovation and enterprise can fly.

We need growth, and we want it, but the climate crisis dictates that it must be green, clean growth, healthy growth that puts people and our precious environment first, and will sustain communities in years to come, instead of overburdening and impoverishing them.Doubling the economy will mean nothing if we don't also double nature, restore wild spaces, and create communities where people can walk or cycle safely and breathe clean air.

It's been a year of living dangerously. Covid-19 and climate collapse have dialled up the urgency of our work for green justice - better public transport, more roads that are people-friendly enough for us to switch from cars to bikes and more inclusive digital connectivity to help Cambridgeshire businesses and residents compete in any market - or work-from-home anywhere in the world.

You will have heard me talk about the “Three Cs” of compassion, co-operation and community and I believe these values, now embedded in the DNA of the Combined Authority, can ensure that our work will always be for the public good and fit for the people we serve.

As a new mayor, I've taken a fresh look at our priorities. This annual report sets out how we now plan to help our great region grow well and unlock potential that is healthy and can endure. After all, there's far more to prosperity than money and I believe our policies, rooted in compassion, delivered through partnership and collaborative working, will result in healthier and happier outcomes for our whole community, now and in the future.

**Dr Nik Johnson**

# About Us

## The Combined Authority

The Cambridgeshire & Peterborough Combined Authority is made up of the leaders of the County, Unitary and District councils of the area. It is chaired by an elected Mayor, Dr Nik Johnson, who has a direct mandate from voters.

The Mayoral Combined Authority was set up under a Devolution Deal with the government in 2017. The Combined Authority is held to account by committees made up of representatives from partner local authorities, which include: Audit & Governance, Skills, Housing & Communities, Transport & Infrastructure and Overview & Scrutiny.

## The Combined Authority Board

The Combined Authority's Board brings together the leaders of the seven councils across the region and the Chair of the Business Board under the Chairmanship of the directly elected Mayor. It is also attended by the Police and Crime Commissioner, the Chairman of the Fire Authority, and a representative of the National Health Service.

|  |  |   |
|--|--|---|
| <br>MB Mayor<br>Dr Nik Johnson | <br>Austen-Adams           | <br>Cllr Anna Bailey      |
| <br>Cllr Chris Boden          | <br>Cllr Wayne Fitzgerald | <br>Cllr Ryan Fuller     |
| <br>Cllr Lewis Herbert        | <br>Cllr Edna Murphy      | <br>Cllr Lucy Nethsingha |
| <br>Darryl Preston            | <br>Cllr Bridget Smith    | <br>Jan Thomas           |

**Combined Authority Purpose Statement:**  
*Cambridgeshire and Peterborough Combined Authority exists to provide the collective leadership needed to improve the lives of all of our residents. Our mission is to strengthen communities, reduce inequalities and to make Cambridgeshire and Peterborough an even better place where people, businesses and institutions flourish.*



# Our mission and values

## Sustainable growth ambition

At the Combined Authority we are committed to our values of leading with compassion, working cooperatively, and serving our community. We want to make sure that everything we do makes life better, healthier and fairer for all.

If rising prosperity does not make life better, healthier or exhausts the resources our children will need for the future, our economic project is flawed. It is now recognised that we don't just need growth: we need good growth. Our aim is not simply to increase our income, but to increase our area's wealth, in a way that is driven by our values.

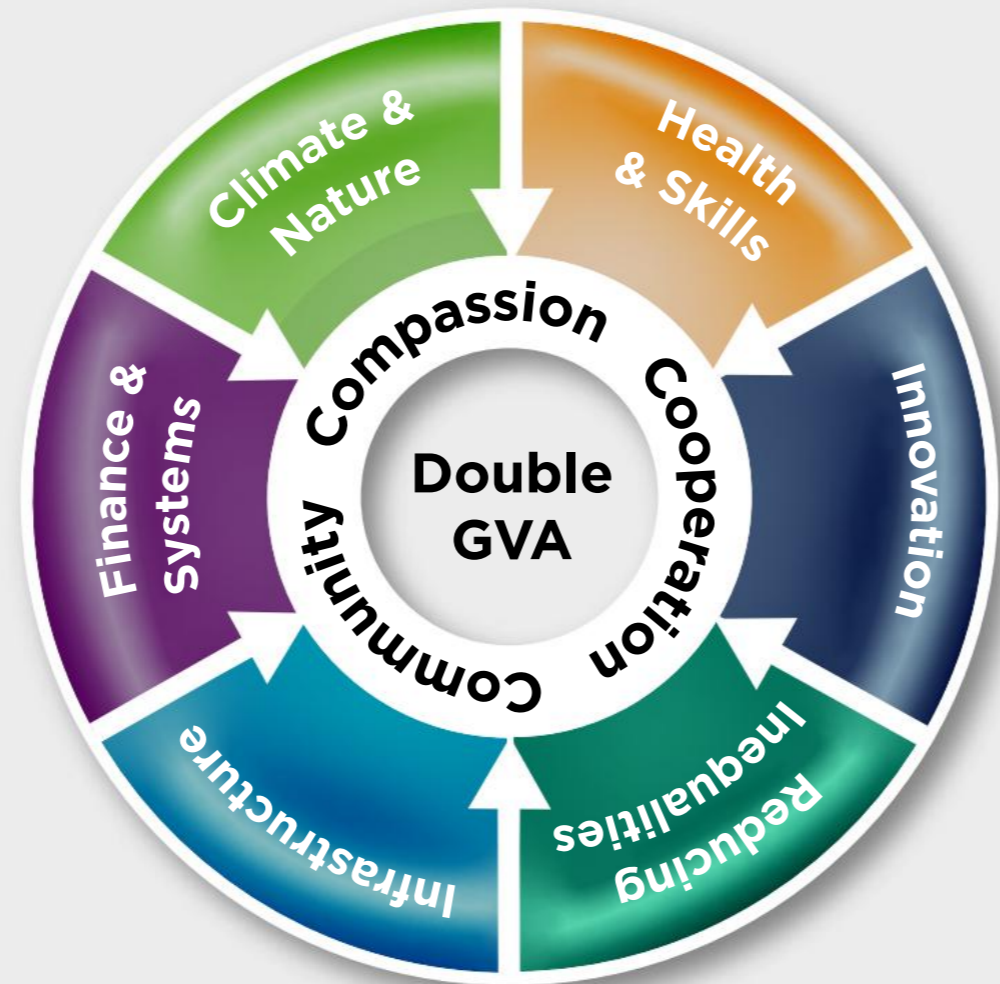
The Combined Authority's strategy is values driven.

The values the Mayor has set for the organisation are:

- Compassion
- Cooperation
- Community



This is our approach for investing in sustainable growth:



This strategic approach shapes the Combined Authority's overall work programme. Plans and strategies will identify how they are driven by the ambitions for sustainable development and include outcome indicators to show how they will deliver against those themes.

### Achieving sustainable growth

Economic growth is the increase (in real terms) of the total value of the Cambridgeshire and Peterborough Economy. This is measured in Gross Value Added (GVA) and within the Devolution Deal with government it was agreed that the main target of the deal was to double the size of GVA by 2040.

The adoption by the Combined Authority of a Sustainable Growth Ambition statement shifts to a broader thinking, focussing not just on one measure but on a range of measures that taken together demonstrate that the area is growing sustainably towards its GVA target; these measures can be grouped around the six themes illustrated in the above graphic.

At present, growth is only equated with physical and material growth, such as large-scale building, more

housing, rapid population increase and more infrastructure expanding over an ever-greater area. Although this pattern very much defines economic growth in the past, the concept of economic growth shouldn't entirely depend upon it. Growing in a different direction would see the setting and achievement of a range of goals that include both social and environmental goods.

This approach requires us to monitor more outcomes than simply GVA growth data, which is anyway only available from the Office for National Statistics with a two-year time lag. The Combined Authority will be tracking progress on outcome indicators such as the gap in healthy life expectancy, employment, land use for nature, CO2 emissions and earnings gaps.

These frame how we will pursue the Devolution Deal's overall aim of achieving sustainable growth and integral human development.

Our investment programme will be measured against our six keys to sustainable growth, all of which are anchored in the Devolution Deal.

These are:



Climate and Nature: restoring the area's depleted natural capital and addressing the impact of climate change on our low-lying area's special vulnerabilities, and encouraging businesses to come up with solutions;



People: building human capital - the health and skills of the population - to raise both productivity and the quality of life so that that people in our region are healthy and able to pursue the jobs and lives they want:



Innovation: building on our reputation for new thinking, new technology and new ideas in Cambridgeshire and Peterborough in order to ensure this area can continue to be one of the most dynamic and dense



Reducing inequalities: investing in the community and building social capital to complement improved skills and connectivity as part of the effort to narrow the big gaps in life expectancy and people's income between places;



Infrastructure: from digital and public transport connectivity, to water and energy, building out the networks needed to support a successful future;



Financial and systems: improving the institutional capital - the ways we work, organise and fund ourselves - which supports decision-making and delivery.

# How our projects align with our strategy

Community Led Homes

A1260 Nene Parkway J15 and J32/3

Energy Hub

Adult Education Budget

Coldhams Lane

Fenland Stations Regeneration

Digital Connectivity

Ely Area Capacity Enhancements

Kings Dyke

Affordable Housing Programme

Peterborough Station Quarter

Market Town Masterplans

Non-statutory Strategic Spatial Framework

A505

University of Peterborough

Enterprise zones

Fengate phase 1

Key Route Network

Growth Works (Business Growth Service)

(Inc Star Hub, Careers Hub, Start & Grow, Turning Point, Skills Brokerage, Growth Coaching/Hub, Inward investment service, Capital Growth Fund)

A10 Dualling

A141 and St Ives

A47 dualling

Health & Care Sector Work Academy

March Area Transport Study

Cambridge South Station

E-scooters and E-Bikes

University Access

Wisbech Access

Wisbech Rail

Bus Reform  
(BSIP/DRT/ZEBRA/Bus franchising)

Active Travel

Local Growth Fund projects

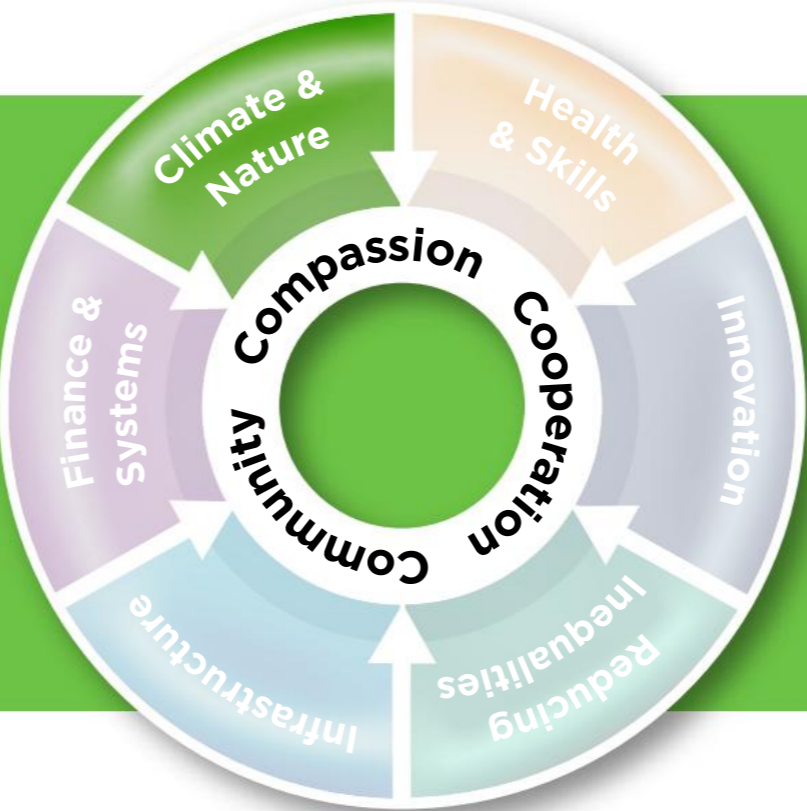
A14 Norwood

Skills Bootcamps



Our Ambition

Our ambition is to ensure that growth is environmentally sustainable and does not exhaust the resources our children will need for the future. Carbon emissions are 25% higher per person in Cambridgeshire and Peterborough than across the UK and we have one of lowest overall proportions of rich wildlife habitats. We will aim to bring back nature that has been lost to our region, protect against the impact of climate change, and maximise the opportunities presented by the green economy to make life better, fairer, and healthier for all. The most vulnerable areas, residents, and communities will be supported to ensure they benefit from the opportunities of this transition.



Our measures for success

- Carbon Dioxide Emissions from Transport
- All Carbon Dioxide Emissions
- Land Area Providing Nature Rich Habitat
- Publicly Available Open and Recreational Space
- Percentage of Bus Fleet Running at near Zero Emissions
- Mode share for Public Transport / Cycling / Walking

Our Strategy

The Combined Authority has established the Independent Commission on Climate to provide independent evidence and advice on climate issues. The Commission has made 58 recommendations for action toward a pathway to reach Net Zero by 2050 (or before).

The Commission found that transport and the heating of buildings provided the most emissions and are priorities for action. Emissions from soils are also a particular issue for the area, as they add a third to overall emissions. We will take action on climate recommendations where we have direct influence, and will convene and support organisations in addressing the other climate recommendations.

For the natural environment the Combined Authority Board has endorsed the “Doubling Nature” ambition. This will seek to double the amount of rich wildlife and natural green space.

Our transport strategy has also evolved and business cases will include increased emphasis on climate impact. Improving public transport connectivity is at the heart of our climate strategy to combat the high levels of transport emissions in the region with a high reliance on private car use. We have developed a vision for buses that has committed to encourage sustainable growth and protect and enhance our environment. We intend to build on our strong active travel credentials building on our success as we have the highest UK cycling rates in Cambridge.

What we will deliver

Bus Service Improvement Plan



In October 2021 we submitted to Government an ambitious plan for bus service improvement across our region. The aim is to enhance and expand public transport through improved regular services linking our market towns to our two cities. Subject to funding approval from Government, working closely with bus operators we aim to deliver the plan within the period up to 2025. The outcomes will form a major contribution to our air quality improvement and decarbonisation strategies and aim to make public transport a more attractive option over the car particularly for younger people with the introduction of free travel schemes for 16-18s and for young jobseekers.

ZEBRA 

In late 2021 with our partners (Greater Cambridgeshire Partnership and Stagecoach) we were awarded funding from Government to install electric bus charging infrastructure within Cambridge and the replacement of 30 diesel buses with 30 zero emission electric double decker buses which will operate the citi2 route and all five park and ride services across Cambridge. By focusing the zero emission buses on short city centre routes the electric bus project will significantly improve air quality within the Cambridge Air Quality Management Zone (AQMZ) which has been above acceptable levels for several years. The 30 diesel buses released will then replace the 30 oldest diesel buses across the fleet providing an additional air quality improvement.



Demand Responsive Transport

In October 2021 in partnership with Stagecoach we launched the first Demand Responsive Transport (technology driven public transport) service within the region. The concept of this trial is to provide to areas without any public transport access. A 6-month trial of 4 vehicles servicing the West Huntingdonshire rural communities, Huntingdon and St Neots was launched with mobile apps and call centres enabling people to prebook their journey from within walking distance of their home to take them to the railway station in Huntingdon or key locations for a £2 fixed adult single fare. In addition, onward travel to Cambridge/ Peterborough/ Bedford on a timetabled conventional bus route can be booked for just £1 extra. If applied across our area, this will move the percentage of homes within 400 metres of a 30-minute frequency bus service from 52% to over 90%, therefore encouraging people onto public transport and helping to reduce transport pollution.

Wisbech Rail

Wisbech is recognised as one of the largest towns within England without a rail link to the main rail network. Improving connectivity to Cambridge offers the opportunity to transform Wisbech as a place for inward investment and provide access to key services and employment opportunities for its residents.

The project will reconnect Wisbech to the rail network with a new station and the reopening of the former line to March. Work is underway with Network Rail who are assessing options for the line including light and very light rail.

The outcome of this work is expected early 2022 and will inform the next steps in the development of Wisbech Rail, the potential of this vital connection creates opportunity for further transport decarbonisation providing a real alternative to the car over longer journeys.



Cambridge South Station



Following our completion of a successful business case, Government have announced within the Budget that this project is funded, subject to planning to proceed for completion in 2025. The proposed new railway station is intentionally designed without car parking to encourage passengers using the railway station to use public transport and the station will form part of an integrated transport hub, and the new station will have cycle storage. As part of our integrated public transport solution, rail infrastructure will play a significant part in transport decarbonisation.

Soham Station

Following the completion of the Soham Station project in December 2021, which included a single platform and footbridge, the Combined Authority will look to improve further train use in the area through such additional enhancements as Ely to Soham Track Doubling, to enable the second platform and access for all arrangements. These improvements and others such as Snailwell Loop are dependent on the progress of the improvements through the Ely area as a result of the Ely Area Enhancement Capacity project (see page 30).

Active Travel Schemes

The Combined Authority have been successful in the latest round of bidding from central government for active travel improvements. The Combined Authority is committed to delivering cycling and walking improvements across every part of the region and active travel will be built into all our transport schemes. The Combined Authority has also led on social prescribing proposals to improve connectivity between communities and medical centres. Active travel not only creates safer environments and improve public health because of encouraging greater physical activity, creating real alternatives to the car as a default option and potentially contributing significantly to the 15% reduction in car journeys target and the overall decarbonisation ambition.

Fenland Stations Regeneration

We have continued to support Fenland District Council in the refurbishment and improvements of Whittlesea, March and Manea railway stations to provide better station and platform facilities as well as improved parking and bus connectivity points. We will continue to work with partners to develop service improvements including more frequent services and to provide these three locations and their wider communities to rail as a real alternative to the car.

E-scooter and E-bikes

To support a green restart of local transport in the UK and help mitigate reduced public transport capacity, the Department for Transport (DfT) fast tracked e-scooter trial schemes in the summer of 2020 and are due to end in November 2022. DfT are considering the next steps with guidance expected early in 2022.

In Cambridge there is clear evidence of e-scooter and e-bike usage. The scheme so far has tracked enthusiasm for more than 224,000 trips and has been used by more than 36,000 active users. In the first 10 months of the Cambridge trial, it is estimated that 73,000 fewer car journeys have taken place which equates to a 66-tonne reduction in Carbon Dioxide emissions. For 2022/23 the expansion of the E-bike service across Cambridgeshire and Peterborough will be considered.



## New projects with funding subject to approval:

### Care Home Retrofit Programme

There are over 170 care homes in the area. Given that older people are at more risk from the effects of overheating the proposed program is to support climate change audits and provide capital grants to reduce climate impacts and risks in care homes. This can include nature-based solutions such as green roofs or tree shading that will have wider benefits. The projects funded would be demonstrator projects to encourage a wider range of property owners to undertake similar measures.

### Measuring Doubling Nature

We will develop robust habitat information. Existing information is based on a patchwork of surveys that are significantly out of date (1990's) and there is no funding or existing officer time dedicated to keeping this up to date. National data does not indicate the quality of green infrastructure or its value to wildlife so the proposal would establish a robust new baseline, from which progress on the Doubling Nature ambition can be managed.

### Greater Cambridge Chalk Stream Project

The chalk streams of Greater Cambridge are of international importance and their restoration is fundamental to addressing the climate emergency. The chalk aquifer which feeds these unique watercourses also supply the region's drinking water and therefore their health is directly related to viability of future planned housing and economic growth for our area as a whole.

### Huntingdonshire Biodiversity for all

Huntingdonshire District Council have over the last three years been investing in nature, experimenting with planting of wildflower areas in parks and open spaces, starting in one park and have now scaled it up to at least one major area in all four towns. The ambition now is to move onto verges, smaller areas of open spaces and footpaths, and to broaden the scope to include habitat creation specifically through tree planting and rewilding.

### Logan's Meadow Local Nature Reserve wetland extension

A demonstration project of community supported habitat creation on riverside land in East Chesterton / Abbey ward. The project would deliver new wetland habitat for priority species such as water voles and enhancing the existing recreational offer for the community. The site has an active Friends Group with over 150 volunteers recently engaged with the first phase of tree planting.

### Meanwhile at Core Site, North-East Cambridge

Meanwhile will champion new systems of environmental and social sustainability by creating affordable workspaces for local Small-Medium sized businesses fighting the Climate Emergency and funding of food distribution hubs to distribute healthy, organic and would-be wasted food for all across the area, learning from this can be shared widely.

### Rewilding Programme

Rewilding is the restoration of ecosystems to the point where nature is allowed and is able to take care of itself. Rewilding seeks to reinstate natural processes (for example, grazing, flooding, natural woodland regeneration) and, where appropriate, missing species – allowing them to shape the landscape and the habitats within. This programme is to encourage small-scale projects that will pilot different approaches relevant to our area. This will link with the requirement in the Environment Act for the area to have a Local Nature Recovery Strategy.

### Waterbeach Depot Solar PV Smart-grid Project for electronic Refuse Collection Vehicles

The Waterbeach Waste Services Depot's local electricity network has insufficient capacity to meet the charging requirements of local authorities' waste collection vehicles. There is a need for on-site renewable energy supply to enable charging of electric RCVs (refuse collection vehicles). The objective is to provide electrical infrastructure and renewable energy generation system to enable charging of electric RCVs.

### Sawston and Harston Station

To support Sawston and Harston parish councils' application to the Restoring your Railways Fund for the development of a business case for the reopening of this station facility.

### Snailwell Loop

To develop a business case in collaboration with partners for the reinstatement of this line which not only connects communities but provides resilience in part of the rail network currently under extreme strain.

### Natural Cambridgeshire

Natural Cambridgeshire is developing the proposal on the Nature and Environment Fund and draws together significant expertise that will be highly beneficial in support of our work on climate and nature, plus future development of a Local Nature Recovery Strategy.

### Net Zero Villages Programme

This programme will encourage villages (likely through parish councils) to come forward with projects to move toward the net zero emissions target or tackle climate risks.

### Segregated Cycling Holme to Sawtry

A study to design a segregated cycle and pedestrian route between Holme and Sawtry.

### Nature and Environment Investment Fund

A fund to invest into nature-based projects by implementing our Doubling Nature ambition, starting to address the relative lack of rich wildlife and green areas, and is a recommendation of the Independent Commission on climate.



# Health & Skills

## Our Ambition

Our ambition is to ensure that everyone in the region has the same opportunity to live healthy lives and that rising prosperity makes life better, fairer, and healthier for all. Life chances are unequal across Cambridgeshire and Peterborough, with a 12-year gap in life expectancy between the areas of most and least deprivation. To address this, we must tackle the root causes of poor health including education and income as well improving the physical environment which has a huge impact on wellbeing. Our shared vision is for a successful, globally competitive economy offering high-skilled, well-paid, good quality jobs, delivering increased productivity and prosperity to support strong, sustainable and healthy communities. This is enabled by an inclusive, world-class local skills system.



## Our measures for success

- Health State Life Expectancy at Birth (number of expected years lived in full health)
- Health Index for England
- Number of people Killed or Seriously Injured due to Road Traffic Collisions
- % Working population with a level three qualification\*
- Number of adults obtaining new qualifications funded by Adult Education Budget

## Our Strategy

Our Employment and Skills Strategy sets out what our ambition means for each of the groups interacting with the skills system:

**People** experience fulfilment and good physical and mental health with productive, quality working lives. They drive their own learning and can access support and learning to meet their personal and work ambitions.

**Employers** are providing good quality jobs, have the skills they need in their staff and can recruit the right person for the right job.

**Providers** work collaboratively in an integrated education and skills system to deliver learning, qualifications, careers education and support to enable people to enter the labour market in the ways that suit individual's needs and ambitions.

**Place leaders** secure outcomes for the whole place, convening and supporting collaboration between employers and the integrated skills system.

- **Pre-work learning and formal education:** improving careers education, access and investment.
- **Employer access to talent:** developing priority skills that support sustainable growth, improving employers' engagement with education and improving job quality
- **Life-wide and lifelong learning:** Improving access to careers and advice, offer support to upskill and reskill and increased work-based learning such as through apprenticeships and short courses.
- **Support into and between work:** Supporting the unemployed into training and employment and support to disadvantaged groups to access the labour market.

## What we will deliver

### Health and Care Sector Work Academy

The Health and Social Care sector faced significant recruitment and retention challenges now exacerbated by Covid-19. This programme will reduce dependence on in-work and out-of-work benefits by offering individuals to gain work and progress within the sector whilst offering support to existing employees to progress. Up to March 2023 2,100 individuals will be supported, 1,680 undertaking a course or qualification and 500 individuals securing employment.



\*What qualification levels mean: England, Wales and Northern Ireland - GOV.UK ([www.gov.uk](http://www.gov.uk))

Adult Education Budget



Cambridgeshire and Peterborough has some of the most highly skilled citizens in the country but we also have approx. 25,000 residents in the sub-region who have no formal qualifications and some 87,000 residents who have not achieved a level 3 qualification. Therefore, our £12m AEB will serve as a ‘skills escalator’ - allowing citizens to ‘step on’ the escalator and improve their skills at each level and during their life-course, reducing inequalities and ‘levelling up’ skills. Lifelong learning has the power to transform lives and renew communities. Our mission is to target lower skilled residents from entry level to progress to level 3 and to target areas of skills deprivation, including Peterborough, Fenland and wider deprived and ‘left-behind’ communities and provision ‘cold spots’ in Market Towns. We will partner with local employers to co-create aspirational programmes of courses for upskilling employees and facilitate access to a skilled, healthy, and adaptable pipeline of local workers. We also continue to reinvigorate Community Learning which includes targeting family learning, first-steps courses and learning for personal and social development, to ensure greater access to life-enriching opportunities. courses.

Skills Bootcamps



The pandemic has accelerated the automation of jobs, the adoption of Artificial Intelligence and the ability to effectively work remotely. Technology-driven trends are altering the workplace and changing the skill requirement of employers. Digital Skills Bootcamps will support individuals to ensure they have the skills required to work in an increasingly digital environment. Digital Skills Bootcamps up to March 2022 (may be extended) will upskill 805 learners with digital skills, deliver a range of short digital skills courses at level 3 and above, and support 805 learners with securing or progressing in employment.

Start and Grow (as part of Growth Works)



This scheme will engage 249 individuals and 314 early-stage and micro businesses in an intensive enterprise programme. It will bring skills development and business investment together in one scheme through a ‘pre-qualification’ process with supported learning and mentoring leading to grant awards to those new businesses.



North Cambridge Apprenticeship Centre (NCTC)



Funded through Local Growth Funds, the NCTC will support the provision of skills & talent into the engineering sector. The NCTC offers local innovative training facilities for apprentices in Fenland. We will continue to work with Metalcraft and the delivery partner to ensure the appropriate curriculum is offered, aligned to the local labour market needs.

See appendix 1 for the full list of Local Growth Funded projects that focus on ‘Retraining & upskilling for new jobs through improved education capacity’.

Careers Hub (as part of Growth Works)



Our first regional Careers Hub was launched in September 2021 and incorporates 30 schools and colleges, including four Special Educational Needs and Disabilities (SEND) schools, and one Alternative Provision (AP) provider. We will connect employers with schools and colleges to deliver world-class careers education. Our support will help schools and colleges to develop careers programmes that are locally relevant, cohesive, connected, and progressive. The Careers Hub will match at least one Enterprise Advisor (senior business volunteer) to each school, establish communities of practice to drive innovation and development in key areas such as green skills, SEND and digital, and provide access to labour market information.



Turning Point (as part of Growth Works)



This project up to June 2022 will support local communities to pilot programs and new approaches to help more unemployed people into work. It will offer four key activities including:

- Personal Skills Analysis to guide individuals in understanding and identifying opportunities to increase their skills or retraining. This will involve working directly with individuals to identify opportunities to transition back into work.
- Providing access to free short course training not currently funded via other means to enable new skills and promote development of digital, net-zero, and management and leadership skills.
- Delivering real-world experiences of work through funded internships. Funding of £5,000 per internship will be provided to employers to provide new work opportunities.
- Training Needs Analysis to identify re-skilling, up-skilling and re-training opportunities within a business.

STAR Hub (as part of Growth Works)



The STAR (Skills, Talent, Apprenticeship and Recruitment) hub is an online platform that will create better connections between employers, training providers and learners. It will directly support 276 businesses to develop the talent within their business to enable growth and facilitate an additional 1,400 apprenticeships in the region.

The STAR hub will also build a local Skills Fund that enables local small employers who do not have access to the apprenticeship levy to offer an apprenticeship in their organisation with the training costs of an apprenticeship funded via levy share that has been donated by large employers.

It will also provide young people exposure to the world of work through their school lives. The economy and workplace have been changed by the pandemic and regional employers are pledging their support by signing the Experiences of Work Charter offering a wide range of opportunities to our young people.



Our Ambition

Our ambition is to continue to create opportunities for new thinking, new technology and new ideas that will improve quality of life. Cambridgeshire and Peterborough is home to a ‘knowledge intensive’ economy driven by scientific and technical innovation that brings job prospects and opportunities for growth. Research & Development (R&D) funding by UK Research and Innovation (UKRI) in the UK is the highest outside of London in our region, and we will nurture this innovation by supporting high potential businesses and ideas.



Our measures for success

- People Employed in Knowledge Intensive Industries
- People Employed in Green Technology Industries
- Workforce with a Level 4 Qualification or above\*
- Patents per 10,000 population

Our Strategy

Our Local Industrial Strategy (LIS) proposes that the area’s economic growth is supported by harnessing innovation. A key priority in the LIS is to replicate and extend the infrastructure and networks that have enabled Cambridge to become a global leader in innovative growth, creating a business support and innovation eco-system to promote inclusive growth to replicate the “Cambridge Phenomenon”.

Research is fundamental to achieving this replication, as it produces the new ideas and technologies that enable entrepreneurs to start up, existing businesses to scale-up and for new tech-firms to spin-out of academic and research institutions. It requires the generation of free-flowing exchange of ideas and insights that ensure research is informed by local business’ needs.

To achieve this, we will bring together leading entrepreneurs, innovators, mentors and coaches with growing firms to strengthen linkages across the area. We will also support businesses, universities and other partners to collaborate to maximise public and private investment, including Research & Development funding, and improving funding to support the growth of local businesses into global markets.

Peterborough and Fenland require level 5, 6, 7 & 8 skills in advanced manufacturing and technologies that support the drive to net-zero. This will require the development of an innovation and business support eco-system to grow indigenous high-value firms and attract new ones to Peterborough and Fenland.

The creation of new launchpads will be the focal points for this innovation cluster development, focusing on product development to support key growth sectors such as Agri-tech, artificial intelligence and advanced manufacturing innovation.

What we will deliver

Growth Works (Business Growth Service)   

The Growth Service will support the implementation of the LIS by delivering the following interventions:

- A Growth Coaching Service to engage and support our highest potential firms to speed their growth, build their capacity for growth, and/or sustain their growth. It is an innovative service connecting learners and employers with opportunities that enable growth. It has also offered guidance on COVID-19 resilience and the European Union Exit Transition – including import and export advice. The Growth Hub’s transformation to a new Growth Coaching Service has been instrumental to delivering this ambition.
- An Inward Investment Service to better connect us into global markets, to engage and persuade firms to locate into our economy or invest in our strategic projects.
- A Skills Brokerage Service to link learners and those retraining for new jobs, to employers and skills providers to improve the supply of skills to our growth sectors.
- A Capital Growth Investment Fund to help Small-Medium sized Enterprises grow through organic expansion, offering an integrated range of grants, loans, and equity products unavailable commercially.



\*What qualification levels mean: England, Wales and Northern Ireland - GOV.UK ([www.gov.uk](http://www.gov.uk))

Local Growth Fund projects 

Local Growth Funding is forecasted to create over 40,000 jobs and 7,000 apprenticeships and has to date created 5,256 jobs and 699 apprenticeships. The below offer a snapshot of the projects being developed as part of the programme of funds that have been distributed by our Business Board to businesses in our region.

Illumina Accelerator

Grant based support to start up organisations in the life science field who become part of the Illumina support programme.

Startcodon Life Science Accelerator

Start Codon aims to close the equity gap by providing both support (in the form of a six-month acceleration programme) and seed-funding to High Potential Companies so that they can perform key experiments, develop their technologies and intellectual property, and expand their team.

Ascendal Transport Accelerator

Development of testing facilities for new transportation technologies, supporting proof of concept to marketing, programme of specific support to start-up companies in the field of transport.

Cambridge Biomedical Campus

Develop a 122,642 sq. ft. gross multi-occupancy building, able to accommodate requirements ranging from 5,000 - 20,000 sq. ft. and incorporating a mix of dry and wet laboratory space and ancillary office.



Living Cell Centre

Development of state-of-the-art clean labs, office space focused on the living cell medical breakthrough for treatment of cancer and other genetically influenced diseases.

Photocentric 3D Centre of Excellence

Development of a 3D manufacturing facility producing innovative products via 3D production printing methods.

TWI Ecosystem Innovation Centre

Refurbishment of office space for start-up companies, offering support and access to facilities.

West Cambs Innovation Park

The vision for West Cambridge is to pilot a new approach for enabling business growth and scale up across the UK, using an integrated model of planning and business development to replicate global best practice and utilise the enormous anchorage potential of world-class British universities.

South Fenland Enterprise Park

The project will deliver new flexible grow-on or 'scale-up' business space at Chatteris in Fenland, adding a third phase to the established start-up and small business hub at the South Fens Enterprise Park.

TTP Life Sciences Incubator

TTP plans to create a life science incubator on its site at Melbourn Science Park to support the formation and growth of new life science start-ups on the Cambridgeshire/Hertfordshire border. This incubator will combine specialist facilities, TTP's proven track record in assisting start-ups throughout their life cycle and investment in these start-ups secured from TTP's global commercial network.



# Reducing Inequalities

## Our Ambition

Our ambition is to empower communities and make targeted investments in areas of deprivation to help narrow the gaps in life expectancy and income between places across the region. There are big gaps in life expectancy, income, and education between different parts of our region, which must be addressed. We will close the gap on inequalities by investing in boosting education and skills training in areas where it is needed, improving transport links, supporting community housing projects and investing in market town renovation.



## Our measures for success

- Difference in household income between most deprived and least deprived areas
- Number of small areas in Cambridgeshire and Peterborough within the top 10% most deprived nationally
- Percentage of households living in fuel poverty
- Percentage of population claiming Employment Support Allowance and / or Universal Credit

## Our Strategy

Levelling-Up is important to our region. Peterborough and Fenland are ranked as Priority One and Two retrospectively by the Government for levelling-up funding. Both have skills and quality of employment deficits that leads to deprivation, including:

- **Education deprivation** – just 32.1% of the population gain a National Vocational Qualification 4 or above qualification compared to 43% nationally.
- **Social and health deprivation** – healthy life expectancy is below retirement age in parts of Fenland.
- **Child poverty** – 25% of people in Peterborough are living in poverty, compared to 17% nationally.
- **Poor social mobility** – Peterborough is ranked 191st and Fenland as 319th out of 324 local authority districts putting it in the bottom 2% of places nationally.

The major contributing factors are low aspirations, poor access to higher education and high-quality employment. Our Independent Economic Review (CPIER), which was designed to identify the economic performance and potential of Cambridgeshire and Peterborough, identified a new higher education institution in Peterborough as the only viable solution to the Higher Education Cold-Spot. The Local Industrial Strategy (LIS) also identifies the northward expansion of the innovation clusters and networks from Cambridge, as the primary route to improving the knowledge intensity and quality of employment for Peterborough and the Fens.

An inclusive growth strategy and improving absolute standards of living is vital for the long-term economic sustainability of our economy. Local political, education and business leaders are working together to achieve this, across place, sectors and political affiliations and we are keen to work with Ministers, to re-envision what Place Based innovation means and how it can be delivered to drive levelling-up.

Improving transport connectivity will also aim to connect cut off communities, to create a far-reaching and affordable public transport network.

## What we will deliver

### Affordable Housing Programme

The affordable housing programme is expected to complete in March 2022, and by the end of the programme we will have delivered 1,560 houses. The completion of these houses will continue into 2022. The population of Cambridgeshire and Peterborough has been outgrowing the supply of housing for decades leading to a lack of supply and therefore higher housing prices. Affordable housing supports those who would not be able to get onto the housing ladder without support and by doing so reduces the inequalities in the region, including income inequalities by giving people in low-medium paid employment an opportunity to own a home as well as generational inequalities.



### Market Town Masterplans

We have been working closely with local authority partners to deliver a Masterplan for each of the eleven market towns across the region (St Neots, St Ives, Huntingdon, Ramsey, March, Wisbech, Chatteris, Whittlesey, Ely, Soham and Littleport). Each with the aim of bringing jobs, infrastructure and growth, the Market Towns Programme will enable each town to become and remain "vibrant and thriving places" whilst helping to boost the local and regional economy and help level-up the region. The Masterplans provide an evidence base and a set of priorities for the market towns to consider in order to realise their future economic growth potential. Following the completion of the Masterplans the programme has transitioned to support the mobilisation and delivery of these Masterplans, including emerging interventions to help town centre and high street recovery considering the recent Covid-19 pandemic impacts. Individual project proposals are invited from local authority leads representing each market town to bid on £10m pump-priming fund that we have made available.

University of Peterborough

The first teaching building, including specialist labs and state-of-the-art teaching spaces, will open its doors to 2,000 students in 2022, with an ambition to offer courses for up to 12,500 by 2030 on the redeveloped Embankment site.

The second building is a Net Zero Innovation Incubator, creating highly skilled intensive jobs for graduates. The building will feature 3,300 sqm of flexible research space over three floors, helping to complete the transformation of the under-utilised Worrina car park into a green, well landscaped campus, fully accessible to the public. The centre is a joint venture between the Business Board, Combined Authority and Photocentric. It will link with local industry, fostering collaboration and innovation in a wide range of materials technologies, including 3D printing research, sustainable plastics, and new ways to make batteries.

A further £20million follows a successful bid from the Governments Levelling Up Fund for the University's second teaching building which includes a public living lab and interactive Science, Technology, Engineering and Mathematics (STEM) centre. The university Living Lab will be a high-quality interactive science museum for Peterborough. It will be a place to creatively engage people (especially young people) in science and technology, offering a window into Peterborough's net zero future. The space will include a 1,000m2 ground floor fully publicly accessible with public teaching space and exhibition space for hackathons, festivals of ideas, debates, and forums. Upper floors of the building will provide teaching space for Peterborough's expanding student cohort, hosting 1,700 students studying STEM subjects each year.

Over the first ten years of the project's lifecycle, we estimate the main benefits of the university to be 5,600 higher value jobs in Peterborough, generating additional growth (GVA) of £308m over ten years, and we estimate new business creation of 580 new firms over ten years. These benefits will help reduce inequalities by raising educational aspirations for local people and create sustainable growth.



Community Led Homes



CLH are housing schemes of various scale that are set up and run by local people in their own communities. The schemes provide genuinely affordable homes for rent, shared ownership or sale to meet long-term local housing needs. Community-led housing is not for profit and involves considerable voluntary effort, and potential community housing groups are active in the majority of constituent authority areas in Cambridgeshire and Peterborough. A revised Community Homes Strategy will be developed in 2022 which is anticipated to recommend that continued technical support shall be provided by an accredited community-led housing advisor to community groups. This project supports our ambition to reduce inequalities by providing genuinely affordable homes to those who would otherwise not be able to get on the housing ladder and aligns to our value of community.

The Community Land Trust (CLT) start up grant is expected to award £5,000 in grants for community homes start-ups across Cambridgeshire, to cover the inception and setting up costs for new CLT's. We continue to support new and existing CLT's outside of East Cambridgeshire through the support of Eastern Community Homes and the skills they offer. East Cambridgeshire have their own bespoke CLT team offering this. There is a proposal from East Cambridgeshire for the availability of pre-development finance support for independent advice on rent policies, viability assessments and community engagement support (not exhaustive) and any funding for this will require an additional board approval.



New projects with funding subject to approval:

“Lifebelt” city portrait

To help inform the strategies and interventions that will ensure sustainable economic growth and an inclusive recovery, working with partners and community groups to develop a city portrait that will identify strengths and weaknesses against the six themes set out in this plan including reducing inequalities, and to provide an evidence base for high-return interventions that underpin economic growth with social justice within environmental limits.

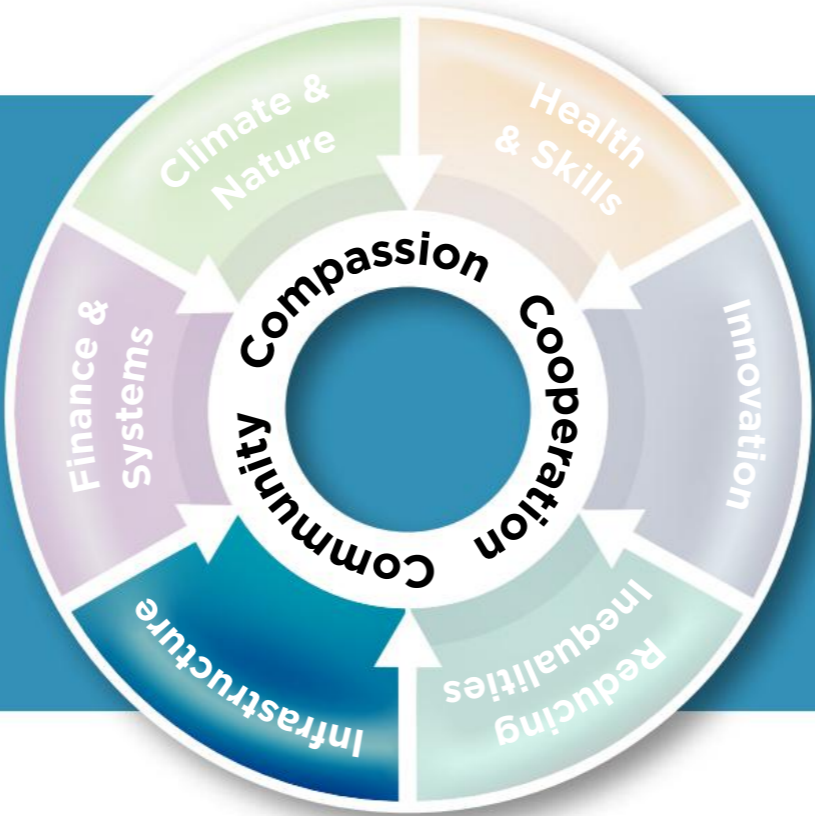
Sustainable Cultural Services

The refurbishment of the Cambridge Guildhall Halls and Corn Exchange will allow us to develop new and existing income streams to support Cultural Services and venues that serve the region as a whole. We would also provide seed funding for a managed event site to deliver green accessible concerts.

Our Ambition

Our ambition is to build public transport networks, improve digital connectivity and deliver energy and water system infrastructure that will improve job and life prospects.

Currently, our public transport system is inadequate, leading to avoidable pressure on the roads and poor air quality. We must ensure we have a robust public transport network that allows people to travel freely for work opportunities and where it is needed, we are updating roads to reduce congestion.



Our measures for success

- Housing Completions
- Affordable Housing Completions
- Percentage of people who can reach a city / town centre by public transport
- Percentage of people who can reach a city / town centre by cycle using a recognised cycle path.
- Percentage of population covered by 4G and / or gigabit-capable broadband

Our Strategy

Our infrastructure strategy is set out in the statutory Local Transport Plan and Digital Infrastructure Strategy. A new Local Transport and Connectivity Plan (LTCP) will be published in 2022. This document is a refresh to the first Local Transport Plan for Cambridgeshire and Peterborough published in 2020. The LTCP will describe how transport interventions can be used to address current and future challenges and opportunities for Cambridgeshire and Peterborough. It will set out the policies and strategies needed to secure growth, address the climate crisis and ensure that transport enables opportunity for all, with people able to access key services that will improve their quality of life, in a sustainable way.

The LTCP has six objectives:

- **Productivity** – Giving both employers and people the means to fulfil their potential, making them more efficient and more innovative to create more prosperity
- **Connectivity** – People and communities are brought closer together, giving more opportunities for work, education, leisure, and pleasure
- **Climate** – Successfully and fairly reducing emissions to Net Zero by 2050
- **Environment** – Protecting and improving our green spaces and improving nature with a well-planned and good quality transport network
- **Health** – Improved health and wellbeing enabled through better connectivity, greater access to healthier journeys and lifestyles and delivering stronger, fairer and more resilient communities
- **Safety** – To prevent all harm by reducing risk and enabling people to use the transport system with confidence

What we will deliver



Kings Dyke  

The King's Dyke Level Crossing project aims to create a new road crossing over the existing King's Dyke railway line. Since construction started in June 2020 good progress has been made, the bridge is now in position over the railway line and the two new roundabouts are taking shape. The project remains on programme to complete in late 2022.

A47 Dualling  

In January 2021 an important Combined Authority objective was achieved by securing agreement that the A47 project would be taken forward in partnership with National Highways (formerly Highways England) recognising it as a priority for development work by DfT and National Highways. National Highways are undertaking a strategic assessment of the A47 between the A16 and the Walton highway east of Wisbech and are expected to provide the outcomes of the review early 2022. This work will be submitted, by National Highways, to DfT for consideration for further development work.

Digital Connectivity 

Digital connectivity is hugely important for meeting some of the key challenges of our age - from sustainable economic growth to climate change mitigation and adaptation, and the management of scarce resources including water and energy. This programme led by the Connecting Cambridgeshire Programme targets different aspects of digital connectivity across broadband, mobile, 'Smart' technology and public access Wi-Fi. It will deliver long lasting digital infrastructure that will ensure that Cambridgeshire and Peterborough residents and businesses have the access they need to digital connectivity.

In 2021 we hit our full fibre target of 20% a year early and we are now at 35%. The public access CambWifi network has been extended to market towns in Huntingdonshire and East Cambridgeshire and is live in Peterborough city centre, with planning underway for deployment in March and Whittlesey. Long-range wireless network (LoRa) have been deployed in Ely, Soham, South Cambridgeshire and St Neots and are being extended to Huntingdon, St Ives and Ramsey to support sensors for environmental monitoring and IoT technology to grow the local economy. SmartPanel information screens providing live travel updates and useful information to support sustainable travel and the local economy will be going live in town centres. Work will continue into 2022 towards key targets to extend gigabit-capable fibre broadband coverage, facilitate better mobile coverage and 5G, pilot new technologies including flooding/air quality sensor networks, improve connectivity for social housing and expand the availability of public access Wi-Fi.



Ely Area Enhancement Project 

A capacity enhancement scheme in the Ely area looking at increased freight and passenger trains and a road solution for the level crossings. This programme of works is now fully funded by Department for Transport with Network Rail developing the business case. We remain a member of the project board and taskforce working group.

University Access 

Peterborough's University Access Strategic Outline Business Case identified two options that support the growth of the embankment area and the new University - ARU Peterborough. A preferred option is now identified following further development work. Engagement with the Department for Transport for Major Road Network funding will continue for Outline Business Case funding.

A141 and St Ives Strategic Outline Business Case 

The A141 and St Ives projects have been bought together to consider current and future congestion challenges in the important towns of Huntingdon and St Ives. With the current A141 and A1123 suffering considerable transport challenges each scheme was progressed independently but following consultation it became clear that each locality was impacted by the potential solutions of the other and as a result it was recommended that they should be combined at Outline Business Case stage which is now complete. We remain committed to the growth ambitions of Huntingdonshire District Council and collaboratively seeks to improve the transport options of the communities around North Huntingdon and St Ives.

A505 

This is Stage 1 of the Royston to Granta Park Strategic Growth and Transport Study. Stage 1 involves the completion of a Transport Audit Report to set out the current transport conditions in the area and the future travel demand. It also includes the preparation of a multi-modal Preliminary Strategic Outline Business case for the area which we will continue to develop into 2022.

Fengate Phase 1 

A business case and design to look at improving access to a large employment area at Red Brick Farm within Eastern Industries at Fengate. The Full Business Case is due to complete in late 2022.



A1260 Junction 15 and Junction 32/3 

These junctions are a cornerstone of the Peterborough Parkway Network that provides access to Peterborough city centre as well as business centres, parks, hospitals, and housing developments but are affected by high levels of congestion in peak hours. The schemes are not just important for Peterborough as a city, but congestion in the area has a knock-on effect on all roads leading in and out of that part of the city and so will have a traffic influence on large parts of the north of Cambridgeshire. We have approved funding for Junction 15 to begin construction which will be completed in 2023 and includes active travel and environmental measures. Junction 32/3 will complete Full Business Case stage in 2022 and seek approval of construction funding.

