



**CAMBRIDGESHIRE
& PETERBOROUGH**
COMBINED AUTHORITY

AUDIT AND GOVERNANCE COMMITTEE

Date: Friday, 25 June 2021

Democratic Services

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

10:00 AM

72 Market Street
Ely
Cambridgeshire
CB7 4LS

**Main Hall, Burgess Hall Events and Conference Centre,
One Leisure, Westwood Road, St Ives PE27 6WU
[Venue Address]**

AGENDA

Open to Public and Press

1 Apologies for Absence and Declarations of Interest

At this point Members must declare whether they have a disclosable pecuniary interest, or other interest, in any of the items on the agenda, unless it is already entered in the register of members' interests.

2 Election of a Vice-Chair

To elect a Vice-Chair of the Committee.

3 Chair Announcements

4 Minutes of the Previous Meeting and Action Log

To approve the minutes of the meeting held on 6th April 2021 and note the Action Log.

	A&G Committee Draft Minutes 060421	5 - 22
5	Combined Authority Update	
	The Chief Executive to update the Committee on Combined Authority matters and CA Board meetings since the last meeting of the Committee.	
6	Internal Audit: Progress Report	
	Internal Auditors RSM (UK) to provide an update to the Committee.	
	Item 6 - Internal Audit Progress Report	23 - 36
7	Draft Statement of Accounts and Annual Governance Statement	
	Item 7 - Draft Statement of Accounts and AGS 2021	37 - 128
8	Treasury Management Outturn Report	
	Item 8 - 2021 Treasury Outturn Report	129 - 138
9	Adult Education Budget Update	
	Item 9 AEB Update	139 - 142
10	Independent Commission on Climate Change	
	To receive a report on the development of climate change recommendations through the work of the Cambridgeshire & Peterborough Independent Commission on Climate.	
	Item 10 - Independent Commission Climate Change Recommendations	143 - 148
11	Corporate Risk Report	
	Corporate Risk report	149 - 158
12	Review of Governance Policies and Annual Report	
	Item 12 - Complaints Whistleblowing FOI	159 - 180

13 Audit & Governance Committee: Work Programme

To review and comment upon the Committee's work programme.

Item 13 - Work Programme Cover Report 250621

181 - 200

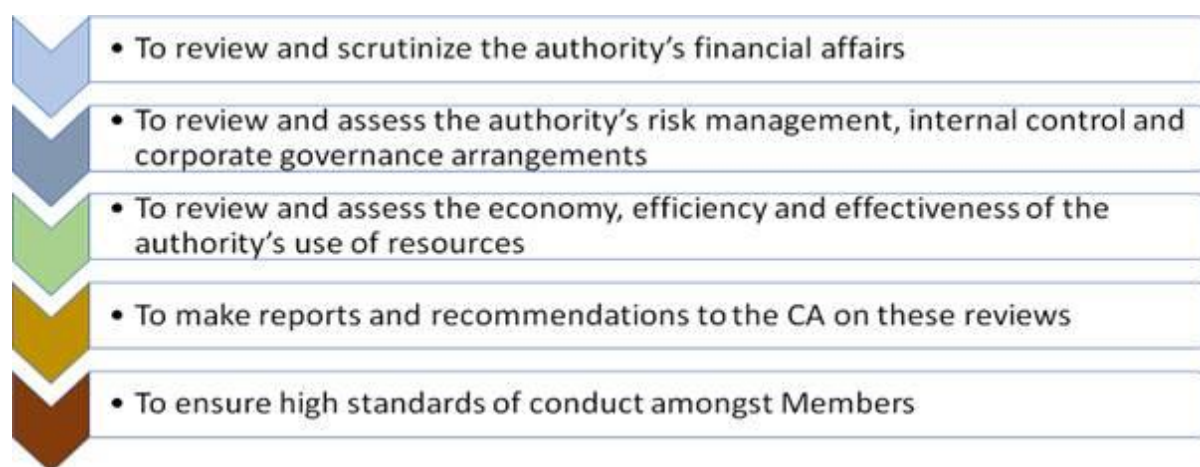
14 Date of next meeting:

Friday, 30th July 2021 at 10.00 a.m. at Burgess Hall, St Ives.

The Audit and Governance Committee comprises the following members:

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

The Audit and Governance Committee Role.



The Combined Authority is committed to open government and members of the public are welcome to attend Committee meetings. It supports the principle of transparency and encourages filming, recording and taking photographs at meetings that are open to the public. It also welcomes the use of social networking and micro-blogging websites (such as Twitter and Facebook) to communicate with people about what is happening, as it happens.

Councillor David Brown

John Pye

Councillor Ian Benney

Councillor Graham Bull

Councillor Tony Mason

Councillor Shaz Nawaz

Councillor Mike Sargeant

Councillor Graham Wilson

Clerk Name:	Anne Gardiner
Clerk Telephone:	
Clerk Email:	anne.gardiner@cambridgeshirepeterborough-ca.gov.uk



CAMBRIDGESHIRE & PETERBOROUGH COMBINED AUTHORITY – DRAFT MINUTES

AUDIT AND GOVERNANCE COMMITTEE: MINUTES

Date: 6th April 2021

Time: 10:00am

Location: Virtual Zoom Meeting

Present:

Mr John Pye
Cllr Ian Benney
Cllr Tony Mason
Cllr Nick Sandford
Cllr Graham Bull
Cllr David Brown
Cllr Mike Davey
Cllr Mark Goldsack

Chairman
Fenland District Council
South Cambridgeshire District Council
Peterborough City Council
Huntingdonshire District Council
East Cambridgeshire District Council
Cambridge City Council
Cambridgeshire County Council

Officers:

Kim Sawyer
Robert Parkin
Anne Gardiner
Jon Alsop
Daniel Harris
Janet Warren
Francesca Houston

Interim Chief Executive Officer
Monitoring Officer
Scrutiny Officer
Chief Finance Officer (S73 Officer)
Internal Auditors (RSM)
Adult Education Budget Coordinator
Programme Coordinator

1. Apologies for Absence and Declarations of Interest

- 1.1 No apologies were received.
- 1.2 No declarations of interest were made.

2. Chair's Announcements

- 2.1 The Chair made the following announcements:

1) The accounts deadlines have been moved for this year and next. Instead of the 31st of May publication deadline for draft accounts, and 31st July for final, the agreed update is 31st July (draft) and 30th Sept (final).

2) The recommendation from this Committee to the CA Board on the Assurance Framework had been accepted and the recommendation would be put to the Business Board for them to consider at their next meeting.

3) The Committee members met privately with External Auditors and the Internal Auditors prior to committee meeting and advised that there was nothing material to report.

3. Minutes of the last Meeting

3.1 The minutes from the meeting held on the 5th of March 2021 were agreed as a correct record subject to the word 'discussed' being replaced by 'decided' at paragraph 4.8.

3.2 The Actions from the previous meeting were noted.

4. Combined Authority Board Update

4.1 The Interim Chief Executive Officer provided an update for the Committee on the recent activity of the Combined Authority Board.

The last meeting of the Combined Authority had a very busy agenda, and it had been necessary to adjourn the meeting and for members to meet a second time to cover all the business. The officers would be looking to carry out a governance review after the election to consider options for how best to manage the business workload of the Combined Authority going forward.

4.2 MHCLG had advised that the legislation that allowed for remote meetings ceased on the 6th of May. The Combined Authority are looking at what the options were for holding physical meetings. The Monitoring Officer advised there was a legal challenge in place from the Local Government Association (LGA), Association Democratic Service Officers (ADSO) and Hertfordshire County Council that would be heard on the 21st of April 2021 which may result in further legislation being brought forward to allow virtual and hybrid meetings to continue. Members would be kept informed.

4.3 The Combined Authority had accepted the recommendation from the Audit and Governance Committee regarding the Business Board holding meetings in public and had invited the Business Board to consider the recommendation at their next meeting; the Interim Chief Executive Officer advised that the Committee may like to invite the Business Board Chair to update the Committee once they had made their decision.

4.4 The Combined Authority Board received a CAM progress report, which advised on the design concept process; the Board agreed to get the business case under way and appointed new staff. The network map had been amended to provide routes to Peterborough and Chatteris. This reflected previous requests by this Committee to discuss extensions to the network with the Mayor

4.5 The Combined Authority received the Climate Change Commission report and had agreed to take the recommendations away to consider in more detail and respond at a later meeting. A Climate Change Working Group had been set up which would bring interested parties together to respond to the report.

The Committee were advised that they would receive a report on this at their next meeting.

- 4.6 The Committee were advised that the passenger transport teams from Cambridgeshire County Council and Peterborough City Council had been brought in house so that the passenger transport would now be delivered directly.
- A transport modelling system was being commissioned and the Local Transport Plan would need to be refreshed. In response to a question, the committee were advised that the county council would still be acting as the highway's agency for the area but that the involvement of the CPCA in planning applications is a legal issue under consideration.
- 4.7 In reference to the funding from government for the Housing Programme the CA Board had accepted the proposals put forward by MHCLG and a report would be brought back which would detail those proposals once final discussions had taken place.
- 4.8 The CA Board received the Local Economic Recovery Strategy Refresh which was approved along with the market towns master plan. The decision was also taken to retain the accountable body status for the energy hub.
- 4.9 A review of the O&S Committee arrangements was approved; the Chair requested that he be consulted by the CfGS carrying out the review.
- 4.10 The Committee thanked the Interim Chief Executive Officer for the update.
- 5. Constitution Update**
- 5.1 The Committee received the report which advised of recent changes to the Constitution made by the Monitoring Officer to remove references to "non-constituent authorities". As this was a textual correction to the constitution to remove erroneous references, rather than substantive changes to the way that the constitution arranges for the running or regulation of the Combined Authority, it was felt that this should be reported to the Audit and Governance Committee at this meeting rather than waiting for the Constitution Review which would take place later this year.
- 5.2 The Committee noted the report.
- 6. Corporate Risk Report**
- 6.1 The Committee received the report which provided the Corporate Risk Management Strategy and an update on the Corporate Risk Register.
- 6.2 The Internal Auditor advised that the amendments made to the strategy had addressed a number of issues, and that they would be conducting a formal follow up to their review which would be reported to the committee at the next meeting.
- 6.3 The Committee were advised that the internal audit of the Risk Strategy would be carried out by management's governance team quarterly.
- 6.4 The Committee reviewed the new format of the risk register and requested that the heat map on the dashboard be considered further. The overall improvements to the format, and the continuing development work, were welcomed.
- 6.5 In response to a question about the impact of the Covid 19 pandemic on staff at the Combined Authority, the committee were advised that the ways of working for staff would be considered going forward as would be the identification of new premises for the Combined Authority.
- 6.6 The Committee RESOLVED:
- i) to approve the Risk Management Strategy for approval to the CA Board.
 - ii) that the Corporate Risk Register had been reviewed and noted.

