



**CAMBRIDGESHIRE
& PETERBOROUGH**
COMBINED AUTHORITY

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AUDIT AND GOVERNANCE COMMITTEE: DRAFT MINUTES

Date: 13 January 2023

Time: 10:00

Location: Pathfinder House, Huntingdon

Committee Members present:

Mr John Pye	Independent Chair
Cllr Michael Atkins	Cambridgeshire County Council
Cllr Ian Benney	Fenland District Council
Cllr Stephen Corney	Huntingdonshire District Council
Cllr Simon Smith	Cambridge City Council
Cllr David Brown	East Cambridgeshire District Council

Officers:

Jon Alsop*	Head of Finance
Robert Emery*	Deputy Chief Finance Officer
Chantal Allott	Procurement Manager
Edwina Adefehinti	Monitoring Officer
Anne Gardiner	Governance Manager
Joanna Morley	Interim Governance Officer

*denotes remote attendance

1. Apologies for Absence and Declarations of Interest

- 1.1 Apologies had been received from Cllr Wilson and Cllr Ali. Cllr Atkins attended as substitute for Cllr Wilson.
- 1.2 No disclosable interests were declared.

2. Chair's Announcements

- 2.1 Officers had sent Members an email as there was some confusion regarding the Revisions to the Constitution report. Members were instructed to disregard Chapters 4 and 7 of Appendix 2 (working copy of the revised Constitution) as the Governance Arrangements report, which detailed a proposed new Committee structure, meant that further amendments to these chapters of the Constitution would be required. The subsequent amendments would be reported to the Committee at a later date.

3. Procurement Policy

- 3.1 Edwina Adefehinti, Chief Legal Officer and Monitoring Officer introduced the report which set out the proposed changes to the Combined Authority's procurement policy in line with the recommendations within the review of governance. The proposed changes would be presented to the CA Board on 25 January 2023.

The following points were raised in discussion:

- a. The Policy set out for anyone who was procuring on behalf of the CPCA, what they should and should not do.
- b. There was a Government Procurement Policy Note which encouraged reserving some procurement for local businesses.
- c. Included in the Policy was a requirement for providers to indicate whether goods and services were going to be environmentally compliant. This was acceptable and reasonable to include, and had been what Councillors had asked for, but was not enforceable by law. In practice this meant that if someone's bid failed to provide any environmental information then it could not be excluded.
- d. CPCA Officers were available to support companies through the bidding process.
- e. Social and environmental factors were built into the scoring matrix so 'points' could be added for these factors, but bids could not be excluded if they did not meet these requirements.
- f. More bureaucracy would be detrimental to smaller firms as just to do the work to bid would add costs to the quotes.
- g. It would have been helpful to have had a profile of tenders submitted to assess whether there was any real competition.
- h. The Trading Companies were separate legal entities to the CPCA so unless they were purchasing things on behalf of the CPCA the Procurement Policy did not apply to them.
- i. The Policy should be reviewed for grammatical and spelling errors.

RESOLVED:

1. That the Audit & Governance Committee submit the following feedback to the CA Board ahead of their review of the Policy at their meeting on 25 January 2023.
 - a) That the impact of the new procurement policy needed to be monitored over the first year to see if there were any adverse consequences; either to value for money or on fair competition.
 - b) That the Policy should include an annual review of the nature and size of contracts.
 - c) That the Policy should define what is meant by a 'local supplier'.
 - d) That every effort should be made to minimise the bureaucracy of the procurement process in order to aid small businesses.

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Cllr Benney left the meeting at 11.18am and did not return.

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4. Revisions to the Constitution

- 5.1 Edwina Adefehinti, Chief Legal Officer and Monitoring Officer introduced the report which provided the Committee with a commentary on the revisions being made to the Constitution which were being recommended for adoption by the CA Board at their meeting on 25 January.