### A16 Norwood Improvements

This project will enable 2000 houses and is now at Outline Business Case stage. A preferred package of interventions has been identified including the dualling of the A16, closure of the Newborough Road and improvements to the A16/A47 roundabout, and further development of this option will continue.

### Wisbech Access Strategy

The Combined Authority took forward the A141 and St Ives as separate projects to consider current and future congestion challenges in the important towns of Huntingdon and St Ives. With the current A141 and A1123 suffering considerable transport challenges each scheme was progressed independently but following consultation it became clear that each locality was impacted by the potential solutions of the other and as a result it was recommended that they should be combined at Outline Business Case stage which is now complete. The Combined Authority remains committed to the growth ambitions of Huntingdonshire District Council and collaboratively seeks to improve the transport options of the communities around North Huntingdon and St Ives.

### Energy Hub

There are 5 Local Energy Hubs in England, one of which is hosted by the Combined Authority through the Greater South-East Energy Hub (GSEEH) which is a collaboration of eleven Local Enterprise Partnerships (LEPs). One of the key aims is to make homes more energy efficient. Local Authority Delivery phase 1 completed in September 2021, and phase 2 will complete in March 2022. Deliverables include Local Energy Capacity Support to increase the quality & quantity of local energy projects delivered, a Green Home Grant, a Rural Community Energy Fund for feasibility and development funding for community owned local energy projects, Public Sector Estate Decarbonisation and the new sustainable warmth programme.

The new sustainable warmth programme will be part of phase 3 of the Local Authority Delivery which aims to save households money, reduce fuel poverty, cut carbon and support the aims of the Prime Minister’s 10 Point plan for a Green Industrial Revolution. It provides funding to upgrade homes both on and off the mains gas grid and for low-income households heated by mains gas by installing Eligible Measures. GSEEH and the Combined Authority are mobilising this now, to start as soon as possible in early 2022 and delivered by March 2023.

### Coldhams lane

This project will consider introducing improvements to the roundabout at the junction of Coldhams Lane, Brooks Road and Barnwell Road, Cambridge. This project is currently on hold and discussions are ongoing in relation to future bid funding.

### Peterborough Station Quarter

This is a strategic redevelopment opportunity site consisting of circa 18 acres of underutilised land around Peterborough station. The station enhancements project will form phase 2 of the redevelopment programme, with a new multi-storey car park to the east forming phase 1. A station masterplan and feasibility study has been completed and with our partners we will be creating a Strategic Outline Business Case in early 2022.

### March Area Transport Strategy



The aim of the study is to identify potential transport interventions in March which will address existing capacity and safety problems whilst mitigating for future growth. The next stage of the study (Full Business Case and Detailed Design) is due to begin in early 2022. In addition, a set of Quick Win schemes have been identified and many have been delivered with the remaining two set to be delivered in early 2022. Quick wins include Zebra crossings, signage, footways and link roads to improve safety and connectivity. Also, as part of the study a walking and cycling strategy is currently being undertaken.

### A10 Outline Business Case

In 2021 we successfully secured funding from the Department for Transport as part of the Major Road Network bidding process, this funding added to the funding already approved by us and enables the development of the Outline Business Case which will begin in 2022. Working in collaboration with Cambridgeshire County Council we are currently reviewing the outcomes of the Strategic Outline Business Case and will consider low cost and full dualling options. Consideration will need to be given for the new policy environment around active travel (Local Transport Note 1/20 / Gear Change) and climate impacts.



### New projects with funding subject to approval:

#### Harston Capacity Study

A study to review options to improve safety, reduce congestion, improve journey time reliability and connectivity in the Harston area.

#### A142 Chatteris to Snailwell

A study to identify current challenges and future options to improve safety, reduce congestion and journey time reliability for access into and out of the Fens, stimulating housing and economic growth.

Our Ambition

Our ambition is to increase our area’s wealth in a way that is driven by our values, not simply to increase our area’s income. In the past, we have focussed solely on the target of doubling GVA, but growth is meaningless if it’s not sustainable: it is only because we invest in the future that we can look forward to sustainable growth. We will double the size of the economy while ensuring good growth through sustainable investments, ensuring that rising prosperity makes life better, healthier and fairer for all, without exhausting the resources our children will need for the future.



Our measures for success

- Economic Growth indicators, including:
- Gross Value Added (GVA) (balanced) by industry
  - Job Density (Total Jobs)
  - Employee Jobs
  - Productivity

Our Strategy

We commit to a continued review of the funding we receive to ensure we can meet the ambitions set out in our strategies. We will therefore continue to lobby for funding to invest in interventions that will provide sustainable and healthy places in which to live and work.

In 2021 we have been successful on bids from central government totalling over £40m, and in 2022 amongst other things we will lobby for a lead role in Strategic Priorities Fund allocation and be looking at opportunities to bid for Transport Levelling Up funding. We are also waiting on a decision by the Department for Transport in regard to the Bus Service Improvement Plan funding where the region could be awarded over £100m. We will also continue to build public and private partnerships where to date we have leveraged over £150 million from the private sector through our Business Board alone.

We will continue to look at innovative ways to invest in the region and our businesses, one of the ways we currently invest is through Recycled Growth Funds. Recycled Growth Funds are made up of repayments from previous Growth Fund investments, based on recommendations from the Business Board. As these investments repay the funds these can be reinvested in new projects delivering jobs and skills in the area. The interest payments on these investments give the Business Board revenue funds as well.

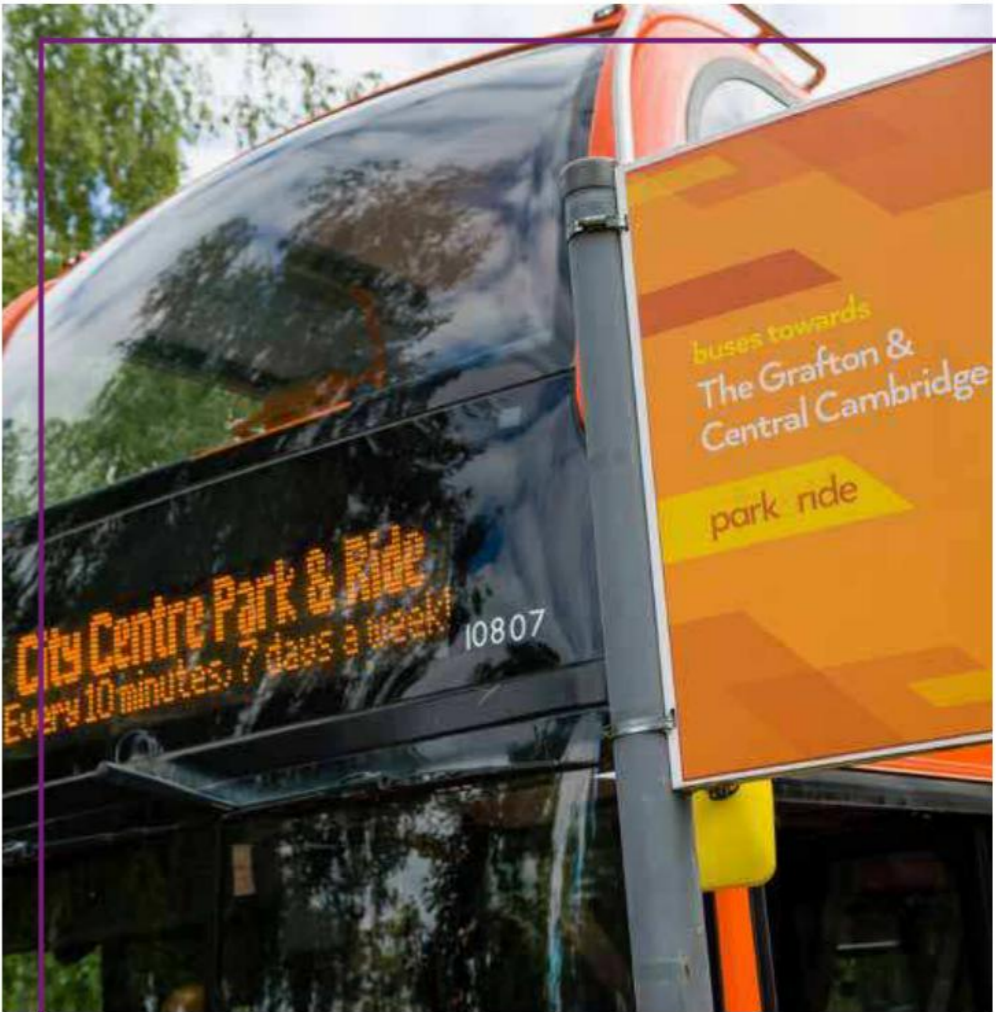
What we will deliver

This section will focus on the interventions/system reforms that could only happen because we are a Combined Authority and have our Devolution Deal.

Local Bus Powers



In April 2021 the public transport teams of Peterborough and Cambridgeshire - running the tendered bus network, community transport support and the issue of concessionary travel passes - transferred into the Combined Authority and in June 2021 the real time information function also transferred in and we will continue to deliver these critical services across the area.





**Bus Franchising**

The Combined Authority is developing a business case to support a potential Bus Franchising solution, although no decision has yet been taken to proceed with an Enhanced Partnership or a Franchising model. This is following the publication in March 2021 of the National Bus Strategy and in line with all-party commitments for it at the 2021 Mayoral elections. The Combined Authority has assessed Enhanced Partnership and Franchising options within this business case and the results of this will inform decision-making as to the best route forward to deliver the high quality public transport network the region deserves.

Our proposed method of franchising will be to use powers contained in the 2017 Bus Services Act and a formal Mayoral authority notice was issued to DfT, in May 2019, to take over the local bus services from the incumbent operators and contract them to the best bidder, but with enhanced routings and frequency. At present Combined Authority has approximately 10% of services operated under its control and through franchising this will rise to over 80%; cross boundary services will mainly remain with incumbent operators on a permit system.

In early 2022 the Combined Authority will consult publicly regarding transitioning from the current commercial and subsidised services system into an enhanced partnership or a franchising system. The aim is to gain additional bus funding which will enhance and improve bus provisions for the comfort, safety and journey time improvement for all communities.

**Highway’s maintenance / Key Route Network**

Currently the Combined Authority passport highways maintenance funding to Cambridgeshire County Council and Peterborough City Council as Highways Authorities. Discussions will continue with partners in 2022 on reviewing the case for the development of a Cambridgeshire and Peterborough Key Route Network.

**Adult Education Budget**



As part of the Devolution Deal the Combined Authority took control over the Adult Education Budget (AEB). More information is within the Health and Skills chapter.

**Enterprise zones**

The Business Board is responsible for the delivery of two Enterprise Zones across the region – Alconbury Weald Enterprise Campus and Cambridge Compass Enterprise Zone which cover six key development sites across the area. The Enterprise Zones enable key development sites to flourish by attracting business and creating jobs.

All growth in business rates generated by the Enterprise Zones are retained locally for a period of 25 years to reinvest in the local area. This enables the Business Board to reinvest in site development and other local initiatives, to deliver long-term, sustainable growth based on cutting-edge technology and enterprise.



**OxCam Arc Spatial Framework**

The Combined Authority and its member councils play an active role in discussions across the Oxford to Cambridge Arc. We have gathered local views on the government’s proposal for an Arc spatial framework and made representations to government. We will continue to ensure that the views of the people of this area are taken into account in any new approach the government takes to the Arc.

**Non-Statutory Spatial Framework**

This project is to produce Phase 2 of the Non-statutory Strategic Spatial Plan. It is being developed collaboratively with local authorities through an engagement process supported by the Growth Ambition Programme Board. In Autumn 2019 the next stage was paused and this remains the case as Leaders agreed the priority is to engage with the government’s OxCam Arc Spatial Framework.



# Our key achievements in 2021/22

In 2021 we have been successful on bids from Government totalling over £40m, this includes £20m of Levelling Up funding, £13.8m of Getting Building Funding, almost £4.3m for 30 Zebra buses, almost £3.4m of Community Renewal Funding and £2.9m of active travel funding.

We have received funding confirmation that following the completion of a successful Cambridge South business case by the Combined Authority, Government have announced within the Budget that this project is funded, subject to planning to proceed for completion in 2025. Similarly in 2021 an important Combined Authority objective was achieved by securing agreement that the A47 project would be taken forward in partnership with National Highways.

Construction has begun on Manea and March stations to provide better station and platform facilities as well as improved parking and bus connectivity points. Over the course of 2021 a set of Quick Win schemes in March have also been delivered with only two remaining, these include zebra crossings, signage, footways, and link roads to improve safety and connectivity.

In 2021 we rolled out E-bikes and E-scooters into Cambridge and Peterborough. The scheme so far has tracked more than 224,000 trips in Cambridge alone that has travelled a distance of over 1million kilometre (equivalent to 25 times around the equator). The trial has been used by more than 36,000 active users. In the first 10 months of the Cambridge trial, it is estimated that 73,000 fewer car journeys have taken place which equates to a 66-tonne reduction in Carbon Dioxide emissions.

For the Digital Connectivity programme in 2021 we hit our full fibre target of 20% a year early and we are now at 35%. The public access CambWifi network has been extended to market towns in Huntingdonshire and East Cambridgeshire and is live in Peterborough city centre, with planning underway for deployment in March and Whittlesey.

In 2021 we rolled out a trial of Demand Responsive Transport in West Huntingdonshire named 'Ting', it is too early to make conclusions about its success, but the numbers are promising with an estimated 500 individual passenger trips a week prior to Christmas. We have also submitted to DfT an ambitious plan for bus service improvement (BSIP) across our region.

In partnership with Cambridgeshire County Council, we have begun construction on King's Dyke which is a £32 million infrastructure project. The bridge is now in position over the railway line and the two new roundabouts are taking shape.

The University of Peterborough Phase 1 begun construction and will open in September 2022 to 2,000 students, and funding has been approved to begin phase 2 and 3. We have also continued creating jobs through the Local Growth Funds with 4,863 created over the course of the fund, and have continued to create jobs, apprenticeships and attract inward investment through our innovative Business Growth Service.

For housing, 925 additional affordable housing units started on site by the end of December 2021 with over 330 units already completed. By the end of the programme we expect to have delivered 1,560 additional affordable houses.



In 2020/21 we have completed the following projects:

## Sustainable Travel

The project completed in July 2021 and delivered sustainable travel promotional activities, information, and advice. The delivery of the Bike scheme was impacted by the lockdown restrictions of the time but this scheme has now been fully delivered.



## A605 Stanground

This was a junction improvement scheme that was completed in August 2021. It was part funded by the Combined Authority via the Department for Transport National Productivity Investment Fund and Peterborough City Council, to reduce congestion between Whittlesey and Stanground.

## Eastern Agri-Tech

The Eastern Agri-Tech programme ended in March 2021 and supported small-medium sized businesses in the Agri-Tech sector. In total 27 applications were approved and during 2020/21, the initiative created 20 new jobs, whilst protecting an additional 12.

## National Retraining Scheme

The Retraining Scheme pilot completed in October 2021 and was developed as an employer led programme working with employers to co-design a model to attract the right talent. It targeted sectors where there has been demand for skilled staff to be retrained to enter or continue work in those sectors. The retraining scheme allowed us to test an employer led model which will inform of best practice to support with upskilling adults, aligned to the needs of the labour market, and 10 recruits were identified at Marshall Aerospace all with a retraining need. These went through a programme of activity and will be retained by Marshall with progression routes available to all.

## Schemes and Studies

This scheme completed in April 2021 and undertook small scale studies and traffic monitoring to develop an on-going pipeline of transport infrastructure schemes to tackle congestion, enable housing and promote job creation. The outcomes from this report will be used to develop our future transport and infrastructure ambitions.

## Soham Station

The Station has been funded by the Combined Authority in partnership with Network Rail. The station opened in December 2021, 6 months ahead of the initial planned opening. The new station has facilities for cycle storage, car parking and is connected to the local bus service via a stop within the station.



Appendix 1: Local Growth Fund projects

| LGF Project  | Project Description   | Primary Sector | LGF Amount Awarded | Jobs Created (Forecast) | Actual to date (November 2022) |
|--|---|----------------|--------------------|-------------------------|--------------------------------|
| Accelerating Start-Ups, Scale-Ups & Set-Ups – Through Start-up & Growth Finance & Advice |   |                |                    |                         |                                |
| Growth Works (Business Growth Service)   | Development of a business growth service and other linked activities targeting high value businesses to grow GVA in the Regions   | All            | £5,407,000         | 4739                    | 675                            |
| Illumina Genomics Accelerator  | Grant based support to start up organisations in the life science field who become part of the Illumina support programme   | Life Science   | £1,000,000         | 1033                    | 48                             |
| Startcodon Life Science Accelerator  | Start Codon aims to close this equity gap by providing both support (in the form of a six-month acceleration programme) (the “Programme”) and seed-funding of between £250,000 - £500,000 (and the Programme and such funding being the “Offering”) to High Potential Companies so that they can perform key experiments, develop their technologies and intellectual property, and expand their team | Life Science   | £3,342,250         | 5190                    | 145                            |
| Ascendal Transport Accelerator   | Development of testing facilities for new transportation technologies, supporting proof of concept to marketing, programme of specific support to start-up companies in the field of transport  | Transport      | £965,000           | 202                     | 3                              |
| Medtech Accelerator  | Share Investment into the Medtech Accelerator, set up to facilitate the early-stage development of innovations in the broad area of medical technology (devices, diagnostics, software and eHealth) that meet unmet clinical needs within the NHS   | Life Science   | £500,000           | 0                       | 9                              |

|   |   |                        |            |     |     |
|---|---|------------------------|------------|-----|-----|
| Peterborough & Fens Smart Manufacturing Association | OP intends to establish the Smart Manufacturing Association (SMA) (Dig 1) as a JV with the Combined Authority, it will transition to a sustainable, self-financing model ultimately funded through corporate partnerships, fee paying members chargeable services.  | Business Growth        | £715,000   | 385 | 5   |
| Teraview Company Expansion                          | Loan to support the fit-out costs of a new research facility on the Cambridge Research Park Enterprise Zone   | Advanced Manufacturing | £120,000   | 15  | 3   |
| Aerotron Company Expansion                          | Support to develop phase 2 of the relocation to Chatteris and the development of the composite repair training facility   | Advanced Manufacturing | £1,400,000 | 155 | 100 |
| Agri-Tech Growth Initiative                         | The Eastern Agri-Tech Growth Initiative provides a boost to the food, drink and horticulture sectors by supporting businesses looking to invest in specialist equipment, new markets, ways to improve productivity and efficiency, as well as Research and Development. There are two funding streams - a Growth Fund for grants of between £10,000 and £150,000 to support improvements in productivity/efficiency; and the R&D Fund which provides grants of between £10,000 and £60,000 to support the development of innovative ideas, products and technology. Matched by the SMEs themselves, the Growth Deal funding attracts significant leverage and will create a number of new jobs. | AgriTech               | £3,600,000 | 338 | 384 |
| Growing Places Fund Extension                       | This is a £200k project pot as a successor to the Growing Places Fund, primarily focused on projects which will unlock commercial land and / or jobs. Investments are a mixture of grants and loans, providing a recycling fund.  | All                    | £300,000   | 320 | 520 |

|   |   |                        |                    |              |               |
|---|---|------------------------|--------------------|--------------|---------------|
| Signpost to Grant - Combined Authority Growth Hub                                     | Small capital grant scheme to enhance SME competitiveness, create employment, improve productivity and exports  | All                    | £200,000           | 0            | 0             |
| COVID Capital Growth Grant Scheme   | SME support grants - capital expenditure to support businesses through the current pandemic   | All                    | £5,993,934.70      | 287          | 216.5         |
| Peterborough Builds Back Better   | Reimagination of Peterborough City Centre to stimulate a cafe culture in Cathedral Square. The aim of the cafe culture facility will be to attract additional private sector investment in the city, create or protect unto 100 jobs in the city. | Economy & Tourism      | £800,000           | 300          | 500           |
| Cambridge Visitor Welcome 2021  | facilitation of street closures to support the recovery of the city centre post COVID, includes redesign of areas to include outdoor seating  | Economy & Tourism      | £710,000           | 440          | 16            |
| BGS Capital Grants Scheme   | Capital grants for SMEs for start up and innovation   | All                    | £2,043,178         | 1200         | 330           |
| <b>TOTAL</b>  |   |                        | <b>£27,096,363</b> | <b>14604</b> | <b>2954.5</b> |
| <b>Accelerating Hi-Tech Jobs Growth – Through Innovation &amp; Incubation Centres</b> |   |                        |                    |              |               |
| Hauxton House Incubation Centre   | Refit and refurbishment of a grade 2 listed mill to support the development of of incubator/clean lab space at Hauxton House  | Life Science           | £438,000           | 110          | 51            |
| South Fenland Enterprise Park   | The project will deliver new flexible grow-on or 'scale-up' business space at Chatteris in Fenland, adding a third phase to the established start-up and small business hub at the South Fens Enterprise Park.                                    | Business Growth        | £997,032           | 76           | 0             |
| Photocentric 3D Centre of Excellence  | Development of a 3D manufacturing farm producing innovative products via 3D production printing methods   | Advanced Manufacturing | £1,875,000         | 677          | 17            |
| Cambridge Biomedical Campus   | Develop a 122,642 sq. ft. gross multi-occupancy building, able to accommodate requirements ranging from 5,000 - 20,000 sq. ft. and incorporating a mix of dry and wet laboratory space  | Life Science           | £3,000,000         | 3084         | 0             |

|                                      |  |                        |            |      |     |
|--------------------------------------|--|------------------------|------------|------|-----|
|                                      | and ancillary office, estimated at a total cost of £48m including professional fees and infrastructure.  |                        |            |      |     |
| NIAB - AgriTech Start Up Incubator   | Refit and refurbishment of Barn 4 - development of SME start up space focused on AgriTech industry   | AgriTech               | £2,484,000 | 1717 | 8.5 |
| NIAB - Agri-Gate Hasse Fen extension | Further development of the incubator space focussing on AgriTech companies, linked to the heat regeneration and green energy opportunities in the farming industry   | AgriTech               | £599,850   | 165  | 19  |
| TWI Engineering Centre               | A new secure fabrication, testing and validation facility for materials engineering, supporting a range of industries including oil, gas, energy, aerospace/defence and rail. This facility has been developed at TWI's headquarters on Granta Park and the capital project includes the purchase of specialist fabrication and testing equipment. Ultimately the project will result in innovation in materials fabrication and in turn further research, jobs and skills outcomes. | Advanced Manufacturing | £2,100,000 | 55   | 82  |
| Biomedical Innovation Centre         | Led by University of Cambridge, Growth Deal investment supported the conversion of part of a building on the Biomedical Campus at Addenbrookes into a new innovation centre for NHS and University spin-outs and start-ups wishing to be part of the southern Cambridge med-tech cluster. LEP investment will result in new companies, new technologies, jobs and leverage.  | Life Science           | £1,000,000 | 243  | 80  |
| Haverhill Epicentre - Jaynic         | Development of a building to house incubator/start-ups focused on life science on the outskirts of Haverhill   | Life Science           | £2,700,000 | 750  | 235 |
| TWI Ecosystem Innovation Centre      | Refurbishment of office space for start-up companies, offering support and access to facilities  | Advanced Manufacturing | £1,230,000 | 77   | 6   |

|   |   |              |             |      |       |
|---|---|--------------|-------------|------|-------|
| West Cambs Innovation Park  | The vision for West Cambridge is to pilot a new approach for enabling business growth and scale up across the UK, using an integrated model of planning and business development to replicate global best practice and utilise the enormous anchorage potential of world-class British universities.  | Life Science | £3,000,000  | 530  | 12    |
| TTP Life Sciences Incubator   | TTP plans to create a life science incubator on its site at Melbourn Science Park to support the formation and growth of new life science start-ups on the Cambridgeshire/Hertfordshire border. This incubator will combine specialist facilities, TTP's proven track record in assisting start-ups throughout their life cycle and investment in these start-ups secured from TTP's global commercial network. | Life Science | £2,300,000  | 246  | 16    |
| Aracaris Capital Living Cell Centre   | Development of state of the art clean labs, office space focussed on the living cell medical breakthrough for treatment of cancer and other genetically influenced diseases   | Life Science | £1,350,000  | 200  | 46    |
| TOTAL   |   |              | £23,073,882 | 7930 | 572.5 |
| Accelerating Recovery in Construction - Through Transport Infrastructure Improvements |   |              |             |      |       |
| Whittlesey King's Dyke Crossing   | Creation of a new vehicular bridge over the A605 between Whittlesey and Peterborough, to improve travel time by closing the current inefficient level crossing and creating an alternate route. Will create growth opportunities resulting in jobs and homes.   | Transport    | £8,000,000  | 0    | 8     |
| Bourges Boulevard Phase 1 & 2   | Improvements to Bourges Boulevard in Peterborough, an important connection between two main city centre roundabouts. Updating of the road layout improved connections between the railway station and commercial  | Transport    | £11,300,000 | 0    | 455   |

|                             |  |                 |             |      |      |
|-----------------------------|--|-----------------|-------------|------|------|
|                             | centre, providing a new pedestrian walk-through. It has also contributed to the City Council's ability to create a land assembly site for future mixed use.  |                 |             |      |      |
| A47/A15 Junction 20         | Scheme to ease congestion at Junction 20 of the A47 North East of Peterborough, which is a key interchange on Peterborough's Parkway witnessing increase of traffic in recent years. The roundabout is subject to heavy queuing during peak hours but these improvements and full signalisation of the junction will reduce this. Improvements will also allow for the completion of nearby developments (Paston Reserve and Norwood) and will provide a connection from these sites to the Parkway, resulting in significant numbers of new homes and new community infrastructure. | Transport       | £6,300,000  | 0    | 47   |
| Wisbech Access Strategy     | This project is split into two phases - initial investment of £1m into feasibility study which will provide a way forward to deliver a further £10.5m package of transport schemes in and around Wisbech. These will improve transport capacity in turn unlocking sites in Fenland's Local Plan which will deliver jobs and homes.   | Transport       | £7,000,000  | 1500 | 13   |
| Lancaster Way Phase 1 Loan  | Construction of 9 small business units in an Enterprise Zone on the outskirts of Ely   | Business Growth | £1,000,000  | 1020 | 1297 |
| Lancaster Way Phase 2 Loan  | Phase 2 infrastructure to support growth in Enterprise Zone  | Transport       | £3,680,000  |      |      |
| Lancaster Way Phase 2 Grant | Improved road access to Enterprise Zone to support future growth potential   | Transport       | £1,445,000  |      |      |
| Ely Southern Bypass         | Creation of a bypass around Ely to reduce congestion at the train station level crossing and provide a new link between Stutney Causeway and Angel   | Transport       | £22,000,000 | 0    | 250  |

|   |   |                        |                    |             |             |
|---|---|------------------------|--------------------|-------------|-------------|
|   | Drove to the south of the city. This will prevent large queues which currently form when traffic on the slip-road blocks access to the underpass. This new bypass will also enable redevelopment and growth of the Station Gateway area. Outputs will include significant homes and jobs numbers. |                        |                    |             |             |
| Manea & Whittlesea Stations   | Feasibility study into the extensions to railway platforms to increase capacity   | Transport              | £395,000           | 80          | 58          |
| Soham Station   | Development of a new station covering Soham, improving transport links across the area  | Transport              | £1,000,000         | 0           | 18          |
| <b>TOTAL</b>  |   |                        | <b>£62,120,000</b> | <b>2600</b> | <b>2146</b> |
| <b>Retraining &amp; Upskilling for New Jobs – Through Improved Education Capacity</b> |   |                        |                    |             |             |
| Metalcraft Advanced Manufacturing Centre  | The creation of an Innovation Launchpad will act as a nucleation point for innovation cluster development and business growth. Provision of a new training centre to meet the needs of local and wider area businesses to address the lack of training facilities for apprentices.                | Advanced Manufacturing | £3,160,000         | 44          | 0           |
| University of Peterborough Phase 1  | The project will establish a Phase 1 University Campus in Peterborough, for 2,000 students by September 2022, with a curriculum and delivery model that is designed to meet the skills needs that growth in the Greater Peterborough business base will generate.                                 | Multi-Sector           | £12,500,000        | 14250       | 242         |
| March Adult Education Skills & Training Expansion                                     | To provide for the development of 4 workshops and 3 additional classrooms at its new main centre in March.  | Multi-Sector           | £400,000           | 141         | 2           |
| PRC Food Manufacturing Centre   | Growth Deal funding supported the creation of a new dedicated manufacturing training Centre of Excellence, meeting local training needs in food manufacturing. The project will   | Food Processing        | £586,000           | 0           | 0           |

|                                |  |                        |             |     |   |
|--------------------------------|--|------------------------|-------------|-----|---|
|                                | deliver skills and apprenticeships outcomes.   |                        |             |     |   |
| iMET Skills Training equipment | Cambridgeshire Regional College, are continuing to deliver iMET outcomes from their Huntingdon and Cambridge campuses in technical, advanced and higher vocational skills in manufacturing, engineering, advanced construction and high-technology industries resulting in a range of qualifications and apprenticeships, to serve employers throughout the whole of the GCGP area.    | Advanced Manufacturing | £10,473,564 | 1   | 5 |
| CITB Construction Academy      | Growth Deal supported the establishment of a new construction training facility using simulators, which is among the first of its kind in the country to be integrated into established apprenticeship programmes and mainstream provision. The simulators enable training to continue in poor weather and they produce detailed analysis of trainees' progress, enhancing assessment. | Construction           | £450,000    | 1   | 2 |
| EZ Plant Centre Alconbury      | Plant Training Academy that provided Support the Enterprise Zone   | Construction           | £65,000     | 0   | 0 |
| Highways Academy               | Growth Deal investment supported the creation of new training facilities at WATA (West Anglia Training Association) in Huntingdon, motorway facility and civil engineering academy which supported Highways England to deliver training and apprenticeships linked to the A14 improvements.  | Construction           | £363,784.30 | 0   | 0 |
| CRC Construction Skills Hub    | Refurbishment of the current construction facility at Huntingdon Regional College, to expand and develop the space to provide a better and safer   | Construction           | £2,500,000  | 609 | 2 |

|                      |  |              |              |       |      |
|----------------------|--|--------------|--------------|-------|------|
|                      | learning environment. Digital improvements to communication between college and students                             |              |              |       |      |
| AEB Innovation Grant | Grants supporting colleges and training providers in developing innovative ways to engage and support adult learners | Multi-Sector | £323,700     | 15    | 0    |
| TOTAL                |  |              | £30,822,048  | 15061 | 253  |
| GRAND TOTAL          |  |              | £143,112,293 | 40195 | 5926 |

## Appendix 2: Medium Term Financial Plan

### Business and Skills Revenue Budget

| 2021/22 |   | 2022/23 | 2023/24 | 2024/25 | 2025/26 |
|---------|---|---------|---------|---------|---------|
| £000's  |   | £000's  | £000's  | £000's  | £000's  |
| 11,368  | AEB Devolution Programme                          | 10,449  | 10,449  | 10,449  | 10,449  |
| 237     | ARB High Value Courses                            | -       | -       | -       | -       |
| 500     | AEB Innovation Fund - Revenue                     | 500     | 500     | 500     | 500     |
| 809     | AEB Level 3 Courses                               | -       | -       | -       | -       |
| 40      | AEB National Retraining Scheme                    | -       | -       | -       | -       |
| 442     | AEB Programme Costs                               | 367     | 367     | 367     | 367     |
| 250     | AEB Provider Capacity Building                    |         |         |         |         |
| 234     | AEB Sector Based Work Academies                   | -       | -       | -       | -       |
| 250     | AEB Strategic Partnership Development             |         |         |         |         |
| 15      | Business Board Annual Report                      | -       | -       | -       | -       |
| 35      | Business Board Effectiveness Review               | -       | -       | -       | -       |
| 222     | Careers and Enterprise Company (CEC)              | 50      | 25      | -       | -       |
| 1,826   | Digital Skills Bootcamp                           | -       | -       | -       | -       |
| 150     | Economic Rapid Response                           | -       | -       | -       |         |
| 50      | Enterprise Zone Investment                        | -       | -       |         |         |
| 3,445   | Growth Co Services                                | 3,418   | 916     | -       | -       |
| -       | Growth Hub  | -       | 123     | 246     | 246     |
| 890     | GSE Energy Hub                                    | 1,579   | -       | -       | -       |
| 195     | GSE COP 26  | -       | -       | -       | -       |
| 896     | GSE Green Homes Grant Sourcing Activity           | -       | -       | -       | -       |
| 69      | GSE Green Homes Grant Sourcing Strategy           | -       | -       | -       | -       |
| 1,372   | GSE Public Sector Decarbonisation                 | -       | -       | -       | -       |
| 735     | GSE Rural Community Energy Fund (RCEF)            | 1,836   | -       | -       | -       |
| 3,031   | Health and Care Sector Work Academy               | -       | -       | -       | -       |
| 46      | HPC study and roadmap                             | -       | -       | -       | -       |
| 83      | Insight & Evaluation Programme                    | 75      | 75      | 75      | 75      |
| 523     | Local Growth Fund Costs                           | 530     | -       | -       | -       |
| 121     | Market Towns & Cities Strategies                  | -       | -       | -       | -       |
| 98      | Marketing and Promotion of Services               | 90      | 90      | 90      | 90      |
| 40      | Mid-Life MOT                                      | -       | -       | -       | -       |
| 100     | Peterborough University Quarter Masterplan        | -       | -       | -       | -       |
| 100     | Shared Prosperity Fund Evidence Base & Pilot Fund | -       | -       | -       | -       |
| 112     | Skills Advisory Panel (SAP) (DfE)                 | -       | -       | -       | -       |
| 115     | Skills Rapid Response                             | -       | -       | -       |         |
| 224     | St Neots Masterplan                               | -       | -       | -       | -       |
| 33      | Trade and Investment Programme                    | -       | -       | -       | -       |
| 8       | Visitor Economy and R&R Grants                    | -       | -       | -       | -       |
|         |   |         |         |         |         |
| 28,661  | Total Business & Skills Approved Budgets          | 18,893  | 12,544  | 11,727  | 11,727  |
| -       | Total Business & Skills Subject to Approval       | -       | -       | -       | -       |
|         |   |         |         |         |         |
| 28,661  | Total Business & Skills Revenue Expenditure       | 18,893  | 12,544  | 11,727  | 11,727  |

Delivery and Strategy Revenue Budget

| 2021/22 |  | 2022/23 | 2023/24 | 2024/25 | 2025/26 |
|---------|--|---------|---------|---------|---------|
| £000's  |  | £000's  | £000's  | £000's  | £000's  |
|         | <b>A141 SOBC</b>   |         |         |         |         |
| 114.0   | Approved Project Costs   | -       | -       | -       | -       |
| -       | Subject to Approval  | -       | -       | -       | -       |
|         | <b>Bus Review Implementation</b>   |         |         |         |         |
| 1,842.4 | Approved Project Costs   | -       | -       | -       | -       |
| -       | Subject to Approval  | -       | -       | -       | -       |
|         | <b>Bus Service Subsidisation</b>   |         |         |         |         |
| 187.0   | Approved Project Costs   | -       | -       | -       | -       |
| -       | Subject to Approval  | -       | -       | -       | -       |
|         | <b>CAM Innovation Company</b>  |         |         |         |         |
| 657     | Approved Project Costs   | -       | -       | -       | -       |
| -       | Subject to Approval  | -       | -       | -       | -       |
|         | <b>Covid Bus Service Support Grant</b>   |         |         |         |         |
| 189.0   | Approved Project Costs   | -       | -       | -       | -       |
| -       | Subject to Approval  | -       | -       | -       | -       |
|         | <b>A142 Chatteris to Snailwell</b>   |         |         |         |         |
| -       | Approved Project Costs   | -       | -       | -       | -       |
| 150.0   | Subject to Approval  | -       | -       | -       | -       |
|         | <b>Climate Change</b>  |         |         |         |         |
| 160     | Approved Project Costs   | -       | -       | -       | -       |
| -       | Subject to Approval  | 100     | 100     | 100     | 100     |
|         | <b>Development of Key Route Network</b>  |         |         |         |         |
| -       | Approved Project Costs   | -       | -       | -       | -       |
| 150     | Subject to Approval  | -       | -       | -       | -       |
|         | <b>Development of sustainable Cultural Services for the City of Cambridge and the Region - Revenue</b> |         |         |         |         |
| -       | Approved Project Costs   | -       | -       | -       | -       |
| -       | Subject to Approval  | 43      | 113     | 75      | -       |
|         | <b>Doubling Nature Metrics</b>   |         |         |         |         |
| -       | Approved Project Costs   | -       | -       | -       | -       |
| -       | Subject to Approval  | 25      | 50      | 50      | -       |
|         | <b>Greater Cambridge Chalk Stream Project - Revenue</b>  |         |         |         |         |
| -       | Approved Project Costs   | -       | -       | -       | -       |
| -       | Subject to Approval  | 40      | 40      | 40      | -       |
|         | <b>Harston Capacity Study</b>  |         |         |         |         |
| -       | Approved Project Costs   | -       | -       | -       | -       |
| 150     | Subject to Approval  | -       | -       | -       | -       |
|         | <b>Huntingdonshire Biodiversity for all - Revenue</b>  |         |         |         |         |
| -       | Approved Project Costs   | -       | -       | -       | -       |
| -       | Subject to Approval  | 50      | 50      | 50      | -       |
|         | <b>Local Transport Plan</b>  |         |         |         |         |
| 200     | Approved Project Costs   | -       | -       | -       | -       |
| -       | Subject to Approval  | 100     | -       | -       | -       |
|         | <b>Land Commission</b>   |         |         |         |         |
| 40      | Approved Project Costs   | -       | -       | -       | -       |
| -       | Subject to Approval  | -       | -       | -       | -       |

|          |   |        |        |        |        |
|----------|---|--------|--------|--------|--------|
|          | <b>“Lifebelt” city portrait to inform Cambridge’s sustainable &amp; inclusive growth &amp; recovery</b> |        |        |        |        |
| -        | Approved Project Costs  | -      | -      | -      | -      |
| -        | Subject to Approval   | 40     | 40     | -      | -      |
|          | <b>Meanwhile at Core Site, North East Cambridge - Revenue</b>   |        |        |        |        |
| -        | Approved Project Costs  | -      | -      | -      | -      |
| -        | Subject to Approval   | 10     | 55     | 55     | -      |
|          | <b>Monitoring and Evaluation Framework</b>  |        |        |        |        |
| 150      | Approved Project Costs  | 34     | -      | -      | -      |
| -        | Subject to Approval   | 36     | 70     | 70     | 70     |
|          | <b>Natural Cambridgeshire</b>   |        |        |        |        |
| -        | Approved Project Costs  | -      | -      | -      | -      |
| -        | Subject to Approval   | 70     | 70     | 70     | -      |
|          | <b>Non-Statutory Spatial Framework (Phase 2)</b>  |        |        |        |        |
| 57       | Approved Project Costs  | -      | -      | -      | -      |
| 245      | Subject to Approval   | 100    | -      | -      | -      |
|          | <b>P'boro Station Quarter SOBC</b>  |        |        |        |        |
| 350      | Approved Project Costs  | -      | -      | -      | -      |
| -        | Subject to Approval   | -      | -      | -      | -      |
|          | <b>Public Transport: Bus Service Operator Grant</b>   |        |        |        |        |
| 409      | Approved Project Costs  | -      | -      | -      | -      |
| -        | Subject to Approval   | -      | -      | -      | -      |
|          | <b>Rewilding Programme</b>  |        |        |        |        |
| -        | Approved Project Costs  | -      | -      | -      | -      |
| -        | Subject to Approval   | 50     | 50     | 50     | -      |
|          | <b>Sawston Station Contribution</b>   |        |        |        |        |
| -        | Approved Project Costs  | -      | -      | -      | -      |
| 16       | Subject to Approval   | -      | -      | -      | -      |
|          | <b>Segregated Cycling Holme to Sawtry</b>   |        |        |        |        |
| -        | Approved Project Costs  | -      | -      | -      | -      |
| 100      | Subject to Approval   | -      | -      | -      | -      |
|          | <b>St Ives (SOBC)</b>   |        |        |        |        |
| 137      | Approved Project Costs  | -      | -      | -      | -      |
| -        | Subject to Approval   | -      | -      | -      | -      |
|          | <b>Transport CPCA Bus Operation</b>   |        |        |        |        |
| 13,040   | Approved Project Costs  | 13,300 | 13,566 | 13,838 | 14,115 |
| -        | Subject to Approval   | -      | -      | -      | -      |
|          | <b>Transport Response Fund</b>  |        |        |        |        |
| -        | Approved Project Costs  | -      | -      | -      | -      |
| 650      | Subject to Approval   | -      | -      | -      | -      |
|          |   |        |        |        |        |
| 17,531.0 | <b>Total Delivery &amp; Strategy Approved Projects</b>  | 13,334 | 13,566 | 13,838 | 14,115 |
| 1,460.9  | <b>Total Delivery &amp; Strategy Projects Subject to Approval</b>                                       | 664    | 638    | 560    | 170    |
|          |   |        |        |        |        |
| 18,991.9 | <b>Total Delivery &amp; Strategy Revenue Expenditure</b>  | 13,998 | 14,204 | 14,398 | 14,285 |

Housing Revenue Budget

| 2021/22 |   | 2022/23    | 2023/24    | 2024/25    | 2025/26    |
|---------|---|------------|------------|------------|------------|
| £000's  |   | £000's     | £000's     | £000's     | £000's     |
|         | <b>Housing</b>                                    |            |            |            |            |
|         | <b>CLT</b>  |            |            |            |            |
| 79      | Approved Project Costs                            | 70         | 70         | 70         | 70         |
| -       | Subject to Approval                               | 50         | 50         | -          |            |
|         | <b>Housing Response Fund</b>                      |            |            |            |            |
| -       | Approved Project Costs                            | -          | -          | -          | -          |
| 350     | Subject to Approval                               | -          | -          | -          | -          |
|         | <b>Affordable Housing Programme Revenue Costs</b> |            |            |            |            |
| 443     | Approved Project Costs                            | 443        | 454        | 466        | 464        |
| -       | Subject to Approval                               |            |            |            |            |
|         | <b>Garden Villages</b>                            |            |            |            |            |
| 114     | Approved Project Costs                            | -          | -          | -          |            |
| -       | Subject to Approval                               | -          | -          | -          |            |
| 636     | <b>Total Housing Approved Budgets</b>             | <b>513</b> | <b>524</b> | <b>536</b> | <b>534</b> |
| 350     | <b>Total Housing Projects Subject to Approval</b> | <b>50</b>  | <b>50</b>  | -          | -          |
|         |   |            |            |            |            |
| 986     | <b>Total Housing Revenue Expenditure</b>          | <b>563</b> | <b>574</b> | <b>536</b> | <b>534</b> |

Corporate Services Capital Programme

| 2021/22 |  | 2022/23    | 2023/24   | 2024/25   | 2025/26   |
|---------|--|------------|-----------|-----------|-----------|
| £,000   |  | £,000      | £,000     | £,000     | £,000     |
|         | <b>Investment in Finance System</b>                      |            |           |           |           |
| -       | Approved Project Costs                                   | -          | -         | -         | -         |
| 150     | Subject to Approval                                      | -          | -         | -         | -         |
|         | <b>Office Fit-out costs</b>                              |            |           |           |           |
|         | Approved Project Costs                                   | -          | -         | -         | -         |
|         | Subject to Approval                                      | 200        | -         | -         | -         |
|         | <b>ICT Capital</b>                                       |            |           |           |           |
| 44      | Approved Project Costs                                   | 42         | 42        | 42        | 42        |
| -       | Subject to Approval                                      |            |           |           |           |
| 44      | <b>Total Corporate Approved Capital Projects</b>         | <b>42</b>  | <b>42</b> | <b>42</b> | <b>42</b> |
| 150     | <b>Total Corporate Project Costs Subject to Approval</b> | <b>200</b> | -         | -         | -         |
|         |  |            |           |           |           |
| 194     | <b>Total Corporate Capital Projects</b>                  | <b>242</b> | <b>42</b> | <b>42</b> | <b>42</b> |

Business and Skills Capital Programme

| 2021/22 |  | 2022/23       | 2023/24      | 2024/25 | 2025/26 |
|---------|--|---------------|--------------|---------|---------|
| £,000   |  | £,000         | £,000        | £,000   | £,000   |
|         | <b>Levelling Up Fund - University of Peterborough Phase 3</b>                |               |              |         |         |
| -       | Approved Project Costs   |               |              |         |         |
| -       | Subject to Approval  | 2,000         | -            | -       | -       |
|         | <b>COVID and Capital Growth Grant Scheme</b>                                 |               |              |         |         |
| 7       | Approved Project Costs   | -             | -            | -       | -       |
|         | <b>Business Rebound &amp; Growth Service - Capital Grant and Equity Fund</b> |               |              |         |         |
| 6,293   | Approved Project Costs   | 4,250         | 500          | -       | -       |
|         | <b>CRC Construction and Digital Refurbishment</b>                            |               |              |         |         |
| 911     | Approved Project Costs   | -             | -            | -       | -       |
|         | <b>Eastern Agritech Initiative</b>   |               |              |         |         |
| 100     | Approved Project Costs   | -             | -            | -       | -       |
|         | <b>Getting Building Fund - University of Peterborough Phase 2</b>            |               |              |         |         |
| 14,600  | Approved Project Costs   |               |              |         |         |
| -       | Subject to Approval  | -             | -            | -       | -       |
|         | <b>Illumina Accelerator</b>  |               |              |         |         |
| 1,000   | Approved Project Costs   | 1,000         | -            | -       | -       |
|         | <b>Market Town Master Plan Implementation</b>                                |               |              |         |         |
| 7,274   | Approved Project Costs   | 2,021         | 1,959        | -       | -       |
| -       | Subject to Approval  | 2,946         | -            | -       | -       |
|         | <b>St Neots Masterplan Capital</b>   |               |              |         |         |
| 190     | Approved Project Costs   | 95            | -            | -       | -       |
| -       | Subject to Approval  | -             | -            | -       | -       |
|         | <b>March Adult Education</b>   |               |              |         |         |
| 314     | Approved Project Costs   | -             | -            | -       | -       |
|         | <b>AEB Innovation Fund</b>   |               |              |         |         |
| 324     | Approved Project Costs   | -             | -            | -       | -       |
|         | <b>Cambridge Biomedical MO Building</b>                                      |               |              |         |         |
| 1,702   | Approved Project Costs   | -             | -            | -       | -       |
|         | <b>Cambridge City Centre</b>   |               |              |         |         |
| 691     | Approved Project Costs   | -             | -            | -       | -       |
|         | <b>Green Home Grant Capital Programme</b>                                    |               |              |         |         |
| 78,340  | Approved Project Costs   | -             | -            | -       | -       |
|         | <b>Peterborough City Centre</b>  |               |              |         |         |
| 681     | Approved Project Costs   | -             | -            | -       | -       |
|         | <b>Metalcraft (Advanced Manufacturing)</b>                                   |               |              |         |         |
| 2,979   | Approved Project Costs   | -             | -            | -       | -       |
|         | <b>South Fen Business Park</b>   |               |              |         |         |
| 997     | Approved Project Costs   | -             | -            | -       | -       |
|         | <b>Start Codon (Equity)</b>  |               |              |         |         |
| 2,226   | Approved Project Costs   | -             | -            | -       | -       |
|         | <b>TTP Incubator</b>   |               |              |         |         |
| 33      | Approved Project Costs   | -             | -            | -       | -       |
|         | <b>West Cambs Innovation Park</b>  |               |              |         |         |
| -       | Approved Project Costs   | -             | -            | -       | -       |
| 118,662 | <b>Total Approved Business and Skills Capital Projects</b>                   | <b>7,366</b>  | <b>2,459</b> | -       | -       |
| -       | <b>Total Business and Skills Project Costs Subject to Approval</b>           | <b>4,946</b>  | -            | -       | -       |
|         |  |               |              |         |         |
| 118,662 | <b>Total Business and Skills Capital Projects</b>                            | <b>12,312</b> | <b>2,459</b> | -       | -       |