7. Internal Audit Progress Report

- 7.1 The Committee received the report which provided an update to the work that Internal Auditors had conducted against the internal audit plan for 2020/21, and the draft internal audit plan for 2021/22.
- 7.2 The Internal Auditors advised that there were numerous reasons for the delays to the reviews; the timings had meant that all reviews had been carried out in one quarter rather than over the year. This had put pressure on officers and coincided with the end of the annual leave year, which had meant officers weren't as readily available as usual. They expected next year's programme to run more smoothly.
- 7.3 The Internal Auditors advised that the IT review was taking longer than expected. The Chief Finance Officer advised that the circumstances at the Combined Authority had greatly changed since the original IT support team of 3C were engaged as the organisation had grown substantially. The Monitoring Officer advised that this was recognised as an issue – SOCITM (Society for Information, technology and Modernisation) had been commissioned to carry out a needs assessment to enable to authority to develop the required processes.
- 7.4 The Committee requested that as most reports were due to come to the June Committee it would be helpful to share them with members prior to the meeting. Officers agreed that if any of the reports received a partial assurance or less that the reports would be circulated to members before the June meeting.
- 7.5 In regard to the Internal Audit Plan, the Internal Auditors advised that there had been good engagement with the Corporate Management Team . This had resulted in a well subscribed draft programme; this plan would be revisited over the course of the year and could be amended.
- 7.6 The Committee were advised that there were ongoing discussions around the Internal Audit arrangements for the Trading Companies audit arrangements and whether RSM would be providing those services. The Internal Auditors advised that any Service Level Agreements for the subsidiary companies would allow them access to information to allow them to provide assurance on the arrangements.
- 7.7 The Internal Auditors advised that the cost for the Audit of the Adult Education was much higher than other audits as it was a much more complex funding set up which required a separate team to carry out the work.
- 7.8 The Committee **RESOLVED:**
- a) to note the progress report
 - b) approve the Internal Audit Plan.

8. Adult Education Budget Update

- 8.1 The Committee received the report which presented an update for the Committee on the Adult Education Budget Audit and Assurance approach.
- 8.2 In response to a question about identified errors amounting to £4k, the officer advised that these were not considered to be a concern by the auditors and an adjustment would be made to cover this.
- 8.3 The officer agreed to provide Cllr Mason with further information regarding the sample of identified errors once the full report had been received from the external auditors.

- 8.4 As two of the three audits were incomplete the committee requested that a further update that would include their assurances be brought to the next committee for final sign off. This would include a value for money review on the process and an explanation on how it was measured.
- 8.5 The Committee noted the report and requested that a further update be brought to the next meeting.

9. Audit and Governance Draft Annual Report

- 9.1 The Committee received the report which asked the Committee to comment on the draft Annual Report of the Chair of Audit and Governance Committee for 2020/21 before it was submitted Combined Authority Board.
- 9.2 The Chair introduced the report and stated that he felt that the Committee had benefitted greatly from having a continuation of the same members this year, and that the virtual meetings had also helped to ensure quoracy was met especially for the extra meetings that had been held.
- 9.3 The Committee requested that the dates throughout the report were checked and that the recent recommendation adopted by the Combined Authority Board on the Business Board holding meetings in public be added to the report.
- 9.4 The Committee approved the draft report subject to the above changes and agreed for it to be submitted to the Combined Authority Board.

10. Work Programme for the Audit & Governance Committee

- 10.1 The Committee received and noted the Work Programme report.

11. Date of next meeting

- 11.1 The next meeting would be held on the 25th of June 2021, the location would be confirmed.

Meeting Closed: 11:44am.

Audit and Governance Committee Action Sheet 2020/21

Meeting Date	Action	Officer	Delegated officer	Completed
	OPEN ACTIONS			
6 April 2021	Business Board Chair to be invited to meet with committee once the Business Board had discussed the recommendation on holding meetings in public.	Anne Gardiner/Rochelle Tapping/Robert Parkin	Anne Gardiner	
6 April 2021	Update on Adult Education Budget to come to committee following the completion of the external audits.	Janet Warren		June/July meeting
5 March 2021	A proposal outlining how the Combined Authority would address the oversight arrangements for Trading Companies going forward and demonstrate how these would be effective; drawing on real examples from Nottingham and Croydon Councils would be brought to the committee.	Robert Parkin		To be brought to September meeting
5 March 2021	Internal controls around trading companies should be included within the Annual Governance Statement	Robert Parkin/Jon Alsop		To be reported at July meeting
5 March 2021	Revision to Housing Committee remit to be included in annual review of constitution	Robert Parkin		To be reported at September meeting
5 March 2021	Officers to implement a process to enable experiences with ICT issues to be shared across the constituent councils of the Combined Authority	Rochelle Tapping		Verbal update to provided to Committee – June/July meeting.

2 October 2020	The Chief Executive to provide the Committee with regular updates on the working relationship between the Combined Authority and Greater Cambridge Partnership as part of the CAB updates	Kim Sawyer		Ongoing
31 July 2020	A further report to the Committee be programmed for December 2020 to explain the process for formulating recommendations in reference to the Independent Commission on Climate Change	Paul Raynes	Adrian Cannard	To be brought to the June meeting
26 May 2020	There should be ongoing work to present the Risk Register in a legible format	Robert Parkin		Ongoing
26 May 2020	There be a future development session for the Committee on Trading Companies	Robert Parkin/ Rochelle White		Timetabled for Sept 2021
26 May 2020	Future 'to note' items are sent to members in advance of Committee publication deadlines	Robert Fox		Ongoing
	CLOSED ACTIONS			
31 July 2020	A report on information security and governance to be submitted to the Committee. This to be included in the work programme at an agreed date.	Robert Parkin		Report to come to March
29 January 2021	Annual Report to include a review of number of meetings held by the committee.	Anne Gardiner/Jon Pye	Anne Gardiner	Report to come to April 6th
29 January 2021	Officers to review the risk strategy and report on implementation of the actions within the internal auditor reports	Robert Parkin		Report to come to April 6th

27 November 2020	That an update on the progress of the actions against the recommendations in the Lancaster Way report be brought to the next meeting of the Committee.	Jon Alsop/ Paul Raynes		To be included within the Assurance Framework – due to come to committee in March 2021
26 May 2020	Update from the Data Protection Officer Update to include data on aspects such as the volume of data, any requests for erasure etc.	Robert Parkin	Rochelle Tapping	January 2021 – included in report March
29 January 2021	Report on proposals for how the committee will receive updates on incidents of fraud, whistleblowing, complaints etc	Robert Parkin	Anne Gardiner	Report to come to March 5th
29 January 2021	Capital Strategy to be brought to March meeting with the changes to be highlighted for ease of reference.	Rob Emery		Report to come to March 5th
2 October 2020	A joint audit meeting with the internal and external auditors be programmed for April 2021	Internal Auditors/External Auditors	Anne Gardiner/Jon Alsop	Programmed for April 2021
29 January 2021	Company governance/oversight to be reported on within the Assurance Framework – how the committee will review governance of new companies.	Robert Parkin/Rochelle Tapping		Note to be included within the Assurance Framework report and a more detailed report to come to later meeting.

29 January 2021	Officers to review meetings calendar to ensure they align with statutory financial deadlines.	Jon Alsop/Anne Gardiner	Jon Alsop	Completed 4 th Feb – meeting invites circulated to members
2 October 2020	The next report to the Committee to include a description on how the Climate Change risk is being managed	Robert Parkin		27 th November 2020
26 May 2020/31 July 2020/2 October 2020	The Committee agreed to an independent review of the Lancaster Way Traffic Scheme	John Pye (Chair)/Robert Parkin/Jon Alsop		Chair's Announcement at 31 July 2020 meeting and further update at this meeting – Final report received at Nov 27 th 2020 meeting.
2 October 2020	A further update on liaison between the Combined Authority and civil servants at the MHCLG to be provided	Kim Sawyer	Kim Sawyer	To be provided at the Committee meeting of 29 January 2021
27 November	A report on the audit on Cyber Security and IT systems and the attempted fraud to come to the January Committee meeting.	Internal Auditors	Dan Harris	Included within the Internal Auditors Report
2 October 2020	To provide detail to the Committee on how much is being spent on the three officers mitigating on EU exit, factoring in the EU exit grant the Combined Authority receives.	Jon Alsop		Verbal Update provided at January 2021 meeting

27 November 2020	Members to be sent email providing some clarity around the settlement payment for senior member of staff	Dermot Pearson	Dermot Pearson	Email sent to members – 10 th December 2020
26 May 2020	Value for Money Workshop	Robert Fox/Jon Alsop		Completed November 2020
2 October 2020	At the 27 November 2020 meeting there should be detail on the risk register on those risks that are not included in the sequential number presentation (i.e. why are these no longer considered to be corporate risks)	Robert Parkin	Francesca Houston	Completed on agenda
2 October 2020	The Chief Executive to respond to the Committee on the criteria for the Market Town strategies and whether the response to Covid-19 relates to the commercial sector response or whether it also includes the community and health responses too	Kim Sawyer		Completed
2 October 2020	A full internal audit plan be presented to the Committee on 27 November 2020	Internal Auditor		Completed on agenda
2 October 2020	The final statement of accounts and External Audit Opinion to be received at the meeting of 27 November 2020	Jon Alsop		Completed on agenda
2 October 2020	The letter to Whitehall with regard to quoracy to be shared with the Chairs of the Audit & Governance Committee and Overview & Scrutiny Committee for input and approval prior to being sent	Robert Parkin		Completed. Response from the MHCLG awaited

2 October 2020	The Work Programme for the Committee to include the additional protocols for the Constitution as approved by the Combined Authority Board	Robert Parkin	Scrutiny Officer	Completed on agenda
31 July 2020	The Mayor of the CA be invited to the 2 October 2020 meeting of the Committee to update on the MHCLG correspondence	Scrutiny Officer		Completed on agenda for 27 November 2020; the Mayor being absent on leave on 2 October
31 July 2020	The Internal Audit Plan 2020/21 to be presented at the 2 October 2020 meeting of the Committee	Jon Alsop	RSM UK	Completed on agenda
31 July 2020	That a date for the workshop session for the Constitution review be forwarded to the Committee members as soon as possible.	Robert Parkin	Scrutiny Officer	Occurred on 17 September 2020 followed by a meeting to consider Constitution revisions on 24 September
31 July 2020	The names of all on the Independent Commission on Climate Change will be provided to the Committee.	Paul Raynes	Adrian Cannard	Provided to Committee members
31 July 2020	The Constitution review should include protocols for appointments to Boards, Commissions and Working Groups.	Robert Parkin		Consideration as part of the Constitution work moving forward
31 July 2020	A further update on the Corporate Risk Register will be received at the 2 October 2020 meeting of the Committee.			Completed on agenda