The following points on the revisions were raised in discussion:

a. Introduction

The Committee recommended that the paragraph explaining the purpose of the Constitution should be carried over and included in the new version of the document.

b. Chapter 2/ Para 2.2.5

Members queried why a fourteen-day period was needed and asked whether appointment could not be immediate on receipt of notification.

c. Chapter 5/ Para 5.33.1

It was not sufficiently clear who could ask questions of whom and for clarification CA Member should read CA *Board* Member?

d. Chapter 5/ Para 5.33.9

It needed to be explicit that, even if the response to a question raised further questions, no other Member, other than the one who originally posed the question, could ask a supplementary.

e. Chapter 5/ Para 5.44 – Strategic Policy Debates

There needed to be more clarity about who could be invited, whilst also maintaining some flexibility around this.

f. Chapter 13/ Para 13.5.1 – The Audit & Governance Committee.

To reflect the practice established by the CA Board since the Authority's formation:

1. The Independent Member should be designated as Chair of the Audit and Governance Committee.
2. The Vice-Chair of the Committee should be chosen by the Committee, at its first meeting each Civic Year.

g. Chapter 16/ Para 16.12.2 – Hearings Panel

This paragraph was felt to be too restrictive. It was recommended that the wording be amended to read 'at least 3 members', to provide flexibility for an Independent Chair and political balance.

h. Chapter 17/ Para 17.3.21 – Subsidiary Companies

The Committee recommended that the Constitution should stipulate that the Shareholder Board meet at least once a year.

RESOLVED:

1. That the Monitoring Officer be invited to redraft the sections, as outlined above, to improve clarity and avoid ambiguity.
2. That the draft be reviewed for grammatical and spelling errors, and for consistency of language eg. the use of Board or CA Board
3. That the Committee's comments on the revisions to the Constitution be fed back to the Board ahead of their meeting on 25 January 2023.

5. Governance Arrangements

- 5.1 The Monitoring Officer introduced the report which set out the proposed changes to governance arrangements at the Combined Authority in line with the recommendations within the review of governance, and the actions within the Improvement Plan. These proposed changes would be presented to Board on 25 January 2023.

The following points were raised in discussion:

- a. The Committee were disappointed that the lead officer for the report was not available to advise the Committee.
- b. There was confusion about the way that the voting arrangements were articulated in the draft. The Committee could not support the proposals as currently presented, ie that only Members of the Board would be entitled to vote, as their understanding was that the new thematic committees were there to reduce the workload of the CA Board. However, the Committee was supportive of the general move to thematic committees and the delegation of work *if* they were given the ability to vote.
- c. The terminology should be reviewed so that there was a consistent approach rather than, for example, the alternating use of thematic and executive committees.
- d. The Monitoring Officer confirmed that under the terms of the 2017 order that Combined Authorities were unable to pay allowances. However, in order to assist the Constituent Councils with their own remuneration deliberations, the CPCA should provide assessments of the work involved in Committee roles.
- e. The CA Board would have to take particular care of potential conflicts of interest when ratifying the appointments of Chairs of the Committee. It was considered likely that constituent councils would put forward candidates with experience in these roles, and who consequently might also be members of other related committees and boards.
- f. It was not clear how the concept of informal advisory groups would work in practice and how they linked in with the Committees. It was felt it would be useful to include information on who calls for these groups, how their brief was set and how they were organised. It was recommended that in six months' time and in the light of experience, further appropriate guidance on their operation should be provided.
- g. The Board needed to establish resource requirements and make suitable financial provision to deliver the improved Governance framework
- h. The Key Functions of the CA Board (as shown in Appendix A to the report) be amended so that they better captured the requirements of the Authority's response to the concerns expressed in the External Auditor's letter of 1 June 2022. These included:
 1. That the CA Board's responsibility for driving performance of key deliverables and performance measures for good growth be elevated to a Key Function and included in the list (a)- (q) and reflected throughout the terms of reference.
 2. A dynamic element to the key functions be included so that for example (a) should read to set, *review, keep up to date and revise* the long-term vision of the CA.
 3. That a substantive reference to communication and consultation be included as, for example, consultation on the Budget was a statutory responsibility
 4. That the wording of (n) - to exercise General power of competence - be exemplified with a much clearer and stronger statement as to its meaning.
- i. The voting arrangements of the Board be explained and set out in their Terms of Reference.

RESOLVED:

1. That the Committee's comments on the Governance Arrangements, as outlined above, be fed back to the Board ahead of their meeting on 25 January 2023.

11. Date of Next Meeting

11.1 Friday 27 January 2022 at 10am

Meeting Closed: 12.37pm