Delivery and Strategy Capital Programme

| 2021/22 |  | 2022/23 | 2023/24 | 2024/25 | 2025/26 |
|---------|--|---------|---------|---------|---------|
| £,000   |  | £,000   | £,000   | £,000   | £,000   |
|         | <b>A10 Dualling</b>  |         |         |         |         |
| 2,000   | Approved Project Costs   | -       | -       | -       | -       |
| -       | Subject to Approval  | -       | -       | -       | -       |
|         | <b>A16 Norwood Dualling</b>  |         |         |         |         |
| 626     | Approved Project Costs   | -       | -       | -       | -       |
| 420     | Subject to Approval  | 12,000  | -       | -       | -       |
|         | <b>A141 OBC &amp; FBC</b>  |         |         |         |         |
| -       | Approved Project Costs   | -       | -       | -       | -       |
| -       | Subject to Approval  | 650     | 1,300   | 2,300   | -       |
|         | <b>A1260 Nene Parkway Junction 15</b>  |         |         |         |         |
| 208     | Approved Project Costs   | -       | -       | -       | -       |
| 5,000   | Subject to Approval  | -       | -       | -       | -       |
|         | <b>A1260 Nene Parkway Junction 32-3</b>  |         |         |         |         |
| 239     | Approved Project Costs   | -       | -       | -       | -       |
| 5,030   | Subject to Approval  | 1,500   | -       | -       | -       |
|         | <b>A505 Corridor</b>   |         |         |         |         |
| 143     | Approved Project Costs   | -       | -       | -       | -       |
| -       | Subject to Approval  | -       | -       | -       | -       |
|         | <b>A605 Stanground - Whittlesea</b>  |         |         |         |         |
| 217     | Approved Project Costs   | -       | -       | -       | -       |
| -       | Subject to Approval  | -       | -       | -       | -       |
|         | <b>CAM SPV Running Costs</b>   |         |         |         |         |
| 2,000   | Approved Project Costs   | -       | -       | -       | -       |
| -       | Subject to Approval  | -       | -       | -       | -       |
|         | <b>CAM Business Case Development</b>   |         |         |         |         |
| 250     | Approved Project Costs   | -       | -       | -       | -       |
| -       | Subject to Approval  | -       | -       | -       | -       |
| -       | <b>Care Home Retrofit Programme</b>  |         |         |         |         |
| -       | Approved Project Costs   | -       | -       | -       | -       |
| -       | Subject to Approval  | 1,000   | 1,000   | -       | -       |
|         | <b>Coldhams Lane roundabout improvements</b>   |         |         |         |         |
| 234     | Approved Project Costs   | -       | -       | -       | -       |
| 2,200   | Subject to Approval  | -       | -       | -       | -       |
| -       | <b>Development of sustainable Cultural Services for the City of Cambridge and the Region - Capital</b> |         |         |         |         |
| -       | Approved Project Costs   | -       | -       | -       | -       |
| -       | Subject to Approval  | 183     | 153     | 30      | -       |
|         | <b>Digital Connectivity Infrastructure Programme</b>   |         |         |         |         |
| 3,139   | Approved Project Costs   | -       | -       | -       | -       |
| -       | Subject to Approval  | 1,500   | 1,500   | 1,500   | -       |
|         | <b>Ely Area Capacity Enhancements</b>  |         |         |         |         |
| 326     | Approved Project Costs   | -       | -       | -       | -       |
| -       | Subject to Approval  | -       | -       | -       | -       |
|         | <b>Fengate Access Studies Phase 1</b>  |         |         |         |         |
| 327     | Approved Project Costs   | -       | -       | -       | -       |
| 1,330   | Subject to Approval  | 4,200   | -       | -       | -       |
|         | <b>Fengate Access Studies Phase 2 (University Access)</b>  |         |         |         |         |
| 161     | Approved Project Costs   | -       | -       | -       | -       |
| 660     | Subject to Approval  | 1,280   | -       | -       | -       |
| -       | <b>Greater Cambridge Chalk Stream Project - Capital</b>  |         |         |         |         |
| -       | Approved Project Costs   | -       | -       | -       | -       |
| -       | Subject to Approval  | 100     | 100     | 100     | -       |
|         | <b>Highways Maintenance and Pothole funding (with PCC and CCC)</b>                                     |         |         |         |         |
| 27,695  | Approved Project Costs   | 27,695  | 27,695  | 27,695  | 27,695  |
| -       | Subject to Approval  | -       | -       | -       | -       |
| -       | <b>Huntingdonshire Biodiversity for all - Capital</b>  |         |         |         |         |
| -       | Approved Project Costs   | -       | -       | -       | -       |
| -       | Subject to Approval  | 400     | 400     | 400     | -       |

|        |   |        |        |        |        |
|--------|---|--------|--------|--------|--------|
|        | <b>King's Dyke</b>  |        |        |        |        |
| 7,588  | Approved Project Costs  | -      | -      | -      | -      |
| 2,100  | Subject to Approval   | -      | -      | -      | -      |
|        | <b>Lancaster Way</b>  |        |        |        |        |
| 500    | Approved Project Costs  | -      | -      | -      | -      |
| -      | Subject to Approval   | -      | -      | -      | -      |
| -      | <b>Logan's Meadow Local Nature Reserve wetland extension</b>                                  |        |        |        |        |
| -      | Approved Project Costs  | -      | -      | -      | -      |
| -      | Subject to Approval   | 250    | 30     | -      | -      |
|        | <b>March Area Transport Strategy</b>  |        |        |        |        |
| 2,114  | Approved Project Costs  | -      | -      | -      | -      |
| 2,738  | Subject to Approval   | -      | -      | -      | -      |
| -      | <b>Meanwhile at Core Site, North East Cambridge</b>   |        |        |        |        |
| -      | Approved Project Costs  | -      | -      | -      | -      |
| -      | Subject to Approval   | -      | 1,000  | -      | -      |
| -      | <b>Nature and Environment Investment Fund</b>   |        |        |        |        |
| -      | Approved Project Costs  | -      | -      | -      | -      |
| -      | Subject to Approval   | 1,000  | -      | -      | -      |
| -      | <b>Net Zero Villages Programme</b>  |        |        |        |        |
| -      | Approved Project Costs  | -      | -      | -      | -      |
| -      | Subject to Approval   | 1,000  | -      | -      | -      |
|        | <b>Regeneration of Fenland Railway Stations</b>   |        |        |        |        |
| 2,610  | Approved Project Costs  | -      | -      | -      | -      |
| 674    | Subject to Approval   | -      | -      | -      | -      |
|        | <b>Snailwell Loop</b>   |        |        |        |        |
| -      | Approved Project Costs  | -      | -      | -      | -      |
| 500    | Subject to Approval   | -      | -      | -      | -      |
|        | <b>Soham Station</b>  |        |        |        |        |
| 9,244  | Approved Project Costs  | 4,000  | -      | -      | -      |
| -      | Subject to Approval   | -      | -      | -      | -      |
|        | <b>St. Ives (SOBC, OBC &amp; FBC)</b>   |        |        |        |        |
| -      | Approved Project Costs  | -      | -      | -      | -      |
| 500    | Subject to Approval   | 1,000  | 1,400  | 1,500  | -      |
|        | <b>Transport Modelling</b>  |        |        |        |        |
| 750    | Approved Project Costs  | -      | -      | -      | -      |
| -      | Subject to Approval   | -      | -      | -      | -      |
| -      | <b>Waterbeach Depot Solar PV Smart-grid Project for electronic Refuse Collection Vehicles</b> |        |        |        |        |
| -      | Approved Project Costs  | -      | -      | -      | -      |
| -      | Subject to Approval   | 2,000  | 700    | -      | -      |
|        | <b>Wisbech Access Strategy</b>  |        |        |        |        |
| 859    | Approved Project Costs  | -      | -      | -      | -      |
| 1,880  | Subject to Approval   | -      | -      | -      | -      |
|        | <b>Wisbech Rail</b>   |        |        |        |        |
| 306    | Approved Project Costs  | -      | -      | -      | -      |
| 2,688  | Subject to Approval   | 3,000  | 5,000  | -      | -      |
|        | <b>ZEBRA</b>  |        |        |        |        |
| -      | Approved Project Costs  | -      | -      | -      | -      |
| -      | Subject to Approval   | 1,693  | -      | -      | -      |
| 61,535 | <b>Total Delivery and Strategy Approved Capital Projects</b>                                  | 31,695 | 27,695 | 27,695 | 27,695 |
| 25,720 | <b>Total Delivery and Strategy Projects Subject to Approval</b>                               | 32,756 | 12,583 | 5,830  | -      |
| 87,255 | <b>Total Delivery and Strategy Capital Projects</b>   | 64,451 | 40,278 | 33,525 | 27,695 |

# Housing Capital Programme

| 2021/22 |   | 2022/23 | 2023/24 | 2024/25 | 2025/26 |
|---------|---|---------|---------|---------|---------|
| £,000   |   | £,000   | £,000   | £,000   | £,000   |
|         | Affordable Housing Grant Programme              |         |         |         |         |
| 19,039  | Approved Project Costs                          | 21,934  | 15,674  | 3,965   | -       |
| -       | Subject to Approval                             | -       | -       | -       | -       |
|         | Housing Investment (revolving) Fund             |         |         |         |         |
| 11,170  | Approved Project Costs                          | 6,456   | -       | -       | -       |
| -       | Subject to Approval                             | -       | -       | -       | -       |
| 30,208  | Total Housing Approved Capital Projects         | 28,389  | 15,674  | 3,965   | -       |
| -       | Total Housing Project Costs Subject to Approval | -       | -       | -       | -       |
|         |   |         |         |         |         |
| 30,208  | Total Housing Capital Projects                  | 28,389  | 15,674  | 3,965   | -       |



**CAMBRIDGESHIRE  
& PETERBOROUGH**  
COMBINED AUTHORITY

Agenda Item No: 7.2

## Performance Management of the Sustainable Growth Ambition Statement

|                      |   |
|----------------------|---|
| To:                  | Cambridgeshire and Peterborough Combined Authority Board  |
| Meeting Date:        | 30 <sup>th</sup> March 2022   |
| Public report:       | Yes   |
| Lead Member:         | Mayor Dr Nik Johnson  |
| From:                | Michael Soper, Analysis and Evaluation Manager  |
| Key decision:        | No  |
| Forward Plan ref:    | n/a   |
| Recommendations:     | <p>The Combined Authority Board is recommended to:</p> <ul style="list-style-type: none"><li>a) Adopt the approach to performance management summarised in section 4 of the report.</li><li>b) Adopt its initial set of strategic indicators as shown in table 1, Appendix 1.</li><li>c) Agree future reporting timescales set out in section 5 of this report, including the removal of the 'key projects' profile element of the Performance Dashboard.</li></ul> |
| Voting arrangements: | <p>A simple majority of all Members present and voting</p> <p>To be carried, the vote must include the vote of the Mayor, or the Deputy Mayor when acting in place of the Mayor.</p>  |

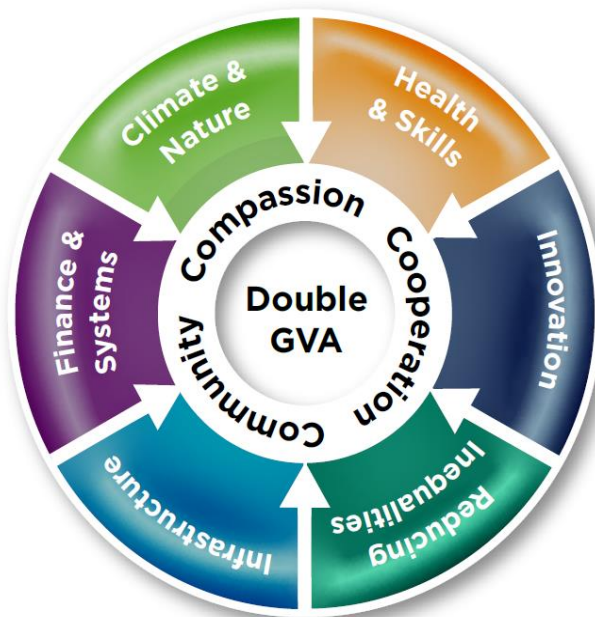
## 1. Purpose

- 1.1 This paper is to advise the Board on the best approach to performance management for the Combined Authority's strategies and plans. The paper proposes a structure for performance management to compliment the current RAG reporting on the delivery of projects and sets out an initial set of board level performance indicators to measure progress against the Board's Sustainable Growth Ambition statement.
- 1.2 The paper also sets out future reporting timescales together with a proposal to remove the key projects profile element of the Performance Dashboard.

## 2. Background

- 2.1 Currently the CPCA Board performance report includes an update on projects including a 'key project' profile, and three performance indicators focusing on the headlines of the growth deal, i) gross value added (GVA), ii) total jobs, and iii) houses built within the CPCA area. There is also disparate performance reporting at committee level.
- 2.2 Each element of performance reporting works to a degree but, at present, there is not a coherent structure within which performance is reported. Particularly the 'line of sight' between strategy and the measurement of success is not clear. Regular reporting on 'leading indicators' (mainly measures of outputs, activities, or immediate change) and 'lagging indicators' (mainly measures of strategic objectives, often reported in arrears due to data collection) is not maintained.
- 2.3 The Board will be invited to adopt a new Sustainable Growth Ambition Statement elsewhere on the agenda which focuses on continuing the Combined Authority's core aim of providing economic growth (doubling GVA) whilst at the same time balancing impact across six themes as shown in figure one (below). To demonstrate that progress is being made against these (as well as GVA) then additional indicators are needed.

Figure 1: Sustainable Growth Ambition Statement Themes



### 3. Engagement and Consultation on the Performance Indicators

3.1 An initial paper was shared with Board members in January at which time the view was expressed that further consultation on the indicator set was needed. Since then, all constituent authorities have been offered the opportunity to comment on and shape the indicators. A summary of the comments received is as follows:

- The broad point was made that the depth of reporting should be such that more than just a single figure for the whole CPCA area be available. There is a need to understand the variation of indicators between constituent districts and within each of them as well as comparators with similar areas nationally.
- The draft economic measures were acceptable with the addition of a measure of productivity (GVA per Job, per hour). As well as total jobs and business formation reporting having granularity on the types of businesses and jobs being created (by sector) given that some jobs are relatively unproductive.
- The draft climate and nature measures were acceptable (noting that the CPCA has recently invested in a project to improve the available metrics on nature). On carbon dioxide emissions it was suggested that other major sources of emission be reported on as well as transport.
- For infrastructure a measure should be sought to better reflect the density of bus services rather than the one proposed. Some of the draft measures were more suited to be in the climate change section. Measures were also needed that reflected the mode share difference between active travel (separating out cycling and walking) and other

forms of travel.

- The draft innovation measures were acceptable with the addition of a measure for patents per head of population and providing that there was a clear definition of innovative industries (e.g., inclusion of biotech).
- There were a significant number of comments on the health and skills indicators. The point about understanding the variation of indicators between constituent districts and within each of them as well as comparators with similar areas nationally was particularly pertinent when looking at health inequality. Additional advice on indicators for this area was sort from the Office of National Statistics so it was clear what would be available on into the future.

On skills, the draft indicator on level of skill should focus on proportion of the working age population with a level 3 qualification. There was also some overlap in the draft skills indicators.

- The reducing inequalities measures were acceptable with the introduction of the index of multiple deprivation and with the removal of similarities with indicators for other sections. The point about understanding the difference within districts was made.

3.2 Additional advice was sought from the Office of National Statistics and from the Public Health team. The points arising from these discussions were as follows:

- Suggested indicators focusing on claimants of Employment and Support Allowance (ESA) or universal credit 'conditionality regime (focusing on those in the workforce with long term health conditions.
- ONS produce a data set on health state life expectancies, and this is the recommended headline dataset (by both ONS and Public Health) to measure the general health of the population.
- In addition, ONS recommend using the 'Health Index' when it is available. This is a new tool being developed to measure the health of the nation, the next release will be at a LTLA level (as opposed to UTLA which is used in the beta).
- ONS confirmed that a rough estimate for the next release of the Small Area Income Estimates (SAIEs) is between June and October 2022, for reference period 2019/2020. These are currently available at an MSOA but there is a feasibility project underway to produce this at a lower LSOA geography.
- ONS also kindly investigated for us a query relating to the validity of the business birth rate for Peterborough and if there was any influence on

the number reported due to there being an undue number of companies that only exist on paper, being created for administrative purposes. This was not found to be the case.

- 3.3 In addition, the Government has now published its long-awaited policy paper 'Levelling Up the United Kingdom'. This includes details of a new devolution framework, the establishment of a new independent data body and a new Levelling Up Advisory Council. The White Paper also provides details of 12 new missions which set the direction for government policy and broadly outline the type of indicator that will be needed to measure success.
- 3.4 On review, the draft indicator set (considering the changes proposed above) fits well with the skills and productivity, health, and place missions. On infrastructure there is a need to identify additional indicators that properly reflect the depth and usefulness of public transport connectivity, it is proposed that a measure be developed to assess the share of people, relative to the total number of residents (by district), who can reach a city / town centre under a specific set of criteria (time threshold and mode of transport). This variable can be seen as a measure of how good transport connectivity is, because of both infrastructure (network size) and form (density) of population distribution. The DfT used to produce a dataset that enabled this analysis to be done and is intending to reproduce this again, there is also a GIS methodology that could be followed locally that has been developed by the Centre for Cities<sup>1</sup>.
- 3.5 There is a specific mission for the UK to have nationwide gigabit-capable broadband and 4G coverage (with many areas having 5G coverage). A measure will be developed to reflect this, again a specific GIS methodology may need to be developed to ensure the depth of information on percentage of population covered by district.

#### 4. Proposed Performance Management Structure

- 4.1 What is proposed is the creation of a Line-of-Sight model. Simply stated, Line-of-Sight performance management focuses on establishing a clear link between the strategic goals and objectives that the organisation is aiming to achieve, the investment decisions being made, and the activities being undertaken and has set of measures and metrics that help guide the organisation toward the right outcomes.
- 4.2 Performance management is mature, in terms of practice, so the idea of a line-of-sight model is not unusual, typical requirements for implementing this includes:
  - 1. Defining and clarifying priorities and/or objectives of the organisation.
  - 2. Aligning the organization around specific and measurable outcomes.

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<sup>1</sup> [How the transport systems of big British cities measure up to their European counterparts | Centre for Cities](#)

3. Identifying and measuring the suite of cascaded metrics that show outcomes.
4. Implementing the right tools to monitor compliance with targets.
5. Creating the awareness and measuring gaps, trends, and deviations.
6. Enabling the ability to apply course correction over time.
7. Providing the skills and systems to manage delivery
8. Structuring a feedback system that enables timely information for everyone in the Line-of-Sight progression

4.3 The starting point for establishing this approach, agreeing the strategic narrative has been achieved through the agreement of the Sustainable Growth Ambition Statement and the drafting of the 2022/23 business plan. Beyond this point two complimentary routes through the organisation, the public accountability route as outlined above and the internal organisational development route. The emphasis within the line-of-sight approach being as much on *employee engagement and motivation* as it is on the dry reporting of numbers and statistics.

4.4 The proposed structure for parts 2 and 3 (see above) are as follows:

| LEVEL                              | METRICS   | THEME   |
|------------------------------------|---|---|
| Strategic Level Reporting to Board | 20 – 35 Strategic Level Indicators                        | All themes at a strategic level   |
| Committee Level                    | 50+ Strategic Indicators with related activity indicators | Selected themes of relevance to the committee's activities (cross-cutting themes highlighted) which are selected through the development of plans e.g. the LTCP |

4.5 Once the strategic indicator dataset has been developed then work needs to be put in place to establish the leading indicators, the things that measure the positive action that the combined authority is taking to have an impact on our strategic goals.

## 5. Reporting timescales

5.1 The recommendation is, in line with previous timescales, that a Performance Report is brought to the Board quarterly for discussion, and as part of this paper we will continue to provide an Exception Report (that includes projects that are Amber or Red) to CPCA Board members as a confidential item, in advance of the Performance Report being published.

- 5.2 We also propose that within this Performance Report that we remove the 'key projects' profile element. The identification of key projects as a subset of all projects was agreed during the previous mayoralty. A move away from this approach within performance reporting will maintain consistency with the proposed 2022 business plan.
- 5.3 The presentation of indicators to board on a quarterly basis (with update subject to data availability from information sources) will be via a dashboard. The dashboard will be designed to impart information on relative position compared to nationally, local variations between and within constituent authorities (if available) and direction of travel.
- 5.4 We will continue to take a Finance and Performance Report to Transport and Skills committees, which will include an update on project RAG status along with selected indicators.

## 6. Target Setting

- 6.1 At present that Combined Authority has few targets, or policy ambitions expressed as targets set against strategy level performance indicators. Those that do exist are:
- Double Gross Value Added (GVA) by 2040 (against a 2015 baseline).
  - Reduce road-vehicle traffic by 15% (against a 2019 baseline)
  - Double the land area devoted to nature (against a 2019 baseline)

Whilst these will be included in the performance dashboard, no new targets are proposed in this paper and it is not proposed to create targets for the sake of it, for all the strategic indicators, but rather use the board's discretion to add a target if the board feels that this would be useful to drive performance or to articulate a specific policy ambition. Rather, good performance can be summarised as economic growth being on target with at least 75% of strategic indicators showing a positive direction of travel.

## 7 Significant Implications

### Financial Implications

- 7.1 None

### Legal Implications

- 7.2 None

### Public Health Implications

- 7.3 Neutral

## Environmental and Climate Change Implications

7.4 Neutral

## Other Significant Implications

7.5 None

## 8. Appendices

8.1 Appendix 1 – Proposed Performance Indicators

8.2 Appendix 2 – Draft Layout of Performance Dashboard

Accessible versions of this information available on request from  
[democratic.services@cambridgeshirepeterborough-ca.gov.uk](mailto:democratic.services@cambridgeshirepeterborough-ca.gov.uk)

## 9. Background Papers

9.1 None

## Appendix One: Proposed Performance Indicators

Table 1: Summary of CPCA Board Strategic Indicators

| Number | Main Theme         | CPCA Headline Measure  | Sub Measure   |
|--------|--------------------|--|---|
| 1      | Economic Growth    | Gross Value Added (GVA) (balanced)   | GVA by district (subject to ONS release)              |
| 2      | Economic Growth    | Job Density (Total Jobs)   | Total jobs by district                                |
| 3      | Economic Growth    | Employee Jobs  | Employee jobs by district and by industrial code      |
| 4      | Economic Growth    | All Businesses   | Business birth and death rate by district             |
| 5      | Economic Growth    | Productivity (GVA per Job)   | GVA by industry sector                                |
| 6      | Climate and Nature | Total Carbon Dioxide Emissions   | Total Carbon Dioxide Emissions by district            |
| 7      | Climate and Nature | Carbon Dioxide Emissions from Transport  | Carbon Dioxide Emissions from Transport by district   |
| 8      | Climate and Nature | Land Area Providing Nature Rich Habitat (PNRH)   | Area (PNRH) by district (upon completion of study)    |
| 9      | Climate and Nature | Publicly Available Open and Recreational Space   | Area by district (expressed a rate per head)          |
| 10     | Climate and Nature | Percentage of Bus Fleet Running at near Zero Emissions   | n/a   |
| 11     | Climate and Nature | Mode share for Public Transport / Cycling / Walking  | Mode share by district                                |
| 12     | Infrastructure     | Housing Completions  | Housing completions by district                       |
| 13     | Infrastructure     | Affordable Housing Completions   | Housing completions by district                       |
| 14     | Infrastructure     | Public Transport Connectivity - share of people, relative to the total number of residents, who can reach a city / town centre by public transport (see paragraph 3.4)           | Public Transport Connectivity by district             |
| 15     | Infrastructure     | Cycling Connectivity - share of people, relative to the total number of residents, who can reach a city / town centre by cycle using a recognised cycle path (see paragraph 3.4) | Cycling Connectivity by district                      |
| 16     | Infrastructure     | Percentage of population covered by 4G and / or gigabit-capable broadband  | 4G and gigabit-capable broadband coverage by district |
| 17     | Innovation         | Total Employment in Knowledge Intensive Industries   | Employment in sector by district                      |
| 18     | Innovation         | Total Employment in Green Technology Industries  | Employment in sector by district                      |

| Number | Main Theme          | CPCA Headline Measure   | Sub Measure  |
|--------|---------------------|---|--|
| 19     | Innovation          | Workforce with a Level 4 Qualification or above   | Workforce with a Level 4 Qualification by district   |
| 20     | Innovation          | Patents per 10,000 population   | Patents per 10,000 population by district  |
| 21     | Health and Skills   | Health Index for England <sup>2</sup>   | Health Index for England by district   |
| 22*    | Health and Skills   | Health State Life Expectancy at Birth (number of expected years lived in full health)                                       | Health State Life Expectancy by district   |
| 23     | Health and Skills   | Number of people Killed or Seriously Injured (KSI) due to Road Traffic Collisions   | KSI by district  |
| 24     | Health and Skills   | % Working population with a level three qualification   | Level three qualifications by district   |
| 25     | Health and Skills   | Number of adults obtaining new qualifications via funded by AEB   | AEB learning rates by district   |
| 26*    | Reducing Inequality | Number of small areas (LSOA) in the CPCA within the top 10% most deprived nationally according to the IMD                   | Number areas within the top 10% most deprived nationally according to the IMD by district            |
| 27     | Reducing Inequality | Percentage of households living in fuel poverty <sup>3</sup>  | Percentage of households living in fuel poverty by district  |
| 28     | Reducing Inequality | Percentage of population claiming Employment Support Allowance and / or Universal Credit                                    | Percentage of population claiming Employment Support Allowance and / or Universal Credit by District |
| 29*    | Reducing Inequality | Difference in household income between most deprived and least deprived areas using ONS small area income estimates (SAIEs) | n/a  |

\* Indicator will be accompanied by a gap analysis showing the distance between the highest and lowest areas, by and between district.

<sup>2</sup> [Developing the Health Index for England - Office for National Statistics \(ons.gov.uk\)](https://ons.gov.uk)

<sup>3</sup> [Sub-regional fuel poverty data 2021 - GOV.UK \(www.gov.uk\)](https://www.gov.uk)

## Appendix Two: Draft Layout of Performance Dashboard

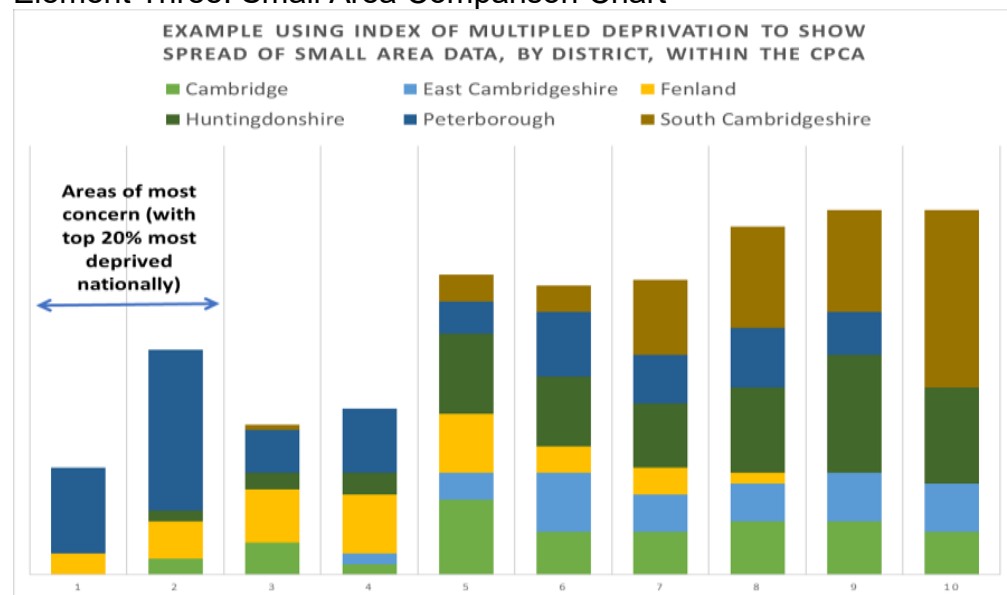
### Element One: Data

|                |      |       | Performance Data |               | Performance Against Comparator |                               |
|----------------|------|-------|------------------|---------------|--------------------------------|-------------------------------|
| Indicator Name | Year | Trend | Count            | Rate          | Regional                       | National                      |
| Example        | 2019 | ↓ □ ↑ | Numeric value    | % Or per 1000 | Similar /                      | Significantly worse or better |

### Element Two: District Comparison

| District | Performance Data | Rank in CPCA |
|----------|------------------|--------------|
|          |                  |              |
|          |                  |              |
|          |                  |              |

### Element Three: Small Area Comparison Chart







**CAMBRIDGESHIRE  
& PETERBOROUGH**  
COMBINED AUTHORITY

Agenda Item No: 7.3

## Local Assurance Framework

To: Cambridgeshire and Peterborough Combined Authority Board

Meeting Date: 30<sup>th</sup> March 2022

Public report: Yes

Lead Member: Mayor Dr Nik Johnson

From: Robert Parkin, Chief Legal Office & Monitoring Officer

Key decision: No

Forward Plan ref: n/a

Recommendations: The Combined Authority Board is recommended to:

Approve the amended draft of the Local Assurance Framework and to delegate authority to the Monitoring Officer (in consultation with the Chief Finance Officer and Chair of the Audit and Governance Committee), to make the relevant changes to the Local Assurance Framework.

Voting arrangements: A simple majority of all Members present and voting.

To be carried, the vote must include the vote of the Mayor, or the Deputy Mayor when acting in place of the Mayor.

## 1. Purpose

- 1.1 To provide an update to the Combined Authority Board on the current changes to the Local Assurance Framework (LAF) which are needed to align with the updates to the National Local Growth Assurance Framework (NLGAF). The updated (clean copy) draft LAF is attached at Appendix 1 and a tracked version is attached at Appendix 2.

## 2. Background

- 2.1 On September 29<sup>th</sup> 2021 the Combined Authority Board approved the revised Assurance Framework, which was updated to reflect the changes to the NLGAF including amendments to correct inaccuracies and cosmetic changes.
- 2.2 BEIS notified the Combined Authority that the Institutional Assurance Team had republished the NLGAF (September 2021). There were no significant changes to the obligations imposed on the LEP's and a small number of areas have been amended to provide further clarity.
- 2.3 These areas included:
- i) *Drafting updates to update text that was out of date or required amendment.*
  - ii) *Updates to incorporate changes from the republished Green Book. See particularly the Value for Money section, which adjusts the emphasis of appraisals.*
  - iii) *Inclusion of the Getting Building Fund, Mid-Year Reviews, and of Pan Regional Partnerships.*
  - iv) *Updates to both the Department for Transport and Department for Education annexes.*
  - v) *Updates to areas that have caused query from stakeholders – notably: clarity that MCAs should engage the department with reviewing their Local Assurance Framework; clarity on the expenses register; clarity on codes of conduct; clarity on co-opted board members and overall board numbers; clarity on delivery plans and annual reports.*
- 2.4 A new set of Exemptions were also issued which offer temporary adjustments to the compliance requirements of the NLGAF which are attached at Appendix 3.

The new Exemptions provide flexibility in four areas:

- i) *Chair and Member recruitment,*
- ii) *Chair/Deputy Chair tenures,*
- iii) *private sector board composition, and*
- iv) *gender composition of boards.*

Any use of the flexibilities must be reported to the LEP's local area lead via email.

- 2.5 The LAF has also been updated to reflect Combined Authority led decisions as well as minor corrections to references which include the following:
- a) *Reference to the Mayor's Sustainable Growth Ambition Statement (this is due to reviewed again at the upcoming Combined Authority Board in March).*
  - b) *Reference to MHCLG replaced with DLUHC.*
  - c) *Reference to the Local Enterprise Partnership replaced with Business Board.*
  - d) *3.3.39 – sets out the Business Board is representative of the businesses and*

*communities that they serve, including encouraging local Business Representative Organisations and Trade Unions to apply for membership of the Business Board.*

- e) 3.3.46 – sets out the option to extend the term of the office for the Chair and Vice-Chair for a further 3 years in exceptional circumstances approved by the Board.*
- f) 3.3.55 – the annual Delivery plan to be published at the beginning of each financial year on the website.*
- g) 3.4.9 – the initial climate assessment is to be included in the PID.*
- h) 3.5.2 – Decision of the Adult Education Budget – paragraph amended and the wording relating to Department for Education and Skills Strategy have been removed.*
- i) 3.5.3 – slight amendment to the latter part of the paragraph confirming that Provider Networks meetings have met regularly since 2018. There is also the inclusion of the Association of Employment and Learning Providers.*
- j) 3.5.5 – this relates to commissioned contracts that were awarded in 2019 and are now coming to an end of their 3 year term. The paragraph states that officers are launching a second round of commissioning where contracts will be awarded to new providers ready to deliver from 1<sup>st</sup> August 2022.*
- k) 3.5.6 – this section deals with the devolution of the Adult Education Budget and reporting requirements on the Authority in regards to delivery, wider monitoring and evaluation submissions as required by all Mayoral Combined Authorities.*
- l) 4.1.7 – Business Board meetings to be held in public unless determined otherwise by the Chairperson.*
- m) 4.6.1 – register of gifts and hospitality - figure updated to £50*
- n) 5.3 – deals with the open calls for funds managed by the Business Board as its recycled Local Growth Funds – sets out funding strategy which will be approved by the BB before launching an expression of interest.*
- o) 5.4.10 – Project Managers to maintain a robust climate change assessment as part of the business case development.*
- p) 5.4.11 – refers to the Combined Authority procurement policy to ensure climate change implications are included as part of the procurement criteria.*
- q) Corporate Management replaced with Executive Team.*

- 2.6 A further review of the LAF will be undertaken in light of the current review of the Constitution and any changes made under the Governance Review will be updated in the LAF accordingly.

## Significant Implications

### 3. Financial Implications

- 3.1 No significant financial implications.

### 4. Legal Implications

- 4.1 The Assurance Framework will be reviewed annually to reflect compliance with the NLGAF.

### 5. Public Health Implications

5.1 None.

## 6. Environmental and Climate Change Implications

6.1 None.

## 7. Other Significant Implications

7.1 None.

## 8. Appendices

8.1 Appendix 1 – clean copy of the LAF

8.2 Appendix 2 – Tracked copy of the LAF

8.3 Appendix 3 - Updates to the NLGAF.

## 9. Background Papers

9.1 [Combined Authority Board Local Assurance Framework Annual Review 29th September](#)

9.2 [Assurance Framework Report to Audit and Governance 5th March 2021](#)

9.3 [Extraordinary Meetings of the Business Board 4th March 2021](#)

9.4 [The report and appendices to the Overview and Scrutiny 22nd February 2021 - Item 8](#)

## 10. Accessibility

10. Accessible versions of the appendices to this report can be obtained on request from [Reena.Roojam@cambridgeshirepeterborough-ca.gov.uk](mailto:Reena.Roojam@cambridgeshirepeterborough-ca.gov.uk)

# **Cambridgeshire and Peterborough Combined Authority Assurance Framework**

**September 2021**

**Document verification:**

| <b>Created:</b> | <b>Reviewed by:</b>                                | <b>Approved by:</b>   |
|-----------------|--|---|
| March 2019      | Chief Executive, CPCA S73<br>Officer and Directors | Business Board<br>Combined Authority Board<br>Audit and Governance<br>Committee |
| May 2019        | Chief Executive, CPCA S73<br>Officer and Directors | Business Board<br>Combined Authority Board                                      |
| November 2019   | Chief Executive, CPCA S73<br>Officer and Directors | Business Board<br>Combined Authority Board                                      |
| March 2021      | Chief Executive, CPCA S73<br>Officer and Directors | Business Board<br>Combined Authority Board                                      |

|                        |                 |
|------------------------|-----------------|
| <b>Version number:</b> | <b>5</b>        |
| <b>File location:</b>  | Internal folder |

# 1. Purpose of the Assurance Framework

## 1.1 Purpose

1.1.1. The Assurance Framework sets out:

- (a) How the seven principles of public life shape the culture within the Combined Authority in undertaking its roles and responsibilities in relation to the use and administration of the Cambridgeshire and Peterborough Investment Funds, and incorporating the Medium-Term Financial Plan, incorporating the Single Pot funding. This culture is developed and underpinned by processes, practices, and procedures.
- (b) The respective roles and responsibilities of the Combined Authority, the Cambridgeshire and Peterborough Local Enterprise Partnership (known as the Business Board) and the Section 73 Officer, in decision-making and ways of working is set out in the terms of reference of the Business Board and is included within the Combined Authority constitution.
- (c) The key processes for ensuring accountability, including public engagement, probity, transparency, legal compliance and value for money.
- (d) How potential investments to be funded through the Cambridgeshire and Peterborough Medium Term Financial Plan, incorporating the Single Pot, will be appraised, prioritised, approved, signed off and delivered.
- (e) The processes for oversight of projects, programmes, and portfolios and how the progress and impacts of these investments will be monitored and evaluated.

1.1.2. The Assurance Framework sits alongside a number of other Cambridgeshire and Peterborough Combined Authority documents including:

- the Constitution of the Mayoral Combined Authority
- the Constitution of the Business Board (Local Enterprise Partnership)
- The Cambridgeshire and Peterborough Devolution Deal
- the Cambridgeshire and Peterborough Independent Economic Review (CPIER)
- Local Industrial Strategy
- the Mayor's sustainable growth ambition statement
- the Cambridgeshire and Peterborough Annual Report & Business Plan
- the Monitoring and Evaluation Framework
- the Combined Authority Medium-Term Financial Plan

1.1.3. All these documents can be found on the Combined Authority and Business Board websites.

1.1.4. This Assurance Framework replaces the last published Assurance Framework and takes on board the national guidance published by the **Department for Levelling Up, Housing and Communities (DLUHC)** for National Local Growth Assurance Framework (January 2019).

- 1.1.5. The Assurance Framework covers all funds within the Cambridgeshire and Peterborough Medium Term Financial Plan, incorporating the Single Pot under the Cambridgeshire and Peterborough Devolution Deal agreed with government, and funds added to the Single Pot since the Devolution Deal, together with other sources of income such as Enterprise Zone business rates and loan repayments.
- 1.1.6. The Assurance Framework will be reviewed at least annually to ensure that it is kept up to date reflecting changes in the Combined Authority's operating environment and changes to Government policy. **Where potential changes result in significant divergence from the approved local assurance frameworks, adjustments must be agreed by Department for Levelling Up, Housing and Communities (DLUHC) as set out in the National Local Growth Assurance Framework guidance.**
- 1.1.7. The remainder of this document is structured around the following sections:
- **Section 2** describes the Cambridgeshire and Peterborough CPIER, the Mayor's sustainable growth ambition statement and our Annual Report & Business Plan and clarifies the content of Cambridgeshire and Peterborough Medium Term Financial Plan and the role of the Assurance Framework.
  - **Section 3** describes the accountability and transparent decision-making processes and practices that we operate and the roles and responsibilities within it.
  - **Section 4** describes the supporting policies and procedures.
  - **Section 5** describes how we make robust and evidenced decisions.
  - **Section 6** explains the processes once programmes and projects are in the delivery phase.
  - **Section 7** explains how we will measure the success of our investments, realise the benefits of that investment and feed the evaluation outcomes back into the investment planning, and strategy and policy development processes.

## 2. Cambridgeshire and Peterborough Independent Economic Review, Mayor's Sustainable Growth Ambition Statement and Annual Report & Business Plan

### 2.1 Cambridgeshire and Peterborough Growth Ambition Statement and Local Industrial Strategy

- 2.1.1 The Cambridgeshire and Peterborough Mayor's Sustainable Growth Ambition Statement sets out the area's priorities for achieving ambitious levels of inclusive sustainable growth and meeting the commitments of the Devolution Deal. The Statement was adopted by the Combined Authority Board (January 2021) and is based upon the significant work of the Cambridgeshire and Peterborough Independent Economic Review (CPIER).
- 2.1.2 The CPIER was commissioned by the Combined Authority and other local partners to provide a world-class evidence base, alongside independent and expert analysis, to inform future strategies and investment. It was also informed by two rounds of open public consultation. The CPIER is publicly available on the CPIER website.
- 2.1.3 The Local Industrial Strategy sets out the economic strategy for Cambridgeshire and Peterborough, taking a lead role in implementing the business growth, productivity, and skills elements of the Sustainable Growth Ambition Statement as set out below:



- 2.1.4 The Local Industrial Strategy is focused around the five foundations of productivity established in the UK Industrial Strategy 2018, namely:

- People
- Ideas
- Business Environment
- Infrastructure

- Place

A core principle of the Local Industrial Strategy is that the fifth foundation of place reflects the findings of the CPIER. In this area there are economic strategies which respond to the three sub-economies identified in the region.

- Greater Cambridge
- Greater Peterborough
- The Fens

2.1.5 The methodology for ensuring investment decisions align with the Combined Authority's strategic objectives is set out in section 5.

## **2.2 Cambridgeshire and Peterborough Annual Report & Business Plan**

2.2.1 The CPCA Annual Report & Business Plan is approved in January and sets out the investment priorities for the forthcoming financial year. For simplicity the rest of this document will refer to it as the Business Plan.

2.2.2 The Combined Authority continues to develop its detailed strategies for key areas of activity including:

- Housing Strategy
- Skills Strategy
- Local Industrial Strategy
- Local Transport Plan
- Non-Statutory Spatial Framework

2.2.3 The Combined Authority has priority projects and programmes, which are based upon the CPIER objectives and the strategies highlighted above and are reflected in the Business Plan, along with other projects.

2.2.4 Alongside the Business Plan, and in line with its statutory duties, the Cambridgeshire and Peterborough Combined Authority Board approves both a one-year budget, and a four-year Medium-Term Financial Plan, that forms the investment plan for the Combined Authority. This allocates resources to deliver the Combined Authority's objectives set out in the Business Plan.

2.2.5 The Business Plan and the Medium-Term Financial Plan sets out at a high level the transformational investments that the Cambridgeshire and Peterborough Combined Authority will commit resources to, subject to the detailed consideration and appraisal of project business cases. Some are project ideas at an early stage where their feasibility is being established, others are further advanced. The Business Plan and the Medium-Term Financial Plan are not intended to be an exhaustive list of activity as new opportunities will arise during the period, but it identifies the key activities that will need investment during the planned period to unlock the opportunities they could bring. Prioritisation has been undertaken to ensure that our investment goes into projects that will unlock transformational anchor projects that will have a significant impact on

growing the whole Cambridgeshire and Peterborough economy.

- 2.2.6 The Combined Authority has a Programme Management regime that reviews the status and performance of projects within the Business Plan.

## **2.3 Cambridgeshire and Peterborough Financial Strategy**

- 2.3.1 The Combined Authority has responsibility for multiple streams of grant funding to invest strategically in the local area, including:

- Gainshare
- Housing Capital Grant
- Local Growth Funds and the Getting Building Funds
- Transforming Cities Fund

- 2.3.2 The Combined Authority also has responsibility for operational grant funds such as:

- Local Highways Maintenance Capital grants
- The Adult Education Budget

- 2.3.3 The Combined Authority has non-grant income streams including Enterprise Zone business rates, the Transport Levy and investment income. The long-term security of the gainshare funds and other income and the devolution deal powers for the Combined Authority means that it is able to borrow against future funds, to enable the Combined Authority to deliver transformational activity sooner rather than delivering smaller scale and less impactful activities based on a smaller annual allocation. This area of activity is incorporated into a Financial Strategy that are overseen by Audit and Governance Committee. Debt funded expenditure is not factored into the current four-year plan, but this may change as the feasibility work identified firms up project delivery programmes.

- 2.3.4 The Combined Authority does not distinguish between the different sources of funding for the purpose of investment planning, other than recognising<sup>8</sup> that some sources of funding are restricted in what they can be used for. All funds are within the Cambridgeshire and Peterborough Medium Term Financial Plan, not just the funds provided through the Devolution Deal, and are covered by this Assurance Framework.

- 2.3.5 The Combined Authority recognises<sup>8</sup> that the monitoring requirements for different sources of funding will differ and needs to meet the requirements of the funding body. However, the Combined Authority applies the Assurance Framework across all projects regardless of funding source. The Assurance Framework clearly identifies the processes for securing funds for investment in Cambridgeshire and Peterborough and the requirements placed on delivery partners once their projects have been approved.

- 2.3.6 This means that any organisation<sup>9</sup> seeking funding from the Combined Authority does not need to concern itself with the source of the funding and different rules and processes that will apply. These will be identified in the funding agreement/contract with the delivery partner.

## 3. Accountability and Transparent Decision Making

### 3.1 Roles and Responsibilities

- 3.1.1 Members of the Combined Authority are expected to act in the interests of the Cambridgeshire and Peterborough area as a whole when making investment decisions. A variety of controls are in place to ensure that decisions are appropriate and free from bias and/or the perception of bias. Further details are provided in the following sections.

### 3.2 Cambridgeshire and Peterborough Combined Authority

- The Combined Authority was established to further the sustainable and inclusive growth of the economy of Cambridgeshire and Peterborough. As a statutory local authority, the governance, decision-making and financial arrangements are in line with local authority requirements and standard checks and balances. **The Combined Authority will act in a manner that is lawful, transparent, evidence based, consistent and proportionate.**
- The Combined Authority was established in 2017. The Mayor of the Combined Authority was first elected in May 2017, and elections are held every four years.
- For the purposes of this document, the majority of references to the 'Combined Authority' apply to both the Cambridgeshire and Peterborough Combined Authority and the Business Board unless explicitly referred to separately.
- The Combined Authority therefore incorporates the roles and responsibilities as defined in the Devolution Deal and the administration of the Adult Education Budget.
- The Combined Authority is its own accountable body for funding received from Government through the Devolution Deal and provides the accountable body role for the Business Board and the Greater South East Local Energy Hub and employs the officers that support them.

#### Combined Authority Membership

- The Combined Authority membership is as follows: Mayor (Chair) – voting Leaders of the seven constituent local authorities:
  - Cambridge City Council – voting
  - Cambridgeshire County Council – voting
  - East Cambridgeshire District Council – voting
  - Fenland District Council – voting
  - Huntingdonshire District Council – voting
  - Peterborough City Council – voting
  - South Cambridgeshire District Council – voting
  - Business Board Chair – voting

- The Police and Crime Commissioner for Cambridgeshire - non-voting
- Cambridgeshire and Peterborough Fire Authority representative - non-voting
- Clinical Commissioning Group representative - non-voting

### **Role of the Mayor**

- The Constitution provides for a directly elected Mayor of Cambridgeshire and Peterborough, required by government as a precondition for meaningful devolution, and whom is the chair of the Combined Authority. The Mayoral arrangements will only gain the confidence of the electorate if they secure support from across our diverse communities, meet the highest standards of democratic accountability and are subject to robust checks and balances.
- The Mayor chairs the Combined Authority Board which is made up of the leaders of the seven constituent authorities and the Chair of the Business Board, who together form the Combined Authority's decision-making body (voting members of Board), along with other non-voting partners set out above.
- The Constitution sets out arrangements to ensure the effective conduct of the Combined Authority's business is in this spirit of collaboration, mutual respect and transparency. All members strive to work on the basis of consensus; taking decisions through agreement.
- The Mayor has a lead role in allocating Gainshare Funding. The Mayor's Sustainable Growth Ambition Statement sets out the area's priorities for achieving ambitious levels of inclusive sustainable growth and meeting the commitments of the Devolution Deal. These priorities also form the basis of the Business Plan and the Medium Term Financial Plan. The Mayor also produces his own budget each year which ensures he has appropriate support and advice on delivering the Devolution Deal commitments.
- The Mayor has general powers as set out in Chapter 3 of the Constitution, including the power to pay a grant to Cambridgeshire County Council and Peterborough City Council to meet expenditure incurred by them as highways authorities.
- The Mayor of the Combined Authority was first elected in May 2017, and elections are held every four years.