31 July 2020	The work programme revisions to be published alongside the minutes of the meeting	Scrutiny Officer		Published on the CA meetings website
31 July 2020	Climate change to appear on future risk register reports to the Committee as a discrete risk.	Francesca Houston		Completed
26 May 2020	The Independent Commission on Climate Change would be commencing its work shortly. The Chair asked that climate change be included on the Risk Register	Francesca Houston		Completed
26 May 2020	Adult Education Budget A & G requested a landscape view on areas where money has been contracted and the Combined Authority has the authority/obligation that standards are met.			Completed on agenda for 27 November 2020 meeting
26 May 2020	A response would be provided to the Committee related to the employment status of the Trading Companies Company Secretary	Robert Parkin		Verbal confirmation was provided at 31 July 2020 meeting
26 May 2020	Chief Executive to provide detail on the Local Transport Plan and how it relates to Peterborough	Kim Sawyer (CEO)		Provided in advance of 31 July 2020 meeting.
26 May 2020	Any changes to the membership of the Committee to be reported to the next meeting.	Robert Fox		Completed on agenda.
26 May 2020	A paper regarding Internal Audit provision following the cessation of the Service Level Agreement with Peterborough City Council would be presented to the next meeting	Jon Alsop		Completed on agenda.
26 May 2020	Action Sheets to be presented to future meetings in a format that more clearly distinguished open and closed actions	Robert Fox		Completed on agenda

26 May 2020	The Chair asked that the final statement of accounts be forwarded to members in advance of the publication deadline for the 31 July 2020 Committee meeting.	Jon Alsop		Completed
26 May 2020	A member requested further detail on the loans provided and who they were to as there are likely to be questions prompted by this	Jon Alsop		Completed on agenda
26 May 2020	The s.73 Officer agreed to make sure that the notes to the accounts provided context to the section on salaries and salary related payments, as this was likely to be an area of public interest	Jon Alsop		Completed on agenda
26 May 2020	The final statement of accounts notes would provide context to salaries and salary related payments	Jon Alsop		Completed on agenda
26 May 2020	A further update on External Audit requested for 31 July 2020 meeting	Ernst & Young		Completed on agenda
26 May 2020	The next Committee meeting on 31 July 2020 be presented with an updated risk register. That update should highlight the top three or four risks and show where risks were increasing or decreasing	Francesca Houston		Completed on agenda
26 May 2020	The presentation of the work programme be developed to improve clarity	Robert Fox		Completed on agenda
26 May 2020	Protocols for agreeing changes to the Audit Plan and developing future plans would be included as part of the next report to Committee in December 2019.	Steve Crabtree/Jon Alsop		Completed.



**CAMBRIDGESHIRE
& PETERBOROUGH**
COMBINED AUTHORITY

Agenda Item 3

Audit and Governance Committee Action Log

Purpose:

The action log records actions recorded in the minutes of Audit and Governance Committee meetings and provides an update on officer responses.

Minutes of the meeting on 6th April 2021

Minute	Report title	Lead officer	Action	Response	Status
4.3	Combined Authority Update	Rochelle Tapping	Business Board Chair to be invited to meet with committee once the Business Board had discussed the recommendation on holding meetings in public.	The Business Board considered the recommendation from the Audit and Governance Committee at its meeting on 19 May 2021. The outcome of this discussion is being taken to the CA Board on 30 June.	Open

Minutes of the meeting on 5th March 2021

Minute	Report title	Lead officer	Action	Response	Status
4.4	Assurance Framework	Robert Parkin	A proposal outlining how the Combined Authority would address the oversight arrangements for Trading Companies going forward and demonstrate how these would be effective; drawing on real examples from Nottingham and Croydon Councils would be brought to the committee.	Report and Training Session on Trading Companies scheduled for September 2021	Open
4.4	Assurance Framework	Robert Parkin/Jon Alsop	Internal controls around trading companies should be included within the Annual Governance Statement	Report coming to June meeting	Closed
5.4	Revision to Constitution – Housing Committee	Robert Parkin	Revision to Housing Committee remit to be included in annual review of constitution	Review of constitution to take place over August	Open
8.2	Information Governance Update	Rochelle Tapping	Officers to implement a process to enable experiences with ICT issues to be shared across the constituent councils of the Combined Authority	Verbal Update to come to the July meeting	Open

Minutes of the Meeting on 2nd October 2020

Minute	Report title	Lead officer	Action	Response	Status
7.3	Combined Authority Update	Kim Sawyer	The Chief Executive to provide the Committee with regular updates on the working relationship between the Combined Authority and Greater Cambridge Partnership as part of the CAB updates	Ongoing	Open

Minutes of the Meeting 26th May 2020

Minute	Report title	Lead officer	Action	Response	Status
10.8	Corporate Risk Register	Robert Parkin	There should be ongoing work to present the Risk Register in a legible format	Ongoing	Open



Report title: Internal Audit Progress Report

To:	Cambridgeshire and Peterborough Combined Authority Audit and Governance Committee
Meeting Date:	25 June 2021
Public report:	Yes
Lead Member:	n/a
From:	Jon Alsop Chief Finance Officer
Key decision:	No
Forward Plan ref:	n/a
Recommendations:	<p>The Committee is recommended to:</p> <ul style="list-style-type: none">• note the internal audit progress report for 2020/21 as provided by the Combined Authority's internal auditors, RSM Risk Assurance Services LLP (RSM), <p>Voting arrangements: No vote, noting item</p>

1. Purpose

- 1.1 This paper provides an update to the work that RSM have conducted against the internal audit plan for 2020/21.

2. Background

- 2.1 At its November 2020 meeting, the Audit and Governance Committee approved the Internal Audit Strategy 2020/21 to 2024/25 and the 2020/21 internal audit plan as presented by RSM.
- 2.2 Four audit reports have been finalised in relation to:

- Appointments to Boards and Committees
 - Accounts Payable
 - COVID-19 Capital Grants, and
 - Follow up of previous management actions.
- 2.3 Two further reports remain in draft at the time of preparing this report on 'Impact of COVID-19 on CPCA delivery of projects' and 'IT Control Framework Review'.
- 2.4 The Audit and Governance Committee is asked to note progress made against the 2020/21 audit plan.
- 2.5 Appendix 1, the 2020/21 update report, also includes a section on 'sector news' which has been provided by RSM for information.

Significant Implications

3. Financial Implications

- 3.1 Internal audit fees are within those agreed as part of the internal audit service contract.

4. Legal Implications

- 4.1 No legal implications have been identified.

5. Other Significant Implications

- 5.1 No other significant implications have been identified.

6. Appendices

- 6.1 Appendix 1 – Internal Audit update report 2020/21 (RSM)

7. Background Papers

- 7.1 None.

CAMBRIDGESHIRE AND PETERBOROUGH COMBINED AUTHORITY

Internal Audit Progress Report

25 June 2021

This report is solely for the use of the persons to whom it is addressed.
To the fullest extent permitted by law, RSM Risk Assurance Services LLP
will accept no responsibility or liability in respect of this report to any other party.



CONTENTS

Contents	2
1 Key messages	3
2 Reports	4
Appendix A – Progress against the internal audit plan	7
Appendix B – Other matters	8
Appendix C - Key performance indicators (KPIs) for 2020/21 delivery	9
For more information contact	10

1 Key messages

The internal audit plan for 2020/21 was approved by the Audit and Governance Committee at the November 2020 meeting. This report provides an update on progress against that plan and summarises the results of our work to date.

As the developments around Covid-19 will continue to impact on all areas of the organisation's risk profile, we will continue to work closely with management to deliver an internal audit programme which remains flexible and 'agile' to ensure it meets your needs in the current circumstances.

2020/21 Internal Audit Delivery

Four reports have been finalised in relation to:

- Appointments to Boards and Committees;
- Accounts Payable;
- COVID-19 Capital Grants; and
- Follow Up since the previous audit committee.

Two reports remain in draft at the time of preparing this report on Impact of COVID-19 on CPCA delivery of projects and IT Control Framework Review.

[\[To discuss and note\]](#)

2021/22 Internal Audit Plan

The 2021/22 Internal Audit plan was presented to the previous audit committee, and we are in the process of scheduling the planning meetings for the audits identified within the programme for 2021/22. [\[To note\]](#)


Other Matters

We have also included some sector news in Appendix B which highlights some of the current issues being faced in the sector and the areas that the Combined Authority may wish to consider. [\[To note\]](#)

2 Reports

Summary of final reports being presented to this committee

This section summarises the reports that have been finalised since the last meeting.

Assignment	Opinion issued	Actions agreed		
		L	M	H
2020/21 Internal Audit Plan				
Appointments to Boards and Committees including those sponsored by the Combined Authority (3.20/21)	Reasonable Assurance 	2	2	0
<p>Overall, we consider the Authority’s control framework in respect of Appointments to Boards and Committees to be well designed, with a decision making structure that has been set out in the Constitution and a defined approach in place for making appointments to the Board and Committees also being documented. We found this has been adhered to when making appointments. We also found that membership of the both the Combined Authority and Business Board, as well as the regulatory and executive committees had been aligned to the membership requirements set out in the constitution and representation requirements were also met.</p> <p>However, we have noted several areas of weakness in respect of overarching governance controls. We found that Code of Conduct forms and Register of Interest forms were not on file for all members of the sample we reviewed, as well as others that were on file having not been completed within the previous year. Additionally, we identified where advisory level groups have not reported into the Combined Authority Board as per their Terms of Reference requirements, where the Constitution requires updating in respect of the decision making structure as this no longer represents the current arrangements and some instances where some Committees are not following up on actions set during meetings.</p>				

Accounts Payable (4.20/21)

The CPCA constitution clearly outlined high-level responsibilities, principles and guidance around purchase orders, BACS payments and expenses. We identified that invoices were paid in a timely manner, with all of our sample paid within 30 days of request and relevant documentation retained on file supporting the payment. We also found that BACS payment runs are reviewed and authorised, with an auditable trail maintained to support this, along with the completion of monthly bank reconciliations.

The Combined Authority did, however, lack documented guidance on new supplier set ups, changes to supplier details and suspense accounts. In addition, we identified improvements to be made with the completion of purchasing card statement forms and the retention of supporting receipts for some low level expenditure, as well as capturing evidence of checks carried out on new suppliers being setup and amendments made to existing supplier details. Furthermore, we found issues with the expense claims process relating to the period prior to the implementation of a new expenses system (Citrus HR) and an absence of a purchase order exemptions list, as mandated by the Financial Management Procedure Rules.

Whilst we note improvements and continuous progress is being made to strengthen internal control frameworks, it is evident that further work will be taking place following the implementation of the new finance system to ensure a fully robust and effective financial controls framework is in place across the Authority. Please note that our opinion does not reflect our findings noted in appendix A, with this aspect of our review being of an advisory nature and not supported by substantive testing.