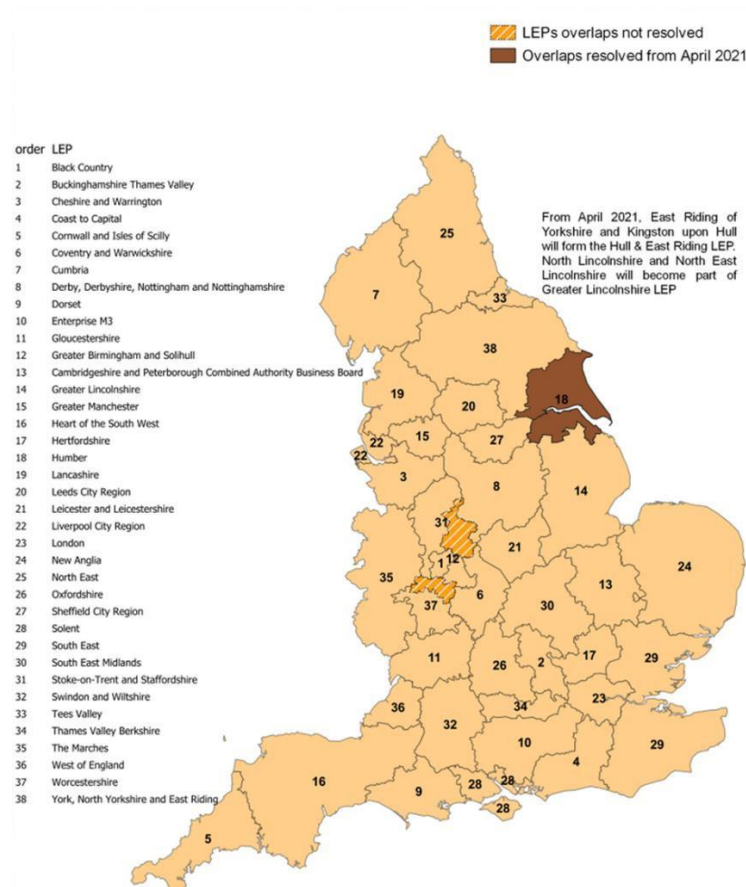
### **Role of the Local Authority Leaders**

- Leadership of the Combined Authority is driven by the Mayor and the local authority leaders. The local authority leaders represent the views of their constituent authorities at the Combined Authority Board whilst putting the needs and opportunities of Cambridgeshire and Peterborough at the forefront of all decisions. In addition, they may take a portfolio lead covering the growth themes within the CPIER and the Mayor's Sustainable Growth Ambition Statement and the Cambridgeshire and Peterborough Investment Plan. These portfolio lead roles are reviewed annually and are confirmed at the Combined Authority's Annual

### **3.3 Business Board (LEP)**

- 3.3.1 Local Enterprise Partnerships (LEPs) are private sector led voluntary partnerships between local authorities and businesses set up in 2010 by the former Department of Business Innovation and Skills to help determine local economic priorities and lead economic growth and job creation within the local area.
- 3.3.2 The Business Board was established on 1<sup>st</sup> April 2018, taking over from the former Greater Cambridge Greater Peterborough Local Enterprise Partnership, to drive forward economic growth across its local area. The Business Board is now responsible for all former Local Enterprise Partnership projects and programmes. A joint statement setting out the respective roles of the Business Board and the Cambridgeshire and Peterborough Combined Authority is shown in Appendix 1.
- 3.3.3 The Business Board is a non-statutory body which is the Local Enterprise Partnership for this area. It is independent of the Cambridgeshire & Peterborough Combined Authority (CPCA) operating as a private-public sector partnership, focusing on the key business sectors to provide strategic leadership and drive growth in the Cambridgeshire and Peterborough and wider Local Enterprise area.
- 3.3.4 The Cambridgeshire and Peterborough Combined Authority acts as the Business Board's Accountable Body to undertake the public funding accountability responsibilities for administering funds and must also review and approve this Framework.
- 3.3.5 The Business Board is committed to transparent and accountable decision-making processes. By bringing together the Business Board and the Combined Authority we combine the best of private sector expertise and public sector knowledge, transparency and accountability.
- 3.3.6 Prompted by Government's Strengthened Local Enterprise Partnerships Review, which called for local areas to reach solutions to remove the delivery geography overlap between LEPs, the Business Board has become coterminous with the CPCA geography.
- 3.3.7 To formalise the coterminous approach, the Business Board has entered into Strategic Partnership Agreements (SPAs) to transfer delivery of services in overlap areas to neighbouring LEPs. SPAs have been agreed with New Anglia LEP, South East LEP, Hertfordshire LEP and Lincolnshire LEP. HMG's Cities and Local Growth Unit (CLGU) have been consulted on the CPCA's adopted approach to resolving the LEP overlaps and have confirmed all previous overlap issues between the CPCA Business Board and its neighbouring LEPs as concluded.

3.3.8 Government has produced the following revised LEP boundary map showing the new LEP geographies demonstrating the Business Board geography is now confirmed as coterminous with the CPCA geography:



3.3.9 The red line denotes the area covered by the Cambridgeshire and Peterborough Combined Authority and Business Board:



3.3.10 The Business Board is the principal forum for collaboration between the public and private sectors, for improving the economy of Cambridgeshire and Peterborough. In 2014, the Government announced the first wave of Growth Deals, making investment via its Local Growth Fund. Also, Government announced allocation of the Getting Building Funding in summer 2020. To date, the Business Board (via the former Local Enterprise Partnership) has been awarded £161m via three rounds of Growth Deal funding and the Getting Building Funding allocations.

3.3.11 The Business Board provides leadership in the arena of economic growth across its area. Comprising business leaders from key industry sectors, it provides expert knowledge and insight into economic growth-related activities in its area and leads the development of the Industrial Strategy.

3.3.12 The Business Board is building on the strength of its existing partnership with neighbouring Local Enterprise Partners by collaborating on common issues and is currently leading on multi LEP programmes on Energy and Agri-Tech. It will continue to work collaboratively across the wider region and envisages working more closely with other Local Enterprise Partners that are outside the current Local Enterprise Partnership area potentially through new collaborations and funding agreements.

- 3.3.13 The Business Board comprises a blend of industry leading experts from the private sector, alongside representatives from the public sector and education communities. It is chaired by a private sector representative and brings together some of the brightest entrepreneurial minds in our area.
- 3.3.14 The Chair and Vice Chair of the Business Board are private sector representatives. The Chair will lead on building the reputation and influence of the area at a national and international level and chairs Business Board meetings. The Chair is also a voting member of the Cambridgeshire and Peterborough Combined Authority Board. The Vice Chair will be available to deputise for the Chair as required.
- 3.3.15 The Business Board has a designated small business (SME) champion who will lead the engagement with small businesses across the area and represents their views at Board level. Given the makeup of the local business community, this is a vital role on the Board.
- 3.3.16 All of the Board Members operate in an open and transparent manner and conduct themselves in accordance with 'The Seven Principles of Public Life' otherwise known as the Nolan Principles, and Code of Conduct.
- 3.3.17 The Business Board is committed to diversity and has a Diversity Statement in place to help guide Board appointment decisions.
- 3.3.18 The Business Board's Executive Team includes an experienced Chief Executive, S73 Officer (CPCA S73 Officer), Monitoring Officer, Directors, Programmes Managers and others to ensure that the organisation is run in a proactive, impact driven and fully compliant manner.
- 3.3.19 The other public and private sector members of the Local Enterprise Partnership support the Combined Authority's work by:
- Supporting and offering advice to the Combined Authority on their responsibilities.
  - Championing and promoting specific initiatives from the perspective of business.
  - Influencing the development of the Combined Authority's strategies and policies, including as lead organisation for the development of the Local Industrial Strategy at the invitation of the Combined Authority.
  - Representing the Cambridgeshire and Peterborough Combined Authority nationally and internationally.
  - Ensuring a strong business influence over decision-making.
  - Supporting the development and delivery of the CPIER and the Mayor's Sustainable Growth Ambition Statement.
- 3.3.20 The Business Board is an active member of the national Local Enterprise Partnership Network and will continue to be so. This includes participation in

both Local Enterprise Partnership Chair and officer level meetings.

- 3.3.21 **Enterprise Zones:** The Business Board retains strategic oversight and governance of the Enterprise Zones, and delegates programme delivery to the Alconbury Weald Enterprise Zone Programme Board and Project Boards for Cambridge Compass Enterprise Zones. These Boards will drive forward the regeneration and economic growth opportunities of Enterprise Zone sites and will be responsible for reporting to both the Business Board and Combined Authority Board as the accountable body.
- 3.3.22 These Enterprise Zone Boards comprise of Combined Authority officers, Local Authority representatives and key stakeholders. Each is responsible for delivering the programmes and projects associated with the regeneration and development of the Enterprise Zone site.
- 3.3.23 **The Eastern Agri-Tech Growth Initiative & Agri-Tech Programme Board:** The Eastern Agri-Tech Growth Initiative is overseen by the Eastern Agri-Tech Programme Board. Membership of the Programme Board includes experts with experience and knowledge of agriculture and the food industry, including research, farming and food processing.
- 3.3.24 The Programme Board's main task is to consider and make decisions on applications for grant support. All applications are initially appraised by external independent assessors and follow the process set out in the Constitution. Copies of the Eastern Agri-Tech Growth Initiative Guidance Notes and Pre-Qualification Questionnaire (the simple eligibility form) can be found on the Combined Authority and Business Board website.
- 3.3.25 The Eastern Agri-Tech Growth Initiative has its own monitoring and evaluation arrangements, but these do link to the Combined Authority Monitoring and Evaluation Framework.
- 3.3.26 Agri-Tech is one of our strategic growth sectors identified by the CPIER; our ambition is to use the Local Industrial Strategy to step up our programme to ensure we are the "go to" UK centre for Agri-Tech. Agri-Tech also features within our Skills Strategy.
- 3.3.27 The Combined Authority Board delegates decisions about applications for the grant funding for the Eastern Agri-Tech Programme to the Eastern Agri-Tech Programme Board. Specifying that that the Programme Board became a sub-Board of the Business Board and that a member of the Business Board (nominated by the Business Board) became the Chair of the Programme Board. This would strengthen existing governance arrangements and provide continuity between the two Boards. The agenda and decisions of the Programme Board would be published on the Combined Authority/Business Board web site (with names of individuals redacted) in accordance with the transparency arrangements set out in the Business Board constitution. This will ensure that the operation of the Agri-Tech programme is consistent with the Assurance Framework for the Business Board and Combined Authority. The Cambridgeshire and Peterborough Combined Authority is the Accountable

Body for the Eastern Agri-Tech Growth Initiative.

- 3.3.28 The Programme Board's Secretariat is provided by the Cambridgeshire and Peterborough Combined Authority's Agri-Tech Project Officer, who is a very experienced programme manager and ensures that the Programme Board operates effectively, that its decisions are sound and that the Eastern Agri-Tech Growth Initiative is successful and delivers meaningful outcomes.
- 3.3.29 The Terms of Reference (TOR) for the Eastern Agri-Tech Programme Board have been agreed and appear on the Combined Authority/Business Board web site. The TOR can be seen on the CA/Business Board website.
- 3.3.30 **The Greater South East Energy Hub & Energy Hub Board:** The Energy Hub is funded by the Department for Business, Energy & Industrial Strategy (mc) and overseen by the Hub Board. Membership of the Hub Board includes an officer representative from each of the eleven Local Enterprise Partnerships served by the Hub.
- 3.3.31 The Hub Board is the strategic body responsible for taking decisions on Energy Hub business and programme activity. The Hub Board's main task is to approve the allocation and leverage of funds for the Local Energy Capacity Support Programme. The Hub Board are responsible for oversight of the Rural Community Energy Fund (RCEF) Funding Panel; a Hub Board subordinate body that makes decisions on grant applications. All applications are initially appraised by external independent assessors and follow the process agreed with Government. Copies of the RCEF guidance notes and Expression of Interest form can be found on the RCEF website.
- 3.3.32 The Energy Hub has its own project assessment frameworks, monitoring and evaluation arrangements but these do link to the Combined Authority Monitoring and Evaluation Framework.
- 3.3.33 Clean growth is one of the Grand Challenges in the Industrial Strategy. The transition to local low carbon energy is set out in the Local Energy East Strategy and the CPIER recognises the need for a roadmap to decentralised smart energy systems.
- 3.3.34 The Business Board and the Cambridgeshire and Peterborough Combined Authority have agreed that the Combined Authority would be the Accountable Body for the Energy Hub and that the Energy Hub would assume the RCEF management role and administer the Fund. They also agreed the Hub Board terms of reference recognising it as a decision-making body for the Hub.
- 3.3.35 The agenda and decisions of the Hub Board will be published on the Combined Authority/Hub Board website (with names of individuals redacted). This will ensure that the operation of the Energy Hub is consistent with the Assurance Framework for the Business Board and Combined Authority. The Cambridgeshire and Peterborough Combined Authority Board is the Accountable Body for the Energy Hub Initiative.
- 3.3.36 The Programme Board's Secretariat is provided by the Cambridgeshire and

Peterborough Combined Authority's Regional Energy Hub Manager, who ensures that the Hub Board operates effectively, that its decisions are sound and that the Greater South East Energy Hub is successful and delivers meaningful outcomes.

3.3.37 The Terms of Reference (TOR) for the Hub Board have been agreed and appear on the Combined Authority/Energy Hub web site. The TOR can be seen on the Combined Authority/Energy Hub website.

### **Membership of the Business Board**

3.3.38 The Business Board has been reviewing its membership in response to the national Local Enterprise Partnership review (Mary Ney, 2017) and government's response "Strengthened Local Enterprise Partnerships" (July 2018). The current membership comprises of fourteen members, which includes two public sector members and up to twelve business representatives as follows:

- The Mayor and the Portfolio Holder for Economic Growth of the Cambridgeshire and Peterborough Combined Authority shall be non-voting members of the Business Board by virtue of their office. Thus, ensuring a close working relationship between the Combined Authority and the Business Board.
- Twelve private sector members appointed from the key sectors across the Cambridgeshire and Peterborough area.
- One of the twelve private sector members is appointed specifically to represent the interests of the Small and Medium Sized Enterprises (SME) sector, one member represents the education sector and one member is appointed as an international business representative.

3.3.39 The Business Board membership meets the requirements for two thirds of the members to be private sector representatives and does not exceed the maximum of 20 members. Whilst all appointments to the Business Board have been made on merit, in accordance with Government requirements the Business Board will aim to improve the gender balance and representation of those with protected characteristics on its board with the following aims:

- That women make up at least one third of Business Board.
- With an expectation for equal representation by 2023.
- Ensure its Board is representative of the businesses and communities they serve including encouraging local Business Representatives Organisations and Trade Unions to apply for membership of the Business Board.

3.3.40 The Business Board will regularly review its gender balance on the Business Board and any committees.

3.3.41 The Business Board Constitution sets out its role, the principles of membership and the terms of office.

- The term of office for **private sector representatives** will normally be a maximum of three (3) years, and subject to a maximum of one consecutive term.

- The term of office of **public sector** members appointed by the Combined Authority is at their discretion; the Mayor is a member by virtue of his office.
- 3.3.42 The Chair of the Business Board may appoint **up to five** co-opted members as necessary to complement the skills and expertise on the Board or to meet gender balance and protected characteristic requirements. Membership may not exceed 20 members and up to five co-opted members.
- 3.3.43 Private sector members all have expertise and knowledge of our key sectors. These details together with their biographies are published on the Business Board website including a designated SME representative.

### **Chair and Vice-Chair of Business Board**

- 3.3.44 The Constitution requires that the Chair and Vice-Chair must be the private sector representatives of the Board.
- 3.3.45 The terms of office of the Chair and Vice-Chair will be for three (3) years with one consecutive term permitted upon unanimous vote of the Board members present and voting.
- 3.3.46 There is an option to extend the term of office for the Chair and Vice-Chair for a further three years in exceptional circumstances if approved by the Board.
- 3.3.47 The Chair is a voting member of the Cambridgeshire and Peterborough Combined Authority Board.
- 3.3.48 “Strengthened Local Enterprise Partnerships” stipulated a maximum membership of 20 members with 2/3<sup>rd</sup>s from the private sector and to aim to have a 50/50 gender balance by 2023.
- 3.3.49 Following the revised Assurance Framework Guidance (January 2019), Higher Education and Further Education will represent the private sector on the Business Board.
- 3.3.50 The Business Board Constitution states that private sector members including the Chair shall be appointed following an open, transparent and non-discriminatory recruitment process which assesses each candidate on merit carried out in accordance with its Diversity Statement, Government Guidance and the Nolan Principles. This will include a public advertisement and an interview process conducted by the relevant Business Board’s appointments panel. The Business Board will consult widely and transparently with the business community before appointing a new Chair. When vacancies become available for private sector Business Board members, they will be advertised on the Combined Authority website. In addition, social media will be used to raise awareness of the opportunities, particularly among under-represented groups. A recruitment panel (including the Cambridgeshire and Peterborough Mayor and Business Board Chair) assesses applications received and makes a recommendation to the Combined Authority Board for approval of appointments.
- 3.3.51 All Business Board members (public and private) are expected to conduct themselves in accordance with the seven principles of public life. This is set out

under the Code of Conduct detailed in the Combined Authority Constitution and provided to all new Business Board members in their induction information. All members sign up to the code of conduct and the Nolan

principles. As stated in its constitution, all Business Board and sub- committee and sub-group members will make decisions on merit having taken into account all the relevant information available at the time.

3.3.52 All new members of the Business Board receive a comprehensive induction to ensure they have the knowledge and understanding needed to effectively fulfil their duties in the role. To bring an element of consistency to the induction, a presentation based training tool has been introduced to all members, and to which new Business Board members can refer and at their convenience. The Business Board induction covers the following elements:

- CPCA Assurance Framework
- Governance & Constitution
- Nolan Principles – member roles and responsibilities
- Business Board Landscape - purpose and key tasks
- Annual Performance Review – Business Board effectiveness
- Strategy & Delivery
- Succession Planning & Future Funding Strategy

### **Wider Business and Public Engagement**

3.3.53 The Combined Authority and Business Board recognise that the private sector members cannot represent the views of all business in the Cambridgeshire and Peterborough area. Therefore, a variety of engagement mechanisms are utilised to ensure that the broader business community has the ability to influence strategy and policy development, our investment priorities and to be actively engaged in the delivery of some of our activities, particularly around supporting careers development with schools. This includes, through the business networks and groupings that officers of the executive engage with as part of their activity, as well as specific engagement sessions – such as business roundtables to inform strategy and policy development.

3.3.54 Strategy and policy documents are developed through engagement with partners and key stakeholders and are subject to consultation. Each consultation will vary depending on the topic but will meet all statutory requirements. However, drafts are formally considered in public at the Combined Authority Board with papers published in advance of the meeting.

3.3.55 Evidence of effective public engagement includes the work on the CPIER and Local Industrial Strategy referred to in section 2. A review of engagement activity and impact will be undertaken annually as part of the annual Delivery Plan from 2020. The annual Delivery Plan will be published at the beginning of each financial year on the website.

### **Secretariat Arrangements**

3.3.56 In accordance with Government requirement, an independent secretariat and a designated Chief Officer were appointed to support the Business Board. The

Chief Officer is supported by a Business Board S73 (BB S73) Chief Finance

Officer and Monitoring Officer appointed separately to the statutory officers who support the Combined Authority Board.

### **Local Area Agreement**

- 3.3.57 In accordance with Government requirements for mayoral areas there is a requirement for a Local Agreement between the Business Board and the Cambridgeshire and Peterborough Combined Authority and the Accountable Body setting out the responsibilities of the Chair, Board and Accountable Body. The Accountable Body agreement is embedded in the Business Board's terms of reference and constitution.

## **3.4 Decision Making for the Cambridgeshire and Peterborough Investment Funds**

- 3.4.1 Cambridgeshire and Peterborough Combined Authority is its own Accountable Body for all funds received by Government and is the Accountable Body for the Business Board.
- 3.4.2 The Cambridgeshire and Peterborough Combined Authority Constitution sets out the basis of how decisions will be taken within our Combined Authority, in keeping with principles of democracy and transparency and with effective and efficient decision-making. The Constitution takes on board the changes relating to the Business Board, as a result of the national Local Enterprise Partnership review.
- 3.4.3 Investment decisions using public funds will be made with reference to statutory requirements, conditions of the funding, local transport objectives and through formal LEP involvement. The Monitoring Officer reviews all proposed funding decision and their comments are included in all public or delegated power reports. The CPCA S73 Officer reviews all funding decisions recommended to the Combined Authority Board and their comments are included in all public or delegated power reports. The BB S73 Officer reviews all funding decisions before recommendation to the Business Board, their comments are included in all public reports.

### **CPIER and the Mayor's sustainable growth ambition statement and Investment Planning**

- 3.4.4 The Combined Authority Board provides the overall strategic direction for economic growth in Cambridgeshire and Peterborough, approving the CPIER and the Mayor's Sustainable Growth Ambition Statement and associated thematic strategies and plans.
- 3.4.5 The Combined Authority Board sets out the investment priorities for Cambridgeshire and Peterborough through the Medium-Term Financial Plan and the Business Plan. This includes named prioritised projects which are allocated against either revenue or capital funds.

## **Decision process for Business Board and Combined Authority Board projects**

- 3.4.6 For new programmes/projects, the detailed consideration of whether the programme/project represents value for money, has realistic delivery timescales and processes, and will deliver the outputs and outcomes in line with our strategic documents is undertaken through the development of a Project Initiation Document (PID) and Business Case. Or in the case where the Combined Authority or the Business Board are assigned a Lead Authority role by Government to administer national funding schemes then the prescribed project application form and assessment criteria process would be used for decision making.
- 3.4.7 A PID is used to identify the expected expenditure, project governance, timescales for delivery and proposed outcomes, and to enable more informed financial and output profiling in line with the Medium-Term Financial Plan. This is an internal project management document and will be prepared by the Project Manager.
- 3.4.8 The PID provides a first view of how, what and when the project will deliver against the Mayor's Sustainable Growth Ambition Statement, the Local Industrial Strategy and the Business Plan.
- 3.4.9 The PID includes an initial climate assessment proportionate to the level of detail at the PID stage.
- 3.4.10 Once approved, the project can then be developed into a Business Board or paper for approval at the Combined Authority Board meeting.

### **Decision process for Business Board**

- 3.4.11 The Business Board will review the Business Case for Business Board funded projects and make recommendations to the Combined Authority Board, as Accountable Body, to approve the funding.
- 3.4.12 In order to ensure that the Business Board is able to progress its business in an efficient manner, the Business Board has an urgency decision making procedure which is set out in its constitution. Decisions and actions taken will be retrospectively reported to the next meeting of the Business Board
- 3.4.13 In addition to the delegations in the Combined Authority Constitution, the Business Board and Combined Authority Board has delegated limited authority to the Director of Business and Skills to approve small grants to SMEs between £2,000 and £20,000 subject to Section 73 Officer approval, and regular reporting to the Business Board;
- 3.4.14 Business cases approved at the Business Board and Combined Authority Board are published on the Combined Authority website, as part of the monthly Board papers.

- 3.4.15 Work from the HM Treasury on Green Book guidance has created a benchmark and guidance that has been built into Business Case templates and for when procuring Business Cases; all Business Cases must adhere to the 5-case model. This forms the evidential basis on which the need for intervention is based and will help ensure programmes and projects are identified based on need and opportunity.
- 3.4.16 Decisions within the Scheme of Delegation and taken under delegated powers are recorded through the Officer Decision Notice process, with supporting

Business Cases available on request. The Officer Decision Notices are published on the Combined Authority website.

- 3.4.17 All reports to the Business Board and any committees, include the application for funding, appraisal of application, legal and finance expert' view and recommendations. The BB S73 Officer signs off all Business Board expenditure

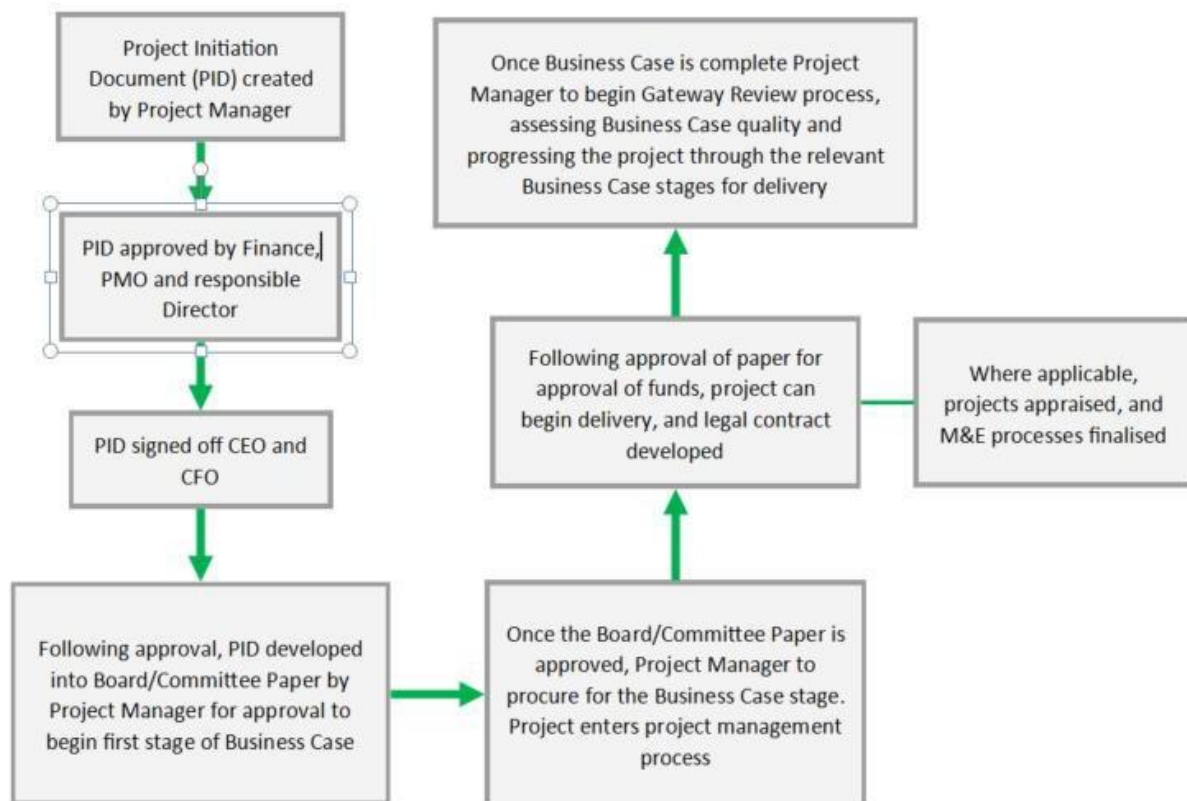
### **Summary of Scheme of Delegations for Business Board**

The scheme of delegation specific to local enterprise funding is set out in the Business Board's constitution and is summarised in Appendix 2. The Combined Authority Constitution also applies to all Business Board and officer decisions.

### **Decision process for Combined Authority Board**

- 3.4.18 The Combined Authority Board will approve the Business Cases for Combined Authority funded projects and will approve the Business Case recommended by the Business Board.
- 3.4.19 Business cases and appraisal documentation submitted to the Combined Authority Board will be published on the Combined Authority website with Board papers, subject to any exemptions applied as set out in the transparency rules within the Constitution.
- 3.4.20 Decisions within the Scheme of Delegation and taken under delegated powers are recorded through the Officer Decision Notice process, with supporting business cases available on request. The Officer Decision Notices are published on the Combined Authority website.
- 3.4.21 The decision-making process and governance arrangements are illustrated in the diagram below:

## Decision Making Process



### **Decision process for new programmes/projects not in the Business Plan and not within a named budget allocation**

- 3.4.22 New opportunities or challenges will arise and programmes/projects that are not currently in the Business Plan will need to be considered to address them. If these new programmes/projects are not accommodated within the current Medium-Term Financial Plan, they will need to be considered by the Combined Authority Board for entry to the Budget and Business Plan.
- 3.4.23 The Business Plan and Medium-Term Financial Plan are normally set annually but can also be refreshed within the year where there are extraordinary unforeseen circumstances.
- 3.4.24 New projects which are accepted would then proceed to follow the PID development and be taken to the Combined Authority Board for decision.

### **Role of the Cambridgeshire and Peterborough Executive Management Team**

- 3.4.25 The Cambridgeshire and Peterborough Executive Team is made up of members of the Combined Authority's senior officers: Chief Executives, Section 73 Officer, and Directors. The Management Team meets regularly and has an oversight role of the work of the Combined Authority.

## **3.5 Decision Making for the Adult Education Budget**

- 3.5.1 Investment decisions on the use of the Adult Education Budget will be made with full consideration to the statutory entitlements:
  - 3.5.1.1 English and Maths, up to and including level 2, for individuals aged 19 and over, who have not previously attained a GCSE grade A\* to C or grade 4, or higher, and/or.
  - 3.5.1.2 First full qualification at Level 2 for all, and/or.
  - 3.1.5.3 First full qualification at level 3 for individuals aged 19 to 23.
  - 3.1.5.4 Essential Digital Skills qualification, up to and including level 1 for individuals aged 19 and over who have digital skills assessed at below level 1.
- 3.5.2 The Combined Authority submitted its Strategic Skills Plan to government in May 2018 as part of the readiness conditions requirements set by the Department for Education.
- 3.5.3 Local and national partners have been fully engaged throughout the development phase for the processes and priorities for the funding award and during the funding award phase. This has included providing regular communications via our website, hosting three strategic events for all local and national providers, and participating in provider network meetings that have met regularly since 2018. The Provider Networks comprised local Further

Education and Local Authority providers, , the Association of Colleges, Independent Training Providers and the Association of Employment and Learning Providers.

- 3.5.4 The Combined Authority Board is the final decision-making body for funding awards. An initial grant and commissioning process was launched on 1st December 2018 and closed in March 2019. Appraisals were carried out on the submitted delivery plans requesting funding by the Combined Authority officers. A moderation panel of internal senior managers consider recommendations and make final recommendations for approval. The Director of Business & Skills in consultation with the Portfolio Holder for Skills to approve funding awards.
- 3.5.5 The commissioned contracts that were awarded in 2019 are now coming to the end of the 3 year terms (at the end of the current academic year, 31<sup>st</sup> July 2022), and officers are due to launch a second commissioning process to ensure new providers are awarded with contracts and ready to deliver from 1<sup>st</sup> August 2022.
- 3.5.6 Following devolution of the Adult Education Budget, we have been asked to submit an Annual Report to Government providing an update on the delivery of the functions, as part of the wider monitoring and evaluation submissions that all mayoral Combined Authorities were required to submit as part of devolution agreements. Officers submit reports annually in January, reporting on the previous academic year findings and referencing the most up to date publicly available data. Submissions include but are not limited to:
  - 3.5.6.1 Policies for adult education
  - 3.5.6.2 Spend
  - 3.5.6.3 Analysis of delivery from within our region
  - 3.5.6.4 Local impact

## 3.6 Statutory Committees

- 3.6.1 As a Mayoral Combined Authority, we are constitutionally required to have the following Committees within our Governance structures:

**Overview & Scrutiny Committee:** Reviews decisions made, to ensure they meet the needs of the people of Cambridgeshire and Peterborough and are made in line with our agreed policies; making recommendations where necessary. It has the power to “call in” and delay the implementation of decisions made by the Board. The membership of the Committee comprises 14 members, two nominated from each of the Constituent Authorities.

Members of the Committee appointed reflect the balance of political parties for the time among members of the Constituent Authorities collectively. It also has the power to scrutinise the Business Board.

- **Audit & Governance Committee:** Ensures we are spending public money

properly and have the right systems in place to manage our finances correctly and meet our legal and regulatory responsibilities. The Committee also reviews the corporate risk register on a quarterly basis. The membership of the Committee is one member from each Constituent Authority. Members of the Committee appointed reflect the balance of political parties for the time among members of the Constituent Authorities collectively. The Committee is chaired by an independent Member. The Committee will also oversee the audit and governance arrangements of the Business Board.

- 3.6.2 The terms of reference and membership of these Committees is detailed in the Combined Authority Constitution.
- 3.6.3 There are also three executive Committees of the Combined Authority: Skills, Transport and Infrastructure, and Housing and Communities. These executive Committees take decisions within the strategic and budgetary framework agreed by the Combined Authority Board.



## 3.7 Role of the Statutory Officers

3.7.1 The Combined Authority appoints four Statutory Officers who each have a formal role of discharging the duties and obligations on its behalf. The roles are detailed in the Combined Authority Constitution but briefly comprise of:

- **Head of Paid Service:** The Chief Executive fulfils the role of the Head of Paid Service. The Head of Paid Service discharges the functions in relation to the Combined Authority as set out in section 4, Local Government and Housing Act 1989 and act as the principal advisor to the Business Board.
- **Section 73 Officer:** The Chief Finance Officer fulfils the role of Section 73 Officer in accordance with the Local Government Act 1985 to administer the financial affairs of the Combined Authority and Business Board. The Section 73 Officer is responsible for providing the final sign off for funding decisions. The Section 73 Officer will provide a letter of assurance to government by 28<sup>th</sup> February each year regarding the appropriate administration of government funds for which the Cambridgeshire and Peterborough Combined Authority are responsible. As set out in paragraph 3.3.56, in order to provide an independent secretariat to the Business Board the Combined Authority's Section 73 Officer delegates responsibilities in relation to the Business Board to their deputy, referred to as the Business Board Section 73 in this document.
- **Monitoring Officer:** The Monitoring Officer fulfils their role in accordance with the Local Government Act 1972 to administer the legal duties of the Combined Authority and Business Board.
- **Scrutiny Officer:** To promote the role of and provide support to the Overview and Scrutiny Committee.

3.7.2 In addition to these statutory roles the Combined Authority has nominated officers to ensure that we meet our obligations under the Data Protection Act 2018 and information governance. These are:

- **Senior Information Risk Officer (SIRO)** - The Monitoring Officer is the SIRO for Information Governance. The SIRO is responsible for the Strategy, acts as an advocate for good practice and is required to provide a statement of assurance as part of the Combined Authority's Annual Governance Statement.
- **Data Protection Officer** – The Deputy Monitoring Officer is the Data Protection Officer responsible for providing advice and guidance on the Data Protection Act 2018.

## **4. Accountability and Transparent - Supporting Policies and Procedures**

### **4.1 Working Arrangements, Meeting Frequency and Transparency**

4.1.1 The Combined Authority is subject to a robust transparency and local engagement regime. The Combined Authority's Constitution includes how agendas, minutes and papers will be made available to the public and when.

4.1.2 The Combined Authority Board:

- Is subject to the Transparency Code applied to local authorities.
- Will ensure all meetings of the Combined Authority Board and other statutory committees are open to the public and appropriately accessible.
- Will make sure all meeting agendas, papers (when not exempt or confidential as set out in the transparency rules within the Constitution), and minutes are published on the Combined Authority website, within the minimum statutory timescales – an agenda will be published five clear working days before the meeting. Decisions made at a meeting will be published no later than the close of business on the third clear working day following the day of the meeting at which the decision was made. Draft minutes will be published within 12 clear working days of the meeting taking place and final minutes within two clear days of approval where changes are made.
- All Decision Notices will be published in line with statutory requirements and any key decisions are subject to call in.
- Will make clear the approach to making investment decisions in the Combined Authority Constitution.
- Will publish (online) all funding decisions, including funding levels through Business Board and Combined Authority agendas and minutes and through the Mayoral and Officer Decision Notice register where decisions are taken under delegated powers.
- Growth fund updates are submitted to the Business Board at each meeting. The Combined Authority has a performance management system which includes quarterly reports to the Combined Authority Board on delivery of key priority projects in the Business Plan by exception and monthly budget monitoring updates.
- As the accountable body for the Business Board funding, the Combined Authority Board will review and ratify funding decisions made by the Business Board for legality and value for money and will hold a record of all relevant documentation relating to government funding allocated

to the area.

- 4.1.3 For ease of access the Combined Authority website has a transparency section and a separate meetings section which contain all information on the Combined Authority governance arrangements, agendas and papers and the Combined Authority Board Forward Plan.
- 4.1.4 The Combined Authority Board meets bi-monthly. The Combined Authority publishes a Forward Plan on the Combined Authority website, which is legally-required with a statement of all key decisions together with all non-key decisions we plan to take over the next four months. Confirmed items are published 28 clear days in advance of a decision being made.
- 4.1.5 In addition to the Combined Authority Board, the Business Board meets bi-monthly. The Business Board shall have at least one meeting a year that will be open to the public to ensure the communities that they represent can understand and influence the economic plans for the area.
- 4.1.6 No business may be transacted at a meeting of the Business Board unless there is a quorum. The quorum requires a majority of the total number of Members of the Board to be present which should include the majority of private sector members and at least one public sector member.
- 4.1.7 All other meetings of the Business Board shall be open to the public unless determined otherwise by the Chair. This enables commercially confidential items to be discussed and for open and frank exchanges of information and views to be expressed that might not otherwise be expressed in an open forum. This forms an important element within the Combined Authority governance arrangements.
- 4.1.8 Business Board agendas and reports will be published 5 clear days prior to the meeting and minutes of these meetings will be published on the website within 10 clear working days of the meeting and the agreed minutes will be published within 2 clear working days after approval at the subsequent meeting.
- 4.1.9 Information regarding activity being undertaken by the Combined Authority is available on the website. This includes the publication of key documents such as the CPIER and the Mayor's Sustainable Growth Ambition Statement, the Cambridgeshire and Peterborough Business Plan, the Combined Authority Local Assurance Framework, as well as details of the regular programme of events to provide ongoing engagement with public and private partners across the Cambridgeshire and Peterborough area. Regular news updates on activity underway are also provided through dedicated pages on social media outlets including LinkedIn, Twitter and Facebook. Additionally, when investment decisions are taken, they are published through the use of press releases and social media.

## **4.2 Publication of Financial Information**

- 4.2.1 The Combined Authority is subject to the same financial arrangements as a Local Authority and is legally required to publish its annual accounts, external audit letter and annual governance statement by the end of July each year. The draft statement of accounts is signed by the CPCA S73 Officer and published (on the Cambridgeshire and Peterborough Combined Authority website) by 31st May. The final set of financial statements are signed by the CPCA S73 Officer and the Chair of the Audit and Governance Committee and published by the 31st July.
- 4.2.2 The Annual Governance Statement will be published in draft by 31st May, and the final version to be signed by the Mayor, the Business Board Chair and the Chief Executive and published by 31st July. The Audit and Governance Committee approves the statement of accounts and reviews the Annual Governance Statement prior to approval, in accordance with their terms of reference.
- 4.2.3 It is also used as part of the Annual Conversation each year, to supplement the information provided and discussed on governance arrangements.
- 4.2.4 All payments made on behalf of the Business Board are published in the monthly transparency report by Cambridgeshire and Peterborough Combined Authority.
- 4.2.5 All approvals for new funding are published and monitored. The quarterly return to Government on Growth Fund projects, spend and performance is reported to Business Board and published in the reports, as part of the Business Board agenda. These are uploaded on the Business Board section of the website to increase transparency.

## **4.3 Remuneration and Expenses**

- 4.3.1 Allowances or expenses may be payable to the Mayor and any of the Business Board members, in accordance with a scheme approved from time to time by the Cambridgeshire and Peterborough Combined Authority Board upon the recommendations of an Independent Remuneration Panel.
- 4.3.2 The Combined Authority publishes the following information on its website:
- Confirmation of the allowance payable to the Mayor and Business Board members.
  - Confirmation of any allowances and expenses paid to the Mayor, Business Board Members and independent Chairs of Committees or Panels (published annually).
  - Salaries of senior officers earning more than £50,000 (published annually); together with the numbers of staff who earn over £50,000, in bands.
- 4.3.3 Any scheme of allowances approved for Business Board members and payments made will also be published.

## **4.4 Freedom of Information**

- 4.4.1 The Combined Authority is subject to the Freedom of Information Act 2000 and the Environmental Information Regulations 2004. As Accountable Body for the Business Board, the Combined Authority will also fulfil these functions on behalf of the Business Board. The Combined Authority will hold records and will be the focal point for statutory information requests. Applicants are made aware of their right to access information through the Combined Authority, which will deal with the request in accordance with the relevant legislation. As set out in this section, the Combined Authority aims to publish as much information as possible so that Freedom of Information requests are less necessary. A publication scheme is on the website and answers to previous requests are also published on the website.

## **4.5 Conflicts of Interest**

- 4.5.1 The Combined Authority has a Code of Conduct which applies to all members of the Combined Authority, the Business Board, all committee members and the officers who form part of any decision-making body e.g. the Chief Executive. The Code of Conduct requires all those identified to avoid any conflicts of interest.
- 4.5.2 Each member of the Combined Authority is also required to complete a written declaration of interest for the purposes of their organisations and their individual personal interests covering a broad range of activities/ownership. Individual declarations of interest forms are completed annually following members' appointment at the Combined Authority annual meeting. Declarations of interest are requested at the start of each meeting and declared and recorded within the minutes. The registers of interests are updated, as appropriate, following each Combined Authority meeting.

## **4.6 Gifts and Hospitality**

- 4.6.1. Any gifts and hospitality received by members and officers will be declared under the relevant members name and any declarations declared by members will be published on the website. The register of gifts and hospitality declared by Business Board members is published under the governance page of the Business Board section of the website. All offers of gifts and hospitality of £50.00 or more in value, including any offers of sponsorship for training or development, whether or not they are accepted, must be recorded promptly (and by no later than 28 days from the date of the offer) in a register held by the Combined Authority. A six monthly reminder will be sent to all members and officers. The Combined Authority also has a protocol on Gifts and Hospitality which applies to all members.

## 4.7 Complaints and Whistleblowing

- 4.7.1 If it is alleged that the Combined Authority is (a) acting in breach of the law, (b) failing to adhere to its framework, or (c) failing to safeguard public funds, complaints (from stakeholders, members of the public or internal whistleblowers) should be handled under the complaints policy.
- 4.7.2 The Business Board and the Combined Authority have adopted a confidential complaints procedure and whistleblowing procedure, which are both published on its website. Any complaints will be dealt with in accordance with its approved complaints process.
- 4.7.3 Where the Combined Authority cannot resolve the issue locally to the complainant's satisfaction, and the matter relates to the Cambridgeshire and Peterborough's Single Pot funding, the issue may be passed to the **Department for Levelling Up, Housing and Communities (DLUHC)** ) or other relevant departments, such as the Department for Transport (DfT), as appropriate to the complaint in question. If the complainant is not satisfied with the response, they can raise it with the Local Government Ombudsman.

## 4.8 Diversity Statement

- 4.8.1 As detailed previously the Combined Authority is fully committed to diversity and equality. The Business Board has a published Diversity Statement which explains how it looks to ensure diverse representation available on the Business Board website.

## 4.9 Government Branding

- 4.9.1 The Combined Authority is committed to meeting Government branding guidelines for projects in its Local Assurance Framework. This includes the branding guidance issued to LEPs for the Local Growth Fund. The correct branding and wording is used on the Business Board and subsidiary websites. Guidance will be produced for signage, social media, press notices and other marketing materials for every Government funded project.
- 4.9.2 A summary of the Governance framework and checklist is set out in Appendix 3.

## 5. Robust Decision Making

### 5.1 Principles

- This section details the processes and procedures that are in place to ensure we make robust investment decisions with funds devolved to the Combined Authority. These are in addition to those identified within the Accountability, Openness and Transparency sections above. The processes and procedures will:
- Achieve value for money in spending public funds through ensuring that all projects contribute to the objectives of the Combined Authority via adherence to the Green Book principles, specifically -
  - Unless fulfilling a statutory requirement, all business cases must demonstrate a strong fit with the strategic objectives of the relevant Board.
  - For the Combined Authority this is as set out in the Devolution Deal, Sustainable Growth Ambition Statement, and evidenced in the CPIER. Where there are relevant strategies approved by the Combined Authority the case must also demonstrate alignment to these (e.g. Local Industrial Strategy, Local Transport Plan, Skills Strategy, Non-Statutory Spatial Framework).
  - For the Business Board the strategic objectives are those set out in the Local Industrial Strategy, and sector-based strategies, that the Business Board have endorsed.
  - All business cases must clearly set out the key objectives of the project, how these contribute to the achievement of the relevant Board's strategic objectives, as well as how these will be delivered and measured. Where a project is part of a programme the case must also set out how it fits in to that programme.
- At the Outline Business Case and Full Business Case stages, Benefit Cost Ratios (BCRs) will be calculated for the options being considered, including the do-minimum option, and the options will be presented alongside any unmonetisable benefits so that decision makers can see the additional costs of these benefits, and make an informed decision as to whether the cost is worth paying.
- Ensure an appropriate separation between project development and project appraisal, with Independent Value for Money (VFM) Assessment and Business Case Assurance, for all Growth Deal funded schemes and Single Pot Transport projects with a project value greater than £5m by our contracted business case assurance contractor. Transport schemes below £5m will be assessed and signed off independently of the scheme promoter by the Chief Finance Officer with support from an experienced transport modeller, where schemes are below £5m at Full Business Case (FBC) and are of significant complexity or importance an independent assessment may be requested by the Chief Finance Officer from our contracted independent assessment supplier prior to sign off as previously stated.
- Appraise projects in a way which is consistent with the Green Book 'five cases' model and proportionate to the funding ask in terms of processes required.
- Ensure that the money spent results in delivery of outputs and outcomes in a timely fashion, and in accordance with the conditions placed on each investment, and by actively managing the investment to respond to changing circumstances (for example, scheme slippage, scheme alteration, cost increases etc).
- Implement effective evaluation to demonstrate where programmes and projects have achieved their stated aims and using feedback appropriately to refine the priorities and the

decision-making process.

- Ensure that the use of resources is subject to the usual local authority checks and balances as well as normal local government audit, accounting and scrutiny requirements.

## 5.2 Separation of Development and Appraisal Functions

- 5.2.1 The Combined Authority ensures all funding decisions are based on impartial advice. Project Initiation Documents require approval by the CPCA S73 Officer and Chief Executive while Business Cases created by project managers require approval from Combined Authority Board before commencing to project delivery.

## 5.3 Expressions of Interest/Open Calls

- 5.3.1 In relation to the Funds managed by the Business Board such as its recycled Local Growth Fund, expressions of interest are received for potential funding under calls for project proposals, which are published on the Combined Authority website. Prior to launching a call for Expressions of Interest the call criteria is approved by the Business Board in line with its funding strategy taking account of the Business Boards priorities at that time. These Expression of Interests received from funding calls will be appraised and evaluated by an internal panel with inputs from the appropriate policy lead, legal, procurement and financial officers' under the delegation.. When **full** applications are received, external appraisers will carry out detailed appraisals and, for projects over £500k, the project sponsor must present to an Entrepreneurs Assessment Panel and be scored which counts towards the overall assessment of projects upon which the Business Board considers projects for the award of funding.

## 5.4 Project Initiation Documents (PIDs)

- 5.4.1 PIDs are required for all new programmes and projects and are used to identify the expected expenditure, outputs, governance and outcomes of project delivery.
- 5.4.2 Once approved by the relevant members of the Senior Management Team (Responsible Director, Section 73 Officer and Chief Executive Officer), the delivery of the project concept can proceed.
- 5.4.3 A PID is used to identify the expected expenditure, project governance, timescales for delivery and proposed outcomes, and to enable more informed financial and output profiling in line with the Medium-Term Financial Plan. This is an internal project management document and will be prepared by the Project Manager.
- 5.4.4 The PID provides a first view of how, what and when the project will deliver against the Mayor's Sustainable Growth Ambition Statement, the Local Industrial Strategy and the Business Plan. Detail such as the following will be included:
- The identified Project Manager.
  - Project description including objectives and overview.

- Timescales (high level).
- Project outputs and outcomes against the CPIER and the

Mayor's sustainable growth ambition statement.

- Cost of project (high level), and initial funding required.

5.4.5 It is also during the PID stage where it is recommended a RACI Chart is first developed. From this stage, the internal Project Manager must establish project roles and responsibilities. This will enable a clear escalation process where risks, issues and changes are reported appropriately.

## 5.5 Business Cases

5.5.1 Business cases are designed to enable delivery and are important because projects will only deliver their intended outputs and benefits if they are properly scoped, planned and cost justified from the outset. These Business Cases will require detailed evidenced on the options, designs, delivery and outcomes of the project, along with strategic fit and value for money information to enable informed decision making.