Follow Up (6.20/21)

In our opinion Cambridgeshire and Peterborough Combined Authority has demonstrated **good progress** in implementing agreed management actions from previous audit reports.

We identified through our fieldwork that from the nine management actions sampled, seven of these (78 per cent), had been fully implemented with the remaining two actions superseded based on changes to working arrangements.

We have however agreed a management action in relation to the monitoring and reporting of action progress/implementation, given that this was not formally in place at the time of our review which is to be implemented by the end of September 2021.



COVID-19 Capital Grants (7.20/21)





Our review identified that robustly designed and well applied controls had been introduced following the Combined Authority's announcement to make the COVID-19 Capital Grant scheme available to SMEs. In particular, we confirmed that CPCA had developed comprehensive documented procedural guidance, had developed a communications campaign as well as set up a dedicated website for the grant scheme. Our sample



testing also confirmed controls around the processing and payment of grants, including documentation retention, completion of assessor reports and payment approval had been consistently applied.

However, we did identify issues in relation to maintaining a complete audit trail where there had been changes in applications during the assessment phase of the claim. We also found that bank details of successful applicants were not being validated against an independent source, increasing the Combined Authority's exposure to fraud related risks. Finally, we identified areas for improvement in relation to documenting approval routes for grant claims and bank detail checks performed before payment.

Appendix A – Progress against the internal audit plan

Assignment and Executive Lead	Status / Opinion issued	Actions agreed			Target Audit Committee (as per previous audit committee)	Actual Audit Committee
		L	M	H		
Risk Management (1.20/21)		1	7	0	January 2021	January 2021
Impact of COVID-19 on Project Delivery (2.20/21)	Draft report issued: 16 March 2021				Was June 2021, now September 2021	
Appointments to Boards and Committees including those sponsored by the Combined Authority (3.20/21)		2	2	0	Was April 2021, now June 2021	June 2021
Key Financial Controls – Accounts Payable (4.20/21)		5	3	0	Was April 2021, now June 2021	June 2021
IT Controls Assessment	Draft report issued: 25 May 2021				Was June 2021, now September 2021	
Follow Up (6.20/21)	Good Progress	0	1	0	June 2021	June 2021
COVID-19 Capital Grants (7.20/21)		1	2	0	June 2021	June 2021

Appendix B – Other matters

Information briefings

We have appended to this report the following briefings for information:

- Assignment Report Refresh – 2021/22

Sector Updates

Councils given further £200m in next stage of successful rough sleeping programme

Robert Jenrick, Housing Secretary, has announced a further £203m fund which will be allocated to councils across England and will support vital projects such as shelters, specialist mental health or addiction services, and targeted support to help rough sleepers off the streets. This funding is one part of the £750m investment this year to tackle homelessness and rough sleeping and part of the government's drive to end rough sleeping by the end of this Parliament. Analysis of the Rough Sleeping Initiative, now in its fourth year, shows that the programme has reduced rough sleeping by almost a third compared to areas which have not taken part in the programme

Councils to test the use of digital tools in planning process

The Housing Minister has announced a £1.1m fund to test the use of digital tools and data standards across 10 local areas. The planning white paper 'Planning for the future', published in August 2020, proposed reforms to the planning system to streamline and modernise the planning process. By introducing a digital system that makes plans map-based and accessible online, local people will be able to engage with planning in their local area, which will help get homes built quicker.

Funding boost to develop new local design guide for housing development

A new national design code ensuring areas are beautiful, well-designed and locally led is being tested across 14 areas in England, the government has announced. The National Model Design Code (NMDC) will ensure future developments are beautiful and fit in with local character. 14 councils will receive £50,000 each to develop new design codes.

Initial learning from the government's response to the pandemic

The National Audit Office (NAO) has published a report drawing out learning from the reports that have been published to date, as well as other work that have been published by the NAO covering the coronavirus pandemic.

It sets out this learning across six themes:

- risk management;
- transparency and public trust;
- data and evidence;
- coordination and delivery models;
- supporting and protecting people; and
- financial and workforce pressures.

Appendix C - Key performance indicators (KPIs) for 2020/21 delivery

Delivery				Quality			
	Target	Actual	Notes (ref)		Target	Actual	Notes (ref)
Audits commenced in line with original timescales following scoping	Yes	100%		Conformance with PSIAS and IIA Standards	Yes	Yes	
Draft reports issued within 15 days of debrief meeting	100%	100%		Liaison with external audit to allow, where appropriate and required, the external auditor to place reliance on the work of internal audit	Yes	Yes	
Management responses received within 15 days of draft report	100%	40%	*	Response time for all general enquiries for assistance	2 working days	100%	
Final report issued within 3 days of management response	100%	100%		Response for emergencies and potential fraud	1 working days	N/A	

Notes

* Our first draft report was issued on 11 December 2020 however, due to a combination of the Christmas break responses were not received within 15 days of the draft report.

Two further reports were issued in draft where we have not received management responses within 15 days of the draft report. These require further internal management discussions regarding the coverage of the review and some wider discussions with stakeholders external to CPCA.

FOR MORE INFORMATION CONTACT

Daniel Harris – Head of Internal Audit

Email: Daniel.Harris@rsmuk.com

Telephone: 07792 948767

Jay Desai – Manager

Email: Jay.Desai@rsmuk.com

Telephone: 07436 268278

rsmuk.com

The matters raised in this report are only those which came to our attention during the course of our review and are not necessarily a comprehensive statement of all the weaknesses that exist or all improvements that might be made. Actions for improvements should be assessed by you for their full impact. This report, or our work, should not be taken as a substitute for management's responsibilities for the application of sound commercial practices. We emphasise that the responsibility for a sound system of internal controls rests with management and our work should not be relied upon to identify all strengths and weaknesses that may exist. Neither should our work be relied upon to identify all circumstances of fraud and irregularity should there be any.

Our report is prepared solely for the confidential use of Cambridgeshire and Peterborough Combined Authority and solely for the purposes set out herein. This report should not therefore be regarded as suitable to be used or relied on by any other party wishing to acquire any rights from RSM Risk Assurance Services LLP for any purpose or in any context. Any third party which obtains access to this report or a copy and chooses to rely on it (or any part of it) will do so at its own risk. To the fullest extent permitted by law, RSM Risk Assurance Services LLP will accept no responsibility or liability in respect of this report to any other party and shall not be liable for any loss, damage or expense of whatsoever nature which is caused by any person's reliance on representations in this report.

This report is released to you on the basis that it shall not be copied, referred to or disclosed, in whole or in part (save as otherwise permitted by agreed written terms), without our prior written consent.

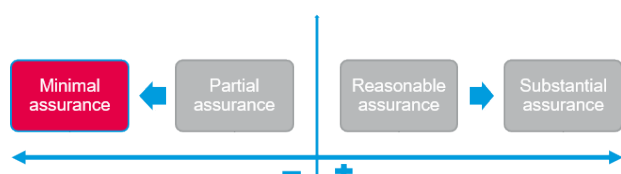
ASSIGNMENT REPORT

REFRESH 2021/22

Internal audit assurance levels

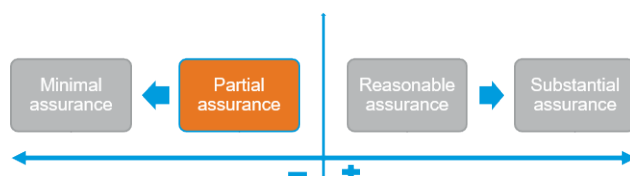
We always appreciate feedback from clients; and one of the consistent comments we are asked about is the use of the term 'no assurance' as one of our opinions. Having considered this and acknowledging that there is always some degree of control in place, we have updated our wording to change '**no assurance**' to '**minimal assurance**'. This change will be effective from audit plans that commence after 1 April 2021.

As you will be aware, each assurance level is illustrated with a graphic, which is accompanied by the formal wording which we include in our reports. For '**minimal assurance**' (previously 'no assurance') this is represented by a red graphic. As we are making this subtle change to the wording, we have also taken the opportunity to refresh the graphics we use for all of our assignment assurance levels (see below).



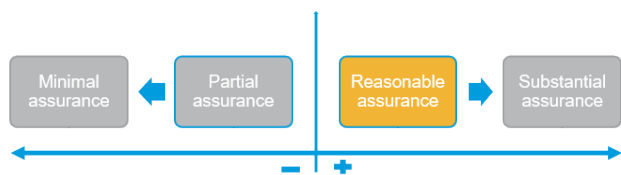
Taking account of the issues identified, the board can take **minimal assurance** that the controls upon which the organisation relies to manage this risk are suitably designed, consistently applied or effective.

Urgent action is needed to strengthen the control framework to manage the identified risk(s).



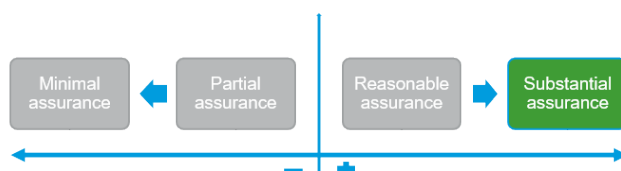
Taking account of the issues identified, the board can take **partial assurance** that the controls upon which the organisation relies to manage this risk are suitably designed, consistently applied or effective.

Action is needed to strengthen the control framework to manage the identified risk(s).



Taking account of the issues identified, the board can take **reasonable assurance** that the controls upon which the organisation relies to manage this risk are suitably designed, consistently applied and effective.

However, we have identified issues that need to be addressed in order to ensure that the control framework is effective in managing the identified risk(s).



Taking account of the issues identified, the board can take **substantial assurance** that the controls upon which the organisation relies to manage this risk are suitably designed, consistently applied and effective.

For more information please contact

Mark Jones

Head of Internal Audit, Risk Assurance

T +44 (0)7768 952 387

E mark.jones@rsmuk.com

Shauna Mallinson

Technical Director, Risk Assurance

T +44 (0)7800 617 447

E shauna.mallinson@rsmuk.com

The UK group of companies and LLPs trading as RSM is a member of the RSM network. RSM is the trading name used by the members of the RSM network. Each member of the RSM network is an independent accounting and consulting firm each of which practises in its own right. The RSM network is not itself a separate legal entity of any description in any jurisdiction.

The RSM network is administered by RSM International Limited, a company registered in England and Wales (company number 4040598) whose registered office is at 50 Cannon Street, London EC4N 6JJ. The brand and trademark RSM and other intellectual property rights used by members of the network are owned by RSM International Association, an association governed by article 60 et seq of the Civil Code of Switzerland whose seat is in Zug.

RSM Corporate Finance LLP, RSM Restructuring Advisory LLP, RSM Risk Assurance Services LLP, RSM Tax and Advisory Services LLP, RSM UK Audit LLP, RSM UK Consulting LLP, RSM Northern Ireland (UK) Limited and RSM UK Tax and Accounting Limited are not authorised under the Financial Services and Markets Act 2000 but we are able in certain circumstances to offer a limited range of investment services because we are licensed by the Institute of Chartered Accountants in England and Wales. We can provide these investment services if they are an incidental part of the professional services we have been engaged to provide. RSM Legal LLP is authorised and regulated by the Solicitors Regulation Authority, reference number 626317, to undertake reserved and non-reserved legal activities. It is not authorised under the Financial Services and Markets Act 2000 but is able in certain circumstances to offer a limited range of investment services because it is authorised and regulated by the Solicitors Regulation Authority and may provide investment services if they are an incidental part of the professional services that it has been engaged to provide. RSM & Co (UK) Limited is authorised and regulated by the Financial Conduct Authority to conduct a range of investment business activities. Before accepting an engagement, contact with the existing accountant will be made to request information on any matters of which, in the existing accountant's opinion, the firm needs to be aware before deciding whether to accept the engagement.

© 2021 RSM UK Group LLP, all rights reserved



**CAMBRIDGESHIRE
& PETERBOROUGH**
COMBINED AUTHORITY

Agenda Item No: 7

Draft Statement of Accounts and Annual Governance Statement

To: Audit and Governance Committee

Meeting Date: 25th June 2021

Public report: Yes

From: Jon Alsop, Head of Finance and S73 Officer

Key decision: Not a key decision

Forward Plan ref:

Recommendations: The Audit and Governance Committee is recommended to:

- a) Note the draft Statement of Accounts 2020/21 published with the notice of the exercise of public rights.
- b) Review the draft Statement of Accounts 2020/21.
- c) Note the draft Annual Governance Statement 2020/21.

1. Purpose

- 1.1. The purpose of the report is for the Audit and Governance Committee to:
 - (a) Note the draft Statement of Accounts 2020/21 published with the notice of the exercise of public rights.
 - (b) Review the draft Statement of Accounts 2020/21
 - (c) Note the draft Annual Governance Statement 2020/21

2. Background

Review of the Statement of Accounts 2020/21

- 2.1. According to their Terms of Reference, the Audit and Governance Committee shall:

No. 3.4 - Review the Annual Governance Statement prior to approval to ensure it properly reflects the risk environment and supporting assurances.

No. 3.12 – Review the annual accounts.

- 2.2. The draft Statement of Accounts, together with the draft Narrative Report and draft Annual Governance Statement are required to be signed by the Chief Finance Officer and published in draft form on the Combined Authority's website together with the notice of the exercise of public rights.
- 2.3. The notice of the exercise of public rights states that the documents are unaudited and subject to change and sets out the rights of members of the public and local government electors in the audit process.
- 2.4. Any person may inspect and take copies of the accounts and certain related documents during a 30 working day inspection period. During this period, the Cambridgeshire and Peterborough Combined Authority electors will be able to ask the external auditor questions on the accounts and are able to object to the accounts.
- 2.5. Ernst & Young LLP (EY) will audit the draft Statement of Accounts and are expected to present their findings at the 30th July 2021 Audit and Governance Committee meeting.
- 2.6. In order for EY to complete their audit by 30th July, the draft accounts will be published on the Combined Authority's website on 17th June to provide the 30 working day inspection period from 18th June to 29th July.
- 2.7. The final audited version of the Statement of Accounts will then be signed and published on the Combined Authority's website.

Amendments to the Audit timetable for 2021

- 2.8. In 2019-20 the deadlines for publication of the statutory accounts were delayed substantially in light of the impact of COVID both on members of staff, and the additional burden places on local government in administering various COVID relief measures. These amendments lasted only for the financial year 2019-20.

- 2.9. However, in March 2021, the Accounts and Audit (Amendment) Regulations 2021 was laid before Parliament and approved. This amendment to the regulations cuts a middle ground between the standard audit timetable and that which was in place for the 2019-20 accounts.
- 2.10. In line with the amendment, the Combined Authority's draft accounts should be published on or before the 31st July and the audit completed and final statements published by the 30th September. Ordinarily, the publishing dates would have been 31st May for the draft accounts, and 31st July for the final accounts.
- 2.11. While the response from Local Government Auditors locally and nationally has been that, even with the extension, it is not possible to maintain this timeline while upholding the required audit standards, the Combined Authority is fortunate to have had its external audit scheduled early in the year and thus should be in a position to have its audit complete in time for the July Audit and Governance Committee to sign them off.

Significant Implications

3. Financial Implications

- 3.1. The scale fee for the planned audit code work for 2020/21 is £26,950 (2019/20 - £26,950). Additional fees will be incurred to support the following activities as set out in EY's Outline Audit Plan which was presented to the Committee in March.
- Group Accounts
 - VFMC significant risk
 - Significant risk – C-19 grants accounting
 - Significant risk – incorrect capitalisation of revenue expenditure
 - IAS 19 audit of pension liability and disclosures
 - Impact of COVID-19 including going concern

3.2. The total audit fee for 2019/20 was £48,307.

3.3. All additional code work fees are subject to agreement with the S73 Officer and the Public Sector Audit Appointments Ltd.

4. Legal Implications

4.1. None

5. Other Significant Implications

5.1. None

6. Appendices

- 6.1. Appendix 1: Draft Statement of Accounts 2020/21 including the Draft Annual Governance Statement 2020/21

7. Background Papers

- 7.1. None



**CAMBRIDGESHIRE
& PETERBOROUGH**
COMBINED AUTHORITY

Statement of Accounts

2020/21

Draft – Subject to Audit



Cambridgeshire and Peterborough Combined Authority

Statement of Accounts 2020/21

Table of Contents			
Narrative Report	3	Note 15 - Transfers to / (from) Earmarked Reserves	55
Independent Auditors' Report to the Members of Cambridgeshire and Peterborough Combined Authority (TBC)	13	Note 16 - Capital Grants Unapplied Reserve	56
Statement of Responsibilities for the Statement of Accounts	14	Note 17 - Capital Adjustment Account	56
Comprehensive Income and Expenditure Statement	15	Note 18 - Financial Instruments Adjustment Account	57
Movement in Reserves Statement	16	Note 19 - Financial Instruments Revaluation Reserve	57
Balance Sheet	18	Note 20 - Accumulated Absences Reserve	57
Cash Flow Statement	19	Note 21 - Pensions Reserve	58
Note 1 - Accounting Policies	20	Note 22 - Property, Plant and Equipment	59
Note 2 - Accounting Standards that have been Issued but have Not Yet Been Adopted	32	Note 23 - Capital Expenditure and Capital Financing	60
Note 3 - Critical Judgement in Applying Accounting Policies	32	Note 24 - Combined Authority Leasing Arrangements	60
Note 4 - External Audit Costs	33	Note 25 - Financial Instruments	61
Note 5 - Mayor's and Members' Allowances	33	Note 26 - Fair Value of Financial Assets and Financial Liabilities	62
Note 6 - Officers' Remuneration & Exit packages	33	Note 27 - Nature and Extent of Risks Arising from Financial Instruments	64
Note 7 - Defined Benefit Pension Scheme	37	Note 28 - Debtors	66
Note 8 - Other Operating Income and Expenditure	43	Note 29 - Creditors	66
Note 9 - Financing and Investment Income and Expenditure	44	Note 30 - Provisions	67
Note 10 - Taxation & Non Specific Grant Income	44	Note 31 - Capital Grants Receipts In Advance	67
Note 11 - Related Parties	45	Note 32 - Cash Flow Statement – Investing Activities	67
Note 12 - Expenditure and Income Analysed by Nature	48	Note 33 - Cash Flow Statement – Cash and Cash Equivalents	68
Note 13 - Expenditure and Funding Analysis	49	Glossary	69
Note 14 - Adjustments between Accounting Basis and Funding Basis under Regulations	51	Annual Governance statement	71

Narrative Report:

1. Introduction

The Code of Practice on Local Authority Accounting in the United Kingdom requires a Narrative Report to be published by local authorities in England, Northern Ireland and Wales with their financial statements. The purpose of the narrative report is to provide information on Cambridgeshire and Peterborough Combined Authority, its main objectives and strategies, to provide a commentary on how the Combined Authority has used its resources to achieve its desired outcomes, and to demonstrate how it is equipped to deal with the challenges ahead.

This report provides the narrative to Cambridgeshire and Peterborough Combined Authority's financial statements for the year ended 31 March 2021.

2. Organisational Overview and External Environment

The Combined Authority is made up of eight founding members across Cambridgeshire and Peterborough. Each of the following Constituent Authorities is represented by their nominated representative or substitute at Combined Authority meetings.

Cambridge City Council

Cambridgeshire County Council

East Cambridgeshire District Council

Fenland District Council

Huntingdonshire District Council

Peterborough City Council

South Cambridgeshire District Council

The Business Board also has representation on the Combined Authority Board. By virtue of their office, the Chair of the Business Board is the voting representative on the Combined Authority and the Deputy Chair is the substitute representative.

The following bodies have co-opted member status:

The Police and Crime Commissioner for Cambridgeshire

Cambridgeshire and Peterborough Fire Authority

Clinical Commissioning Group

The Business Board was constituted as a non-statutory body to be the Local Enterprise Partnership (LEP) for the region. It is independent of the Combined Authority operating as a private-public sector partnership, focusing on the key business sectors to provide strategic leadership and drive growth in the area.

The Business Board builds upon the strengths of established LEP services to create a stronger new model and focuses on:

- Local Industrial Strategy – strategy development, implementation oversight, and monitoring of key objectives
- Place-based growth plans – including master plan development for our market towns, oversight of implementation, making investment recommendations, strategically managing business growth zones (including Enterprise Zones)
- Key sectors – determining our priority sectors, agreeing plans for their growth, overseeing the products and services that directly stimulate sector growth
- International trade and exports – import and export strategies, fostering key places in the world for trade accords, with particular focus on post-Brexit trade and export planning.
- Skills – strategy and delivery plans to achieve a pipeline of people with skills required by business.
- Major investment opportunities – maintaining an overview and management of the pipeline of the single most direct investment opportunities facing the area.
- Devolution – employment improvement and increased exporting impacting on GVA.

The Business Board gives commerce a stronger voice in developing the Combined Authority's plans and decision making, and is committed to advising the Combined Authority on achieving its Growth Ambition. It ensures that a clear business perspective is brought forward as the Combined Authority seeks to be at the frontier of accelerating delivery and securing new investment models, with and across Government, the private sector and the local area.

The Combined Authority Board decides the strategic direction of the Combined Authority but delegates many of its decision-making powers for operational matters to the three Executive Committees, the Transport & Infrastructure Committee, the Skills Committee and the Housing & Communities Committee.