5.5.2 Some categories of projects may have specific Business Case requirements, but most Business Cases are procured externally. The Combined Authority has adopted HM Treasury's Five Case Model, and business cases need to be prepared according to the following elements:

| Five Cases      | Detail   |
|-----------------|--|
| Strategic Case  | The strategic case sets out the rationale for the proposal; it makes the case for change at a strategic level. It should set out the background to the proposal and explain the objective that is to be achieved.  |
| Economic Case   | The economic case is the essential core of the business case and should be prepared according to Treasury's Green Book guidance. This section of the business case assesses the economic costs and benefits of the proposal to society as a whole, and spans the entire period covered by the proposal.  |
| Commercial Case | The commercial case is concerned with issues of commercial feasibility and sets out to answer the question "can the proposed solution be effectively delivered through a workable commercial deal or deals?" The first question, therefore, is what procurement does the proposal require, is it crucial to delivery and what is the procurement strategy?                           |
| Financial Case  | The financial case is concerned with issues of affordability, and sources of budget funding. It covers the lifespan of the scheme and all attributable costs. The case needs to demonstrate that funding has been secured and that it falls within appropriate spending and settlement limits.   |
| Management Case | The management case is concerned with the deliverability of the proposal and is sometimes referred to as programme management or project management case. The management case must clearly set out management responsibilities, governance and reporting arrangements, if it does not then the business case is not yet complete. The Senior Responsible Owner should be identified. |

5.4.3 Reputational due diligence assessment will also be carried out to enable the Combined Authority to gain a comprehensive assessment of possible reputational risk.

- 5.4.4 As part of the financial case, the source of funding will be determined (as part of the review of business cases prior to submission to the Combined Authority or Business Board) and the CPCA S73 Officer (or BB S73 Officer where funding is from within the funds the Combined Authority holds as accountable body to the Business Board) will review the financial case to ensure that, where funding is required from internal Combined Authority sources, it is available and affordable within the Combined Authority's overall resources. The purpose of this is to ensure that the funding requirements of the component elements of the Single Pot are being met, and to enable the effects and outcomes of the component elements of funding within the Single Pot to be tracked.
- 5.4.5 Appraisals will be proportionate to either the estimated scale of budget and/or the level of innovation/risk associated with the programme and in line with established guidance, where appropriate, as set out by HM Government, including:
- HM Treasury Green Book.
  - **DLUHC** Appraisal Guide.
  - HM Treasury Magenta Book.
- 5.4.6 Where a conflict of interest exists, full independent due diligence will be sought. Additionally, the Combined Authority will appoint an independent organisation, through appropriate procurement, to undertake external due diligence when required. The independent organisation works directly with the project applicant to undertake due diligence which then follows the decision-making process.
- 5.4.7 In cases where the investment is to match central government funding, and that government department has undertaken due diligence, the Combined Authority would not need to undertake its own due diligence.
- 5.4.8 The Combined Authority will include reputational checks on organisations (and their group structure including parent organisations), when considering making loans and grants.
- 5.4.9 The Combined Authority's 10-point guide on Project Management provides detail on this decision-making process.
- 5.4.10 **Project Managers will mandate a robust climate change assessment as part of business case development.**
- 5.4.11 **The Combined Authority procurement policy now ensures that climate change implications are included as part of the procurement criteria.**

## **5.6 Relationship with Project Managers – Development to Decision**

- 5.6.1 Throughout the development of PIDs and Business Cases through the appraisal process, the Combined Authority will keep in regular contact with external project managers.
- 5.6.2 An internally named project manager will be assigned to each programme/project where the Combined Authority are not the delivery body. The internal project manager will establish close working relationships with external contacts.

## **5.7 Ensuring Value for Money**

- 5.7.1 As an investor of public funds, the Combined Authority has a responsibility to ensure that its decisions deliver best value for the taxpayer, and therefore all investment opportunities and Business Cases must include an assessment of Value for Money. The Assurance Framework has been developed in line with HM Treasury Green and Magenta Book Guidelines, which require

project managers to build in Value for Money processes throughout the approval stages. In addition, the Combined Authority requires all Business Cases be developed in line with HM Treasury's Five Case Model.

- 5.7.2 The delivery, and costs, of outputs must be quantified within all applications for funding. Assessing Value for Money will be done in accordance with Government guidance; for example, for all Transport and Infrastructure schemes, the use of the benefit cost ratio (BRC) indicator is implemented in line with DfT TAG guidance and DfT's VFM guidance.
- 5.7.3 The Director responsible for project delivery should document they are satisfied with Value for Money requirements. The Section 73 Chief Finance Officer is also required to sign off Value for Money Statements.
- 5.7.4 The key objective of the Assurance Framework is to support the Combined Authority to make judgements about the value for money of potential investments and to accept or reject investments accordingly. However, it is just one of a range of complementary strategic guidance documents developed by the Combined Authority to inform decision making. The following table sets out the framework of strategic documents which will be used to determine the SMART objectives a project must fulfil in order to be included in any longlisting exercise:

| Document Name  | Function   | Date Published                              |
|--|--|---|
| CPIER and the Mayor's Sustainable Growth Ambition Statement 2016-2026. The Industrial Strategy for Cambridgeshire and Peterborough | <ul style="list-style-type: none"> <li>Key strategy document for the region.</li> <li>Sets high level targets (jobs and GVA) for the Combined Authority and develops the rationale for intervention across the region (six keys to sustainable economic growth)</li> </ul>   | November 2018                               |
| Local Industrial Strategy  | <ul style="list-style-type: none"> <li>With a particular focus on productivity the Local Industrial Strategy articulates how the region and its priority industries will contribute to the successful delivery of the UK Industrial Strategy and the key interventions necessary to enable productivity growth in Cambridgeshire and Peterborough.</li> </ul>  | May 2019                                    |
| Skills Strategy  | <ul style="list-style-type: none"> <li>The devolution of some of the skills functions alongside the Adult Education Budget to the CPCA frames the impetus for the Skills Strategy. With a holistic approach being taken to increasing productivity and to growing the social and economic well-being of the local communities, the Skills Strategy and high-level delivery plan have been aligned to the Local Industrial Strategy and the Cambridgeshire and Peterborough Independent Economic Review (CPIER) and its recommendations.</li> </ul> | June 2019<br>(update planned for June 2021) |
| Housing Strategy   | <ul style="list-style-type: none"> <li>Sets out a new, ambitious and flexible approach to accelerating building rates and making homes more affordable in order to help tackle the severe shortage of housing of all types across Cambridgeshire and Peterborough.</li> </ul>  | September 2018                              |

|                                 |  |                                |
|---------------------------------|--|--------------------------------|
| Local Transport Plan            | <ul style="list-style-type: none"> <li>Sets out the vision, goals and objectives that define how transport will support the Combined Authority's Growth Ambition, and our approach to meeting these objectives.</li> </ul>   | February 2020                  |
| Non-Statutory Spatial Framework | <ul style="list-style-type: none"> <li>Sets out strategic planning principles to shape growth to make the economy more inclusive and sustainable, while strengthening communities and enhancing quality of life.</li> </ul>  | Phase 1 2018, Phase 2 ongoing. |
| The Business Plan               | <ul style="list-style-type: none"> <li>Sets output targets both in terms of spend</li> </ul>   | Updated annually               |
| Monitoring and Evaluation Plan  | <ul style="list-style-type: none"> <li>Provides for each theme a capital and revenue logic model including key market failures to be addressed, and a range of indicative activities, outputs, outcomes and impacts, tied back to the achievement of the key performance indicators specified in the Local Industrial Strategy.</li> </ul> | Updated annually               |

## 5.8 Value for Money for Transport Schemes

5.8.1 For transport infrastructure schemes, the Cambridgeshire & Peterborough Combined Authority will ensure that modelling and appraisal is sufficiently robust and fit for purpose for the scheme under consideration, and that modelling, and appraisal meets the guidance set out in TAG.

5.8.2 Furthermore, the Cambridgeshire & Peterborough Combined Authority will ensure value for money and transparency of transport scheme through the following:

- Transport Project Business case assessments [Strategic Outline Business Cases (SOBC), Outline Business Cases (OBC) and Full Business Cases (FBC)] will be based on forecasts which are consistent with the definitive version of NTEM (DfT's planning dataset). We will also consider alternative planning assumptions, **which are in line with our devolution ambition**, as sensitivity tests in coming to a decision about whether to approve a scheme.
- The appraisal and modelling will initially be scrutinised by our external Highways Authority delivery partner planning lead to ensure it has been developed in accordance with the TAG. Independent Value for Money (VFM) Assessment and Business Case Assurance, for all Growth Deal funded schemes and Single Pot Transport projects with a project value greater than £5m will be carried out by our contracted business case assurance contractor. Single Pot funded transport projects with a value below £5m will be considered on a case-by-case basis and in cases of strategic impact or project complexity, an independent value for money statement will be undertaken on a proportionate and appropriate basis.
- Options development will utilise previous studies and reports as well as stakeholder engagement. This approach will enable a broad range of possible measures to be established for consideration when establishing the long list.

- The sifting from long list to short will be based on the criteria used in the Department for Transport Early Assessment Sifting Tool (EAST). At the sifting stage discarding of options will be based on whether those options meet the i) resolution of the issue; ii) achieve the strategic and local objectives iii) and is deliverable and technically sound. A scoring mechanism will be used, usually during a workshop environment, where options are appraised and assigned a negative or positive score. This facilitates an initial ranking of options and unfeasible options will be removed. Further engagement with stakeholders will then be undertaken to facilitate further sifting from the initial long list to a shorter list.
- The short-listed options will then be considered at a technical level and a recommendation provided within the Business Case and supporting papers presented to the Combined Authority Board who are empowered to make funding decisions.
- The Combined Authority will endeavour to always maximise value for money with public funds. This will not always be the same as selecting the shortlisted option with the highest BCR, as there may be unmonetisable benefits and risks that outweigh the lower ratio of monetisable benefits and costs, for example higher contract or delivery risks. The appraisal of unmonetisable benefits should be carried out in accordance with the Green Book and DfT's TAG guidance. The rationale on which a decision is made will be recorded through a combination of the papers presenting the options to the decision maker, and any minutes recording the discussion of the meeting at which the decision was made.
- The Combined Authority acknowledges that there may be cases when the best value way of delivering a project in order to achieve its strategic objectives may have a BCR which is not as strong as the BCR of alternatives which do not align as clearly with the Authority's strategic objectives set out in key policies including the Local Transport Plan. Despite this, it is then for the Combined Authority Board to make a judgement on whether the achievement of those strategic objectives is worth the cost to the Combined Authority.
- The Combined Authority's Chief Finance Officer will sign off all Value for Money statements undertaken whether in the form of a business case or an independent assessment. Decisions will be taken appropriate to scheme phase and greater scrutiny and emphasis on VfM will be undertaken as schemes progress through the SOBC, OBC and FBC process, with greater scrutiny of FBC VfM.
- **Business case publication is notified up to 3 months in advance within the Forward Plan, published on the Combined Authority website and then published as part of submission for decision approval at the Business Board and subsequent Combined Authority Board, before a decision to approve funding is made so that external comment is possible. Opinions expressed by the public and stakeholders are made available to relevant members or boards of either Business or Combined Authority Boards when decisions are being taken. The Forward Plan is formally approved at each monthly meeting of the Combined Authority Board and Business Board.**

## **5.9 Project Approval – Funding Agreement**

For projects being delivered by an external organisation, funding agreements or formal legal contracts will need to be put in place before delivery commences. These agreements are important in setting out project monitoring and evaluation requirements, claims/invoice profile and setting out main tasks and responsibilities, including key conditions of the funding. This information is also recorded throughout the project lifecycle through a RACI chart. Agreements/contracts also set out the recovery and/or clawback arrangements in the event of non-compliance, mis-representation, underperformance, mismanagement and/or a failure to deliver an outcome. Any variations to these funding agreements/contracts must be signed off and approved by the Combined Authority.

- 5.8.2 All Growth Fund schemes, and any other funds delegated to the Business Board, such as Getting Building Fund, will have a funding agreement that sets out the outputs that are required and the schedule of payments that are to be paid. These are examined at each point in the claim.
- 5.8.3 Following approval of a Business Case it may be necessary to complete a range of statutory processes to ensure the project is ready to continue to the next stage. For example, planning permission or a Compulsory Purchase Order. National and local S106 requirements will be followed when gaining planning permission. It may also be necessary to satisfy a number of conditions agreed as part of the Business Case appraisal. Due diligence of such processes/conditions will then be carried out as required prior to the Combined Authority issuing a formal legal contract.

## 6. DELIVERY PHASE

### 6.1 Release of Funding, Cost Control and Contract Management

- 6.1.1 Once a formal funding agreement/contract is in place the programme/project enters the delivery phase.
- 6.1.2 The Combined Authority's Section 73 Officer must certify that funding can be released under the appropriate conditions.
- 6.1.3 Funding claims submitted to the Combined Authority are checked against the approved project baseline information, which is included within the original funding agreement/contract. Payments will be released quarterly in arrears unless otherwise agreed.
- 6.1.4 A mechanism for 'claw-back' provision is to be included within the funding agreements/contract to ensure funding is spent only on the specified scheme and linked to delivery of outputs and outcomes. Payment milestones are agreed between the project manager and the Combined Authority based upon the complexity, cost and timescales of the scheme. This forms part of the programme management role of the Combined Authority.

### 6.2 Performance Reporting

- 6.2.1 A monthly highlight report cycle has been created and embedded across the organisation. Projects which fall under the Combined Authority Board are required to have monthly reports completed, updating on budget spend and performance against key milestones and outputs/outcomes. There is also a monthly highlight report which monitors spend against Local Growth Funding and Getting Building Funding.
- 6.2.2 Highlight reports also contain risk registers for each project, where project managers track and monitor key risks (and assign a named individual of appropriate seniority against each).
- 6.2.3 Using information from these monthly highlight reports, a monthly dashboard report is created, pulling together the key information from all projects across the Combined Authority Directorates. This information is shared with Members of the Executive Team once a month.
- 6.2.4 Once a quarter, a Performance Report is taken to the Combined Authority Board meeting and provides detail on how the Combined Authority is performing against the following key metrics and targets within the Devolution Deal:
  - Prosperity (measured by Gross Value Added or GVA)
  - Housing
  - Jobs
- 6.2.5 The Performance Report also details the RAG status of key projects, taken from the monthly highlight reports process.
- 6.2.6 In addition to this performance report, an exception report is created from the amber and red rated projects and shared with Combined Authority Board Members.
- 6.2.7 Project Managers are also required to complete monthly finance reports for each of their

projects, which provides a detailed overview of the year-to-date actual spend, budget and a full year forecast. This links with the highlight report process, to ensure an accurate picture of project delivery is captured. The finance reports enable effective forward planning of expenditure, with future year budgets included which are discussed between Project Managers and Finance Managers and fed into the Budget Monitoring Reports which are a standing item at the Combined Authority Board. This report also allows costs to be split between spend to date and future spend forecasts, allowing baselining of costs.

- 6.2.8 Strategic funds investment update reports that cover Local Growth fund and Getting Building Fund are also submitted to every meeting of the Business Board and will be published on the Business Board section of the website.
- 6.2.9 All funding agreements/contracts with external bodies will include reporting guidelines as specified in the Monitoring and Evaluation Framework.

## **6.3 Risk Management**

- 6.3.1 The Combined Authority has developed a risk management approach for corporate, portfolio, programme and project level as set out in the Risk Management Strategy published on the Combined Authority website. Within our strategy it manages risk identification, mitigation, escalation and reporting templates guidance.
- 6.3.2 It is important that the level of risk taken on any project and programme is understood from an early stage alongside the associated cost implications. Project managers are required to include risk as part of funding requests.
- 6.3.3 The corporate risk register which incorporates the risks will be reviewed monthly by the Executive Team and will be considered by the Audit and Governance Committee quarterly. The Combined Authority's risk strategy includes a hierarchy of risk registers: Project, Programme, Portfolio and Corporate, risks can be escalated up through these levels where required.
- 6.3.4 Senior Officers of the Combined Authority (Chief Executive and CPCA S73 Officer) are responsible for the identification and management of risk.
- 6.3.5 At the project level, all projects are expected to outline, in detail, any identified risks during the business case development and due diligence processes. Once in delivery, ongoing risk registers are maintained and incorporated into the monthly highlight reports. Where applicable, external partners are also encouraged the Combined Authority's risk register template.

## **6.4 Change requests and funding clawback**

- 6.4.1 All early warnings and project change requests must be clearly documented, with evidence of approvals and notifications saved where applicable and recorded within the performance highlight reports.
- 6.4.2 All project changes must receive written approval from the named Director responsible for the project, or the CPCA Project Board where one exists. The Director for Business and Skills has delegated authority to SROs, within this directorate. This is

found within Appendix 1 of the Relationship between Risk and Change Control document.

- 6.4.3 When a change request requires an increase in funds outside of the MTFP allocation, this change request will need to follow the appropriate Committee and or Board approval.
- 6.4.4 Approval will be required for:
- RAG rating change in the Highlight Report
  - Changes of project scope
  - Changes to timescales
  - Amendment to budget (within the MTFP allocation)
  - Variations to outputs delivered
  - Withdrawal of a project
- 6.4.5 Directors are responsible for agreeing change requests within delegation and promoting change requests outside delegation. Where there is a project board on which the Director sits, the Project Board may also agree change requests within its delegations.
- 6.4.6 In relation to funding controlled by the Business Board, any change requests should be taken to the Business Board for recommendation to Combined Authority Board.
- 6.4.7 Business Board recommendation will be required for:
- Changes of project scope (from original awarded scope)
  - Changes to timescales (beyond a month to milestones)
  - Amendment to budget (outside of the original funding award)
  - Variations to outputs delivered (as agreed in Grant Funding Agreement)
  - Withdrawal of a project
- 6.4.8 Project change requests that do not constitute a material change can be approved by the Chief Officer to the Business Board.
- 6.4.9 The tolerance thresholds that constitute a material change are defined in relation to spend targets, variance control and change control within individual projects and programmes. But generally, a 10% variance will be permitted in any one reporting period. More than 10% variance on spend and delivery targets will trigger a review by the Business Board. In respect of timeline of project milestones, a variation of up to one month is permissible if agreed by the Chief Officer to the Business Board, in writing but beyond a month is considered a material change requiring Business Board recommendation for approval.
- 6.4.10 Funding clawback and recovery processes for under-performing projects is clearly addressed in the funding agreement/contract.
- 6.4.11 The Business Board is responsible for decisions around withholding, suspending and/or paying back of awarded funds. In some instances, as a result of project

review and monitoring it will be determined that a project is not going to spend its Business Board funding allocation or there will be an issue with eligibility or relevance of spend against contract which requires a claw back of funds.

- 6.4.12 Funding agreements or contracts relating to financial awards granted through programmes offered by the Business Board, determine the circumstances under which funds might be withheld, suspended and/or clawed back. Project applicants agree to monitor the delivery of their projects, reporting back regularly, to ensure that the outputs and outcomes are being met and that the terms of the Agreement are complied with.
- 6.4.13 The Business Board will undertake interim or post completion checks to confirm that the grant has been used as per the approved purposes and will investigate any projects in the event of non-compliance, mis-representation, underperformance, mismanagement and/or a failure to deliver an output and/or outcome.
- 6.4.14 On request the applicant must provide the Business Board with such information, explanations and documents as may reasonably be required in order to facilitate monitoring and/or to establish the terms of their Agreement have been complied with.
- 6.4.15 No financial claim shall be paid unless and until the Business Board and/or the Combined Authority are satisfied that such payment is due under the terms of the funding agreement. An applicant may be required to pay back all or part of the funding in the following circumstances;
- Cases involving breach of UK Subsidy law
  - Failure to comply with the agreement or contract
  - Cases involving fraud, prohibitive acts, illegal or unlawful activity or actions, dishonesty and/or negligence
  - Misleading the Business Board/Combined Authority
  - Undertaking activity which could affect reputation of the Business Board or Combined Authority
  - Failure to make satisfactory progress, or failing to achieve an output and/or outcome
  - Cases where the grant was used for purposes other than those intended (such as ineligible expenditure).
- 6.4.16 There may be instances where recovery or clawback is required against assets, The Business Board/Combined Authority may seek to recover funding against assets by legal process but in the first instance preferably through cooperation of the applicant/grant beneficiary on disposal assets to achieve repatriation of all or part of the original grant value. The Combined Authority reserves the right to pursue legal claims against grant applicants and grant beneficiaries under the terms of the grant agreement/contract and this includes any assets.
- 6.4.17 The Combined Authority in its capacity as the Accountable Body will:

- ensure that all decisions regarding public funds are made on merit having taken into account all the relevant information available at the time.
- compliance to EU state aid and UK subsidy rules in all cases where this may apply and to take legal advice where necessary, ensuring that all decisions are recorded and reported
- ensure that all funding agreements reflect the conditions that need to be placed on any grant and that these conditions are upheld
- ensure that recovery and/or clawback is enforced where non-compliance, mis-representation, underperformance or mismanagement or a failure to deliver has occurred and where this is appropriate but only when other options have been exhausted by the Business Board and Officers to enable delivery and the Board have agreed this cause of action, following detailed reports and legal advice
- to retain copies of all related documentation for Local Growth Funding and any other government funding delegated to the Business Board and to ensure that the Business Board is retaining the complete record
- ensure that this Assurance Framework and the National Assurance Framework as approved by Government is adhered to in relation to any Recovery or Clawback.
- maintain the official record of recovery and/or clawback proceedings and holding all related documents.
- review that the Business Board's decisions are lawful and that suitable legal advice has been obtained by the Business Board or Officers, also that the correct processes have been followed
- At its discretion undertake any of the clawback/recovery actions as outlined instead of the Business Board

## 6.5 Monitoring & Evaluation

- 6.5.1 As agreed with Government, the Combined Authority's approach to monitoring and evaluation is set out in a separate detailed Monitoring & Evaluation Framework document, which is updated and submitted for review by Government annually.
- 6.5.2 Project managers are responsible for identifying, at the initiation stage, what their project is to deliver. All projects must have a logic model created which details both the outputs and the outcomes that the project will achieve. This logic model is then used as the basis on which to plan monitoring and evaluation activity.
- 6.5.3 Evaluation plans are created when the project is nearing the construction/delivery phase and will be proportionate and in line with the latest government department guidance where relevant. For example, all transport schemes (over

£5m) will follow Monitoring and Evaluation Guidance for Local Authority Major Schemes. The draft plans are created by the project manager and then consulted upon with the Analysis & Evaluation Manager and the Project Management Office (who own the M&E Framework and ensure consistency and quality of plans). Plans are then signed off as per the governing arrangements for that specific project.

6.5.4 The Combined Authority has a varied level of evaluation depending on the nature of each project. As per the Combined Authority's Monitoring & Evaluation Framework, this will depend on the following questions:

- A1) Is the project funded through Investment (Gainshare) funding (in the CPCAs' case the core agreement with central government to devolve £20m per year over 30 years) or Transforming Cities Funding. If so, it is subject to the agreed independent national evaluation framework processes.
- A2) Is the project funded through other streams and identified as being 'key' in terms of the expected benefits to be achieved. If so, it is subject to a full independent evaluation commissioned by the CPCA locally.
- B) Is the project identified as one where significant learning is available that would help to inform future policy making either locally or nationally. This will include projects that are innovative or considered 'pilots'. If so evaluation work in this case would either be commissioned independently or carried out locally within the public sector.
- C) Other projects not included above would be subject to minimal 'self-evaluation' based on submitted business cases. The funding partner may be responsible for this.

6.5.5 As part of funding conditions, there are national evaluation frameworks for Investment Fund (Gainshare) and Transforming Cities. The purpose of the Investment Fund evaluation is to provide evidence on the impact of the funds in delivery local growth outcomes to inform the first Gateway Review in early 2021. The focus of the evaluation is on interventions that have been approved formally and where Investment Expenditure has incurred within the first Gateway Review. The framework for Transforming Cities is looking at the collective impact of similar schemes across the whole of England and Wales.

6.5.6 Evaluation progress to date for the projects/programmes identified as level A-C above can be found in figure 6 of the Monitoring & Evaluation Framework.

6.5.7 The choice of evaluation type/approach should be based on the policy's underlying theory or logic model and stated objectives.

## 6. Measuring Success – Realising the Benefits

### 7.1 The Importance of Monitoring and Evaluation

- 7.1.1 The Combined Authority and the Business Board (LEP) is committed to implementing effective monitoring and evaluation so that it is able to:
- **Provide local accountability to the public** by demonstrating the impact of locally devolved funding and the associated benefits being achieved.
  - **Comply with external scrutiny requirements** i.e. to satisfy conditions of the Devolution Deal. Specifically, the Monitoring and Evaluation Framework will be used to demonstrate local progress and delivery to senior government officials and Ministers who are ultimately accountable to parliament for devolved funds.
  - **Understand the effectiveness of policies or investments** and to justify reinvestment or modify or seek alternative policy. The Monitoring and Evaluation Framework provides a feedback loop for the Authority and relevant stakeholders. This includes performance measurement on the impact of outcomes from specific funding programmes which the Combined Authority is the Accountable Body, for example Local Growth Funds.
  - **Develop an evidence base for input into future business cases** and for developing future funding submissions. The Monitoring and Evaluation Framework will collect, collate and analyse data which can be utilised for future work and especially in relation to economic impact of particular interventions creating ‘benchmarks’.
- 7.1.2 The Combined Authority Monitoring and Evaluation Framework was initially prepared in relation to the Combined Authority’s Devolution Deal monitoring and evaluation requirements. However, the approach set out in the Framework will be utilised for all sources of funding within the Cambridgeshire and Peterborough Business Plan, accepting that some government departments will have slightly different requirements which will be met. The Framework builds on the National Evaluation Framework for devolution funds, prepared by SQW and agreed with devolution areas and government.
- 7.1.3 The Business Board has also adopted this Monitoring and Evaluation framework, as the Governments published guidance requires the Business Board to reference their monitoring and evaluation arrangements as well. This includes for example specific plans using the framework to deliver monitoring and evaluation work for key Business Board programmes.
- 7.1.4 The overall responsibility for monitoring and evaluation (the Monitoring and Evaluation Framework) and execution of the activity associated with it is held at director level at the Combined Authority, within the post of Strategy & Assurance Director Delivery and Strategy. The Combined Authority has agreed a contract with Cambridgeshire County Council (part of the wider Cambridgeshire Insight partnership) to provide an appropriate level of officer support on Monitoring and Evaluation, including local knowledge, expertise and supporting capacity. For Local Growth Fund programme, it was agreed to utilise an additional contractor to undertake the evaluation work on the Local Growth Fund

evaluation plan phase one.

- 7.1.5 The Combined Authority's approach uses the Magenta Book definition of monitoring and evaluation and makes use of the wider guidance within this document as complementary guidance to the HM Treasury Green Book.
- 7.1.6 All projects, including the Combined Authority major projects will have logic models.
- 7.1.7 Lessons learnt from evaluations will be reported to the Business Board and Combined Authority Board as appropriate.

## **7.2 Programme and Project Monitoring**

- 7.2.1 Funding agreement/contracts set out the programme or project spend and output profile together with the monitoring arrangements (financial, benefits and risk).
- 7.2.2 Monthly highlight reports are completed by project managers on all live projects. These reports are reviewed by members of the Executive Team.
- 7.2.3 Project finances are reported as a standing item to relevant Executive Committees, and the Combined Authority Board, as part of the overall budget monitoring report.
- 7.2.4 Any changes or variances to the spend profiles or key milestones will need to be reported by the Project Manager and approved by the Combined Authority. On approval a variation letter to the Funding Agreement/contract will be issued.

## **7.3 Adult Education Budget Monitoring and Evaluation**

- 7.3.1 The Adult Education Budget reporting will be included within the Combined Authority monitoring and evaluation submissions as required under the devolution agreement. The Combined Authority has already submitted our policies for adult education as part of the readiness conditions and they were published as part of the commissioning process.
- 7.3.2 The Combined Authority's Monitoring and Evaluation Framework (detailed above) will be used for the Adult Education Budget activity including the use of logic models. The first formal annual evaluation has been undertaken and completed in January 2021. It meets the national requirements as set out in the National Assurance Framework, together with locally determined requirements so that it can be used to inform and shape the criteria for future funding awards.
- 7.3.3 The Combined Authority has agreed with the Education & Skills Funding Agency a formalised approach for Audit, Assurance, Fraud and Investigations for the first year of devolved delivery in 2020/21, known as Year 1. The Combined Authority will be responsible for auditing all training providers and colleges on the adult education budget funding stream in our region from April 2021, known as Year 2.

## 8. Appendix 1 - Cambridgeshire and Peterborough Combined Authority and Business Board Joint Statement

### **Advisory and challenge function:**

The Business Board is a non-statutory body which is the Local Enterprise Partnership for this area. It is independent of the Cambridgeshire & Peterborough Combined Authority (CPCA) operating as a private- public sector partnership, focusing on the key business sectors to provide strategic leadership and drive growth in the Cambridgeshire and Peterborough and wider Local Enterprise area.

The Business Board comprises a blend of industry leading experts from the private sector, alongside representatives from the public sector and education communities. It is chaired by a private sector representative and brings together some of the brightest entrepreneurial minds in our area.

The Chair is a voting member of the Cambridgeshire and Peterborough Combined Authority Board ensuring that the business view is at the centre of regional decision making.

The role of the Business Board as stated within its terms of reference is:

### **Strategy:**

- (a) In collaboration with the Cambridgeshire and Peterborough Combined Authority, develop and deliver an evidence-based Local Industrial Strategy that identifies local strengths and challenges, future opportunities and the action needed to boost productivity, earning power and competitiveness across their area.
- (b) Set strategy and commission interventions to drive growth, jobs and private sector investment to deliver the strategy.

### **Allocation of funds**

- (c) Identify and develop investment opportunities; prioritising the award of local growth funding; and monitoring and evaluating the impacts of its activities to improve productivity across the local economy.
- (d) ensure that bids for public funding made available by government for LEPs support economic growth.
- (e) ensure any decisions which are made in contravention of the process will be invalid.

## Co-ordination

- (f) Use its Business convening power, for example to co-ordinate responses to economic shocks; and bringing together partners from the private, public and third sectors.
- (g) ensure Business Board and Combined Authority policy and decisions receive the input and views of key business leaders and take account of the views of the wider business community
- (h) engage with local businesses to understand the needs of different sectors and markets

## Advocacy

- (i) Collaborate with a wide-range of local partners to act as an informed and independent voice for business across their area.
- (j) engage business, opinion formers and policy makers at a national and international level in promoting economic growth in the region.

### **(Business Board constitution)**

By bringing together the Business Board and the Combined Authority we combine the best of private sector expertise and public sector knowledge, transparency and accountability.

### **Alignment of decision-making across a clear geography:**

The Mayoral Cambridgeshire and Peterborough Combined Authority was formally established on 2 March 2017 (with the first Mayoral election held in May 2017) to further the sustainable and inclusive growth of the economy of Cambridgeshire and Peterborough. Its geographical boundary covers seven constituent local authorities in the Cambridgeshire and Peterborough area.

The Business Board was established on 1<sup>st</sup> April 2018, taking over from the former Greater Cambridge Greater Peterborough Local Enterprise Partnership, to drive forward economic growth across its local area. The Business Board is now responsible for all former Local Enterprise Partnership projects and programmes.

As part of a full regional governance review, the Department for Business Enterprise and Industry are considering proposals to align the Business Board boundaries with the Cambridgeshire and Peterborough Combined Authority to ensure close working and delivery of economic growth projects across Cambridgeshire and Peterborough.

The integrated officer structure ensures that the relationship between the Combined Authority and Business Board is strong and effective. All governance policies and procedures are aligned ensuring transparency and open and accountable decision making.

**Accountability:**

The accountable body for all Local Enterprise Partnership funding is the Cambridgeshire and Peterborough Combined Authority. It provides the accountable body role for the both Business Board, the multi LEP Agri-Tech programme and the Greater South East Local Energy Hub and employs the officers that support them. The Combined Authority will ensure the effective use of public money and have responsibility for the proper administration of funding received and its expenditure, and must also review and approve the financial framework.

The Combined Authority Board approves funding decisions upon the recommendation of the Business Board except where delegations have been approved. The BB S73 Officer signs off all funding decisions taken by the Business Board prior to their presentation to the Business Board.

**Efficiency and corporate identity:**

The Combined Authority and Business Board operate under a single officer team. In order to ensure the independence of each Board, the senior management team has separate duties assigned to officers within that team. The senior management team is headed up by the joint Chief Executives.

The Combined Authority Board and Business Board are supported by a Chief Officer who is the Director for Business & Skills, and further supported by key statutory officers within the single team and through a dedicated S73 Officer (BB S73 Officer) and Monitoring Officer to provide an independent secretariat to each Board.

In addition to the above, the Boards also benefit from specialist support within the wider structure. This includes experienced Directors, Programmes Managers and others to ensure that the organisation is run in a proactive, impact driven and fully compliant manner.

The Combined Authority and the Business Board have their own branding and identity recognising that some work of the Business Board is separate from and extends beyond the Combined Authority.

**Overview and Scrutiny:**

The role of the Cambridgeshire and Peterborough Combined Authority's Overview and Scrutiny Committee is primarily to scrutinise the work and decisions made by the Cambridgeshire and Peterborough Combined Authority. In so far as the business of the Business Board, the Overview and Scrutiny Committee may review or scrutinise any Combined Authority decision in its role as accountable body for the Business Board. The Combined Authority's Scrutiny Officer shall ensure this includes appropriate scrutiny of the Business Board decision making and achievements. To further strengthen internal scrutiny, an appointed member of Overview & Scrutiny Committee will shadow the work of the Business Board and this member will occupy the position of Overview & Scrutiny Lead Member. The Cambridgeshire and Peterborough Combined Authority's Audit and Governance Committee shall also oversee the audit and governance arrangements of the Business Board.

## 9. Appendix 2 – Summary of Scheme of Delegation for Business Board funding

The schemes of delegations are set out in the Business Board and Combined Authority Constitutions and summarised below:

| Function   | Approved by              | Recommendation by                          | Supported by  |
|--|--------------------------|--|---|
| <b>Strategy</b>  |                          |  |   |
| CPIER and the Mayor's sustainable growth ambition statement and associated thematic strategies | Combined Authority Board |  | Chief Executive, Monitoring Officer and CPCA S73 Officer                                |
| Business Plan and the Medium-Term Financial Plan   | Combined Authority Board | Overseen by Audit and Governance Committee | Chief Executive, Monitoring Officer and CPCA S73 Officer                                |
| Business Board to lead on development and deliver an evidence-based Local Industrial Strategy  | Combined Authority Board | Business Board                             | Chief Executive, Director of Business and Skills, Monitoring Officer and BB S73 Officer |
| Digital Sector Strategy  | Combined Authority Board | Business Board                             | Chief Executive, Directors, Monitoring Officer, CPCA S73 Officer and BB S73 Officer     |
| OxCam Arc  | Combined Authority Board | Business Board                             | Director of Business and Skills Monitoring Officer, CPCA S73 Officer and BB S73 Officer |
| Influencing the development of the other Combined Authority's strategies and policies          | Combined Authority Board | Business Board                             | Chief Executive, Monitoring Officer, CPCA S73 Officer and BB S73 Officer                |
| <b>Allocation of LEP funding</b>   |                          |  |   |
| Budget approval  | Combined Authority Board |  | Chief Executive, Monitoring Officer and CPCA S73 Officer                                |

|  |  |  |   |
|--|--|--|---|
| Sign off all funding decisions relating to funding allocated to the Business Board and sub-committee expenditure | BB S73 Officer                               |  |   |
| Business Board funded project approvals  | Combined Authority Board as accountable body | Business Board review the Business Case for Business Board funded projects and make Recommendation to the Combined Authority Board | BB S73 Officer signs off all Business Board proposals |

| Function  | Approved by   | Recommendation by | Supported by   |
|---|---|-------------------|--|
| Allocation of Small Grants between £2,000 and £20,000   | Director of Business & Skill  |                   | Delegation subject to BB S73 Officer approval and report all approvals to the next schedule meeting of the Business Board. Decision recorded through the Officer Decision Notice process |
| Wisbech Access Strategy at key gateway stages to deliver the agreed Wisbech Access Strategy Package works   | Head of Transport in consultation with the Chair of the Transport Committee<br><br>CPCA S73 Officer |                   | Decision recorded through the Officer Decision Notice process  |
| Eastern Agri-Tech Programme (Multi-LEP Programme) to make decisions about applications for grant funding on behalf of both the CA/BB and NALEP (New Anglia Local Enterprise Partnership). | Eastern Agri-Tech Programme Board   |                   | Agri-Tech Project Officer, Director of Business and Skills, Monitoring Officer and BB S73 Officer  |
| Energy Hub funding (Multi-LEP Programme)<br>(a) to assume the Rural Community Energy Fund management role<br><br>(b) oversight of the Rural Community Energy Fund (RCEF) Funding Panel    | Greater South East Energy Hub   |                   | Regional Energy Hub Manager, Director of Business and Skills, Monitoring Officer and CPCA S73 Officer  |
| Makes decisions on Energy Hub grant applications.   | Community Energy Fund (RCEF) Funding  |                   | Regional Energy Hub Manager, Director of Business and Skills,  |

| Function   | Approved by   | Recommendation by                                   | Supported by   |
|--|---|---|--|
|  | Panel   |   | Monitoring Officer and CPCA S73 Officer  |
| Strategic oversight and governance of the Enterprise Zones                           | Business Board  |   | Director of Business and Skills, Monitoring Officer and BB S73 Officer   |
| Programme delivery of Enterprise Zone projects                                       | Enterprise Zone Alconbury Weald Programme Board and Cambridge Compass Enterprise Zone Project Boards<br><br>BB S73 Officer<br><br>Chief Executive | Director of Business and Skills                     | Individual Enterprise Zone Project Boards for each site, set-up at officer level and responsible for delivering the programmes and projects associated with the regeneration and development of each Enterprise Zone site. |
| <b>Governance</b>  |   |   |  |
| Accountable Body Business Board and the Greater South East Local Energy Hub          | Combined Authority Board<br><br>BB S73 Officer  | Director of Business and Skills                     |  |
| Assurance Framework  | Joint approval by Combined Authority Board and Business Board   | Monitoring Officer and CPCA S73 Officer             | Director of Business and Skills responsible for the delivery of Business Board functions within the assurance framework  |
| Submission of Growth Deal and Getting Building Fund monitoring reports to Government | Chief Executive<br>BB S73 Officer   | Business Board where Board meeting timetable allows | Director of Business and Skills  |
| Annual Delivery Plan   | Business Board  |   | Director of Business and Skills responsible for the delivery of annual delivery plan within agreed budgets   |
| Business Board Constitution and delegations to other bodies or Officers              | Combined Authority Board  | Business Board                                      | Director of Business and Skills. Monitoring Officer and BB S73 Officer   |

|                                       |                         |  |                                    |
|---------------------------------------|-------------------------|--|------------------------------------|
| Membership of the<br>Business Board – | Board’s<br>appointments |  | Director of Business<br>and Skills |
|---------------------------------------|-------------------------|--|------------------------------------|

| <b>Function</b>                                    | <b>Approved by</b>  | <b>Recommendation by</b>       | <b>Supported by</b>   |
|--|---|--------------------------------|---|
| Private Sector members                             | panel   |                                |   |
| Diversity Statement                                | Business Board  |                                | Director of Business and Skills   |
| Contract Standing orders and financial Regulations | Combined Authority Board  |                                | Monitoring Officer and CPCA S73 Officer   |
| Urgent Decisions                                   | Business Board urgency procedure and reported to next Meeting of Business Board |                                | Director of Business and Skills Monitoring Officer and BB S73 Officer   |
| Risk Management for Business Board Projects        | Business Board  |                                | Director of Business and Skills Senior Information Risk Officer (SIRO)<br>- The Monitoring Officer is the SIRO for Information Governance |
| Final accounts                                     | CPCA S73 Officer and Audit and Governance Committee                             |                                |   |
| Annual Governance Statement                        | Mayor, the Business Board Chair and the Chief Executive                         | Audit and Governance Committee |   |
|  |   |                                |   |

## 10. Appendix 3 – Governance Framework and Publication Checklist

|          | Chapter   | Key Documents   | Documents that must be published under National Framework |
|----------|---|---|---|
| <b>1</b> | <b>Assurance framework</b>                            |   |   |
|          |   | National Assurance Framework  | ✓   |
|          |   | Cambridgeshire and Peterborough Assurance Framework   | ✓   |
| <b>2</b> | <b>Strategic Documents</b>                            |   |   |
|          |   | Cambridgeshire and Peterborough Devolution Deal   | ✓   |
|          |   | Cambridgeshire and Peterborough Independent Economic Review   | ✓   |
|          |   | Local Industrial Strategy   | ✓   |
| 2.1      |   | Mayor's sustainable growth ambition statement   | ✓   |
| 2.2      |   | Cambridgeshire and Peterborough Business Plan 2019-2020   | ✓   |
| 2.3      |   | Combined Authority Medium-Term Financial Plan 2019-2023   | ✓   |
| <b>3</b> | <b>Accountability and Transparent Decision making</b> |   |   |
| 3.2      | Combined Authority                                    | Constitution of the Mayoral Combined Authority  | ✓   |
|          |   | Combined Authority Members  | ✓   |
|          |   |   |   |
| 3.3      | Business Board  | Constitution of the Business Board  | ✓   |
|          |   | Business Board Members  | ✓   |
|          |   | Cambridgeshire and Peterborough Combined Authority and Business Board Joint Statement ( <b>See Appendix 1</b> ) | ✓   |
|          |   | Eastern Agri-Tech Growth  | ✓   |

|          |   |  |   |
|----------|---|--|---|
|          |   | Initiative & Agri-Tech Programme Board   |   |
|          |   | Eastern Agri-Tech Growth Initiative Guidance Notes and Pre-Qualification Questionnaire                                       | ✓ |
|          |   | <b>Enterprise Zones</b><br>Alconbury Weald and Cambridge Compass Enterprise Zones  | ✓ |
|          |   | Greater South East Energy Hub & Energy Hub Board   | ✓ |
|          |   | RCEF guidance notes and Expression of Interest form (to be published)  | ✓ |
| 3.4      |   |  |   |
|          |   | Officer Decision Notices   |   |
| 3.6      | Statutory Committees  |  |   |
|          | Overview & Scrutiny Committee   | Terms of reference (Constitution)  |   |
|          | Audit & Governance Committee  | Terms of reference (Constitution)  |   |
|          |   | Audit Reports 2019<br>- Business Board<br>- Internal Audit annual internal Audit letter                                      | ✓ |
| 3.7      | Data Protection   | Data Protection Policy   | ✓ |
| <b>4</b> | <b>Accountability and Transparency – Supporting Policies and Procedures</b> |  |   |
|          |   | Combined Authority Agendas and minutes   | ✓ |
|          |   | Business Board Agendas and minutes   | ✓ |
|          |   | Annual report and delivery plan  | ✓ |
| 4.2      | Financial information   | Annual accounts, external audit letter and annual governance statement 2017/18   | ✓ |
|          |   | Quarterly return to BEIS on Growth Fund projects, spend and performance  | ✓ |
|          |   | Funding programme with description of the scheme, promoter and funding award   | ✓ |
| 4.3      | Remuneration and Expenses   | Interim Business Board Expenses Scheme   | ✓ |
|          |   | Allowances and Expenses paid 2018/19   | ✓ |
|          |   | Salaries of senior officers earning more than £50,000 (published annually); together with the numbers of staff who earn over |   |

|          |                                    |   |   |
|----------|------------------------------------|---|---|
|          |                                    | £50,000, in bands   |   |
| 4.4      | Freedom of Information             | CACP Freedom of Information Policy, publication scheme and published FOI requests and responses                                       | ✓ |
| 4.5      | Conflicts of Interest              | Code of Conduct for Business Board Members  | ✓ |
|          |                                    | Code of Conduct for staff   | ✓ |
|          |                                    | Declarations of Interest forms  | ✓ |
|          |                                    | Register of interest for Chief Executives   | ✓ |
| 4.6      | Gifts and Hospitality              | The register of gifts and hospitality declared by Business Board  | ✓ |
| 4.7      | Complaints and Whistleblowing      | CACP Complaints Policy  | ✓ |
|          |                                    | CACP Whistleblowing Policy  | ✓ |
|          |                                    | CA Business Board Complaints Policy   | ✓ |
|          |                                    | CA Business Board Whistleblowing Policy   | ✓ |
|          |                                    | CA Business Board Confidential reporting of complaints  | ✓ |
|          |                                    | Making a complaint  | ✓ |
|          |                                    | Fraud and Corruption Policy   |   |
| 4.8      | Diversity Statement                | CA Business Board Diversity Statement   | ✓ |
| 4.9      | Government Branding                | Guidance for signage, social media, press notices and other marketing materials for every Government funded project (to be published) |   |
| <b>5</b> | <b>Robust Decision making</b>      |   |   |
| 5.3      | Expressions of Interest/Open Calls | Local Growth Fund, expressions of interest under the Growth Prospectus  | ✓ |
| 5.5      | Business Cases                     | 10-point guide on Project Management – See Appendix 3   | ✓ |
| 5.7      | Ensuring Value for Money           | Monitoring and Evaluation Framework   |   |
| <b>6</b> | <b>Delivery Phase</b>              |   |   |
|          |                                    | Growth fund and investment update reports   | ✓ |
|          |                                    | Risk Management   |   |



# **Cambridgeshire and Peterborough Combined Authority Assurance Framework**

**September 2021**

**Document verification:**

| <b>Created:</b> | <b>Reviewed by:</b>                                | <b>Approved by:</b>   |
|-----------------|--|---|
| March 2019      | Chief Executive, CPCA S73<br>Officer and Directors | Business Board<br>Combined Authority Board<br>Audit and Governance<br>Committee |
| May 2019        | Chief Executive, CPCA S73<br>Officer and Directors | Business Board<br>Combined Authority Board                                      |
| November 2019   | Chief Executive, CPCA S73<br>Officer and Directors | Business Board<br>Combined Authority Board                                      |
| March 2021      | Chief Executive, CPCA S73<br>Officer and Directors | Business Board<br>Combined Authority Board                                      |

|                        |                 |
|------------------------|-----------------|
| <b>Version number:</b> | 5               |
| <b>File location:</b>  | Internal folder |

# 1. Purpose of the Assurance Framework

## 1.1 Purpose

1.1.1. The Assurance Framework sets out:

- (a) How the seven principles of public life shape the culture within the Combined Authority in undertaking its roles and responsibilities in relation to the use and administration of the Cambridgeshire and Peterborough Investment Funds, and incorporating the Medium-Term Financial Plan, incorporating the Single Pot funding. This culture is developed and underpinned by processes, practices, and procedures.
- (b) The respective roles and responsibilities of the Combined Authority, the Cambridgeshire and Peterborough Local Enterprise Partnership (known as the Business Board) and the Section 73 Officer, in decision-making and ways of working is set out in the terms of reference of the Business Board and is included within the Combined Authority constitution.
- (c) The key processes for ensuring accountability, including public engagement, probity, transparency, legal compliance and value for money.
- (d) How potential investments to be funded through the Cambridgeshire and Peterborough Medium Term Financial Plan, incorporating the Single Pot, will be appraised, prioritised, approved, signed off and delivered.
- (e) The processes for oversight of projects, programmes, and portfolios and how the progress and impacts of these investments will be monitored and evaluated.

1.1.2. The Assurance Framework sits alongside a number of other Cambridgeshire and Peterborough Combined Authority documents including:

- the Constitution of the Mayoral Combined Authority
- the Constitution of the Business Board (Local Enterprise Partnership)
- The Cambridgeshire and Peterborough Devolution Deal
- the Cambridgeshire and Peterborough Independent Economic Review (CPIER)
- Local Industrial Strategy
- the Mayor's sustainable growth ambition statement
- the Cambridgeshire and Peterborough Annual Report & Business Plan
- the Monitoring and Evaluation Framework
- the Combined Authority Medium-Term Financial Plan

1.1.3. All these documents can be found on the Combined Authority and Business Board websites.

1.1.4. This Assurance Framework replaces the last published Assurance Framework and takes on board the national guidance published by the Department for Levelling Up, Housing and Communities (DLUHC) ~~Ministry of Housing, Communities and Local Government~~ for National Local Growth Assurance Framework (January 2019).

- 1.1.5. The Assurance Framework covers all funds within the Cambridgeshire and Peterborough Medium Term Financial Plan, incorporating the Single Pot under the Cambridgeshire and Peterborough Devolution Deal agreed with government, and funds added to the Single Pot since the Devolution Deal, together with other sources of income such as Enterprise Zone business rates and loan repayments.
- 1.1.6. The Assurance Framework will be reviewed at least annually to ensure that it is kept up to date reflecting changes in the Combined Authority's operating environment and changes to Government policy. **Where potential changes result in significant divergence from the approved local assurance frameworks, adjustments must be agreed by ~~Ministry of Housing, Communities and Local Government for Communities and Local Government (MHCLG)~~ Department for Levelling Up, Housing and Communities (DLUHC) as set out in the National Local Growth Assurance Framework guidance.**
- 1.1.7. The remainder of this document is structured around the following sections:
- **Section 2** describes the Cambridgeshire and Peterborough CPIER, the Mayor's sustainable growth ambition statement and our Annual Report & Business Plan and clarifies the content of Cambridgeshire and Peterborough Medium Term Financial Plan and the role of the Assurance Framework.
  - **Section 3** describes the accountability and transparent decision-making processes and practices that we operate and the roles and responsibilities within it.
  - **Section 4** describes the supporting policies and procedures.
  - **Section 5** describes how we make robust and evidenced decisions.
  - **Section 6** explains the processes once programmes and projects are in the delivery phase.
  - **Section 7** explains how we will measure the success of our investments, realise the benefits of that investment and feed the evaluation outcomes back into the investment planning, and strategy and policy development processes.

## 2. Cambridgeshire and Peterborough Independent Economic Review, Mayor's Sustainable Growth Ambition Statement and Annual Report & Business Plan

### 2.1 Cambridgeshire and Peterborough Growth Ambition Statement and Local Industrial Strategy

- 2.1.1 The Cambridgeshire and Peterborough Mayor's Sustainable Growth Ambition Statement sets out the area's priorities for achieving ambitious levels of inclusive, sustainable growth and meeting the commitments of the Devolution Deal. The Statement was adopted by the Combined Authority Board (~~November 2018~~January 2021) and is based upon the significant work of the Cambridgeshire and Peterborough Independent Economic Review (CPIER).
- 2.1.2 The CPIER was commissioned by the Combined Authority and other local partners to provide a world-class evidence base, alongside independent and expert analysis, to inform future strategies and investment. It was also informed by two rounds of open public consultation. The CPIER is publicly available on the CPIER website.
- 2.1.3 The Local Industrial Strategy sets out the economic strategy for Cambridgeshire and Peterborough, taking a lead role in implementing the business growth, productivity, and skills elements of the Sustainable Growth Ambition Statement as set out below:



- 2.1.4 The Local Industrial Strategy is focussed<sup>5</sup> around the five foundations of productivity established in the UK Industrial Strategy 2018, namely:
- People
  - Ideas
  - Business Environment
  - Infrastructure

- Place

A core principle of the Local Industrial Strategy is that the fifth foundation of place reflects the findings of the CPIER. In this area there are economic strategies which respond to the three sub-economies identified in the region.

- Greater Cambridge
- Greater Peterborough
- The Fens

2.1.5 The methodology for ensuring investment decisions align with the Combined Authority's strategic objectives is set out in section 5.

## **2.2 Cambridgeshire and Peterborough Annual Report & Business Plan**

2.2.1 The CPCA Annual Report & Business Plan is approved in January and sets out the investment priorities for the forthcoming financial year. For simplicity the rest of this document will refer to it as the Business Plan.

2.2.2 The Combined Authority continues to develop its detailed strategies for key areas of activity including:

- Housing Strategy
- Skills Strategy
- Local Industrial Strategy
- Local Transport Plan
- Non-Statutory Spatial Framework

2.2.3 The Combined Authority has priority projects and programmes, which are based upon the CPIER objectives and the strategies highlighted above and are reflected in the Business Plan, along with other projects.

2.2.4 Alongside the Business Plan, and in line with its statutory duties, the Cambridgeshire and Peterborough Combined Authority Board approves both a one-year budget, and a four-year Medium-Term Financial Plan, that forms the investment plan for the Combined Authority. This allocates resources to deliver the Combined Authority's objectives set out in the Business Plan.

2.2.5 The Business Plan and the Medium-Term Financial Plan sets out at a high level the transformational investments that the Cambridgeshire and Peterborough Combined Authority will commit resources to, subject to the detailed consideration and appraisal of project business cases. Some are project ideas at an early stage where their feasibility is being established, others are further advanced. The Business Plan and the Medium-Term Financial Plan are not intended to be an exhaustive list of activity as new opportunities will arise during the period, but it identifies the key activities that will need investment during the planned period to unlock the opportunities they could bring. Prioritisation has been undertaken to ensure that our investment goes into projects that will unlock transformational anchor projects that will have a significant impact on

growing the whole Cambridgeshire and Peterborough economy.

- 2.2.6 The Combined Authority has a Programme Management regime that reviews the status and performance of projects within the Business Plan.

## 2.3 Cambridgeshire and Peterborough Financial Strategy

- 2.3.1 The Combined Authority has responsibility for multiple streams of grant funding to invest strategically in the local area, including:

- Gainshare
- Housing Capital Grant
- Local Growth Funds and the Getting Building Funds
- Transforming Cities Fund

- 2.3.2 The Combined Authority also has responsibility for operational grant funds such as:

- Local Highways Maintenance Capital grants
- The Adult Education Budget

- 2.3.3 The Combined Authority has non-grant income streams including Enterprise Zone business rates, the Transport Levy and investment income. The long-term security of the gainshare funds and other income and the devolution deal powers for the Combined Authority means that it is able to borrow against future funds, to enable the Combined Authority to deliver transformational activity sooner rather than delivering smaller scale and less impactful activities based on a smaller annual allocation. This area of activity is incorporated into a Financial Strategy that are overseen by Audit and Governance Committee. Debt funded expenditure is not factored into the current four-year plan, but this may change as the feasibility work identified firms up project delivery programmes.

- 2.3.4 The Combined Authority does not distinguish between the different sources of funding for the purpose of investment planning, other than recognising<sup>8</sup> that some sources of funding are restricted in what they can be used for. All funds are within the Cambridgeshire and Peterborough Medium Term Financial Plan, not just the funds provided through the Devolution Deal, and are covered by this Assurance Framework.

- 2.3.5 The Combined Authority recognises<sup>8</sup> that the monitoring requirements for different sources of funding will differ and needs to meet the requirements of the funding body. However, the Combined Authority applies the Assurance Framework across all projects regardless of funding source. The Assurance Framework clearly identifies the processes for securing funds for investment in Cambridgeshire and Peterborough and the requirements placed on delivery partners once their projects have been approved.

2.3.6 This means that any organisation<sup>9</sup> seeking funding from the Combined Authority does not need to concern itself with the source of the funding and different rules and processes that will apply. These will be identified in the funding agreement/contract with the delivery partner.

## 3. Accountability and Transparent Decision Making

### 3.1 Roles and Responsibilities

- 3.1.1 Members of the Combined Authority are expected to act in the interests of the Cambridgeshire and Peterborough area as a whole when making investment decisions. A variety of controls are in place to ensure that decisions are appropriate and free from bias and/or the perception of bias. Further details are provided in the following sections.

### 3.2 Cambridgeshire and Peterborough Combined Authority

- The Combined Authority was established to further the sustainable and inclusive growth of the economy of Cambridgeshire and Peterborough. As a statutory local authority, the governance, decision-making and financial arrangements are in line with local authority requirements and standard checks and balances. **The Combined Authority will act in a manner that is lawful, transparent, evidence based, consistent and proportionate.**
- The Combined Authority was established in 2017. The Mayor of the Combined Authority was first elected in May 2017, and elections are held every four years.
- For the purposes of this document, the majority of references to the 'Combined Authority' apply to both the Cambridgeshire and Peterborough Combined Authority and the Business Board unless explicitly referred to separately.
- The Combined Authority therefore incorporates the roles and responsibilities as defined in the Devolution Deal and the administration of the Adult Education Budget.
- The Combined Authority is its own accountable body for funding received from Government through the Devolution Deal and provides the accountable body role for the Business Board and the Greater South East Local Energy Hub and employs the officers that support them.

#### Combined Authority Membership

- The Combined Authority membership is as follows: Mayor (Chair) – voting Leaders of the seven constituent local authorities:
  - Cambridge City Council — voting
  - Cambridgeshire County Council — voting
  - East Cambridgeshire District Council — voting
  - Fenland District Council — voting
  - Huntingdonshire District Council — voting
  - Peterborough City Council — voting
  - South Cambridgeshire District Council — voting
  - Business Board Chair — voting

- The Police and Crime Commissioner for Cambridgeshire - non-voting
- Cambridgeshire and Peterborough Fire Authority representative - non-voting
- Clinical Commissioning Group representative - non-voting

## **Role of the Mayor**

- The Constitution provides for a directly elected Mayor of Cambridgeshire and Peterborough, required by government as a precondition for meaningful devolution, and whom is the chair of the Combined Authority. The Mayoral arrangements will only gain the confidence of the electorate if they secure support from across our diverse communities, meet the highest standards of democratic accountability and are subject to robust checks and balances.
- The Mayor chairs the Combined Authority Board which is made up of the leaders of the seven constituent authorities and the Chair of the Business Board, who together form the Combined Authority's decision-making body (voting members of Board), along with other non-voting partners set out above.
- The Constitution sets out arrangements to ensure the effective conduct of the Combined Authority's business is in this spirit of collaboration, mutual respect and transparency. All members strive to work on the basis of consensus; taking decisions through agreement.
- The Mayor has a lead role in allocating Gainshare Funding. The Mayor's [Sustainable](#) Growth Ambition Statement sets out the area's priorities for achieving ambitious levels of inclusive [sustainable](#) growth and meeting the commitments of the Devolution Deal. These priorities also form the basis of the Business Plan and the Medium Term Financial Plan. The Mayor also produces his own budget each year which ensures he has appropriate support and advice on delivering the Devolution Deal commitments.
- The Mayor has general powers as set out in Chapter 3 of the Constitution, including the power to pay a grant to Cambridgeshire County Council and Peterborough City Council to meet expenditure incurred by them as highways authorities.
- The Mayor of the Combined Authority was first elected in May 2017, and elections are held every four years.

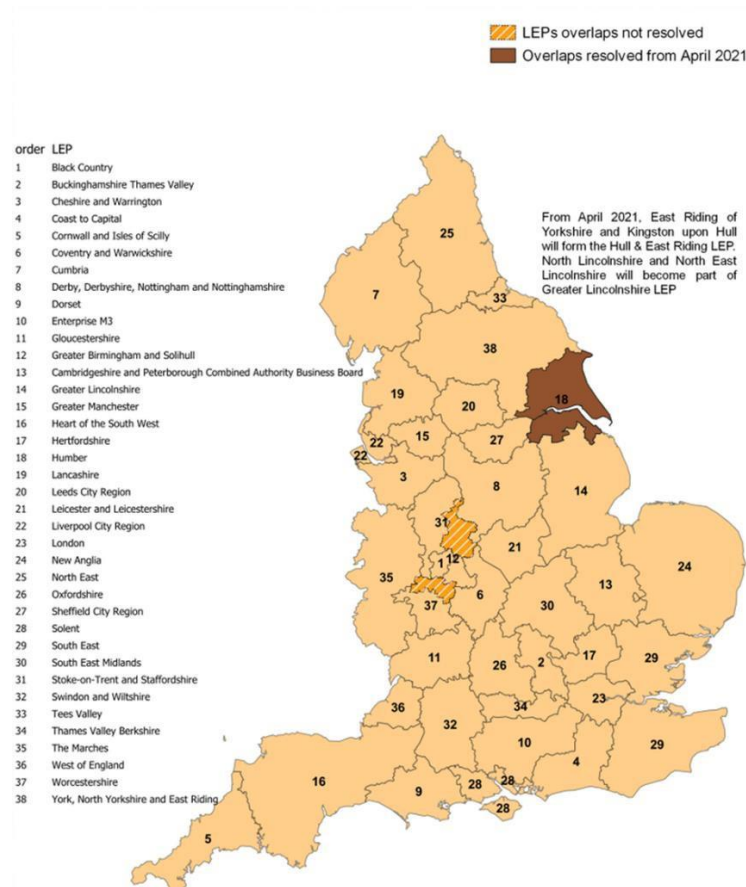
## **Role of the Local Authority Leaders**

- Leadership of the Combined Authority is driven by the Mayor and the local authority leaders. The local authority leaders represent the views of their constituent authorities at the Combined Authority Board whilst putting the needs and opportunities of Cambridgeshire and Peterborough at the forefront of all decisions. In addition, they may take a portfolio lead covering the growth themes within the CPIER and the Mayor's [Sustainable](#) Growth Ambition Statement and the Cambridgeshire and Peterborough Investment Plan. These portfolio lead roles are reviewed annually and are confirmed at the Combined Authority's Annual

### 3.3 Business Board (LEP)

- 3.3.1 Local Enterprise Partnerships (LEPs) are private sector led voluntary partnerships between local authorities and businesses set up in 2010 by the former Department of Business Innovation and Skills to help determine local economic priorities and lead economic growth and job creation within the local area.
- 3.3.2 The Business Board was established on 1<sup>st</sup> April 2018, taking over from the former Greater Cambridge Greater Peterborough Local Enterprise Partnership, to drive forward economic growth across its local area. The Business Board is now responsible for all former Local Enterprise Partnership projects and programmes. A joint statement setting out the respective roles of the Business Board and the Cambridgeshire and Peterborough Combined Authority is shown in Appendix 1.
- 3.3.3 The Business Board is a non-statutory body which is the Local Enterprise Partnership for this area. It is independent of the Cambridgeshire & Peterborough Combined Authority (CPCA) operating as a private-public sector partnership, focusing on the key business sectors to provide strategic leadership and drive growth in the Cambridgeshire and Peterborough and wider Local Enterprise area.
- 3.3.4 The Cambridgeshire and Peterborough Combined Authority acts as the Business Board's Accountable Body to undertake the public funding accountability responsibilities for administering funds and must also review and approve this Framework.
- 3.3.5 The Business Board is committed to transparent and accountable decision-making processes. By bringing together the Business Board and the Combined Authority we combine the best of private sector expertise and public sector knowledge, transparency and accountability.
- 3.3.6 Prompted by Government's Strengthened Local Enterprise Partnerships Review, which called for local areas to reach solutions to remove the delivery geography overlap between LEPs, the Business Board has become coterminous with the CPCA geography.
- 3.3.7 To formalise the coterminous approach, the Business Board has entered into Strategic Partnership Agreements (SPAs) to transfer delivery of services in overlap areas to neighbouring LEPs. ~~SPA's~~ SPAs ~~has~~ have been agreed with New Anglia LEP, South East LEP, Hertfordshire LEP and Lincolnshire LEP. HMG's Cities and Local Growth Unit (CLGU) have been consulted on the CPCA's adopted approach to resolving the LEP overlaps and have confirmed all previous overlap issues between the CPCA Business Board and its neighbouring LEPs as concluded.

3.3.8 Government has produced the following revised LEP boundary map showing the new LEP geographies demonstrating the Business Board geography is now confirmed as coterminous with the CPCA geography:



3.3.9 The red line denotes the area covered by the Cambridgeshire and Peterborough Combined Authority and Business Board:



3.3.10 The Business Board is the principal forum for collaboration between the public and private sectors, for improving the economy of Cambridgeshire and Peterborough. In 2014, the Government announced the first wave of Growth Deals, making investment via its Local Growth Fund. ~~Also~~Also, Government announced allocation of the Getting Building Funding in summer 2020. To date, the Business Board (via the former Local Enterprise Partnership) has been awarded £161m via three rounds of Growth Deal funding and the Getting Building Funding allocations.

3.3.11 The Business Board provides leadership in the arena of economic growth across its area. Comprising business leaders from key industry sectors, it provides expert knowledge and insight into economic growth-related activities in its area and leads the development of the Industrial Strategy.

3.3.12 The Business Board is building on the strength of its existing partnership with neighbouring Local Enterprise Partners by collaborating on common issues and is currently leading on multi LEP programmes on Energy and Agri-Tech. It will continue to work collaboratively across the wider region and envisages working more closely with other Local Enterprise Partners that are outside the current Local Enterprise Partnership area potentially through new collaborations and funding agreements.

- 3.3.13 The Business Board comprises a blend of industry leading experts from the private sector, alongside representatives from the public sector and education communities. It is chaired by a private sector representative and brings together some of the brightest entrepreneurial minds in our area.
- 3.3.14 The Chair and Vice Chair of the Business Board are private sector representatives. The Chair will lead on building the reputation and influence of the area at a national and international level and chairs Business Board meetings. The Chair is also a voting member of the Cambridgeshire and Peterborough Combined Authority Board. The Vice Chair will be available to deputise for the Chair as required.
- 3.3.15 The Business Board has a designated small business (SME) champion who will lead the engagement with small businesses across the area and represents their views at Board level. Given the makeup of the local business community, this is a vital role on the Board.
- 3.3.16 All of the Board Members operate in an open and transparent manner and conduct themselves in accordance with 'The Seven Principles of Public Life' otherwise known as the Nolan Principles, and Code of Conduct.
- 3.3.17 The Business Board is committed to diversity and has a Diversity Statement in place to help guide Board appointment decisions.
- 3.3.18 The Business Board's Executive Team includes an experienced Chief Executive, S73 Officer (CPCA S73 Officer), Monitoring Officer, Directors, Programmes Managers and others to ensure that the organisation is run in a proactive, impact driven and fully compliant manner.
- 3.3.19 The other public and private sector members of the Local Enterprise Partnership support the Combined Authority's work by:
- Supporting and offering advice to the Combined Authority on their responsibilities.
  - Championing and promoting specific initiatives from the perspective of business.
  - Influencing the development of the Combined Authority's strategies and policies, including as lead organisation for the development of the Local Industrial Strategy at the invitation of the Combined Authority.
  - Representing the Cambridgeshire and Peterborough Combined Authority nationally and internationally.
  - Ensuring a strong business influence over decision-making.
  - Supporting the development and delivery of the CPIER and the Mayor's [Sustainable](#) Growth Ambition Statement.
- 3.3.20 The Business Board is an active member of the national Local Enterprise Partnership Network and will continue to be so. This includes participation in

both Local Enterprise Partnership Chair and officer level meetings.

- 3.3.21 **Enterprise Zones:** The Business Board retains strategic oversight and governance of the Enterprise Zones, and delegates programme delivery to the Alconbury Weald Enterprise Zone Programme Board and Project Boards for Cambridge Compass Enterprise Zones. These Boards will drive forward the regeneration and economic growth opportunities of Enterprise Zone sites and will be responsible for reporting to both the Business Board and Combined Authority Board as the accountable body.
- 3.3.22 These Enterprise Zone Boards comprise of Combined Authority officers, Local Authority representatives and key stakeholders. Each is responsible for delivering the programmes and projects associated with the regeneration and development of the Enterprise Zone site.
- 3.3.23 **The Eastern Agri-Tech Growth Initiative & Agri-Tech Programme Board:** The Eastern Agri-Tech Growth Initiative is overseen by the Eastern Agri-Tech Programme Board. Membership of the Programme Board includes experts with experience and knowledge of agriculture and the food industry, including research, farming and food processing.
- 3.3.24 The Programme Board's main task is to consider and make decisions on applications for grant support. All applications are initially appraised by external independent assessors and follow the process set out in the Constitution. Copies of the Eastern Agri-Tech Growth Initiative Guidance Notes and Pre-Qualification Questionnaire (the simple eligibility form) can be found on the Combined Authority and Business Board website.
- 3.3.25 The Eastern Agri-Tech Growth Initiative has its own monitoring and evaluation arrangements, but these do link to the Combined Authority Monitoring and Evaluation Framework.
- 3.3.26 Agri-Tech is one of our strategic growth sectors identified by the CPIER; our ambition is to use the Local Industrial Strategy to step up our programme to ensure we are the "go to" UK centre for Agri-Tech. Agri-Tech also features within our Skills Strategy.
- 3.3.27 The Combined Authority Board delegates decisions about applications for the grant funding for the Eastern Agri-Tech Programme to the Eastern Agri-Tech Programme Board. Specifying that that the Programme Board became a sub-Board of the Business Board and that a member of the Business Board (nominated by the Business Board) became the Chair of the Programme Board. This would strengthen existing governance arrangements and provide continuity between the two Boards. The agenda and decisions of the Programme Board would be published on the Combined Authority/Business Board web site (with names of individuals redacted) in accordance with the transparency arrangements set out in the Business Board constitution. This will ensure that the operation of the Agri-Tech programme is consistent with the Assurance Framework for the Business Board and Combined Authority. The Cambridgeshire and Peterborough Combined Authority is the Accountable

Body for the Eastern Agri-Tech Growth Initiative.

- 3.3.28 The Programme Board's Secretariat is provided by the Cambridgeshire and Peterborough Combined Authority's Agri-Tech Project Officer, who is a very experienced programme manager and ensures that the Programme Board operates effectively, that its decisions are sound and that the Eastern Agri-Tech Growth Initiative is successful and delivers meaningful outcomes.
- 3.3.29 The Terms of Reference (TOR) for the Eastern Agri-Tech Programme Board have been agreed and appear on the Combined Authority/Business Board web site. The TOR can be seen on the CA/Business Board website.
- 3.3.30 **The Greater South East Energy Hub & Energy Hub Board:** The Energy Hub is funded by the Department for Business, Energy & Industrial Strategy (mc) and overseen by the Hub Board. Membership of the Hub Board includes an officer representative from each of the eleven Local Enterprise Partnerships served by the Hub.
- 3.3.31 The Hub Board is the strategic body responsible for taking decisions on Energy Hub business and programme activity. The Hub Board's main task is to approve the allocation and leverage of funds for the Local Energy Capacity Support Programme. The Hub Board are responsible for oversight of the Rural Community Energy Fund (RCEF) Funding Panel; a Hub Board subordinate body that makes decisions on grant applications. All applications are initially appraised by external independent assessors and follow the process agreed with Government. Copies of the RCEF guidance notes and Expression of Interest form can be found on the RCEF website.
- 3.3.32 The Energy Hub has its own project assessment frameworks, monitoring and evaluation arrangements but these do link to the Combined Authority Monitoring and Evaluation Framework.
- 3.3.33 Clean growth is one of the Grand Challenges in the Industrial Strategy. The transition to local low carbon energy is set out in the Local Energy East Strategy and the CPIER recognises the need for a roadmap to decentralised smart energy systems.
- 3.3.34 The Business Board and the Cambridgeshire and Peterborough Combined Authority have agreed that the Combined Authority would be the Accountable Body for the Energy Hub and that the Energy Hub would assume the RCEF management role and administer the Fund. They also agreed the Hub Board terms of reference recognising it as a decision-making body for the Hub.
- 3.3.35 The agenda and decisions of the Hub Board will be published on the Combined Authority/Hub Board website (with names of individuals redacted). This will ensure that the operation of the Energy Hub is consistent with the Assurance Framework for the Business Board and Combined Authority. The Cambridgeshire and Peterborough Combined Authority Board is the Accountable Body for the Energy Hub Initiative.
- 3.3.36 The Programme Board's Secretariat is provided by the Cambridgeshire and

Peterborough Combined Authority's Regional Energy Hub Manager, who ensures that the Hub Board operates effectively, that its decisions are sound and that the Greater South East Energy Hub is successful and delivers meaningful outcomes.

3.3.37 The Terms of Reference (TOR) for the Hub Board have been agreed and appear on the Combined Authority/Energy Hub web site. The TOR can be seen on the Combined Authority/Energy Hub website.

### **Membership of the Business Board**

3.3.38 The Business Board has been reviewing its membership in response to the national Local Enterprise Partnership review (Mary Ney, 2017) and government's response "Strengthened Local Enterprise Partnerships" (July 2018). The current membership comprises of fourteen members, which includes two public sector members and up to twelve business representatives as follows:

- The Mayor and the Portfolio Holder for Economic Growth of the Cambridgeshire and Peterborough Combined Authority shall be non-voting members of the Business Board by virtue of their office. Thus, ensuring a close working relationship between the Combined Authority and the Business Board.
- Twelve private sector members appointed from the key sectors across the Cambridgeshire and Peterborough area.
- One of the twelve private sector members is appointed specifically to represent the interests of the Small and Medium Sized Enterprises (SME) sector, one member represents the education sector and one member is appointed as an international business representative.

3.3.39 The Business Board membership meets the requirements for two thirds of the members to be private sector representatives and does not exceed the maximum of 20 members. Whilst all appointments to the Business Board have been made on merit, in accordance with Government requirements the Business Board will aim to improve the gender balance and representation of those with protected characteristics on its board with the following aims:

- That women make up at least one third of Business Board.
- With an expectation for equal representation by 2023.

☐ Ensure its Board is representative of the businesses and communities they serve, including encouraging local Business Representative Organisations and Trade Unions to apply for membership of the Business Board .

3.3.40 The Business Board will regularly review its ~~agenda~~gender balance on the Business Board and any committees.

3.3.41 The Business Board Constitution sets out its role, the principles of membership and the terms of office.

- The term of office for **private sector representatives** will normally be a maximum of three (3) years, and subject to a maximum of one consecutive term.

- The term of office of **public sector** members appointed by the Combined Authority is at their discretion; the Mayor is a member by virtue of his office.
- 3.3.42 The Chair of the Business Board may appoint **up to five** co-opted members as necessary to complement the skills and expertise on the Board or to meet gender balance and protected characteristic requirements. Membership may not exceed 20 members and up to five co-opted members.
- 3.3.43 Private sector members all have expertise and knowledge of our key sectors. These details together with their biographies are published on the Business Board website including a designated SME representative.

### **Chair and Vice-Chair of Business Board**

- 3.3.44 The Constitution requires that the Chair and Vice-Chair must be the private sector representatives of the Board.
- 3.3.45 The terms of office of the Chair and Vice-Chair will be for three (3) years with one consecutive term permitted upon unanimous vote of the Board members present and voting.
- 3.3.453.3.46 There is an option to extend the term of office for the Chair and Vice-Chair for a further three years in exceptional circumstances if approved by the Board.
- 3.3.463.3.47 The Chair is a voting member of the Cambridgeshire and Peterborough Combined Authority Board.
- 3.3.473.3.48 “Strengthened Local Enterprise Partnerships” stipulated a maximum membership of 20 members with 2/3<sup>rd</sup>s from the private sector and to aim to have a 50/50 gender balance by 2023.
- 3.3.483.3.49 Following the revised Assurance Framework Guidance (January 2019), Higher Education and Further Education will represent the private sector on the Business Board.
- 3.3.493.50 The Business Board Constitution states that private sector members including the Chair shall be appointed following an open, transparent and non-discriminatory recruitment process which assesses each candidate on merit carried out in accordance with its Diversity Statement, Government Guidance and the Nolan Principles. This will include a public advertisement and an interview process conducted by the relevant Business Board’s appointments panel. The Business Board will consult widely and transparently with the business community before appointing a new Chair. When vacancies become available for private sector Business Board members, they will be advertised on the Combined Authority website. In addition, social media will be used to raise awareness of the opportunities, particularly among under-represented groups. A recruitment panel (including the Cambridgeshire and Peterborough Mayor and ~~Local Enterprise Partnership~~Business Board Chair) assesses applications received and makes a recommendation to the Combined Authority Board for approval of appointments.

~~3.3.50~~3.3.51 All Business Board members (public and private) are expected to conduct themselves in accordance with the seven principles of public life. This is set out under the Code of Conduct detailed in the Combined Authority Constitution and provided to all new ~~Local Enterprise Partnership~~Business Board members in their induction information. All members sign up to the code of conduct and the Nolan

principles. As stated in its constitution, all Business Board and sub- committee and sub-group members will make decisions on merit having taken into account all the relevant information available at the time.

~~3.3.51~~3.3.52 All new members of the Business Board receive a comprehensive induction to ensure they have the knowledge and understanding needed to effectively fulfil their duties in the role. To bring an element of consistency to the induction, a presentation based training tool has been introduced to all members, and to which new Business Board members can refer and at their convenience. The Business Board induction covers the following elements:

- CPCA Assurance Framework
- Governance & Constitution
- Nolan Principles – member roles and responsibilities
- Business Board Landscape - purpose and key tasks
- Annual Performance Review – Business Board effectiveness
- Strategy & Delivery
- Succession Planning & Future Funding Strategy

## **Wider Business and Public Engagement**

~~3.3.52~~3.3.53 The Combined Authority and Business Board recognise that the private sector members cannot represent the views of all business in the Cambridgeshire and Peterborough area. Therefore, a variety of engagement mechanisms are utilised to ensure that the broader business community has the ability to influence strategy and policy development, our investment priorities and to be actively engaged in the delivery of some of our activities, particularly around supporting careers development with schools. This includes, through the business networks and groupings that officers of the executive engage with as part of their activity, as well as specific engagement sessions – such as business roundtables to inform strategy and policy development.

~~3.3.53~~3.3.54 Strategy and policy documents are developed through engagement with partners and key stakeholders and are subject to consultation. Each consultation will vary depending on the topic but will meet all statutory requirements. However, drafts are formally considered in public at the Combined Authority Board with papers published in advance of the meeting.

~~3.3.54~~3.3.55 Evidence of effective public engagement includes the work on the CPIER and Local Industrial Strategy referred to in section 2. A review of engagement activity and impact will be undertaken annually as part of the annual Delivery Plan from 2020. The annual Delivery Plan will be published at the beginning of each financial year on the website.

## **Secretariat Arrangements**

~~3.3.55~~3.3.56 In accordance with Government requirement, an independent

secretariat and a designated Chief Officer were appointed to support the Business Board. The Chief Officer is supported by a Business Board S73 (BB S73) Chief Finance

Officer and Monitoring Officer appointed separately to the statutory officers who support the Combined Authority Board.

### **Local Area Agreement**

~~3.3.56~~3.3.57 In accordance with Government requirements for mayoral areas there is a requirement for a Local Agreement between the Business Board and the Cambridgeshire and Peterborough Combined Authority and the Accountable Body setting out the responsibilities of the Chair, Board and Accountable Body. The Accountable Body agreement is embedded in the Business Board's terms of reference and constitution.

## **3.4 Decision Making for the Cambridgeshire and Peterborough Investment Funds**

- 3.4.1 Cambridgeshire and Peterborough Combined Authority is its own Accountable Body for all funds received by Government and is the Accountable Body for the Business Board.
- 3.4.2 The Cambridgeshire and Peterborough Combined Authority Constitution sets out the basis of how decisions will be taken within our Combined Authority, in keeping with principles of democracy and transparency and with effective and efficient decision-making. The Constitution takes on board the changes relating to the Business Board, as a result of the national Local Enterprise Partnership review.
- 3.4.3 Investment decisions using public funds will be made with reference to statutory requirements, conditions of the funding, local transport objectives and through formal LEP involvement. The Monitoring Officer reviews all proposed funding decision and their comments are included in all public or delegated power reports. The CPCA S73 Officer reviews all funding decisions recommended to the Combined Authority Board and their comments are included in all public or delegated power reports. The BB S73 Officer reviews ~~and approves~~ all funding decisions before recommendation to the Business Board, their comments are included in all public reports.

### **CPIER and the Mayor's sustainable growth ambition statement and Investment Planning**

- 3.4.4 The Combined Authority Board provides the overall strategic direction for economic growth in Cambridgeshire and Peterborough, approving the CPIER and the Mayor's Sustainable Growth Ambition Statement and associated thematic strategies and plans.
- 3.4.5 The Combined Authority Board sets out the investment priorities for Cambridgeshire and Peterborough through the Medium-Term Financial Plan and the Business Plan. This includes named prioritised projects which are allocated against either revenue or capital funds.

## Decision process for Business Board and Combined Authority Board projects

3.4.6 For new programmes/projects, the detailed consideration of whether the programme/project represents value for money, has realistic delivery timescales and processes, and will deliver the outputs and outcomes in line with our strategic documents is undertaken through the development of a Project Initiation Document (PID) and Business Case. Or in the case where the Combined Authority or the Business Board are assigned a Lead Authority role by Government to administer national funding schemes then the prescribed project application form and assessment criteria process would be used for decision making.

3.4.7 A PID is used to identify the expected expenditure, project governance, timescales for delivery and proposed outcomes, and to enable more informed financial and output profiling in line with the Medium-Term Financial Plan. This is an internal project management document and will be prepared by the Project Manager.

3.4.8 The PID provides a first view of how, what and when the project will deliver against the Mayor's Sustainable Growth Ambition Statement, the Local Industrial Strategy and the Business Plan.

3.4.83.4.9 The PID includes an initial climate assessment proportionate to the level of detail at the PID stage.

3.4.93.4.10 Once approved, the project can then be developed into a Business Board or paper for approval at the Combined Authority Board meeting.

## Decision process for Business Board

3.4.103.4.11 The Business Board will review the Business Case for Business Board funded projects and make recommendations to the Combined Authority Board, as Accountable Body, to approve the funding.

3.4.113.4.12 In order to ensure that the Business Board is able to progress its business in an efficient manner, the Business Board has an urgency decision making procedure which is set out in its constitution. Decisions and actions taken will be retrospectively reported to the next meeting of the Business Board

3.4.123.4.13 In addition to the delegations in the Combined Authority Constitution, the Business Board and Combined Authority Board has delegated limited authority to the Director of Business and Skills to approve small grants to SMEs between £2,000 and £20,000 subject to Section 73 Officer approval, and regular reporting to the Business Board;

3.4.133.4.14 Business cases approved at the Business Board and Combined Authority Board are published on the Combined Authority website, as part of

the monthly Board papers.

~~3.4.14~~3.4.15 Work from the HM Treasury on Green Book guidance has created a benchmark and guidance that has been built into Business Case templates and for when procuring Business Cases; all Business Cases must adhere to the 5-case model. This forms the evidential basis on which the need for intervention is based and will help ensure programmes and projects are identified based on need and opportunity.

~~3.4.15~~3.4.16 Decisions within the Scheme of Delegation and taken under delegated powers are recorded through the Officer Decision Notice process, with supporting

Business Cases available on request. The Officer Decision Notices are published on the Combined Authority website.

~~3.4.16~~3.4.17 All reports to the Business Board and any committees, include the application for funding, appraisal of application, legal and finance expert' view and recommendations. The BB S73 Officer signs off all Business Board expenditure

### **Summary of Scheme of Delegations for Business Board**

The scheme of delegation specific to local enterprise funding is set out in the Business Board's constitution and is summarised in Appendix 2. The Combined Authority Constitution also applies to all Business Board and officer decisions.

### **Decision process for Combined Authority Board**

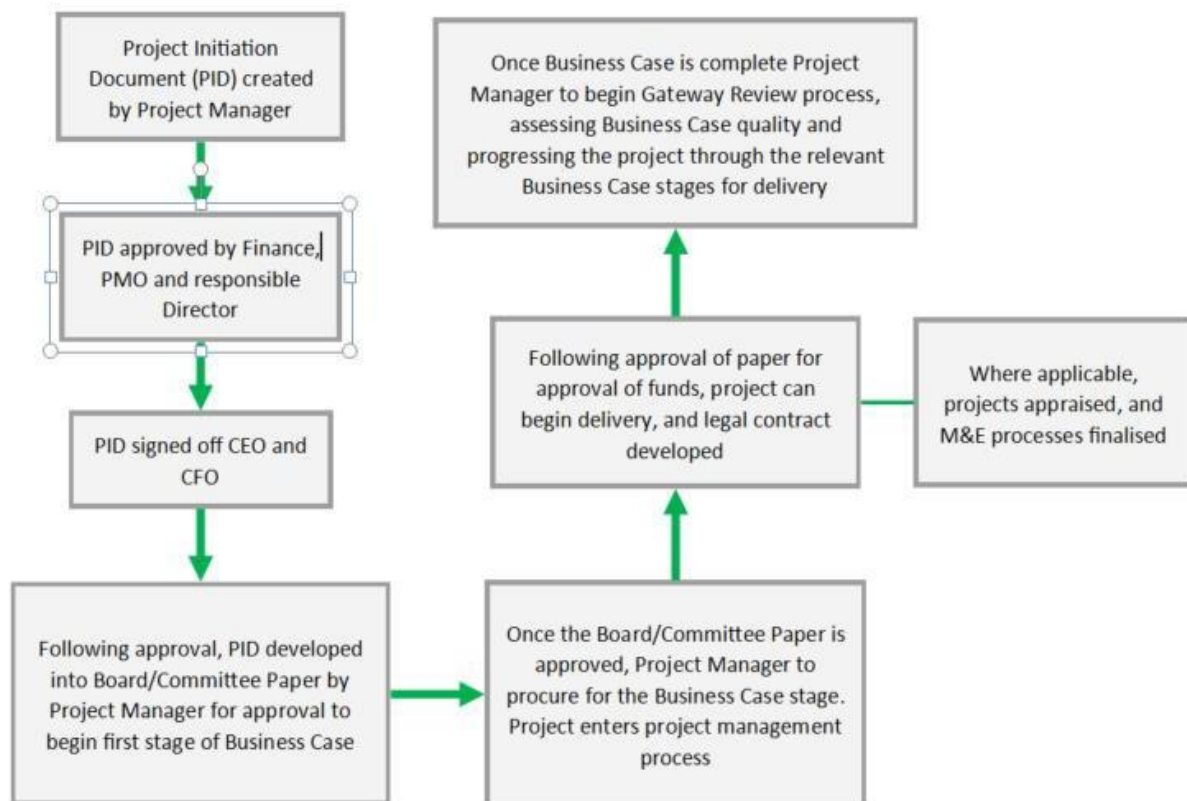
~~3.4.17~~3.4.18 The Combined Authority Board will approve the Business Cases for Combined Authority funded projects and will approve the Business Case recommended by the Business Board.

~~3.4.18~~3.4.19 Business cases and appraisal documentation submitted to the Combined Authority Board will be published on the Combined Authority website with Board papers, subject to any exemptions applied as set out in the transparency rules within the Constitution.

~~3.4.19~~3.4.20 Decisions within the Scheme of Delegation and taken under delegated powers are recorded through the Officer Decision Notice process, with supporting business cases available on request. The Officer Decision Notices are published on the Combined Authority website.

~~3.4.20~~3.4.21 The decision-making process and governance arrangements are illustrated in the diagram below:

## Decision Making Process



## Decision process for new programmes/projects not in the Business Plan and not within a named budget allocation

~~3.4.21~~3.4.22 New opportunities or challenges will arise and programmes/projects that are not currently in the Business Plan will need to be considered to address them. If these new programmes/projects are not accommodated within the current Medium-Term Financial Plan, they will need to be considered by the Combined Authority Board for entry to the Budget and Business Plan.

~~3.4.22~~3.4.23 The Business Plan and Medium-Term Financial Plan are normally set annually but can also be refreshed within the year where there are extraordinary unforeseen circumstances.

~~3.4.23~~3.4.24 New projects which are accepted would then proceed to follow the PID development and be taken to the Combined Authority Board for decision.

## Role of the Cambridgeshire and Peterborough ~~Executive~~Corporate Management Team

~~3.4.24~~3.4.25 The Cambridgeshire and Peterborough ~~Corporate~~ManagementExecutive Team is made up of members of the Combined Authority's senior officers: Chief Executives, Section 73 Officer, and Directors. The Management Team meets regularly and has an oversight role of the work of the Combined Authority.

## 3.5 Decision Making for the Adult Education Budget

3.5.1 Investment decisions on the use of the Adult Education Budget will be made with full consideration to the statutory entitlements:

3.5.1.1 English and Maths, up to and including level 2, for individuals aged 19 and over, who have not previously attained a GCSE grade A\* to C or grade 4, or higher, and/or.

3.5.1.2 First full qualification at Level 2 for all, and/or.

3.1.5.3 First full qualification at level 3 for individuals aged 19 to 23.

3.1.5.4 Essential Digital Skills qualification, up to and including level 1 for individuals aged 19 and over who have digital skills assessed at below level 1.

3.5.2 The Combined Authority submitted its Strategic Skills Plan to government in May 2018 as part of the readiness conditions requirements set by the Department for Education. ~~Further iterations have been shared with the Department for Education and form a chapter in the new Skills Strategy 2019.~~

3.5.3 Local and national partners have been fully engaged throughout the development phase for the processes and priorities for the funding award and during the funding award phase. This has included providing regular

communications via our website, hosting three strategic events for all local and national providers, and participating in provider network meetings that have met regularly ~~during~~since 2018. The Provider Networks comprised local Further

Education and Local Authority providers, ~~the Education and Skills Funding Agency~~, the Association of Colleges and Independent Training Providers and the Association of Employment and Learning Providers.

3.5.4 The Combined Authority Board is the final decision-making body for funding awards. An initial grant and commissioning process was launched on 1st December 2018 and closed in March 2019. Appraisals were carried out on the submitted delivery plans requesting funding by the Combined Authority officers. A moderation panel of internal senior managers consider recommendations and make final recommendations for approval. The Director of Business & Skills in consultation with the Portfolio Holder for Skills to approve funding awards.

3.5.5 The commissioned contracts that were awarded in 2019 are now coming to the end of the 3 year terms (at the end of the current academic year, 31<sup>st</sup> July 2022), and officers are due to launch a second commissioning process to ensure new providers are awarded with contracts and ready to deliver from 1<sup>st</sup> August 2022.

3.5.6 Following devolution of the Adult Education Budget, we have been asked to submit an Annual Report to Government providing an update on the delivery of the functions, as part of the wider monitoring and evaluation submissions that all mayoral Combined Authorities were required to submit as part of devolution agreements. Officers submit reports annually in January, reporting on the previous academic year findings and referencing the most up to date publicly available data. Submissions include:

3.5.6.1 Policies for adult education

3.5.6.2 Spend

3.5.6.3 Analysis of delivery from within our region

~~3.5.3.1~~ 3.5.6.4 Local impact

~~3.5.4~~ ~~During the funding award process a web-enabled portal has included the ability for all potential providers to submit questions. These have been developed into a Q+A section on the portal so that the same information is available to all potential providers.~~

## 3.6 Statutory Committees

3.6.1 As a Mayoral Combined Authority, we are constitutionally required to have the following Committees within our Governance structures:

**Overview & Scrutiny Committee:** Reviews decisions made, to ensure they meet the needs of the people of Cambridgeshire and Peterborough and are made in line with our agreed policies; making recommendations where necessary. It has the power to “call in” and delay the implementation of decisions made by the Board. The membership of the Committee comprises 14 members, two nominated from each of the Constituent Authorities.

Members of the Committee appointed reflect the balance of political

parties for the time among members of the Constituent Authorities collectively. It also has the power to scrutinise the Business Board.

- **Audit & Governance Committee:** Ensures we are spending public money properly and have the right systems in place to manage our finances correctly and meet our legal and regulatory responsibilities. The Committee also reviews the corporate risk register on a quarterly basis. The membership of the Committee is one member from each Constituent Authority. Members of the Committee appointed reflect the balance of political parties for the time among members of the Constituent Authorities collectively. The Committee is chaired by an independent Member. The Committee will also oversee the audit and governance arrangements of the Business Board.

3.6.2 The terms of reference and membership of these Committees is detailed in the Combined Authority Constitution.

3.6.3 There are also three executive Committees of the Combined Authority: Skills, Transport and Infrastructure, and Housing and Communities. These executive Committees take decisions within the strategic and budgetary framework agreed by the Combined Authority Board.



## 3.7 Role of the Statutory Officers

3.7.1 The Combined Authority appoints four Statutory Officers who each have a formal role of discharging the duties and obligations on its behalf. The roles are detailed in the Combined Authority Constitution but briefly comprise of:

- **Head of Paid Service:** The Chief Executive fulfils the role of the Head of Paid Service. The Head of Paid Service discharges the functions in relation to the Combined Authority as set out in section 4, Local Government and Housing Act 1989 and act as the principal advisor to the Business Board.
- **Section 73 Officer:** The Chief Finance Officer fulfils the role of Section 73 Officer in accordance with the Local Government Act 1985 to administer the financial affairs of the Combined Authority and Business Board. The Section 73 Officer is responsible for providing the final sign off for funding decisions. The Section 73 Officer will provide a letter of assurance to government by 28<sup>th</sup> February each year regarding the appropriate administration of government funds for which the Cambridgeshire and Peterborough Combined Authority are responsible. As set out in paragraph 3.3.56, in order to provide an independent secretariat to the Business Board the Combined Authority's Section 73 Officer delegates responsibilities in relation to the Business Board to their deputy, referred to as the Business Board Section 73 in this document.
- **Monitoring Officer:** The Monitoring Officer fulfils their role in accordance with the Local Government Act 1972 to administer the legal duties of the Combined Authority and Business Board.
- **Scrutiny Officer:** To promote the role of and provide support to the Overview and Scrutiny Committee.

3.7.2 In addition to these statutory roles the Combined Authority has nominated officers to ensure that we meet our obligations under the Data Protection Act 2018 and information governance. These are:

- **Senior Information Risk Officer (SIRO)** - The Monitoring Officer is the SIRO for Information Governance. The SIRO is responsible for the Strategy, acts as an advocate for good practice and is required to provide a statement of assurance as part of the Combined Authority's Annual Governance Statement.
- **Data Protection Officer** – The Deputy Monitoring Officer is the Data Protection Officer responsible for providing advice and guidance on the Data Protection Act 2018.

## **4. Accountability and Transparent - Supporting Policies and Procedures**

### **4.1 Working Arrangements, Meeting Frequency and Transparency**

4.1.1 The Combined Authority is subject to a robust transparency and local engagement regime. The Combined Authority's Constitution includes how agendas, minutes and papers will be made available to the public and when.

4.1.2 The Combined Authority Board:

- Is subject to the Transparency Code applied to local authorities.
- Will ensure all meetings of the Combined Authority Board and other statutory committees are open to the public and appropriately accessible.
- Will make sure all meeting agendas, papers (when not exempt or confidential as set out in the transparency rules within the Constitution), and minutes are published on the Combined Authority website, within the minimum statutory timescales – an agenda will be published five clear working days before the meeting. Decisions made at a meeting will be published no later than the close of business on the third clear working day following the day of the meeting at which the decision was made. Draft minutes will be published within 12 clear working days of the meeting taking place and final minutes within two clear days of approval where changes are made.
- All Decision Notices will be published in line with statutory requirements and any key decisions are subject to call in.
- Will make clear the approach to making investment decisions in the Combined Authority Constitution.
- Will publish (online) all funding decisions, including funding levels through Business Board and Combined Authority agendas and minutes and through the Mayoral and Officer Decision Notice register where decisions are taken under delegated powers.
- Growth fund updates are submitted to the Business Board at each meeting. The Combined Authority has a performance management system which includes quarterly reports to the Combined Authority Board on delivery of key priority projects in the Business Plan by exception and monthly budget monitoring updates.
- As the accountable body for the Business Board funding, the Combined Authority Board will review and ratify funding decisions made by the Business Board for legality and value for money and will hold a record of all relevant documentation relating to government funding allocated

to the area.

- 4.1.3 For ease of access the Combined Authority website has a transparency section and a separate meetings section which contain all information on the Combined Authority governance arrangements, agendas and papers and the Combined Authority Board Forward Plan.
- 4.1.4 The Combined Authority Board meets bi-monthly. The Combined Authority publishes a Forward Plan on the Combined Authority website, which is legally-required with a statement of all key decisions together with all non-key decisions we plan to take over the next four months. Confirmed items are published 28 clear days in advance of a decision being made.
- 4.1.5 In addition to the Combined Authority Board, the Business Board meets bi-monthly. The Business Board shall have at least one meeting a year that will be open to the public to ensure the communities that they represent can understand and influence the economic plans for the area.
- 4.1.6 No business may be transacted at a meeting of the Business Board unless there is a quorum. The quorum requires a majority of the total number of Members of the Board to be present which should include the majority of private sector members and at least one public sector member.
- 4.1.7 All other meetings of the Business Board shall ~~not~~ be open to the public unless determined otherwise by the Chair. This enables commercially confidential items to be discussed and for open and frank exchanges of information and views to be expressed that might not otherwise be expressed in an open forum. This forms an important element within the Combined Authority governance arrangements.
- 4.1.8 Business Board agendas and reports will be published 5 clear days prior to the meeting and minutes of these meetings will be published on the website within 10 clear working days of the meeting and the agreed minutes will be published within 2 clear working days after approval at the subsequent meeting.
- 4.1.9 Information regarding activity being undertaken by the Combined Authority is available on the website. This includes the publication of key documents such as the CPIER and the Mayor's [Sustainable](#) Growth Ambition Statement, the Cambridgeshire and Peterborough Business Plan, the Combined Authority Local Assurance Framework, as well as details of the regular programme of events to provide ongoing engagement with public and private partners across the Cambridgeshire and Peterborough area. Regular news updates on activity underway are also provided through dedicated pages on social media outlets including LinkedIn, Twitter and Facebook. Additionally, when investment decisions are taken, they are published through the use of press releases and social media.