The Combined Authority has six subsidiary companies which have been set up to deliver specific objectives of the Combined Authority. The six companies are as follows:

Angle Holdings limited,
Angle Developments East limited,
One CAM limited,

Cambridgeshire and Peterborough Business Growth Company limited,
Peterborough HE Property Company Ltd, and
Peterborough R&D Property Company Ltd

3. Governance

Cambridgeshire and Peterborough Combined Authority is responsible for ensuring that its business is conducted in accordance with the law and proper standards and that public money is safeguarded and properly accounted for and used economically, efficiently and effectively. The Combined Authority also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised.

In discharging this overall responsibility, the Combined Authority is responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions including arrangements for the management of risk.

The Business Board and Combined Authority Board work to a single Assurance Framework which has been approved by the Ministry of Housing, Communities and Local Government (MHCLG) It provides a robust, singular framework that brings cohesion to the work of the single officer team, ensuring clarity, transparency and openness for Government, partners and members of the public around governance and compliance processes, and a singular approach to the recommendation and decision-making processes of both Boards.

4. Operational Model

The Devolution Deal for Cambridgeshire and Peterborough sets out key ambitions for the Combined Authority to make our area a leading place in the world to live, learn and work. These include:

- Doubling the size of the local economy
- Accelerating house building rates to meet local and UK need
- Delivering outstanding and much needed connectivity in terms of transport and digital links
- Providing the UK's most technically skilled workforce
- Transforming public service delivery to be much more seamless and responsive to local need
- Growing international recognition for our knowledge-based economy
- Improving the quality of life by tackling areas suffering from deprivation

A significant element of the devolution deal was the award of a single pot of investment. This single pot for Cambridgeshire and Peterborough CA initially comprised of a devolved, multi-year transport settlement and an additional long-term investment fund grant, worth up to £600 million over 30 years.

5. Risks and Opportunities

COVID-19

On 25 March 2020, the Combined Authority set out its response to COVID-19 to support recovery and formulated an approach covering an immediate, short term and medium-term response.

The immediate response was to remain 'open for business' with the Combined Authority's workforce being fully mobilised to work from home, meetings taking place virtually, and the Mayor's general power of competence being relied upon to make decisions.

During 2020/21, innovations to support local businesses affected by COVID-19 included:

- The re-design and re-purpose of resources towards growth coaching, advice, grants and equity investments, to provide a rapid response to support businesses.
- Supporting clients to access information regarding the Central Government Support Packages and to provide signposting to appropriate local sector Business networks.
- Allocate grant funding for short term support grants to COVID recovery and regrowth strategies for local firms.

The Combined Authority conducted a review of all priorities to focus on those which would support economic recovery following the impact of the pandemic. This review led to a refreshed budget and Medium-Term Financial plan (MTFP) being approved by the Board in June 2020.

The Combined Authority Board approved the budget for 2021/22 and MTFP for the four-year period to 2024/25 in January 2021. The MTFP set out assumed future funding streams and a full capital programme of investments for the period. The whole of the MTFP has been reviewed to consider risks to delivery and to focus on priorities which will support economic recovery.

The MTFP confirmed that the programmes and projects which are contained within the Business plan remain affordable within the expected funding envelope across the lifetime of the MTFP, whilst maintaining a £1m Contingency Reserve.

Administration of COVID grants

The Combined Authority's COVID-19 response refocussed about £6m of resources to support small businesses and microbusiness with COVID capital grants.

The micro-grant scheme provided 128 grants to businesses, whilst the COVID-19 capital grant scheme funded 132 grants estimated to create or protect over 800 jobs.

The Combined Authority also worked closely with Constituent Authorities and Public Transport providers to support recovery, being the accountable body for funding to develop 'active travel' schemes, COVID related bus subsidies, and for providing additional 'home to school' travel.

Our Growth Ambition

The Combined Authority has a Growth Ambition Statement to summarise it's strategy and response to the Cambridgeshire & Peterborough Independent Economic Review (CPIER).

The CPIER endorsed the Devolution Deal ambition of doubling GVA over 25 years and said that growth is of strategic importance for the future global competitiveness of Britain. It emphasised the diversity of our economy and the difference between the challenges the strongly-growing large cities and other parts of the area face.

The CPIER has also thrown down a challenge by saying that current efforts are not enough to secure that growth. It has highlighted the risk that the Greater Cambridge economy may decelerate unless there is investment in transport infrastructure and housing. It provides clear evidence that we need to do more to develop the productivity of firms, raise skill levels, make home ownership affordable, address health and educational inequalities, and generate revenue to pay for public services in the future.

Not enough homes have been built in the past. The Combined Authority will therefore lead work to review future housing demand and needs. That review will take place in a way that makes new analysis available to support those of our planning authorities which have committed to review their plans in the near future.

New homes need to be affordable. The Combined Authority's Housing Strategy aims to exceed the 2,500 affordable homes committed to in the Devolution Deal. We will also use the new Spatial Framework and direct investment in new settlements to

encourage extra affordable housing provision, including by developing homes for first time buyers with a price target based on earnings.

In striking a balance between the different possible patterns for future settlements through the Spatial Framework, the Combined Authority will encourage development, where good transport can be provided, including along transport corridors and new garden villages. By linking the Spatial Framework and Local Transport Plan, this approach will be based on ensuring that transport and other infrastructure investment precedes housing development.

The Combined Authority's identified key transport priorities reflect a commitment to improve connectivity both East to West and North to South, to reduce commuting times in line with a journey to work target of within 30 minutes, and to support future development. We are committed to rigorous prioritisation based on business cases which assess the impact of the projects on future growth.

Responding to the growth challenge means public sector interventions to help firms raise their productivity, especially outside the Greater Cambridge area. Our Local Industrial Strategy (LIS) reflects the CPIER's recommendations about key sectors and the drivers of productivity. It recognises the different economic roles that different towns play and will be about targeting support to businesses in areas that need it. It will focus on improving productivity, encouraging exporting and supporting digital connectivity for businesses.

The CPIER highlighted the existence of a low level of skills and educational aspiration in some communities, and mismatches with employer needs in the education system, alongside the high-skilled economy of Cambridge. The Combined Authority will continue to prioritise skills interventions, including the establishment of the new university in Peterborough with a course mix driven by local employer demand for skills in both public and private sectors, encouraging apprenticeships, and through the LIS to activate employer demand and motivate learners and their families to aspire.

The CPIER recognised that growing our economy is not just about our two large cities and emphasised the role of Market Towns. We will continue to support the Market Town Masterplans and, this year, we have started to enable delivery of the proposals that have evolved from those masterplans.

Growth, educational attainment, health and social mobility are linked. More skilled, more productive, higher-earning Market Towns will also be healthier. That requires consideration of how public services can best be organised to focus on improving the wider determinants of health and encouraging education aspiration.

6. Strategy and Resource allocation

THE LOCAL ECONOMIC RECOVERY STRATEGY (LERS)

In the first half of 2020/21, the Combined Authority engaged in a collaborative process through significant co-ownership and broader business community, education and public consultation to produce a Local Economic Recovery Strategy. It was a product of the Covid-19 Local Economic Recovery Sub-Group, consisting of Local Authority economic development officers in partnership with representatives of all the key local business organisations. The strategy was recommended for adoption by the Business Board as its Covid-19 adapted version of the Local Industrial Strategy and was ratified by the CPCA main Board on the 30th September.

The Covid-19 Economic Recovery Strategy Mission is:

***“To lead the nation out of recession - by accelerating the recovery, rebound and renewal of our economy and achieving our ambition to double GVA in a new and more digitally enabled, greener, healthier and more inclusive way than ever before.*”**

The recovery strategy reflects our commitment to respond effectively to the specific needs of Greater Peterborough, the Fens, and Greater Cambridge – whilst building the connections and relationships that will unlock the full economic potential of the whole region.

LOCAL INDUSTRIAL STRATEGY

Implementing the Growth Ambition for Cambridgeshire and Peterborough requires a focussed Local Industrial Strategy (LIS) defining how the Combined Authority will support businesses and key sectors to grow and become more productive, and people in our communities to gain the skills for these jobs. Led by the Business Board in development and implementation, the LIS sets out priority productivity and skills activities for the Combined Authority for the medium-term. The LIS, which is co-produced with Government, explores the further support and investment national Government could offer to deliver the UK Industrial Strategy locally.

STRATEGIC SPATIAL FRAMEWORK

As part of the Devolution Deal, the Combined Authority has a commitment to produce a non-statutory spatial framework for Cambridgeshire and Peterborough, which will link to the other Combined Authority strategies. It will align essential infrastructure, housing and job growth, and set out how growth can be delivered. Phase 1 of the Framework was completed in 2018. Phase 2 is planned for 2021/22 which will include developing and maintaining a suitable evidence-base.

SKILLS STRATEGY

The Skills Strategy supports our vision of a local skills system that is world-class in matching the needs of our employers, learners and communities. The principles of the Strategy include simplifying access to skills support for employers and learners and tailoring interventions to appropriate geographies, sectors and learners by the development of the Progression and Apprenticeship Market Place, the new University of Peterborough and Adult Education Budget (AEB). The strategic priorities are ensuring local provision that is matched to industry need, making sure people are work-ready, raising aspirations, and influencing choices.

LOCAL TRANSPORT PLAN

Following devolution, the Combined Authority is now the Local Transport Authority with strategic transport powers. The Local Transport Plan (LTP) provides an overview of the area's aims and objectives, its strategies to address challenges and summarises the major transport schemes required to achieve targeted growth and place-making across the Combined Authority geography. The LTP was published in February 2020 but in order to reflect on the impacts of the COVID pandemic and any potential changes resulting from a number of councils' local plans being updated, it is anticipated that the LTP will be refreshed in 2021/22. There are a number of key, underpinning sub-strategies to the LTP that will also be updated to ensure they are aligned with emerging central and local government policy

7. Outlook

The Combined Authority restates its 2017 devolution deal commitment to double GVA over 25 years. We recognise that this will require action and investment by both the public and private sectors. It is the role of the Combined Authority to lead and to convene partners in order to make that happen.

Partnership and co-operation will be essential to delivery. The public sector in particular needs to work more closely to leverage all our resources, human and financial. We also need to depoliticise what we do about growth and build a consensus that gives our communities, businesses and central government the confidence that when they make decisions to live, grow and invest in our region they do so knowing there's not a better area in the country to do it.

Key and valued local partnerships for the Combined Authority include those with constituent authorities, with the Business Board and employers in the area, with the Greater Cambridge Partnership, and those involving cross-border working with neighbouring councils.

The Business and Skills Directorate and the Business Board, for which it supplies the executive support, is focused on the Combined Authority's vision to double our economy. Its strategic approach in achieving this is to:

- **Improve the long-term capacity for growth in Greater Cambridge** to support the expansion of this innovation powerhouse and, crucially, reduce the risk of any stalling in the long-term high growth rates that have been enjoyed for several decades.
- **Increase sustainability and broaden the base of local economic growth**, by identifying opportunities for high growth companies to accelerate business growth where there is greater absorptive capacity, beyond the current bottlenecks to growth in Greater Cambridge.
- **Do this by expanding and building upon the clusters and networks** that have enabled Cambridge to become a global leader in innovative growth, creating an economy-wide business support eco-system to promote inclusive business growth.