## 4.2 Publication of Financial Information

- 4.2.1 The Combined Authority is subject to the same financial arrangements as a Local Authority and is legally required to publish its annual accounts, external audit letter and annual governance statement by the end of July each year. The draft statement of accounts is signed by the CPCA S73 Officer and published (on the Cambridgeshire and Peterborough Combined Authority website) by 31st May. The final set of financial statements are signed by the CPCA S73 Officer and the Chair of the Audit and Governance Committee and published by the 31st July.
- 4.2.2 The Annual Governance Statement will be published in draft by 31st May, and the final version to be signed by the Mayor, the Business Board Chair and the Chief Executive and published by 31st July. The Audit and Governance Committee approves the statement of accounts and reviews the Annual Governance Statement prior to approval, in accordance with their terms of reference.
- 4.2.3 It is also used as part of the Annual Conversation each year, to supplement the information provided and discussed on governance arrangements.
- 4.2.4 All payments made on behalf of the Business Board are published in the monthly transparency report by Cambridgeshire and Peterborough Combined Authority.
- 4.2.5 All approvals for new funding are published and monitored. The quarterly return to Government on Growth Fund projects, spend and performance is reported to Business Board and published in the reports, as part of the Business Board agenda. These are uploaded on the Business Board section of the website to increase transparency.

## **4.3 Remuneration and Expenses**

- 4.3.1 Allowances or expenses may be payable to the Mayor and any of the Business Board members, in accordance with a scheme approved from time to time by the Cambridgeshire and Peterborough Combined Authority Board upon the recommendations of an Independent Remuneration Panel.
- 4.3.2 The Combined Authority publishes the following information on its website:
- Confirmation of the allowance payable to the Mayor and Business Board members.
  - Confirmation of any allowances and expenses paid to the Mayor, Business Board Members and independent Chairs of Committees or Panels (published annually).
  - Salaries of senior officers earning more than £50,000 (published annually); together with the numbers of staff who earn over £50,000, in bands.
- 4.3.3 Any scheme of allowances approved for Business Board members and payments made will also be published.

## 4.4 Freedom of Information

- 4.4.1 The Combined Authority is subject to the Freedom of Information Act 2000 and the Environmental Information Regulations 2004. As Accountable Body for the Business Board, the Combined Authority will also fulfil these functions on behalf of the Business Board. The Combined Authority will hold records and will be the focal point for statutory information requests. Applicants are made aware of their right to access information through the Combined Authority, which will deal with the request in accordance with the relevant legislation. As set out in this section, the Combined Authority aims to publish as much information as possible so that Freedom of Information requests are less necessary. A publication scheme is on the website and answers to previous requests are also published on the website.

## 4.5 Conflicts of Interest

- 4.5.1 The Combined Authority has a Code of Conduct which applies to all members of the Combined Authority, the Business Board, all committee members and the officers who form part of any decision-making body e.g. the Chief Executive. The Code of Conduct requires all those identified to avoid any conflicts of interest.
- 4.5.2 Each member of the Combined Authority is also required to complete a written declaration of interest for the purposes of their organisations and their individual personal interests covering a broad range of activities/ownership. Individual declarations of interest forms are completed annually following members' appointment at the Combined Authority annual meeting. Declarations of interest are requested at the start of each meeting and declared and recorded within the minutes. The registers of interests are updated, as appropriate, following each Combined Authority meeting.

## 4.6 Gifts and Hospitality

- 4.6.1. Any gifts and hospitality received by members and officers will be declared under the relevant members name and any declarations declared by members will be published on the website. The register of gifts and hospitality declared by Business Board members is published under the governance page of the Business Board section of the website. All offers of gifts and hospitality of ~~£50.00~~<sup>£25.00</sup> or more in value, including any offers of sponsorship for training or development, whether or not they are accepted, must be recorded promptly (and by no later than 28 days from the date of the offer) in a register held by the Combined Authority. A six monthly reminder will be sent to all members and officers. The Combined Authority also has a protocol on Gifts and Hospitality which applies to all members.

## 4.7 Complaints and Whistleblowing

- 4.7.1 If it is alleged that the Combined Authority is (a) acting in breach of the law, (b) failing to adhere to its framework, or (c) failing to safeguard public funds, complaints (from stakeholders, members of the public or internal whistleblowers) should be handled under the complaints policy.
- 4.7.2 The Business Board and the Combined Authority have adopted a confidential complaints procedure and whistleblowing procedure, which are both published on its website. Any complaints will be dealt with in accordance with its approved complaints process.
- 4.7.3 Where the Combined Authority cannot resolve the issue locally to the complainant's satisfaction, and the matter relates to the Cambridgeshire and Peterborough's Single Pot funding, the issue may be passed to the Department for Levelling Up, Housing and Communities (DLUHC) ~~Ministry of Housing, Communities and Local Government (MHCLG)~~ or other relevant departments, such as the Department for Transport (DfT), as appropriate to the complaint in question. If the complainant is not satisfied with the response, they can raise it with the Local Government Ombudsman.

## 4.8 Diversity Statement

- 4.8.1 As detailed previously the Combined Authority is fully committed to diversity and equality. The Business Board has a published Diversity Statement which explains how it looks to ensure diverse representation available on the Business Board website.

## 4.9 Government Branding

- 4.9.1 The Combined Authority is committed to meeting Government branding guidelines for projects in its Local Assurance Framework. This includes the branding guidance issued to LEPs for the Local Growth Fund. The correct branding and wording is used on the Business Board and subsidiary websites. Guidance will be produced for signage, social media, press notices and other marketing materials for every Government funded project.
- 4.9.2 A summary of the Governance framework and checklist is set out in Appendix 3.

## 5. Robust Decision Making

### 5.1 Principles

- This section details the processes and procedures that are in place to ensure we make robust investment decisions with funds devolved to the Combined Authority. These are in addition to those identified within the Accountability, Openness and Transparency sections above. The processes and procedures will:
- Achieve value for money in spending public funds through ensuring that all projects contribute to the objectives of the Combined Authority via adherence to the Green Book principles, specifically -
  - Unless fulfilling a statutory requirement, all business cases must demonstrate a strong fit with the strategic objectives of the relevant Board.
  - For the Combined Authority this is as set out in the Devolution Deal, [Sustainable Growth Ambition Statement](#), and evidenced in the CPIER. Where there are relevant strategies approved by the Combined Authority the case must also demonstrate alignment to these (e.g. Local Industrial Strategy, Local Transport Plan, Skills Strategy, Non-Statutory Spatial Framework).
  - For the Business Board the strategic objectives are those set out in the Local Industrial Strategy, and sector-based strategies, that the Business Board have endorsed.
  - All business cases must clearly set out the key objectives of the project, how these contribute to the achievement of the relevant Board's strategic objectives, as well as how these will be delivered and measured. Where a project is part of a programme the case must also set out how it fits in to that programme.
- [At the Outline Business Case and Full Business Case stages, Benefit Cost Ratios \(BCRs\) will be calculated for the options being considered, including the do-minimum option, and the options will be presented alongside any unmonetisable benefits so that decision makers can see the additional costs of these benefits, and make an informed decision as to whether the cost is worth paying.](#)
- Ensure an appropriate separation between project development and project appraisal, with Independent Value for Money (VFM) Assessment and Business Case Assurance, for all Growth Deal funded schemes and Single Pot Transport projects with a project value greater than £5m by our contracted business case assurance contractor. Transport schemes below £5m will be assessed and signed off independently of the scheme promoter by the Chief Finance Officer with support from an experienced transport modeller, where schemes are below £5m at Full Business Case (FBC) and are of significant complexity or importance an independent assessment may be requested by the Chief Finance Officer from our contracted independent assessment supplier prior to sign off as previously stated.
- Appraise projects in a way which is consistent with the Green Book 'five cases' model and proportionate to the funding ask in terms of processes required.
- Ensure that the money spent results in delivery of outputs and outcomes in a timely fashion, and in accordance with the conditions placed on each investment, and by actively managing the investment to respond to changing circumstances (for example, scheme slippage, scheme alteration, cost increases etc).
- Implement effective evaluation to demonstrate where programmes and projects have achieved their stated aims and using feedback appropriately to refine the priorities and the

decision-making process.

- Ensure that the use of resources is subject to the usual local authority checks and balances as well as normal local government audit, accounting and scrutiny requirements.

## 5.2 Separation of Development and Appraisal Functions

- 5.2.1 The Combined Authority ensures all funding decisions are based on impartial advice. Project Initiation Documents require approval by the CPCA S73 Officer and Chief Executive while Business Cases created by project managers require approval from Combined Authority Board before commencing to project delivery.

## 5.3 Expressions of Interest/Open Calls

- 5.3.1 In relation to the Funds managed by the Business Board such as its recycled Local Growth Fund, expressions of interest are received for potential funding under the Growth Prospectus calls for project proposals, which are published on the Combined Authority website. Prior to launching a call for Expressions of Interest the call criteria is approved by the Business Board in line with its funding strategy taking account of the Business Boards priorities at that time. These Expression of Interests received from for funding calls will be appraised and evaluated by an internal panel with inputs from the appropriate policy lead, legal, procurement and financial officers' under the delegation.. When **full** applications are received, external appraisers will carry out detailed appraisals and, for projects over £500k, the project sponsor must present to an Entrepreneurs Assessment Panel and be scored which counts towards the overall assessment of projects upon which the Business Board considers projects for the award of funding.

## 5.4 Project Initiation Documents (PIDs)

- 5.4.1 PIDs are required for all new programmes and projects and are used to identify the expected expenditure, outputs, governance and outcomes of project delivery.
- 5.4.2 Once approved by the relevant members of the Senior Management Team (Responsible Director, Section 73 Officer and Chief Executive Officer), the delivery of the project concept can proceed.
- 5.4.3 A PID is used to identify the expected expenditure, project governance, timescales for delivery and proposed outcomes, and to enable more informed financial and output profiling in line with the Medium-Term Financial Plan. This is an internal project management document and will be prepared by the Project Manager.
- 5.4.4 The PID provides a first view of how, what and when the project will deliver against the Mayor's Sustainable Growth Ambition Statement, the Local Industrial Strategy and the Business Plan. Detail such as the following will be included:
- The identified Project Manager.
  - Project description including objectives and overview.

- Timescales (high level).
- Project outputs and outcomes against the CPIER and the

Mayor's sustainable growth ambition statement.

- Cost of project (high level), and initial funding required.

5.4.5 It is also during the PID stage where it is recommended a RACI Chart is first developed. From this stage, the internal Project Manager must establish project roles and responsibilities. This will enable a clear escalation process where risks, issues and changes are reported appropriately.

## 5.5 Business Cases

5.5.1 Business cases are designed to enable delivery and are important because projects will only deliver their intended outputs and benefits if they are properly scoped, planned and cost justified from the outset. These Business Cases will require detailed evidenced on the options, designs, delivery and outcomes of the project, along with strategic fit and value for money information to enable informed decision making.

5.5.2 Some categories of projects may have specific Business Case requirements, but most Business Cases are procured externally. The Combined Authority has adopted HM Treasury's Five Case Model, and business cases need to be prepared according to the following elements:

| Five Cases      | Detail   |
|-----------------|--|
| Strategic Case  | The strategic case sets out the rationale for the proposal; it makes the case for change at a strategic level. It should set out the background to the proposal and explain the objective that is to be achieved.  |
| Economic Case   | The economic case is the essential core of the business case and should be prepared according to Treasury's Green Book guidance. This section of the business case assesses the economic costs and benefits of the proposal to society as a whole, and spans the entire period covered by the proposal.  |
| Commercial Case | The commercial case is concerned with issues of commercial feasibility and sets out to answer the question "can the proposed solution be effectively delivered through a workable commercial deal or deals?" The first question, therefore, is what procurement does the proposal require, is it crucial to delivery and what is the procurement strategy?                           |
| Financial Case  | The financial case is concerned with issues of affordability, and sources of budget funding. It covers the lifespan of the scheme and all attributable costs. The case needs to demonstrate that funding has been secured and that it falls within appropriate spending and settlement limits.   |
| Management Case | The management case is concerned with the deliverability of the proposal and is sometimes referred to as programme management or project management case. The management case must clearly set out management responsibilities, governance and reporting arrangements, if it does not then the business case is not yet complete. The Senior Responsible Owner should be identified. |

5.4.3 Reputational due diligence assessment will also be carried out to enable the Combined Authority to gain a comprehensive assessment of possible reputational risk.

- 5.4.4 As part of the financial case, the source of funding will be determined (as part of the review of business cases prior to submission to the Combined Authority or Business Board) and the CPCA S73 Officer (or BB S73 Officer where funding is from within the funds the Combined Authority holds as accountable body to the Business Board) will review the financial case to ensure that, where funding is required from internal Combined Authority sources, it is available and affordable within the Combined Authority's overall resources. The purpose of this is to ensure that the funding requirements of the component elements of the Single Pot are being met, and to enable the effects and outcomes of the component elements of funding within the Single Pot to be tracked.
- 5.4.5 Appraisals will be proportionate to either the estimated scale of budget and/or the level of innovation/risk associated with the programme and in line with established guidance, where appropriate, as set out by HM Government, including:
- HM Treasury Green Book.
  - ~~DLUHC MHCLG~~ Appraisal Guide.
  - HM Treasury Magenta Book.
- 5.4.6 Where a conflict of interest exists, full independent due diligence will be sought. Additionally, the Combined Authority will appoint an independent organisation, through appropriate procurement, to undertake external due diligence when required. The independent organisation works directly with the project applicant to undertake due diligence which then follows the decision-making process.
- 5.4.7 In cases where the investment is to match central government funding, and that government department has undertaken due diligence, the Combined Authority would not need to undertake its own due diligence.
- 5.4.8 The Combined Authority will include reputational checks on organisations (and their group structure including parent organisations), when considering making loans and grants.
- 5.4.9 The Combined Authority's 10-point guide on Project Management provides detail on this decision-making process.
- 5.4.10 Project Managers will mandate a robust climate change assessment as part of business case development.
- 5.4.95.4.11 The Combined Authority procurement policy now ensures that climate change implications are included as part of the procurement criteria.

## 5.6 Relationship with Project Managers – Development to Decision

- 5.6.1 Throughout the development of PIDs and Business Cases through the appraisal process, the Combined Authority will keep in regular contact with external project managers.
- 5.6.2 An internally named project manager will be assigned to each programme/project where the Combined Authority are not the delivery body. The internal project manager will establish close working relationships with external contacts.

## 5.7 Ensuring Value for Money

- 5.7.1 As an investor of public funds, the Combined Authority has a responsibility to ensure that its decisions deliver best value for the taxpayer, and therefore all investment opportunities and Business Cases must include an assessment of Value for Money. The Assurance Framework has been developed in line with HM Treasury Green and Magenta Book Guidelines, which require

project managers to build in Value for Money processes throughout the approval stages. In addition, the Combined Authority requires all Business Cases be developed in line with HM Treasury's Five Case Model.

- 5.7.2 The delivery, and costs, of outputs must be quantified within all applications for funding. Assessing Value for Money will be done in accordance with Government guidance; for example, for all Transport and Infrastructure schemes, the use of the benefit cost ratio (BRC) indicator is implemented in line with DfT TAG guidance and DfT's VFM guidance.
- 5.7.3 The Director responsible for project delivery should document they are satisfied with Value for Money requirements. The Section 73 Chief Finance Officer is also required to sign off Value for Money Statements.
- 5.7.4 The key objective of the Assurance Framework is to support the Combined Authority to make judgements about the value for money of potential investments and to accept or reject investments accordingly. However, it is just one of a range of complementary strategic guidance documents developed by the Combined Authority to inform decision making. The following table sets out the framework of strategic documents which will be used to determine the SMART objectives a project must fulfil in order to be included in any longlisting exercise:

| Document Name   | Function   | Date Published                              |
|---|--|---|
| CPIER and the Mayor's <u>Sustainable</u> Growth Ambition Statement 2016-2026. The Industrial Strategy for Cambridgeshire and Peterborough | <ul style="list-style-type: none"> <li>Key strategy document for the region.</li> <li>Sets high level targets (jobs and GVA) for the Combined Authority and develops the rationale for intervention across the region (six <del>themes and seven priority sectors</del> <u>keys to sustainable economic growth</u>)</li> </ul>   | November 2018                               |
| Local Industrial Strategy   | <ul style="list-style-type: none"> <li>With a particular focus on productivity the Local Industrial Strategy articulates how the region and its priority industries will contribute to the successful delivery of the UK Industrial Strategy and the key interventions necessary to enable productivity growth in Cambridgeshire and Peterborough.</li> </ul>  | May 2019                                    |
| Skills Strategy   | <ul style="list-style-type: none"> <li>The devolution of some of the skills functions alongside the Adult Education Budget to the CPCA frames the impetus for the Skills Strategy. With a holistic approach being taken to increasing productivity and to growing the social and economic well-being of the local communities, the Skills Strategy and high-level delivery plan have been aligned to the Local Industrial Strategy and the Cambridgeshire and Peterborough Independent Economic Review (CPIER) and its recommendations.</li> </ul> | June 2019<br>(update planned for June 2021) |
| Housing Strategy  | <ul style="list-style-type: none"> <li>Sets out a new, ambitious and flexible approach to accelerating building rates and making homes more affordable in order to help tackle the severe shortage of housing of all types across Cambridgeshire and Peterborough.</li> </ul>  | September 2018                              |

|                                 |  |                                |
|---------------------------------|--|--------------------------------|
| Local Transport Plan            | <ul style="list-style-type: none"> <li>Sets out the vision, goals and objectives that define how transport will support the Combined Authority's Growth Ambition, and our approach to meeting these objectives.</li> </ul>   | February 2020                  |
| Non-Statutory Spatial Framework | <ul style="list-style-type: none"> <li>Sets out strategic planning principles to shape growth to make the economy more inclusive and sustainable, while strengthening communities and enhancing quality of life.</li> </ul>  | Phase 1 2018, Phase 2 ongoing. |
| The Business Plan               | <ul style="list-style-type: none"> <li>Sets output targets both in terms of spend</li> </ul>   | Updated annually               |
| Monitoring and Evaluation Plan  | <ul style="list-style-type: none"> <li>Provides for each theme a capital and revenue logic model including key market failures to be addressed, and a range of indicative activities, outputs, outcomes and impacts, tied back to the achievement of the key performance indicators specified in the Local Industrial Strategy.</li> </ul> | Updated annually               |

## 5.8 Value for Money for Transport Schemes

5.8.1 For transport infrastructure schemes, the Cambridgeshire & Peterborough Combined Authority will ensure that modelling and appraisal is sufficiently robust and fit for purpose for the scheme under consideration, and that modelling, and appraisal meets the guidance set out in TAG.

5.8.2 Furthermore, the Cambridgeshire & Peterborough Combined Authority will ensure value for money and transparency of transport scheme through the following:

- Transport Project Business case assessments [Strategic Outline Business Cases (SOBC), Outline Business Cases (OBC) and Full Business Cases (FBC)] will be based on forecasts which are consistent with the definitive version of NTEM (DfT's planning dataset). We will also consider alternative planning assumptions, **which are in line with our devolution ambition**, as sensitivity tests in coming to a decision about whether to approve a scheme.
- The appraisal and modelling will initially be scrutinised by our external Highways Authority delivery partner planning lead to ensure it has been developed in accordance with the TAG. Independent Value for Money (VFM) Assessment and Business Case Assurance, for all Growth Deal funded schemes and Single Pot Transport projects with a project value greater than £5m will be carried out by our contracted business case assurance contractor. Single Pot funded transport projects with a value below £5m will be considered on a case-by-case basis and in cases of strategic impact or project complexity, an independent value for money statement will be undertaken on a proportionate and appropriate basis.
- Options development will utilise previous studies and reports as well as stakeholder engagement. This approach will enable a broad range of possible measures to be established for consideration when establishing the long list.

- The sifting from long list to short will be based on the criteria used in the Department for Transport Early Assessment Sifting Tool (EAST). At the sifting stage discarding of options will be based on whether those options meet the i) resolution of the issue; ii) achieve the strategic and local objectives iii) and is deliverable and technically sound. A scoring mechanism will be used, usually during a workshop environment, where options are appraised and assigned a negative or positive score. This facilitates an initial ranking of options and unfeasible options will be removed. Further engagement with stakeholders will then be undertaken to facilitate further sifting from the initial long list to a shorter list.
- The short-listed options will then be considered at a technical level and a recommendation provided within the Business Case and supporting papers presented to the Combined Authority Board who are empowered to make funding decisions.
- The Combined Authority will endeavour to always maximise value for money with public funds. This will not always be the same as selecting the shortlisted option with the highest BCR, as there may be unmonetisable benefits and risks that outweigh the lower ratio of monetisable benefits and costs, for example higher contract or delivery risks. The appraisal of unmonetisable benefits should be carried out in accordance with the Green Book and DfT's TAG guidance. The rationale on which a decision is made will be recorded through a combination of the papers presenting the options to the decision maker, and any minutes recording the discussion of the meeting at which the decision was made.
- The Combined Authority acknowledges that there may be cases when the best value way of delivering a project in order to achieve its strategic objectives may have a BCR which is not as strong as the BCR of alternatives which do not align as clearly with the Authority's strategic objectives set out in key policies including the Local Transport Plan. Despite this, it is then for the Combined Authority Board to make a judgement on whether the achievement of those strategic objectives is worth the cost to the Combined Authority.
- The Combined Authority's Chief Finance Officer will sign off all Value for Money statements undertaken whether in the form of a business case or an independent assessment. Decisions will be taken appropriate to scheme phase and greater scrutiny and emphasis on VfM will be undertaken as schemes progress through the SOBC, OBC and FBC process, with greater scrutiny of FBC VfM.
- **Business case publication is notified up to 3 months in advance within the Forward Plan, published on the Combined Authority website and then published as part of submission for decision approval at the Business Board and subsequent Combined Authority Board, before a decision to approve funding is made so that external comment is possible. Opinions expressed by the public and stakeholders are made available to relevant members or boards of either Business or Combined Authority Boards when decisions are being taken. The Forward Plan is formally approved at each monthly meeting of the Combined Authority Board and Business Board.**

## 5.9 Project Approval – Funding Agreement

~~5.8.2~~ For projects being delivered by an external organisation, funding agreements or formal legal contracts will need to be put in place before delivery commences. These agreements are important in setting out project monitoring and evaluation requirements, claims/invoice profile and setting out main tasks and responsibilities, including key conditions of the funding. This information is also recorded throughout the project lifecycle through a RACI chart. Agreements/contracts also set out the recovery and/or clawback arrangements in the event of non-compliance, mis-representation, underperformance, mismanagement and/or a failure to deliver an outcome. Any variations to these funding agreements/contracts must be signed off and approved by the Combined Authority.

~~5.8.3~~5.8.2 All Growth Fund schemes, and any other funds delegated to the Business Board, such as Getting Building Fund, will have a funding agreement that sets out the outputs that are required and the schedule of payments that are to be paid. These are examined at each point in the claim.

~~5.8.4~~5.8.3 Following approval of a Business Case it may be necessary to complete a range of statutory processes to ensure the project is ready to continue to the next stage. For example, planning permission or a Compulsory Purchase Order. National and local S106 requirements will be followed when gaining planning permission. It may also be necessary to satisfy a number of conditions agreed as part of the Business Case appraisal. Due diligence of such processes/conditions will then be carried out as required prior to the Combined Authority issuing a formal legal contract.

## 6. DELIVERY PHASE

### 6.1 Release of Funding, Cost Control and Contract Management

- 6.1.1 Once a formal funding agreement/contract is in place the programme/project enters the delivery phase.
- 6.1.2 The Combined Authority's Section 73 Officer must certify that funding can be released under the appropriate conditions.
- 6.1.3 Funding claims submitted to the Combined Authority are checked against the approved project baseline information, which is included within the original funding agreement/contract. Payments will be released quarterly in arrears unless otherwise agreed.
- 6.1.4 A mechanism for 'claw-back' provision is to be included within the funding agreements/contract to ensure funding is spent only on the specified scheme and linked to delivery of outputs and outcomes. Payment milestones are agreed between the project manager and the Combined Authority based upon the complexity, cost and timescales of the scheme. This forms part of the programme management role of the Combined Authority.

### 6.2 Performance Reporting

- 6.2.1 A monthly highlight report cycle has been created and embedded across the organisation. Projects which fall under the Combined Authority Board are required to have monthly reports completed, updating on budget spend and performance against key milestones and outputs/outcomes. There is also a monthly highlight report which monitors spend against Local Growth Funding and Getting Building Funding.
- 6.2.2 Highlight reports also contain risk registers for each project, where project managers track and monitor key risks (and assign a named individual of appropriate seniority against each).
- 6.2.3 Using information from these monthly highlight reports, a monthly dashboard report is created, pulling together the key information from all projects across the Combined Authority Directorates. This information is shared with Members of the ~~Corporate Management Executive~~ Team once a month.
- 6.2.4 Once a quarter, a Performance Report is taken to the Combined Authority Board meeting and provides detail on how the Combined Authority is performing against the following key metrics and targets within the Devolution Deal:
  - Prosperity (measured by Gross Value Added or GVA)
  - Housing
  - Jobs
- 6.2.5 The Performance Report also details the RAG status of key projects, taken from the monthly highlight reports process.
- 6.2.6 In addition to this performance report, an exception report is created from the amber and red rated projects and shared with Combined Authority Board Members.
- 6.2.7 Project Managers are also required to complete monthly finance reports for each of their

projects, which provides a detailed overview of the year-to-date actual spend, budget and a full year forecast. This links with the highlight report process, to ensure an accurate picture of project delivery is captured. The finance reports enable effective forward planning of expenditure, with future year budgets included which are discussed between Project Managers and Finance Managers and fed into the Budget Monitoring Reports which are a standing item at the Combined Authority Board. This report also allows costs to be split between spend to date and future spend forecasts, allowing baselining of costs.

- 6.2.8 Strategic funds investment update reports that cover Local Growth fund and Getting Building Fund are also submitted to every meeting of the Business Board and will be published on the Business Board section of the website.
- 6.2.9 All funding agreements/contracts with external bodies will include reporting guidelines as specified in the Monitoring and Evaluation Framework.

## 6.3 Risk Management

- 6.3.1 The Combined Authority has developed a risk management approach for corporate, portfolio, programme and project level as set out in the Risk Management Strategy published on the Combined Authority website. Within our strategy it manages risk identification, mitigation, escalation and reporting templates guidance.
- 6.3.2 It is important that the level of risk taken on any project and programme is understood from an early stage alongside the associated cost implications. Project managers are required to include risk as part of funding requests.
- 6.3.3 The corporate risk register which incorporates the risks will be reviewed monthly by the ~~Corporate Management~~Executive Team and will be considered by the Audit and Governance Committee quarterly. The Combined Authority's risk strategy includes a hierarchy of risk registers: Project, Programme, Portfolio and Corporate, risks can be escalated up through these levels where required.
- 6.3.4 Senior Officers of the Combined Authority (Chief Executive and CPCA S73 Officer) are responsible for the identification and management of risk.
- 6.3.5 At the project level, all projects are expected to outline, in detail, any identified risks during the business case development and due diligence processes. Once in delivery, ongoing risk registers are maintained and incorporated into the monthly highlight reports. Where applicable, external partners are also encouraged the Combined Authority's risk register template.

## 6.4 Change requests and funding clawback

- 6.4.1 All early warnings and project change requests must be clearly documented, with evidence of approvals and notifications saved where applicable and recorded within the performance highlight reports.
- 6.4.2 All project changes must receive written approval from the named Director responsible for the project, or the CPCA Project Board where one exists. The Director for Business and Skills has delegated authority to SROs, within this directorate. This is

found within Appendix 1 of the Relationship between Risk and Change Control document.

- 6.4.3 When a change request requires an increase in funds outside of the MTFP allocation, this change request will need to follow the appropriate Committee and or Board approval.
- 6.4.4 Approval will be required for:
- RAG rating change in the Highlight Report
  - Changes of project scope
  - Changes to timescales
  - Amendment to budget (within the MTFP allocation)
  - Variations to outputs delivered
  - Withdrawal of a project
- 6.4.5 Directors are responsible for agreeing change requests within delegation and promoting change requests outside delegation. Where there is a project board on which the Director sits, the Project Board may also agree change requests within its delegations.
- 6.4.6 In relation to funding controlled by the Business Board, any change requests should be taken to the Business Board for recommendation to Combined Authority Board.
- 6.4.7 Business Board recommendation will be required for:
- Changes of project scope (from original awarded scope)
  - Changes to timescales (beyond a month to milestones)
  - Amendment to budget (outside of the original funding award)
  - Variations to outputs delivered (as agreed in Grant Funding Agreement)
  - Withdrawal of a project
- 6.4.8 Project change requests that do not constitute a material change can be approved by the Chief Officer to the Business Board.
- 6.4.9 The tolerance thresholds that constitute a material change are defined in relation to spend targets, variance control and change control within individual projects and programmes. But generally, a 10% variance will be permitted in any one reporting period. More than 10% variance on spend and delivery targets will trigger a review by the Business Board. In respect of timeline of project milestones, a variation of up to one month is permissible if agreed by the Chief Officer to the Business Board, in writing but beyond a month is considered a material change requiring Business Board recommendation for approval.
- 6.4.10 Funding clawback and recovery processes for under-performing projects is clearly addressed in the funding agreement/contract.
- 6.4.11 The Business Board is responsible for decisions around withholding, suspending and/or paying back of awarded funds. In some instances, as a result of project

review and monitoring it will be determined that a project is not going to spend its Business Board funding allocation or there will be an issue with eligibility or relevance of spend against contract which requires a claw back of funds.

- 6.4.12 Funding agreements or contracts relating to financial awards granted through programmes offered by the Business Board, determine the circumstances under which funds might be withheld, suspended and/or clawed back. Project applicants agree to monitor the delivery of their projects, reporting back regularly, to ensure that the outputs and outcomes are being met and that the terms of the Agreement are complied with.
- 6.4.13 The Business Board will undertake interim or post completion checks to confirm that the grant has been used as per the approved purposes and will investigate any projects in the event of non-compliance, mis-representation, underperformance, mismanagement and/or a failure to deliver an output and/or outcome.
- 6.4.14 On request the applicant must provide the Business Board with such information, explanations and documents as may reasonably be required in order to facilitate monitoring and/or to establish the terms of their Agreement have been complied with.
- 6.4.15 No financial claim shall be paid unless and until the Business Board and/or the Combined Authority are satisfied that such payment is due under the terms of the funding agreement. An applicant may be required to pay back all or part of the funding in the following circumstances;
- Cases involving breach of UK Subsidy law
  - Failure to comply with the agreement or contract
  - Cases involving fraud, prohibitive acts, illegal or unlawful activity or actions, dishonesty and/or negligence
  - Misleading the Business Board/Combined Authority
  - Undertaking activity which could affect reputation of the Business Board or Combined Authority
  - Failure to make satisfactory progress, or failing to achieve an output and/or outcome
  - Cases where the grant was used for purposes other than those intended (such as ineligible expenditure).
- 6.4.16 There may be instances where recovery or clawback is required against assets, The Business Board/Combined Authority may seek to recover funding against assets by legal process but in the first instance preferably through cooperation of the applicant/grant beneficiary on disposal assets to achieve repatriation of all or part of the original grant value. The Combined Authority reserves the right to pursue legal claims against grant applicants and grant beneficiaries under the terms of the grant agreement/contract and this includes any assets.
- 6.4.17 The Combined Authority in its capacity as the Accountable Body will:

- ensure that all decisions regarding public funds are made on merit having taken into account all the relevant information available at the time.
- compliance to EU state aid and UK subsidy rules in all cases where this may apply and to take legal advice where necessary, ensuring that all decisions are recorded and reported
- ensure that all funding agreements reflect the conditions that need to be placed on any grant and that these conditions are upheld
- ensure that recovery and/or clawback is enforced where non-compliance, mis-representation, underperformance or mismanagement or a failure to deliver has occurred and where this is appropriate but only when other options have been exhausted by the Business Board and Officers to enable delivery and the Board have agreed this cause of action, following detailed reports and legal advice
- to retain copies of all related documentation for Local Growth Funding and any other government funding delegated to the Business Board and to ensure that the Business Board is retaining the complete record
- ensure that this Assurance Framework and the National Assurance Framework as approved by Government is adhered to in relation to any Recovery or Clawback.
- maintain the official record of recovery and/or clawback proceedings and holding all related documents.
- review that the Business Board's decisions are lawful and that suitable legal advice has been obtained by the Business Board or Officers, also that the correct processes have been followed
- At its discretion undertake any of the clawback/recovery actions as outlined instead of the Business Board

## 6.5 Monitoring & Evaluation

- 6.5.1 As agreed with Government, the Combined Authority's approach to monitoring and evaluation is set out in a separate detailed Monitoring & Evaluation Framework document, which is updated and submitted for review by Government annually.
- 6.5.2 Project managers are responsible for identifying, at the initiation stage, what their project is to deliver. All projects must have a logic model created which details both the outputs and the outcomes that the project will achieve. This logic model is then used as the basis on which to plan monitoring and evaluation activity.
- 6.5.3 Evaluation plans are created when the project is nearing the construction/delivery phase and will be proportionate and in line with the latest government department guidance where relevant. For example, all transport schemes (over

£5m) will follow Monitoring and Evaluation Guidance for Local Authority Major Schemes. The draft plans are created by the project manager and then consulted upon with the Analysis & Evaluation Manager and the Project Management Office (who own the M&E Framework and ensure consistency and quality of plans). Plans are then signed off as per the governing arrangements for that specific project.

6.5.4 The Combined Authority has a varied level of evaluation depending on the nature of each project. As per the Combined Authority's Monitoring & Evaluation Framework, this will depend on the following questions:

- A1) Is the project funded through Investment (Gainshare) funding (in the CPCAs' case the core agreement with central government to devolve £20m per year over 30 years) or Transforming Cities Funding. If so, it is subject to the agreed independent national evaluation framework processes.
- A2) Is the project funded through other streams and identified as being 'key' in terms of the expected benefits to be achieved. If so, it is subject to a full independent evaluation commissioned by the CPCA locally.
- B) Is the project identified as one where significant learning is available that would help to inform future policy making either locally or nationally. This will include projects that are innovative or considered 'pilots'. If so evaluation work in this case would either be commissioned independently or carried out locally within the public sector.
- C) Other projects not included above would be subject to minimal 'self-evaluation' based on submitted business cases. The funding partner may be responsible for this.

6.5.5 As part of funding conditions, there are national evaluation frameworks for Investment Fund (Gainshare) and Transforming Cities. The purpose of the Investment Fund evaluation is to provide evidence on the impact of the funds in delivery local growth outcomes to inform the first Gateway Review in early 2021. The focus of the evaluation is on interventions that have been approved formally and where Investment Expenditure has incurred within the first Gateway Review. The framework for Transforming Cities is looking at the collective impact of similar schemes across the whole of England and Wales.

6.5.6 Evaluation progress to date for the projects/programmes identified as level A-C above can be found in figure 6 of the Monitoring & Evaluation Framework.

6.5.7 The choice of evaluation type/approach should be based on the policy's underlying theory or logic model and stated objectives.

## 6. Measuring Success – Realising the Benefits

### 7.1 The Importance of Monitoring and Evaluation

- 7.1.1 The Combined Authority and the Business Board (LEP) is committed to implementing effective monitoring and evaluation so that it is able to:
- **Provide local accountability to the public** by demonstrating the impact of locally devolved funding and the associated benefits being achieved.
  - **Comply with external scrutiny requirements** i.e. to satisfy conditions of the Devolution Deal. Specifically, the Monitoring and Evaluation Framework will be used to demonstrate local progress and delivery to senior government officials and Ministers who are ultimately accountable to parliament for devolved funds.
  - **Understand the effectiveness of policies or investments** and to justify reinvestment or modify or seek alternative policy. The Monitoring and Evaluation Framework provides a feedback loop for the Authority and relevant stakeholders. This includes performance measurement on the impact of outcomes from specific funding programmes which the Combined Authority is the Accountable Body, for example Local Growth Funds.
  - **Develop an evidence base for input into future business cases** and for developing future funding submissions. The Monitoring and Evaluation Framework will collect, collate and analyse data which can be utilised for future work and especially in relation to economic impact of particular interventions creating ‘benchmarks’.
- 7.1.2 The Combined Authority Monitoring and Evaluation Framework was initially prepared in relation to the Combined Authority’s Devolution Deal monitoring and evaluation requirements. However, the approach set out in the Framework will be utilised for all sources of funding within the Cambridgeshire and Peterborough Business Plan, accepting that some government departments will have slightly different requirements which will be met. The Framework builds on the National Evaluation Framework for devolution funds, prepared by SQW and agreed with devolution areas and government.
- 7.1.3 The Business Board has also adopted this Monitoring and Evaluation framework, as the Governments published guidance requires the Business Board to reference their monitoring and evaluation arrangements as well. This includes for example specific plans using the framework to deliver monitoring and evaluation work for key Business Board programmes.
- 7.1.4 The overall responsibility for monitoring and evaluation (the Monitoring and Evaluation Framework) and execution of the activity associated with it is held at director level at the Combined Authority, within the post of Strategy & Assurance Director Delivery and Strategy. The Combined Authority has agreed a contract with Cambridgeshire County Council (part of the wider Cambridgeshire Insight partnership) to provide an appropriate level of officer support on Monitoring and Evaluation, including local knowledge, expertise and supporting capacity. For Local Growth Fund programme, it was agreed to utilise an additional contractor to undertake the evaluation work on the Local Growth Fund

evaluation plan phase one.

- 7.1.5 The Combined Authority's approach uses the Magenta Book definition of monitoring and evaluation and makes use of the wider guidance within this document as complementary guidance to the HM Treasury Green Book.
- 7.1.6 All projects, including the Combined Authority major projects will have logic models.
- 7.1.7 Lessons learnt from evaluations will be reported to the Business Board and Combined Authority Board as appropriate.

## 7.2 Programme and Project Monitoring

- 7.2.1 Funding agreement/contracts set out the programme or project spend and output profile together with the monitoring arrangements (financial, benefits and risk).
- 7.2.2 Monthly highlight reports are completed by project managers on all live projects. These reports are reviewed by members of the ~~Corporate Management~~Executive Team.
- 7.2.3 Project finances are reported as a standing item to relevant Executive Committees, and the Combined Authority Board, as part of the overall budget monitoring report.
- 7.2.4 Any changes or variances to the spend profiles or key milestones will need to be reported by the Project Manager and approved by the Combined Authority. On approval a variation letter to the Funding Agreement/contract will be issued.

## 7.3 Adult Education Budget Monitoring and Evaluation

- 7.3.1 The Adult Education Budget reporting will be included within the Combined Authority monitoring and evaluation submissions as required under the devolution agreement. The Combined Authority has already submitted our policies for adult education as part of the readiness conditions and they were published as part of the commissioning process.
- 7.3.2 The Combined Authority's Monitoring and Evaluation Framework (detailed above) will be used for the Adult Education Budget activity including the use of logic models. The first formal annual evaluation has been undertaken and completed in January 2021. It meets the national requirements as set out in the National Assurance Framework, together with locally determined requirements so that it can be used to inform and shape the criteria for future funding awards.
- 7.3.3 The Combined Authority has agreed with the Education & Skills Funding Agency a formalised approach for Audit, Assurance, Fraud and Investigations for the first year of devolved delivery in 2020/21, known as Year 1. The Combined Authority will be responsible for auditing all training providers and colleges on the adult education budget funding stream in our region from April 2021, known as Year 2.

## 8. Appendix 1 - Cambridgeshire and Peterborough Combined Authority and Business Board Joint Statement

### **Advisory and challenge function:**

The Business Board is a non-statutory body which is the Local Enterprise Partnership for this area. It is independent of the Cambridgeshire & Peterborough Combined Authority (CPCA) operating as a private- public sector partnership, focusing on the key business sectors to provide strategic leadership and drive growth in the Cambridgeshire and Peterborough and wider Local Enterprise area.

The Business Board comprises a blend of industry leading experts from the private sector, alongside representatives from the public sector and education communities. It is chaired by a private sector representative and brings together some of the brightest entrepreneurial minds in our area.

The Chair is a voting member of the Cambridgeshire and Peterborough Combined Authority Board ensuring that the business view is at the centre of regional decision making.

The role of the Business Board as stated within its terms of reference is:

#### **Strategy:**

- (a) In collaboration with the Cambridgeshire and Peterborough Combined Authority, develop and deliver an evidence-based Local Industrial Strategy that identifies local strengths and challenges, future opportunities and the action needed to boost productivity, earning power and competitiveness across their area.
- (b) Set strategy and commission interventions to drive growth, jobs and private sector investment to deliver the strategy.

#### **Allocation of funds**

- (c) Identify and develop investment opportunities; prioritising the award of local growth funding; and monitoring and evaluating the impacts of its activities to improve productivity across the local economy.
- (d) ensure that bids for public funding made available by government for LEPs support economic growth.
- (e) ensure any decisions which are made in contravention of the process will be invalid.

## Co-ordination

- (f) Use its Business convening power, for example to co-ordinate responses to economic shocks; and bringing together partners from the private, public and third sectors.
- (g) ensure Business Board and Combined Authority policy and decisions receive the input and views of key business leaders and take account of the views of the wider business community
- (h) engage with local businesses to understand the needs of different sectors and markets

## Advocacy

- (i) Collaborate with a wide-range of local partners to act as an informed and independent voice for business across their area.
- (j) engage business, opinion formers and policy makers at a national and international level in promoting economic growth in the region.

### (Business Board constitution)

By bringing together the Business Board and the Combined Authority we combine the best of private sector expertise and public sector knowledge, transparency and accountability.

### Alignment of decision-making across a clear geography:

The Mayoral Cambridgeshire and Peterborough Combined Authority was formally established on 2 March 2017 (with the first Mayoral election held in May 2017) to further the sustainable and inclusive growth of the economy of Cambridgeshire and Peterborough. Its geographical boundary covers seven constituent local authorities in the Cambridgeshire and Peterborough area.

The Business Board was established on 1<sup>st</sup> April 2018, taking over from the former Greater Cambridge Greater Peterborough Local Enterprise Partnership, to drive forward economic growth across its local area. The Business Board is now responsible for all former Local Enterprise Partnership projects and programmes. ~~The Business Board currently covers 15 local authorities;~~

As part of a full regional governance review, the Department for Business Enterprise and Industry are considering proposals to align the Business Board boundaries with the Cambridgeshire and Peterborough Combined Authority to ensure close working and delivery of economic growth projects across Cambridgeshire and Peterborough.

The integrated officer structure ensures that the relationship between the Combined Authority and Business Board is strong and effective. All governance policies and procedures are aligned ensuring transparency and open and accountable decision making.

**Accountability:**

The accountable body for all Local Enterprise Partnership funding is the Cambridgeshire and Peterborough Combined Authority. It provides the accountable body role for the both Business Board, the multi LEP Agri-Tech programme and the Greater South East Local Energy Hub and employs the officers that support them. The Combined Authority will ensure the effective use of public money and have responsibility for the proper administration of funding received and its expenditure, and must also review and approve the financial framework.

The Combined Authority Board approves funding decisions upon the recommendation of the Business Board except where delegations have been approved. The BB S73 Officer signs off all funding decisions taken by the Business Board prior to their presentation to the Business Board.

**Efficiency and corporate identity:**

The Combined Authority and Business Board operate under a single officer team. In order to ensure the independence of each Board, the senior management team has separate duties assigned to officers within that team. The senior management team is headed up by the joint Chief Executives.

The Combined Authority Board and Business Board are supported by a Chief Officer who is the Director for Business & Skills, and further supported by key statutory officers within the single team and through a dedicated S73 Officer (BB S73 Officer) and Monitoring Officer to provide an independent secretariat to each Board.

In addition to the above, the Boards also benefit from specialist support within the wider structure. This includes experienced Directors, Programmes Managers and others to ensure that the organisation is run in a proactive, impact driven and fully compliant manner.

The Combined Authority and the Business Board have their own branding and identity recognising that some work of the Business Board is separate from and extends beyond the Combined Authority.

**Overview and Scrutiny:**

The role of the Cambridgeshire and Peterborough Combined Authority's Overview and Scrutiny Committee is primarily to scrutinise the work and decisions made by the Cambridgeshire and Peterborough Combined Authority. In so far as the business of the Business Board, the Overview and Scrutiny Committee may review or scrutinise any Combined Authority decision in its role as accountable body for the Business Board. The Combined Authority's Scrutiny Officer shall ensure this includes appropriate scrutiny of the Business Board decision making and achievements. To further strengthen internal scrutiny, an appointed member of Overview & Scrutiny Committee will shadow the work of the Business Board and this member will occupy the position of Overview & Scrutiny Lead Member. The Cambridgeshire and Peterborough Combined Authority's Audit and Governance Committee shall also oversee the audit and governance arrangements of the Business Board.