The Delivery and Strategy Directorate promotes the Mayor and Combined Authority's growth ambition by:

- Supporting their role as the Transport Authority, developing and overseeing the delivery of new transport schemes, developing the Local Transport Plan, and ensuring the provision of subsidised public transport by delivery partners;
- Supporting Local Planning Authorities by developing an overall spatial framework for the area;
- Providing programme and performance management to ensure successful delivery of Combined Authority projects; and
- Supporting the Mayor and Combined Authority's role in public service reform.

The Combined Authority Board established the Cambridgeshire and Peterborough Independent Commission on Climate (CPICC) to examine the challenges facing the area from climate change. It was tasked to produce recommendations on how the area can mitigate the emissions of greenhouse gases and adapt to climate change impacts already happening. The Commission focused on transport, buildings, energy and peat topics for its initial recommendations report, with a further report due in late Summer 2021. In March 2021, the Combined Authority received CPICC's 'Initial Recommendations Report' and agreed to develop a response to the Commission's recommendations.

The Housing and Development Team at the Combined Authority is working with officers in all partner local authorities to identify new schemes to come forward for support from the Affordable Housing Programme. The Team is also building relationships with landowners, developers and housing providers to seek opportunities to influence, enable and accelerate delivery of new affordable housing across the Combined Authority area.

The Housing Strategy recognises that there is a need to deliver genuinely affordable housing across the Combined Authority Area. It further recognises that there is a gap in the market that provides for those who do not qualify for traditional affordable housing and for whom open market housing is out of reach.

The Combined Authority vision for Cambridgeshire and Peterborough is to have the most advanced community-led housing sector in the UK, where local people in confident, and resilient communities have access to the skills and expertise to create attractive local homes that they can genuinely afford.

Basis of Preparation and Presentation

This Statement of Accounts has been prepared in accordance with statutory requirements, detailed in the Local Government Act 2003, the Accounts and Audit Regulations 2015 and The Code of Practice on Local Authority Accounting in the United Kingdom 2020/21 (the Code).

The Statement of Accounts brings together the major financial statements for the Combined Authority for the financial year 2020/21. The financial statements, along with the notes that accompany them, aim to give a full and clear picture of the financial position of Cambridgeshire and Peterborough Combined Authority. The key contents of the various sections are as follows:

- Statement of Responsibilities – sets out the responsibilities of the Combined Authority and the Chief Finance Officer in respect of the Statement of Accounts.
- Comprehensive Income and Expenditure Statement – shows the accounting cost in the year of providing services in accordance with generally accepted accounting practices.
- Movement in Reserves Statement – this statement shows the movement in the year on the reserves held by the Combined Authority.
- Balance Sheet – shows the value of the assets and liabilities recognised by the Combined Authority as at 31 March 2021.
- Cash Flow Statement – summarises the inflows and outflows of cash, and cash equivalents, arising from transactions with third parties.
- Notes to the Financial Accounts - the various statements are supported by technical notes and by the Statement of Accounting Policies.
- Annual Governance Statement – sets out how the Combined Authority's governance arrangements comply with the principles of the Local Code of Governance.

Jon Alsop
Chief Finance Officer (S73)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CAMBRIDGESHIRE AND PETERBOROUGH COMBINED AUTHORITY

This report will be provided after the audit of the Authority's accounts is completed

Statement of Responsibilities for the Statement of Accounts

The Combined Authority's Responsibilities

The Combined Authority is required to:

- make arrangements for the proper administration of its financial affairs and to secure that one of its officers has the responsibility for the administration of those affairs. In this Combined Authority, that officer is the Chief Finance Officer
- manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets; and
- approve the Statement of Accounts.

The Section 73 Officer's Responsibilities

The Section 73 Officer is responsible for the preparation of the Combined Authority's Statement of Accounts in accordance with proper practices as set out in the CIPFA / LASAAC Code of Practice on Local Authority Accounting in the United Kingdom (the Code).

In preparing this Statement of Accounts, the Chief Finance Officer has:

- selected suitable accounting policies and then applied them consistently;
- made judgements and estimates that were reasonable and prudent;
- complied with the local authority Code.

The Section 73 Officer has also:

- kept proper accounting records which were up to date
- taken reasonable steps for the prevention and detection of fraud and other irregularities.

Section 73 Officer's Certificate

I certify that the accounts set out on pages 3 to 70 present a true and fair view of the financial position of the Combined Authority at 31 March 2021 and its income and expenditure for the year ended 31 March 2021.

Jon Alsop
Chief Finance Officer and
Section 73 Officer:
Date: 17 June 2021



Approval of the Statement of Accounts

I confirm that these accounts were approved by the Audit and Governance Committee at the meeting held on xxxxxxxx

Chair of the Audit Committee:
Date:

Comprehensive Income and Expenditure Statement (Group and Single)

The Comprehensive Income and Expenditure Statement shows the accounting cost in the year of providing services in accordance with generally accepted accounting practices, rather than the amount to be funded from taxation. The Combined Authority has the ability to levy a council tax precept, but this power has not been utilised in 2020-21.

CPCA 19/20 restated					Group 20/21			CPCA 20/21		
Gross Exp	Gross Inc	Net exp		Note	Gross Exp	Gross Inc	Net exp	Gross Exp	Gross Inc	Net exp
£000	£000	£000			£000	£000	£000	£000	£000	£000
4,125	0	4,125	Combined Authority Staffing Costs		4,134	0	4,134	4,134	0	4,134
333	0	333	Externally Commissioned Support Services		319	(2)	317	319	(2)	317
806	0	805	Corporate Overheads		631	0	631	631	0	631
17	0	17	Governance Costs		49	0	49	49	0	49
370	0	370	Mayor's Office		458	0	458	458	0	458
77	(328)	(251)	Other Corporate Budgets		254	(38)	216	254	(38)	216
13,415	(5,114)	8,301	Business and Skills		46,617	(44,071)	2,546	47,454	(47,042)	412
39,377	(35,656)	3,721	Delivery and Strategy		74,883	(63,451)	11,432	74,883	(64,753)	10,130
12,561	(524)	12,037	Housing		23,502	(453)	23,049	23,502	(453)	23,049
71,080	(41,622)	29,458	Net Cost of Services		150,847	(108,015)	42,832	151,684	(112,288)	39,396
0	0	0	Other Operating Income & Expenditure	8	455	(361)	94	455	(361)	94
37	(1,646)	(1,609)	Financing and Investment Income and Expenditure	9	822	(809)	13	4,105	(809)	3,296
0	(39,149)	(39,149)	Taxation and Non Specific Grant Income	10	0	(26,187)	(26,187)	0	(26,187)	(26,187)
71,117	(82,417)	(11,300)	(Surplus) / Deficit on Provision of Services		152,124	(135,372)	16,752	156,244	(139,645)	16,599
		76	Loss from investments in equity instruments designated at FVOCI				57			57
		1,028	Actuarial (Gains) / Losses on Pension Assets / Liabilities	7			1,542			1,542
		1,104	Other Comprehensive Income & Expenditure				1,599			1,599
		(10,196)	Total Comprehensive Income & Expenditure				18,351			18,198

* restated to reflect 2020/21 management reporting headings

Movement in Reserves Statement (Group and Single)

The Movement in Reserves Statement shows the movement from the start of the year to the end of the year on reserves held by the Combined Authority, analysed into 'usable reserves' (i.e. those that can be applied to fund expenditure) and other 'unusable reserves'. The Statement shows how the movements in year of the Combined Authority's reserves are broken down between gains and losses incurred in accordance with generally accepted accounting practices and the statutory adjustments required to return to the amounts chargeable for the year. The Net Increase/Decrease line shows the statutory General Fund Balance movements in the year following those adjustments.

Combined Authority Single Movement in Reserves Statement	Note	General Fund Balance	Earmarked General Fund Reserves	Capital Grants Unapplied Account	Usable Capital Receipts Reserve	Total Usable Reserves	Unusable Reserves	Total Combined Authority Reserves
		£000	£000	£000	£000	£000	£000	£000
Balance at 1 April 2019		(11,185)	(2,547)	(130,979)	(11,136)	(155,847)	(4,670)	(160,517)
Total Comprehensive Income & Expenditure		(11,300)	0	0	0	(11,300)	1,104	(10,196)
Adjustments between accounting basis & funding basis under regulations	14	7,995	0	26,807	128	34,210	(34,210)	0
Net Increase before Transfers to Earmarked Reserves		(3,305)	0	26,807	128	22,910	(33,106)	(10,196)
Transfers to / (from) Reserves		554	(554)	0	0	0	0	0
Increase / (Decrease) in 2019/20		(2,751)	(554)	26,807	128	22,910	(33,106)	(10,196)
Balance at 31 March 2020 Carried Forward		(13,936)	(3,101)	(104,892)	(11,008)	(132,937)	(33,776)	(170,713)
Balance at 1 April 2020		(13,936)	(3,101)	(104,892)	(11,008)	(132,937)	(37,776)	(170,713)
Total Comprehensive Income & Expenditure		16,599	0	0	0	16,599	1,599	18,198
Adjustments between accounting basis & funding basis under regulations	14	(13,812)	0	45,967	1,787	33,942	(33,942)	0
Net Increase before Transfers to Earmarked Reserves		2,787	0	45,967	1,787	50,541	(32,343)	18,198
Transfers to / (from) Reserves		3,347	(3,347)	0	0	0	0	0
Increase / (Decrease) in 2020/21		6,134	(3,347)	45,967	1,787	50,541	(32,343)	18,198
Balance at 31 March 2021 Carried Forward		(7,802)	(6,448)	(58,925)	(9,221)	(82,396)	(70,119)	(152,515)

Combined Authority Group Movement in Reserves Statement	Note	Combined Authority Usable Reserves	Company Usable Reserves	Total Usable Reserves	Combined Authority Unusable Reserves	Company Unusable Reserves	Total Unusable Reserves	Total Group Reserves
		£000	£000	£000	£000	£000	£000	£000
Balance at 1 April 2020		(132,937)	0	(132,937)	(37,776)	0	(37,776)	(170,713)
Total Comprehensive Income & Expenditure		16,599	3,642	20,241	1,599	0	1,599	21,840
Adjustments between group accounts and authority accounts		(61)	(3,428)	(3,489)	0	0	0	(3,489)
Net Increase/decrease before transfers		16,538	214	16,752	1,599	0	5,088	18,351
Adjustments between accounting basis & funding basis under regulations	14	37,431	0	37,431	(37,431)	0	(37,431)	0
Increase / (Decrease) in 2020/21		53,969	214	54,183	(35,832)	0	(35,832)	18,351
Balance at 31 March 2021 Carried Forward		(78,968)	214	(78,754)	(73,608)	0	(73,608)	(152,362)

As group accounts were not produced for 19/20 there is no comparator information provided, the figures would be identical to those in single entity accounts, above.