## 9. Appendix 2 – Summary of Scheme of Delegation for Business Board funding

The schemes of delegations are set out in the Business Board and Combined Authority Constitutions and summarised below:

| Function  | Approved by              | Recommendation by                          | Supported by  |
|---|--------------------------|--|---|
| <b>Strategy</b>   |                          |  |   |
| CPIER and the Mayor's <u>sustainable</u> growth ambition statement and associated thematic strategies | Combined Authority Board |  | Chief Executive, Monitoring Officer and CPCA S73 Officer                                |
| Business Plan and the Medium-Term Financial Plan  | Combined Authority Board | Overseen by Audit and Governance Committee | Chief Executive, Monitoring Officer and CPCA S73 Officer                                |
| Business Board to lead on development and deliver an evidence-based Local Industrial Strategy         | Combined Authority Board | Business Board                             | Chief Executive, Director of Business and Skills, Monitoring Officer and BB S73 Officer |
| Digital Sector Strategy   | Combined Authority Board | Business Board                             | Chief Executive, Directors, Monitoring Officer, CPCA S73 Officer and BB S73 Officer     |
| OxCam Arc   | Combined Authority Board | Business Board                             | Director of Business and Skills Monitoring Officer, CPCA S73 Officer and BB S73 Officer |
| Influencing the development of the other Combined Authority's strategies and policies                 | Combined Authority Board | Business Board                             | Chief Executive, Monitoring Officer, CPCA S73 Officer and BB S73 Officer                |
| <b>Allocation of LEP funding</b>  |                          |  |   |
| Budget approval   | Combined Authority Board |  | Chief Executive, Monitoring Officer and CPCA S73 Officer                                |

|  |  |  |   |
|--|--|--|---|
| Sign off all funding decisions relating to funding allocated to the Business Board and sub-committee expenditure | BB S73 Officer                               |  |   |
| Business Board funded project approvals  | Combined Authority Board as accountable body | Business Board review the Business Case for Business Board funded projects and make Recommendation to the Combined Authority Board | BB S73 Officer signs off all Business Board proposals |

| Function  | Approved by   | Recommendation by | Supported by   |
|---|---|-------------------|--|
| Allocation of Small Grants between £2,000 and £20,000   | Director of Business & Skill  |                   | Delegation subject to BB S73 Officer approval and report all approvals to the next schedule meeting of the Business Board. Decision recorded through the Officer Decision Notice process |
| Wisbech Access Strategy at key gateway stages to deliver the agreed Wisbech Access Strategy Package works   | Head of Transport in consultation with the Chair of the Transport Committee<br><br>CPCA S73 Officer |                   | Decision recorded through the Officer Decision Notice process  |
| Eastern Agri-Tech Programme (Multi-LEP Programme) to make decisions about applications for grant funding on behalf of both the CA/BB and NALEP (New Anglia Local Enterprise Partnership). | Eastern Agri-Tech Programme Board   |                   | Agri-Tech Project Officer, Director of Business and Skills, Monitoring Officer and BB S73 Officer  |
| Energy Hub funding (Multi-LEP Programme)<br>(a) to assume the Rural Community Energy Fund management role<br><br>(b) oversight of the Rural Community Energy Fund (RCEF) Funding Panel    | Greater South East Energy Hub   |                   | Regional Energy Hub Manager, Director of Business and Skills, Monitoring Officer and CPCA S73 Officer  |
| Makes decisions on Energy Hub grant applications.   | Community Energy Fund (RCEF) Funding  |                   | Regional Energy Hub Manager, Director of Business and Skills,  |

| Function   | Approved by   | Recommendation by                                   | Supported by   |
|--|---|---|--|
|  | Panel   |   | Monitoring Officer and CPCA S73 Officer  |
| Strategic oversight and governance of the Enterprise Zones                           | Business Board  |   | Director of Business and Skills, Monitoring Officer and BB S73 Officer   |
| Programme delivery of Enterprise Zone projects                                       | Enterprise Zone Alconbury Weald Programme Board and Cambridge Compass Enterprise Zone Project Boards<br><br>BB S73 Officer<br><br>Chief Executive | Director of Business and Skills                     | Individual Enterprise Zone Project Boards for each site, set-up at officer level and responsible for delivering the programmes and projects associated with the regeneration and development of each Enterprise Zone site. |
| <b>Governance</b>  |   |   |  |
| Accountable Body Business Board and the Greater South East Local Energy Hub          | Combined Authority Board<br><br>BB S73 Officer  | Director of Business and Skills                     |  |
| Assurance Framework  | Joint approval by Combined Authority Board and Business Board   | Monitoring Officer and CPCA S73 Officer             | Director of Business and Skills responsible for the delivery of Business Board functions within the assurance framework  |
| Submission of Growth Deal and Getting Building Fund monitoring reports to Government | Chief Executive<br>BB S73 Officer   | Business Board where Board meeting timetable allows | Director of Business and Skills  |
| Annual Delivery Plan   | Business Board  |   | Director of Business and Skills responsible for the delivery of annual delivery plan within agreed budgets   |
| Business Board Constitution and delegations to other bodies or Officers              | Combined Authority Board  | Business Board                                      | Director of Business and Skills. Monitoring Officer and BB S73 Officer   |

|                                    |                      |  |                                 |
|------------------------------------|----------------------|--|---------------------------------|
| Membership of the Business Board – | Board’s appointments |  | Director of Business and Skills |
|------------------------------------|----------------------|--|---------------------------------|

| <b>Function</b>                                    | <b>Approved by</b>  | <b>Recommendation by</b>       | <b>Supported by</b>   |
|--|---|--------------------------------|---|
| Private Sector members                             | panel   |                                |   |
| Diversity Statement                                | Business Board  |                                | Director of Business and Skills   |
| Contract Standing orders and financial Regulations | Combined Authority Board  |                                | Monitoring Officer and CPCA S73 Officer   |
| Urgent Decisions                                   | Business Board urgency procedure and reported to next Meeting of Business Board |                                | Director of Business and Skills Monitoring Officer and BB S73 Officer   |
| Risk Management for Business Board Projects        | Business Board  |                                | Director of Business and Skills Senior Information Risk Officer (SIRO)<br>- The Monitoring Officer is the SIRO for Information Governance |
| Final accounts                                     | CPCA S73 Officer and Audit and Governance Committee                             |                                |   |
| Annual Governance Statement                        | Mayor, the Business Board Chair and the Chief Executive                         | Audit and Governance Committee |   |
|  |   |                                |   |

## 10. Appendix 3 – Governance Framework and Publication Checklist

|          | Chapter   | Key Documents   | Documents that must be published under National Framework |
|----------|---|---|---|
| <b>1</b> | <b>Assurance framework</b>                            |   |   |
|          |   | National Assurance Framework  | ✓   |
|          |   | Cambridgeshire and Peterborough Assurance Framework   | ✓   |
| <b>2</b> | <b>Strategic Documents</b>                            |   |   |
|          |   | Cambridgeshire and Peterborough Devolution Deal   | ✓   |
|          |   | Cambridgeshire and Peterborough Independent Economic Review   | ✓   |
|          |   | Local Industrial Strategy   | ✓   |
| 2.1      |   | Mayor's <u>sustainable</u> growth ambition statement  | ✓   |
| 2.2      |   | Cambridgeshire and Peterborough Business Plan 2019-2020   | ✓   |
| 2.3      |   | Combined Authority Medium-Term Financial Plan 2019-2023   | ✓   |
| <b>3</b> | <b>Accountability and Transparent Decision making</b> |   |   |
| 3.2      | Combined Authority                                    | Constitution of the Mayoral Combined Authority  | ✓   |
|          |   | Combined Authority Members  | ✓   |
|          |   |   |   |
| 3.3      | Business Board  | Constitution of the Business Board  | ✓   |
|          |   | Business Board Members  | ✓   |
|          |   | Cambridgeshire and Peterborough Combined Authority and Business Board Joint Statement ( <b>See Appendix 1</b> ) | ✓   |
|          |   | Eastern Agri-Tech Growth  | ✓   |

|          |   |  |   |
|----------|---|--|---|
|          |   | Initiative & Agri-Tech Programme Board   |   |
|          |   | Eastern Agri-Tech Growth Initiative Guidance Notes and Pre-Qualification Questionnaire                                       | ✓ |
|          |   | <b>Enterprise Zones</b><br>Alconbury Weald and Cambridge Compass Enterprise Zones  | ✓ |
|          |   | Greater South East Energy Hub & Energy Hub Board   | ✓ |
|          |   | RCEF guidance notes and Expression of Interest form (to be published)  | ✓ |
| 3.4      |   |  |   |
|          |   | Officer Decision Notices   |   |
| 3.6      | Statutory Committees  |  |   |
|          | Overview & Scrutiny Committee   | Terms of reference (Constitution)  |   |
|          | Audit & Governance Committee  | Terms of reference (Constitution)  |   |
|          |   | Audit Reports 2019<br>- Business Board<br>- Internal Audit annual internal Audit letter                                      | ✓ |
| 3.7      | Data Protection   | Data Protection Policy   | ✓ |
| <b>4</b> | <b>Accountability and Transparency – Supporting Policies and Procedures</b> |  |   |
|          |   | Combined Authority Agendas and minutes   | ✓ |
|          |   | Business Board Agendas and minutes   | ✓ |
|          |   | Annual report and delivery plan  | ✓ |
| 4.2      | Financial information   | Annual accounts, external audit letter and annual governance statement 2017/18   | ✓ |
|          |   | Quarterly return to BEIS on Growth Fund projects, spend and performance  | ✓ |
|          |   | Funding programme with description of the scheme, promoter and funding award   | ✓ |
| 4.3      | Remuneration and Expenses   | Interim Business Board Expenses Scheme   | ✓ |
|          |   | Allowances and Expenses paid 2018/19   | ✓ |
|          |   | Salaries of senior officers earning more than £50,000 (published annually); together with the numbers of staff who earn over |   |

|          |                                    |   |   |
|----------|------------------------------------|---|---|
|          |                                    | £50,000, in bands   |   |
| 4.4      | Freedom of Information             | CACP Freedom of Information Policy, publication scheme and published FOI requests and responses                                       | ✓ |
| 4.5      | Conflicts of Interest              | Code of Conduct for Business Board Members  | ✓ |
|          |                                    | Code of Conduct for staff   | ✓ |
|          |                                    | Declarations of Interest forms  | ✓ |
|          |                                    | Register of interest for Chief Executives   | ✓ |
| 4.6      | Gifts and Hospitality              | The register of gifts and hospitality declared by Business Board  | ✓ |
| 4.7      | Complaints and Whistleblowing      | CACP Complaints Policy  | ✓ |
|          |                                    | CACP Whistleblowing Policy  | ✓ |
|          |                                    | CA Business Board Complaints Policy   | ✓ |
|          |                                    | CA Business Board Whistleblowing Policy   | ✓ |
|          |                                    | CA Business Board Confidential reporting of complaints  | ✓ |
|          |                                    | Making a complaint  | ✓ |
|          |                                    | Fraud and Corruption Policy   |   |
| 4.8      | Diversity Statement                | CA Business Board Diversity Statement   | ✓ |
| 4.9      | Government Branding                | Guidance for signage, social media, press notices and other marketing materials for every Government funded project (to be published) |   |
| <b>5</b> | <b>Robust Decision making</b>      |   |   |
| 5.3      | Expressions of Interest/Open Calls | Local Growth Fund, expressions of interest under the Growth Prospectus  | ✓ |
| 5.5      | Business Cases                     | 10-point guide on Project Management – See Appendix 3   | ✓ |
| 5.7      | Ensuring Value for Money           | Monitoring and Evaluation Framework   |   |
| <b>6</b> | <b>Delivery Phase</b>              |   |   |
|          |                                    | Growth fund and investment update reports   | ✓ |
|          |                                    | Risk Management   |   |

## Exemptions to the National Local Growth Assurance Framework 2021-22

| Provision in the NLGAF                                   | NLGAF (version 2021) Reference  | Exemption   |
|--|---|---|
| 1. Appointment Process for Board Members and Chairs      | <p>“The LEP should outline, or refer to, its appointment process for Board Members (public and private sector), Chairs and Deputy Chairs within the Local Assurance Framework. As part of this they should ensure that they advertise opportunities for private sector leaders to become a LEP Chair or private sector Board Member when vacancies emerge. They should advertise openly, on a variety of platforms to ensure that people across the business community have an opportunity to apply and consider the diversity requirements outlined in this Framework...”</p> <p>Paragraph 75-77</p> | <p><b>New Exemption 2021:</b> we acknowledge the ongoing government-led review into the role of LEPs. Therefore, there may be circumstances where the board opts to extend or temporarily appoint board members/chairs without needing to proceed to a full recruitment, on the basis a full and open recruitment is conducted after these exceptional circumstances cease. In such circumstances, the LEP <u>must</u> notify the Area Lead, copying in <a href="mailto:localgrowthassurance@communities.gov.uk">localgrowthassurance@communities.gov.uk</a> and providing clear justification for the decision. Any extensions should be within the current financial year only.</p> |
| 2. LEP Board composition – Chair and Deputy Chair’s term | <p>“To support the Chair in their role, all LEPs should appoint a Deputy Chair. The LEP should have a defined term limit of three years for the Chair and Deputy Chair, with an optional extension of three years. There is an option to extend for a further three years in exceptional circumstances if approved by the Board”.</p> <p>Paragraph 133</p>  | <p><b>New Exemption 2021:</b> we acknowledge the ongoing government-led review into the role of LEPs. We hold that these are exceptional circumstances. Therefore, the board may wish to extend a Chair or Deputy Chair beyond normal term. In such circumstances the LEP <u>must</u> notify the Area Lead, copying in <a href="mailto:localgrowthassurance@communities.gov.uk">localgrowthassurance@communities.gov.uk</a> for <u>consent</u> to extend the term.</p>  |
| 3. LEP Board composition – private sector                | <p>“The LEP Board must contain representatives from different parts of the community. In addition, at least two-thirds of the Board must be representatives from the private sector as defined by the National Accounts Sector Classification”.</p> <p>Paragraph 125</p>  | <p><b>New Exemption 2021:</b> we acknowledge the ongoing government-led review into the role of LEPs, and this may affect board composition. Therefore, there may be circumstances where the private sector composition is temporarily non-compliant. Should the board composition drop below two-thirds private sector representation, the LEP <u>must</u> notify the Area Lead, copying in <a href="mailto:localgrowthassurance@communities.gov.uk">localgrowthassurance@communities.gov.uk</a>, and providing clear explanation of why representation cannot be maintained.</p>  |
| 4. LEP Board composition – gender                        | <p>“The diversity statement should include a commitment to ensure at least one third of members of LEP Boards are women, with an expectation of equal representation by the beginning of 2023.” Paragraph 79.</p>   | <p><b>New Exemption 2021:</b> we acknowledge the ongoing government-led review into the role of LEPs, and this may affect board composition. Therefore, there may be circumstances where the gender composition is temporarily non-compliant. Should the board composition drop below one-third female representation, the LEP <u>must</u> notify the Area Lead, copying in <a href="mailto:localgrowthassurance@communities.gov.uk">localgrowthassurance@communities.gov.uk</a> and providing clear explanation of why representation cannot be maintained.</p>  |





**CAMBRIDGESHIRE  
& PETERBOROUGH**  
COMBINED AUTHORITY

# Cambridgeshire and Peterborough Combined Authority Forward Plan of Executive Decisions

Published 18 March 2022

**The Forward Plan is an indication of future decisions. It is subject to continual review and may be changed in line with any revisions to the priorities and plans of the CPCA. It is re-published on a monthly basis to reflect such changes.**

## Purpose

The Forward Plan sets out all of the decisions which the Combined Authority Board and Executive Committees will be taking in the coming months. This makes sure that local residents and organisations know what decisions are due to be taken and when.

The Forward Plan is a live document which is updated regularly and published on the [Combined Authority website](#) (click the Forward Plan' button to view). At least 28 clear days' notice will be given of any key decisions to be taken.

## What is a key decision?

A key decision is one which, in the view of the Overview and Scrutiny Committee, is likely to:

- i. result in the Combined Authority spending or saving a significant amount, compared with the budget for the service or function the decision relates to (usually £500,000 or more); or
- ii. have a significant effect on communities living or working in an area made up of two or more wards or electoral divisions in the area.

## Non-key decisions and update reports

For transparency, the Forward Plan also includes all non-key decisions and update reports to be considered by the Combined Authority Board and Executive Committees.

## Access to reports

A report will be available to view online one week before a decision is taken. You are entitled to view any documents listed on the Forward Plan after publication, or obtain extracts from any documents listed, subject to any restrictions on disclosure. There is no charge for viewing the documents, although charges may be made for photocopying or postage. Documents listed on this notice can be requested from [Robert Parkin](#), Chief Legal Officer and Monitoring Officer for the Combined Authority.

The Forward Plan will state if any reports or appendices are likely to be exempt from publication or confidential and may be discussed in private. If you want to make representations that a decision which it is proposed will be taken in private should instead be taken in public please contact [Robert Parkin](#), Chief Legal Officer and Monitoring Officer at least five working days before the decision is due to be made.

An accessible version of the Forward Plan is available on request from [Democratic Services](#).

## Notice of decisions

Notice of the Combined Authority Board's decisions and Executive Committee decisions will be published online within three days of a public meeting taking place.

## Standing items at Executive Committee meetings

The following reports are standing items and will be considered by at each meeting of the relevant committee. The most recently published Forward Plan will also be included on the agenda for each Executive Committee meeting:

### Housing and Communities Committee

1. Affordable Housing Programme Loans Update

### Skills Committee

1. Budget and Performance Report
2. Employment and Skills Board Update

### Transport and Infrastructure Committee

1. Performance and Finance Report

## Combined Authority Board – 30 March 2022

### Governance Items

|    | Title of report  | Decision maker   | Date of decision | Decision required | Purpose of report   | Consultation                                | Lead officer   | Lead Member          | Documents relevant to the decision submitted to the decision maker                                    |
|----|--|--|------------------|-------------------|---|---|--|----------------------|---|
| 1. | Minutes of the meeting on 26 January 2022 and Action Log | Cambridgeshire and Peterborough Combined Authority Board | 30 March 2022    | Decision          | To approve the minutes of the previous meeting and review the action log. | Relevant internal and external stakeholders | Richenda Greenhill, Democratic Services Officer          | Mayor Dr Nik Johnson | It is not anticipated that there will be any documents other than the report and relevant appendices. |
| 2. | Annotated Forward Plan                                   | Cambridgeshire and Peterborough Combined Authority Board | 30 March 2022    | Decision          | To approve the latest version of the forward plan.                        | Relevant internal and external stakeholders | Robert Parkin Chief Legal Officer and Monitoring Officer | Mayor Dr Nik Johnson | It is not anticipated that there will be any documents other than the report and relevant appendices. |

|    | Title of report                        | Decision maker   | Date of decision | Decision required     | Purpose of report  | Consultation   | Lead officer                                     | Lead Member          | Documents relevant to the decision submitted to the decision maker  |
|----|--|--|------------------|-----------------------|--|--|--|----------------------|---|
| 3. | Budget Monitor Report March 2022       | Cambridgeshire and Peterborough Combined Authority Board | 30 March 2022    | Key Decision 2022/008 | To provide an update on the revenue and capital budgets for the year to date and to seek Board approvals as required.                                      | Relevant internal and external stakeholders  | Jon Alsop<br>Section 73<br>Chief Finance Officer | Mayor Dr Nik Johnson | It is not anticipated that there will be any documents other than the report and relevant appendices to be published. |
| 4. | Treasury Management Strategies 2022/23 | Cambridgeshire and Peterborough Combined Authority Board | 30 March 2022    | Decision              | To review and approve the Combined Authority's draft Capital, Treasury and Investment Strategies and Minimum Revenue Provision (MRP) Statement for 2022/23 | Relevant internal and external stakeholders including the Audit and Governance Committee | Jon Alsop<br>Section 73<br>Chief Finance Officer | Mayor Dr Nik Johnson | It is not anticipated that there will be any documents other than the report and relevant appendices to be published. |

|    | Title of report                         | Decision maker   | Date of decision | Decision required | Purpose of report                                    | Consultation                                | Lead officer                                     | Lead Member          | Documents relevant to the decision submitted to the decision maker  |
|----|---|--|------------------|-------------------|--|---|--|----------------------|---|
| 5. | Sustainable Growth Ambition Statement   | Cambridgeshire and Peterborough Combined Authority Board | 30 March 2022    | Decision          | To approve the Sustainable Growth Ambition Statement | Relevant internal and external stakeholders | Paul Raynes<br>Director of Delivery and Strategy | Mayor Dr Nik Johnson | It is not anticipated that there will be any documents other than the report and relevant appendices to be published. |
| 6. | Annual Report and Business Plan 2022/23 | Cambridgeshire and Peterborough Combined Authority Board | 30 March 2022    | Decision          | To approve the 2022/23 Business Plan.                | Relevant internal and external stakeholders | Paul Raynes<br>Director of Delivery and Strategy | Mayor Dr Nik Johnson | It is not anticipated that there will be any documents other than the report and relevant appendices to be published. |

|    | Title of report           | Decision maker   | Date of decision | Decision required | Purpose of report   | Consultation  | Lead officer  | Lead Member          | Documents relevant to the decision submitted to the decision maker  |
|----|---------------------------|--|------------------|-------------------|---|---|---|----------------------|---|
| 7. | Performance Report        | Cambridgeshire and Peterborough Combined Authority Board | 30 March 2022    | Decision          | To agree future performance reporting arrangements to the Board in support of the new Business Plan and Medium-Term Financial Plan. | Relevant internal and external stakeholders   | Paul Raynes<br>Director of Delivery and Strategy            | Mayor Dr Nik Johnson | It is not anticipated that there will be any documents other than the report and relevant appendices to be published. |
| 8. | Local Assurance Framework | Cambridgeshire and Peterborough Combined Authority Board | 30 March 2021    | Decision          | To approve the revised Local Assurance Framework.   | Relevant internal and external stakeholders, including the Audit and Governance Committee | Robert Parkin<br>Chief Legal Officer and Monitoring Officer | Mayor Dr Nik Johnson | It is not anticipated that there will be any documents other than the report and relevant appendices to be published. |

## Combined Authority Decisions

|     | Title of report   | Decision maker   | Date of decision | Decision required     | Purpose of report  | Consultation                                | Lead officer  | Lead Member          | Documents relevant to the decision submitted to the decision maker  |
|-----|---|--|------------------|-----------------------|--|---|---|----------------------|---|
| 9.  | University of Peterborough Phase 2 novation of a Design Contract between CPCA and Mace Ltd PropCo2 (Peterborough R&D Property Company Limited)<br><br><b>New item</b> | Cambridgeshire and Peterborough Combined Authority Board | 30 March 2022    | Key Decision 2022/009 | To give delegated authority to the Director of Housing and Delivery to novate a design contract between CPCA and MACE Limited from CPCA to PropCo2 (Peterborough R&D Property Company Limited) known as Phase 2. | Relevant internal and external stakeholders | Roger Thompson<br>Director of Housing and Development | Mayor Dr Nik Johnson | It is not anticipated that there will be any documents other than the report and relevant appendices to be published. |
| 10. | Combined Authority Office Accommodation<br><br>[May contain confidential appendices]  | Cambridgeshire and Peterborough Combined Authority Board | 30 March 2022    | Key Decision 2021/084 | To approve acquisition of a leasehold property interest to serve as office accommodation for the Combined  | Relevant internal and external stakeholders | Roger Thompson<br>Director of Housing and Development | Mayor Dr Nik Johnson | It is not anticipated that there will be any documents other than the report  |

|     | Title of report                                  | Decision maker   | Date of decision | Decision required     | Purpose of report   | Consultation                                | Lead officer                                     | Lead Member  | Documents relevant to the decision submitted to the decision maker  |
|-----|--|--|------------------|-----------------------|---|---|--|--|---|
|     |  |  |                  |                       | Authority and all remaining associated expenditure to implement efficient operational occupation. |   |  |  | and relevant appendices to be published.  |
| 11. | Climate Change Action Plan                       | Cambridgeshire and Peterborough Combined Authority Board | 30 March 2022    | Key Decision 2022/001 | To agree a Climate Action Plan based on the recommendations of the Climate Working Group          | Relevant internal and external stakeholders | Paul Raynes<br>Director of Delivery and Strategy | Councillor Bridget Smith<br>Lead Member for the Environment and Climate Change | It is not anticipated that there will be any documents other than the report and relevant appendices to be published. |
| 12. | Market Towns Programme – Approval of Recommended | Cambridgeshire and Peterborough                          | 30 March 2022    | Key Decision 2021/079 | To approve the final tranche of recommended project proposals                                     | Relevant internal and external stakeholders | Alan Downton<br>Deputy Chief Officer             | Mayor Dr Nik Johnson   | It is not anticipated that there will be any  |

|     | Title of report  | Decision maker   | Date of decision | Decision required     | Purpose of report  | Consultation                                | Lead officer  | Lead Member          | Documents relevant to the decision submitted to the decision maker                                    |
|-----|--|--|------------------|-----------------------|--|---|---|----------------------|---|
|     | <p>Projects (<del>Final Funding Call</del>)<br/>(Funding Call 8 – March 2022)</p> <p>[May contain exempt appendices]</p> | Combined Authority Board                                 |                  |                       | under the Market Towns Programme (final funding).  |   | Business Board and Senior Responsible Officer for the Business Growth Service/ Energy |                      | documents other than the report and relevant appendices to be published.                              |
| 13. | Transforming Cities Fund 2021/2023   | Cambridgeshire and Peterborough Combined Authority Board | 30 March 2022    | Key Decision 2022/003 | To note the content of the Transforming Cities Fund Report as a requirement of the grant and approve any financial profile changes to specific projects. | Relevant internal and external stakeholders | Rowland Potter<br>Head of Transport   | Mayor Dr Nik Johnson | It is not anticipated that there will be any documents other than the report and relevant appendices. |
| 14. | Skills Bootcamps Wave 3  | Cambridgeshire and Peterborough                          | 30 March 2022    | Key Decision          | To accept the Grant offer of £4,891,985 from the Department  | Relevant internal and external stakeholders | Fliss Miller<br>Interim Associate   | Mayor Dr Nik Johnson | It is not anticipated that there will be any  |

|  | Title of report | Decision maker           | Date of decision | Decision required            | Purpose of report  | Consultation | Lead officer        | Lead Member | Documents relevant to the decision submitted to the decision maker |
|--|-----------------|--------------------------|------------------|------------------------------|--|--------------|---------------------|-------------|--|
|  | <b>New item</b> | Combined Authority Board |                  | 2022/012 [General Exception] | for Education (DfE) to deliver Wave 3 Skills Bootcamps for the 2022-23 financial year, and approve the addition of a corresponding budget for delivery of the Bootcamps in the 2022-23 budget. |              | Director for Skills |             | documents other than the report and relevant appendices.           |

By recommendation to the Combined Authority Board

## Recommendations from the Transport and Infrastructure Committee

|     | Title of report                                 | Decision maker   | Date of decision | Decision required       | Purpose of report   | Consultation                                | Lead officer                     | Lead Member          | Documents relevant to the decision submitted to the decision maker                                    |
|-----|---|--|------------------|-------------------------|---|---|----------------------------------|----------------------|---|
| 15. | Demand Responsive Transport                     | Cambridgeshire and Peterborough Combined Authority Board | 30 March 2022    | Key Decision KD2022/006 | To note the performance of the "Ting" Demand Responsive Transport (DRT) trial and consider recommendations to extend the length of the trial.                             | Relevant internal and external stakeholders | Rowland Potter Head of Transport | Mayor Dr Nik Johnson | It is not anticipated that there will be any documents other than the report and relevant appendices. |
| 16. | March Area Transport Study: Broad Street Scheme | Cambridgeshire and Peterborough Combined Authority Board | 30 March 2022    | Key Decision 2022/004   | To approve advance funding for the construction costs of the Broad Street element of the March Area Transport Study, subject to the completion of the Full Business Case. | Relevant internal and external stakeholders | Rowland Potter Head of Transport | Mayor Dr Nik Johnson | It is not anticipated that there will be any documents other than the report and relevant appendices. |

|     | Title of report   | Decision maker   | Date of decision | Decision required     | Purpose of report   | Consultation                                | Lead officer                     | Lead Member          | Documents relevant to the decision submitted to the decision maker   |
|-----|---|--|------------------|-----------------------|---|---|----------------------------------|----------------------|--|
| 17. | A141 and St Ives  | Cambridgeshire and Peterborough Combined Authority Board | 30 March 2022    | Key Decision 2022/005 | To approve funding towards the St Ives Local Improvement Schemes project.   | Relevant internal and external stakeholders | Rowland Potter Head of Transport | Mayor Dr Nik Johnson | It is not anticipated that there will be any documents other than the report and relevant appendices.            |
|     | Transport Model / Data Collection<br><br><b>Removed</b> | Cambridgeshire and Peterborough Combined Authority Board | 30 March 2022    | Key Decision 2022/007 | <del>To update on previous work on a Transport Model for the region and propose a central data collection rather than a Transport Model which would be of benefit to all Combined Authority activity.</del> | Relevant internal and external stakeholders | Rowland Potter Head of Transport | Mayor Dr Nik Johnson | <del>It is not anticipated that there will be any documents other than the report and relevant appendices.</del> |
| 18. | E-Scooter Trial and E Bike Update                       | Cambridgeshire and Peterborough                          | 30 March 2022    | Decision              | To provide an update on the E-Scooter Trial and   | Relevant internal and                       | Rowland Potter                   | Mayor Dr Nik Johnson | It is not anticipated that there   |

|  | Title of report | Decision maker           | Date of decision | Decision required | Purpose of report               | Consultation          | Lead officer      | Lead Member | Documents relevant to the decision submitted to the decision maker   |
|--|-----------------|--------------------------|------------------|-------------------|---------------------------------|-----------------------|-------------------|-------------|--|
|  |                 | Combined Authority Board |                  |                   | E-Bikes and outline next steps. | external stakeholders | Head of Transport |             | will be any documents other than the report and relevant appendices. |

## Recommendations from the Skills Committee

|     | Title of report  | Decision maker   | Date of decision | Decision required     | Purpose of report   | Consultation                                | Lead officer                                      | Lead Member  | Documents relevant to the decision submitted to the decision maker               |
|-----|--|--|------------------|-----------------------|---|---|---|--|--|
| 19. | Adult Education Budget: Funding Allocations for 2022/23 and Proposed | Cambridgeshire and Peterborough Combined Authority Board | 30 March 2022    | Key Decision 2021/081 | To consider proposals for Adult Education Budget funding allocations for 2022/23 and proposed funding policy changes and make | Relevant internal and external stakeholders | Fliss Miller<br>Interim Associate Skills Director | Councillor Lucy Nethsingha<br>Lead Member for Skills | It is not anticipated that there will be any documents other than the report and |

|  | Title of report        | Decision maker | Date of decision | Decision required | Purpose of report                                | Consultation | Lead officer | Lead Member | Documents relevant to the decision submitted to the decision maker |
|--|------------------------|----------------|------------------|-------------------|--|--------------|--------------|-------------|--|
|  | Funding Policy Changes |                |                  |                   | recommendations to the Combined Authority Board. |              |              |             | relevant appendices to be published                                |

## Recommendations from the Business Board

|     | Title of report                     | Decision maker   | Date of decision | Decision required | Purpose of report  | Consultation                                | Lead officer  | Lead Member                                 | Documents relevant to the decision submitted to the decision maker                                   |
|-----|-------------------------------------|--|------------------|-------------------|--|---|---|---|--|
| 20. | Local Growth Fund Management Budget | Cambridgeshire and Peterborough Combined Authority Board | 30 March 2022    | Decision          | To approve a revised spend profile into future years for the management budget for the Local Growth Fund Team. | Relevant internal and external stakeholders | Alan Downton<br>Deputy Chief Officer<br>Business Board and Senior Responsible Officer for | Austen Adams<br>Chair of the Business Board | It is not anticipated that there will be any documents other than the report and relevant appendices |

|  | Title of report | Decision maker | Date of decision | Decision required | Purpose of report | Consultation | Lead officer                        | Lead Member | Documents relevant to the decision submitted to the decision maker |
|--|-----------------|----------------|------------------|-------------------|-------------------|--------------|-------------------------------------|-------------|--|
|  |                 |                |                  |                   |                   |              | the Business Growth Service/ Energy |             | to be published  |

### Skills Committee – 27 April 2022

|     | Title of report                     | Decision maker   | Date of decision | Decision required | Purpose of report   | Consultation   | Lead officer  | Lead Member                                 | Documents relevant to the decision submitted to the decision maker                                   |
|-----|-------------------------------------|------------------|------------------|-------------------|---|--|---|---|--|
| 21. | Economic Growth and Skills Strategy | Skills Committee | 27 April 2022    | Decision          | To consider the proposed Economic Growth and Skills Strategy. | Relevant internal and external stakeholders including the Business Board | Alan Downton<br>Deputy Chief Officer<br>Business Board and Senior Responsible Officer for | Austen Adams<br>Chair of the Business Board | It is not anticipated that there will be any documents other than the report and relevant appendices |

|     | Title of report   | Decision maker   | Date of decision | Decision required | Purpose of report   | Consultation   | Lead officer  | Lead Member                              | Documents relevant to the decision submitted to the decision maker   |
|-----|---|------------------|------------------|-------------------|---|--|---|--|--|
|     |   |                  |                  |                   |   |  | the Business Growth Service/ Energy   |  | to be published  |
| 22. | Shared Prosperity Fund Investment Plan<br><br><b>New item</b> | Skills Committee | 27 April 2022    | Decision          | To consider the Cambridgeshire and Peterborough Shared Prosperity Fund Investment Plan. | Relevant internal and external stakeholders including the Business Board | Alan Downton Deputy Chief Officer Business Board and Senior Responsible Officer for the Business Growth Service/ Energy | Austen Adams Chair of the Business Board | It is not anticipated that there will be any documents other than the report and relevant appendices to be published |

## Combined Authority Board Annual Meeting – 1 June 2022

### Governance items

|     | Title of report  | Decision maker   | Date of decision | Decision required | Purpose of report   | Consultation                                | Lead officer   | Lead Member          | Documents relevant to the decision submitted to the decision maker                                    |
|-----|--|--|------------------|-------------------|---|---|--|----------------------|---|
| 23. | Minutes of the meeting on 30 March 2022 and Action Log | Cambridgeshire and Peterborough Combined Authority Board | 1 June 2022      | Decision          | To approve the minutes of the previous meeting and review the action log. | Relevant internal and external stakeholders | Richenda Greenhill, Democratic Services Officer          | Mayor Dr Nik Johnson | It is not anticipated that there will be any documents other than the report and relevant appendices. |
| 24. | Annotated Forward Plan                                 | Cambridgeshire and Peterborough Combined Authority Board | 1 June 2022      | Decision          | To approve the latest version of the forward plan.                        | Relevant internal and external stakeholders | Robert Parkin Chief Legal Officer and Monitoring Officer | Mayor Dr Nik Johnson | It is not anticipated that there will be any documents other than the report and relevant appendices. |

|     | Title of report   | Decision maker   | Date of decision | Decision required | Purpose of report  | Consultation                                | Lead officer  | Lead Member          | Documents relevant to the decision submitted to the decision maker                                    |
|-----|---|--|------------------|-------------------|--|---|---|----------------------|---|
| 25. | Membership of the Combined Authority                                    | Cambridgeshire and Peterborough Combined Authority Board | 1 June 2022      | Decision          | To note the appointment of Members of Constituent Councils and a representative of the Business Board for 2022/23 (and their Substitute Members) and to appoint any Non-Constituent Members or Co-opted Members. | Relevant internal and external stakeholders | Robert Parkin<br>Chief Legal Officer and Monitoring Officer | Mayor Dr Nik Johnson | It is not anticipated that there will be any documents other than the report and relevant appendices. |
| 26. | Appointments to Executive Committees, Committee Chairs and Lead Members | Cambridgeshire and Peterborough Combined Authority Board | 1 June 2022      | Decision          | To note and agree the Mayor's nominations to Lead Member responsibilities and the membership of the Executive Committees, including the  | Relevant internal and external stakeholders | Robert Parkin<br>Chief Legal Officer and Monitoring Officer | Mayor Dr Nik Johnson | It is not anticipated that there will be any documents other than the report and relevant appendices. |

|     | Title of report                                    | Decision maker   | Date of decision | Decision required | Purpose of report  | Consultation                                | Lead officer  | Lead Member          | Documents relevant to the decision submitted to the decision maker                                    |
|-----|--|--|------------------|-------------------|--|---|---|----------------------|---|
|     |  |  |                  |                   | Chairs of the Executive Committees for 2022/23.  |   |   |                      |   |
| 27. | Appointment of the Overview and Scrutiny Committee | Cambridgeshire and Peterborough Combined Authority Board | 1 June 2022      | Decision          | To appoint the Overview and Scrutiny Committee and confirm its terms of reference, size and allocation of seats to political parties in accordance with political balance requirements, according to the nominations received from constituent councils. | Relevant internal and external stakeholders | Robert Parkin<br>Chief Legal Officer and Monitoring Officer | Mayor Dr Nik Johnson | It is not anticipated that there will be any documents other than the report and relevant appendices. |
| 28. | Appointment of the Audit and Governance Committee  | Cambridgeshire and Peterborough                          | 1 June 2022      | Decision          | To appoint the Audit and Governance Committee and  | Relevant internal and external stakeholders | Robert Parkin<br>Chief Legal Officer and                    | Mayor Dr Nik Johnson | It is not anticipated that there will be any  |

|     | Title of report              | Decision maker   | Date of decision | Decision required | Purpose of report  | Consultation                                | Lead officer  | Lead Member          | Documents relevant to the decision submitted to the decision maker                                    |
|-----|------------------------------|--|------------------|-------------------|--|---|---|----------------------|---|
|     |                              | Combined Authority Board                                 |                  |                   | Independent Person and confirm its terms of reference, size and allocation of seats to political parties in accordance with political balance requirements, according to the nominations received from constituent councils. |   | Monitoring Officer  |                      | documents other than the report and relevant appendices.  |
| 29. | Calendar of Meetings 2022/23 | Cambridgeshire and Peterborough Combined Authority Board | 1 June 2022      | Decision          | To approve the calendar of meetings for 2022/23.   | Relevant internal and external stakeholders | Robert Parkin<br>Chief Legal Officer and Monitoring Officer | Mayor Dr Nik Johnson | It is not anticipated that there will be any documents other than the report and relevant appendices. |

|     | Title of report   | Decision maker   | Date of decision | Decision required | Purpose of report   | Consultation   | Lead officer  | Lead Member          | Documents relevant to the decision submitted to the decision maker  |
|-----|---|--|------------------|-------------------|---|--|---|----------------------|---|
| 30. | Cambridgeshire and Peterborough Combined Authority Constitution<br><br><b>Deferred from March</b> | Cambridgeshire and Peterborough Combined Authority Board | 1 June 2022      | Decision          | To review and approve a series of proposed changes to the Constitution.       | Relevant internal and external stakeholders including the Audit and Governance Committee | Robert Parkin<br>Chief Legal Officer and Monitoring Officer | Mayor Dr Nik Johnson | It is not anticipated that there will be any documents other than the report and relevant appendices.                 |
| 31. | Budget Monitor Update   | Cambridgeshire and Peterborough Combined Authority Board | 1 June 2022      | Decision          | To provide an update on the revenue and capital budgets for the year to date. | Relevant internal and external stakeholders  | Jon Alsop<br>Section 73 Chief Finance Officer               | Mayor Dr Nik Johnson | It is not anticipated that there will be any documents other than the report and relevant appendices to be published. |

## Combined Authority Board Decisions

|     | Title of report  | Decision maker  | Date of decision       | Decision required                | Purpose of report  | Consultation   | Lead officer  | Lead Member   | Documents relevant to the decision submitted to the decision maker   |
|-----|--|---|------------------------|----------------------------------|--|--|---|---|--|
| 32. | Future Combined Authority Housing Purpose and Function beyond March 2022 | Cambridgeshire and Peterborough Combined Authority Board            | 1 June 2022            | Key Decision 2021/070            | To consider the likely activities and options for the future of the Combined Authority Housing activity and programme beyond March 2022. | Relevant internal and external stakeholders            | Roger Thompson<br>Director of Housing and Development | Councillor Lewis Herbert<br>Lead Member for Housing | It is not anticipated that there will be any documents other than the report and relevant appendices.            |
|     | <del>Bus Reform June 2022</del><br><b>Removed</b>                        | <del>Cambridgeshire and Peterborough Combined Authority Board</del> | <del>1 June 2022</del> | <del>Key Decision 2021/045</del> | <del>To provide an update on the results of the Bus Reform Outline Business Case public consultation and next steps.</del>               | <del>Relevant internal and external stakeholders</del> | <del>Rowland Potter<br/>Head of Transport</del>       | <del>Mayor Dr Nik Johnson</del>                     | <del>It is not anticipated that there will be any documents other than the report and relevant appendices.</del> |
| 33. | Implications of the Government's   | Cambridgeshire and Peterborough                                     | 1 June 2022            | Decision                         | To note the outcomes of Government's   | Relevant internal and                                  | Alan Downton  | Austen Adams  | It is not anticipated that there   |

|  | Title of report  | Decision maker           | Date of decision | Decision required | Purpose of report  | Consultation          | Lead officer   | Lead Member                 | Documents relevant to the decision submitted to the decision maker                  |
|--|--|--------------------------|------------------|-------------------|--|-----------------------|--|-----------------------------|---|
|  | <del>Local Enterprise Partnerships Review and The Role of the Business Board</del><br><br><b>Deferred from March</b> | Combined Authority Board |                  |                   | national LEP Review and to consider the future role of the Business Board to share its views, manage and make recommendations to the Combined Authority Board. | external stakeholders | Deputy Chief Officer Business Board and Senior Responsible Officer for the Business Growth Service/ Energy | Chair of the Business Board | will be any documents other than the report and relevant appendices to be published |

## Recommendations from the Business Board

|     | Title of report   | Decision maker   | Date of decision | Decision required | Purpose of report   | Consultation  | Lead officer  | Lead Member                                 | Documents relevant to the decision submitted to the decision maker   |
|-----|---|--|------------------|-------------------|---|---|---|---|--|
|     | Digital Sector Strategy<br><br><b>Removed</b>                         | Cambridgeshire and Peterborough Combined Authority Board | 1 June 2022      | Decision          | To approve and adopt the Digital Sector Strategy for Cambridgeshire and Peterborough. | Relevant internal and external stakeholders   | Alan Downton<br>Deputy Chief Officer<br>Business Board and Senior Responsible Officer for the Business Growth Service/ Energy | Austen Adams<br>Chair of the Business Board | It is not anticipated that there will be any documents other than the report and relevant appendices to be published |
| 34. | High Performance Computing Strategy<br><br><b>Deferred from March</b> | Cambridgeshire and Peterborough Combined Authority Board | 1 June 2022      | Decision          | To approve and adopt the High-Performance Computing Strategy.                         | Relevant internal and external stakeholders, including the Audit and Governance Committee | Alan Downton<br>Deputy Chief Officer<br>Business Board and Senior Responsible Officer for the Business Growth                 | Austen Adams<br>Chair of the Business Board | It is not anticipated that there will be any documents other than the report and relevant appendices                 |

|     | Title of report   | Decision maker   | Date of decision | Decision required     | Purpose of report   | Consultation   | Lead officer   | Lead Member                                 | Documents relevant to the decision submitted to the decision maker   |
|-----|---|--|------------------|-----------------------|---|--|--|---|--|
|     |   |  |                  |                       |   |  | Service/<br>Energy   |   | to be published.   |
| 35. | Economic Growth and Skills Strategy<br><br><b>Deferred from March</b> | Cambridgeshire and Peterborough Combined Authority Board | 1 June 2022      | Decision              | To approve the Economic Growth and Skills Strategy  | Relevant internal and external stakeholders including the Skills Committee | Alan Downton<br>Deputy Chief Officer<br>Business Board and Senior Responsible Officer for the Business Growth Service/<br>Energy | Austen Adams<br>Chair of the Business Board | It is not anticipated that there will be any documents other than the report and relevant appendices to be published |
| 36. | Shared Prosperity Fund Investment Plan<br><br><b>New item</b>         | Cambridgeshire and Peterborough Combined Authority Board | 1 June 2022      | Key Decision 2022/010 | To consider and approve the Cambridgeshire and Peterborough Shared Prosperity Fund Investment Plan. | Relevant internal and external stakeholders including the Skills Committee | Alan Downton<br>Deputy Chief Officer<br>Business Board and Senior Responsible Officer for  | Austen Adams<br>Chair of the Business Board | It is not anticipated that there will be any documents other than the report and relevant                            |

|     | Title of report   | Decision maker   | Date of decision | Decision required     | Purpose of report   | Consultation   | Lead officer  | Lead Member                              | Documents relevant to the decision submitted to the decision maker   |
|-----|---|--|------------------|-----------------------|---|--|---|--|--|
|     |   |  |                  |                       |   |  | the Business Growth Service/ Energy   |  | appendices to be published   |
| 37. | Local Growth Fund Recycled Funding Proposals<br><br><b>New item</b> | Cambridgeshire and Peterborough Combined Authority Board | 1 June 2022      | Key Decision 2022/011 | To consider and approve Local Growth Fund Recycled Funding Proposals received under the funding call. | Relevant internal and external stakeholders including the Skills Committee | Alan Downton Deputy Chief Officer Business Board and Senior Responsible Officer for the Business Growth Service/ Energy | Austen Adams Chair of the Business Board | It is not anticipated that there will be any documents other than the report and relevant appendices to be published |

## Skills Committee 4 July 2022

|     | Title of report  | Decision maker   | Date of decision | Decision required | Purpose of report  | Consultation                                | Lead officer                                      | Lead Member  | Documents relevant to the decision submitted to the decision maker   |
|-----|--|------------------|------------------|-------------------|--|---|---|--|--|
| 38. | University of Peterborough – Programme Business Case<br><br><b>Deferred from April</b> | Skills Committee | 4 July 2022      | Decision          | To consider the Programme Business Case for the University of Peterborough and make recommendations to the Combined Authority Board. | Relevant internal and external stakeholders | Fliss Miller<br>Interim Associate Skills Director | Councillor Lucy Nethsingha<br>Lead Member for Skills | It is not anticipated that there will be any documents other than the report and relevant appendices to be published |

## Combined Authority Board 27 July 2022

### Governance items

|     | Title of report              | Decision maker                  | Date of decision | Decision required | Purpose of report                              | Consultation          | Lead officer                      | Lead Member          | Documents relevant to the decision submitted to the decision maker |
|-----|------------------------------|---------------------------------|------------------|-------------------|--|-----------------------|-----------------------------------|----------------------|--|
| 39. | Minutes of Annual Meeting on | Cambridgeshire and Peterborough | 27 July 2022     | Decision          | To approve the minutes of the previous meeting | Relevant internal and | Richenda Greenhill,<br>Democratic | Mayor Dr Nik Johnson | It is not anticipated that there                                   |

|     | Title of report            | Decision maker   | Date of decision | Decision required | Purpose of report   | Consultation                                | Lead officer  | Lead Member          | Documents relevant to the decision submitted to the decision maker                                    |
|-----|----------------------------|--|------------------|-------------------|---|---|---|----------------------|---|
|     | 1 June 2022 and Action Log | Combined Authority Board                                 |                  |                   | and review the action log.  | external stakeholders                       | Services Officer  |                      | will be any documents other than the report and relevant appendices.                                  |
| 40. | Annotated Forward Plan     | Cambridgeshire and Peterborough Combined Authority Board | 27 July 2022     | Decision          | To approve the latest version of the forward plan.                            | Relevant internal and external stakeholders | Robert Parkin<br>Chief Legal Officer and Monitoring Officer | Mayor Dr Nik Johnson | It is not anticipated that there will be any documents other than the report and relevant appendices. |
| 41. | Budget Monitor Update      | Cambridgeshire and Peterborough Combined Authority Board | 27 July 2022     | Decision          | To provide an update on the revenue and capital budgets for the year to date. | Relevant internal and external stakeholders | Jon Alsop<br>Section 73 Chief Finance Officer               | Mayor Dr Nik Johnson | It is not anticipated that there will be any documents other than the report and relevant appendices. |

## Combined Authority Decisions

|     | Title of report                | Decision maker   | Date of decision | Decision required | Purpose of report                                      | Consultation   | Lead officer  | Lead Member          | Documents relevant to the decision submitted to the decision maker                                    |
|-----|--------------------------------|--|------------------|-------------------|--|--|---|----------------------|---|
| 42. | Approval of Procurement Policy | Cambridgeshire and Peterborough Combined Authority Board | 27 July 2022     | Decision          | To approve the Combined Authority's procurement policy | Relevant internal and external stakeholders including the Audit and Governance Committee | Robert Parkin<br>Chief Legal Officer and Monitoring Officer | Mayor Dr Nik Johnson | It is not anticipated that there will be any documents other than the report and relevant appendices. |

## Recommendations from the Skills Committee

|     | Title of report                                      | Decision maker   | Date of decision | Decision required | Purpose of report   | Consultation                                | Lead officer                                      | Lead Member                | Documents relevant to the decision submitted to the decision maker |
|-----|--|--|------------------|-------------------|---|---|---|----------------------------|--|
| 43. | University of Peterborough – Programme Business Case | Cambridgeshire and Peterborough Combined Authority Board | 27 July 2022     | Decision          | To approve the Programme Business Case for the University for Peterborough. | Relevant internal and external stakeholders | Fliss Miller<br>Interim Associate Skills Director | Councillor Lucy Nethsingha | It is not anticipated that there will be any documents             |

|  |                    |  |  |  |  |  |  |                        |   |
|--|--------------------|--|--|--|--|--|--|------------------------|---|
|  | Deferred from June |  |  |  |  |  |  | Lead Member for Skills | other than the report and relevant appendices to be published |
|--|--------------------|--|--|--|--|--|--|------------------------|---|

## Combined Authority Board – 28 September 2022

### Governance items

|     | Title of report                                       | Decision maker   | Date of decision  | Decision required | Purpose of report   | Consultation                                | Lead officer                                    | Lead Member          | Documents relevant to the decision submitted to the decision maker                                    |
|-----|---|--|-------------------|-------------------|---|---|---|----------------------|---|
| 44. | Minutes of the meeting on 27 July 2022 and Action Log | Cambridgeshire and Peterborough Combined Authority Board | 28 September 2022 | Decision          | To approve the minutes of the previous meeting and review the action log. | Relevant internal and external stakeholders | Richenda Greenhill, Democratic Services Officer | Mayor Dr Nik Johnson | It is not anticipated that there will be any documents other than the report and relevant appendices. |

|     | Title of report        | Decision maker   | Date of decision  | Decision required | Purpose of report   | Consultation                                | Lead officer  | Lead Member          | Documents relevant to the decision submitted to the decision maker  |
|-----|------------------------|--|-------------------|-------------------|---|---|---|----------------------|---|
| 45. | Annotated Forward Plan | Cambridgeshire and Peterborough Combined Authority Board | 28 September 2022 | Decision          | To approve the latest version of the forward plan.                            | Relevant internal and external stakeholders | Robert Parkin<br>Chief Legal Officer and Monitoring Officer | Mayor Dr Nik Johnson | It is not anticipated that there will be any documents other than the report and relevant appendices.                 |
| 46. | Budget Monitor Update  | Cambridgeshire and Peterborough Combined Authority Board | 28 September 2022 | Decision          | To provide an update on the revenue and capital budgets for the year to date. | Relevant internal and external stakeholders | Jon Alsop<br>Section 73 Chief Finance Officer               | Mayor Dr Nik Johnson | It is not anticipated that there will be any documents other than the report and relevant appendices to be published. |

## Comments or queries about the Forward Plan to Cambridgeshire and Peterborough Combined Authority

Please send your comments or queries to [Robert Parkin](#), Chief Legal Officer and Monitoring Officer. We need to know:

1. Your comment or query:
2. How we can contact you with a response (please include your name, a telephone number and your email address).
3. Who you would like to respond to your query (if you are unsure, please leave this blank and it will be passed to the person best placed to reply).