Balance Sheet (Group and Single)

CPCA	Balance Sheet		Group	CPCA
31 Mar 20		Notes	31 Mar 21	31 Mar 21
£000			£000	£000
544	Property, Plant & Equipment	22	782	80
133	Long Term Investments	25,26	37,264	41,383
19,677	Long Term Debtors	25,26,28	22,469	22,469
20,354	Long Term Assets		60,515	67,421
80,699	Short Term Investments	25,26	138,100	138,100
26,434	Short Term Debtors	25,26,28	34,738	39,011
80,565	Cash and Cash Equivalents	25,26,33	86,696	83,697
187,698	Current Assets		259,534	260,808
(21,407)	Short Term Creditors	25,26,29	(55,734)	(60,272)
0	Short Term Provisions	30	(226)	(226)
(21,407)	Current Liabilities		(55,960)	(60,462)
(1,554)	Other Long Term Liabilities	7	(3,644)	(3,644)
(14,378)	Capital Grants Receipts in Advance	31	(108,083)	(108,083)
(15,932)	Long Term Liabilities		(111,727)	(111,727)
170,713	Net Assets		152,362	152,515
(132,937)	Usable Reserves	14	(78,754)	(82,396)
(37,776)	Unusable Reserves	14	(73,608)	(70,119)
(170,713)	Total Reserves		(152,362)	(152,515)

The Balance Sheet shows the value as at the Balance Sheet date of the assets and liabilities recognised by the Combined Authority. The net assets of the Combined Authority (assets less liabilities) are matched by the reserves held by the Combined Authority. Reserves are reported in two categories. The first category of reserves are usable reserves, i.e. those reserves that the Combined Authority may use to provide services, subject to the need to maintain a prudent level of reserves and any statutory limitations on their use (for example the Capital Receipts Reserve that may only be used to fund capital expenditure or repay debt). The second category of reserves is that which the Combined Authority is not able to use to provide services. This category of reserves includes reserves that hold unrealised gains and losses and reserves that hold timing differences shown in the Movement in Reserves Statement line 'Adjustments between accounting basis and funding basis under regulations'.



Chief Finance Officer and Section 73
Officer:

Date: 17 June 2021

Cash Flow Statement

The Cash Flow Statement shows the changes in cash and cash equivalents of the Combined Authority during the reporting period. The statement shows how the Combined Authority generates and uses cash and cash equivalents by classifying cash flows as operating, investing and financing activities. The amount of net cash flows arising from operating activities is a key indicator of the extent to which the operations of the Combined Authority are funded by way of taxation and grant income or from the recipients of services provided by the Combined Authority. Investing activities represent the extent to which cash outflows have been made for resources which are intended to contribute to the Combined Authority's future service delivery.

CPCA	Cash Flow Statement		Group	CPCA
2019/20		Notes	2020/21	2020/21
£000			£000	£000
(11,300)	Net (Surplus) / Deficit on the Provision of Services		16,752	16,599
(17,880)	Adjust net (Surplus)/Deficit on the Provision of the Services for non cash movements		(103,756)	(103,603)
(29,180)	Net Cash Flows from Operating activities		(87,004)	(87,004)
58,373	Investing activities	32	80,873	83,872
0	Financing activities	33	0	0
29,193	Net (Increase)/Decrease in Cash & cash Equivalent		(6,131)	(3,132)
109,758	Cash & Cash Equivalent at the beginning of the Reporting Period		80,565	80,565
(29,193)	Increase / (Decrease) in Cash and Cash Equivalents		6,131	3,132
80,565	Cash & Cash Equivalents at the end of the Reporting Period		86,696	83,697

Notes to the Accounts

1 Accounting Policies

Basis of Identification of Group Boundary and Group Accounts Preparation.

Where the Combined Authority has the authority has interests in subsidiaries, associates and/or joint ventures, subject to consideration of materiality, group accounts must be prepared. The Combined Authority has considered its group relationship as follows:

Company	Interest (voting rights if different)	Category	In group accounts	Turnover 19/20	Profit / Loss 19/20	Net Assets 19/20	Turnover 20/21	Profit / (Loss) 20/21	Net Assets 20/21
Peterborough HE Property Company Limited	93% (50%)	Associate	Yes - equity	0	0	0	0	(221)	26,448
Cambridgeshire and Peterborough Business Growth Company Limited	100%	Subsidiary	Yes – line by line	0	0	0	143	(1,981)	3,426
One Cam Limited	100%	Subsidiary	Yes – line by line	0	0	0	0	(1,302)	693
Peterborough R&D Property Company Limited	100%	Subsidiary	Yes – line by line	0	0	0	0	(154)	(154)
Angle Holdings Limited	100%	Subsidiary	Not material	0	(2)	(2)	0	(12)	(14)
Smart Manufacturing	100% (50%)	Joint Venture	Not material	0	0	0	0	(45)	670
Ascendal	100% (50%)	Joint Venture	Not material	0	0	0	0	(313)	652
MedTech Accelerator Ltd	20%	Associate	Not material	0	(339)	568	0	(191)	377*

*MedTech Accelerator Ltd accounts are prepared to 30 June, 20/21 figures are year to 31 March 21.

Peterborough HE Property Company Limited was set up in partnership with Peterborough City Council and Anglia Ruskin University to build and run the site for Peterborough University.

Cambridgeshire and Peterborough Business Growth Company Limited is a wholly owned subsidiary set up to deliver key services in the region covering Inward Investment, Skills Brokerage and provide support and resources to SMEs.

One Cam Limited is a wholly owned subsidiary set up to develop the Cambridgeshire Autonomous Metro.

Peterborough R&D Property Company Limited has been set up in partnership with Photocentric Limited to build a commercial Research and Development facility linked to the new Peterborough University. As at 31 March 2021 the shareholders agreement hadn't been finalised and no equity investment had been made.

Angle Holdings Limited and its subsidiary Angle Development Limited were set up to develop housing projects in accordance with the Combined Authority's Housing Strategy. To date no projects have been progressed through the companies. The Combined Authority Board has agreed to provide loan finance to the companies to cover running costs until such time as profitable projects are developed.

Smart Manufacturing is a joint venture with Opportunity Peterborough to establish a membership organisation supporting businesses to adapt to new technologies, business models by facilitating networking, and providing benchmarking, training and learning programmes to its members.

Ascendal Accelerator Ltd is a joint venture with Ascendal Innovation Ltd to support the development of SMEs and new technology in the public transport sector.

MedTech Accelerator Ltd. is a joint venture with Health Enterprise East, NHS Innovations East and New Anglia LEP which provides early stage investment funding and support to organisations which have achieved proof of concept with innovations in the healthcare sector to enable these organisations to take the next step towards commercialisation.

Through the Illumina Accelerator programme the Combined Authority holds six future equity agreements which will, upon maturity, become minor shareholdings in start-up companies. As these investments will not result in the Combined Authority holding a significant proportion of shares, nor having any form of control beyond its minor shareholding, these will be immaterial to the Authority's accounts.

General Principles

The Statement of Accounts summarises the Combined Authority's transactions for the 2020/21 financial year and its position at the year-end 31 March 2021. The Combined Authority is required to prepare an annual Statement of Accounts by the Accounts and Audit Regulations 2015.

The Statement of Accounts must be prepared in accordance with proper accounting practices. These practices primarily comprise the Code of Practice on Local Authority Accounting in the United Kingdom 2020/21, supported by International Financial Reporting Standards (IFRS).

The accounting convention adopted in the Statement of Accounts is principally historical cost, modified by the revaluation of certain categories of non-current assets and financial instruments.

The same accounting policies are applied to the Combined Authority and Group accounts, with the exception of statutory adjustments between the accounting and funding basis (see note 14) which only apply to the Combined Authority accounts.

1.1 Accruals of Income and Expenditure

Activity is accounted for in the year that it takes place, not when cash is paid or received. In particular;

- Revenue from contracts with service recipients, whether for services or the provision of goods, is recognised when (or as) the goods or services are transferred to the service recipient in accordance with the performance obligations in the contract;
- Supplies are recorded as expenditure when they are consumed – where there is a gap between the date supplies are received and their consumption, they are carried as inventories on the Balance Sheet;
- Expenses in relation to services received (including services provided by employees) are recorded as expenditure when the services are received rather than when payments are made;
- Interest receivable on investments and payable on borrowings is accounted for respectively as income and expenditure on the basis of the effective interest rate for the relevant financial instrument rather than the cash flows fixed or determined by the contract;
- Where revenue and expenditure have been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the Balance Sheet. Where debts may not be settled, the balance of debtors is written down and a charge made to revenue for the income that might not be collected.

1.2 Cash and Cash Equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in three months or less from the reporting date and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Cash Flow Statement, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Combined Authority's cash management.

1.3 Charges to Revenue for Non-current Assets

Services and support services are debited with the following amounts to record the cost of holding non-current assets during the year:

depreciation attributable to the assets used by the relevant service

revaluation and impairment losses on assets used by the service where there are no accumulated gains in the Revaluation Reserve against which the losses can be written off

amortisation of intangible assets attributable to the service.

Depreciation, revaluation and impairment losses and amortisation are not charges to the Combined Authority's General Fund. However, it is required to make an annual contribution from revenue towards the reduction in its overall borrowing requirement equal to an amount calculated on a prudent basis determined by the Combined Authority in accordance with statutory guidance. Depreciation, revaluation and impairment losses and amortisation are therefore replaced by Minimum Revenue Provision (MRP) by way of an adjusting transaction with the Capital Adjustment Account in the Movement in Reserves Statement for the difference between the two.

1.4 Employee Benefits

1.4.1 Benefits Payable During Employment

Short-term employee benefits are those due to be settled wholly within 12 months of the year-end. They include such benefits as wages and salaries, paid annual leave and paid sick leave. An accrual is made for the cost of holiday entitlements earned by employees but not taken before the year-end that employees can carry forward into the next financial year. The accrual is made at the wage and salary rates applicable in the following accounting year, being the period in which the employee takes the benefit. The accrual is charged to surplus or deficit on the provision of services, but then reversed out through the Movement in Reserves Statement to the accumulated absences account so that holiday entitlements are charged to revenue in the financial year in which the holiday absence occurs.

1.4.2 Termination Benefits

Termination benefits are amounts payable as a result of a decision by the authority to terminate an officer's employment before the normal retirement date or an officer's decision to accept voluntary redundancy in exchange for those benefits and are charged on an accruals basis to the appropriate service segment or, where applicable, to a corporate service segment at the earlier of when the authority can no longer withdraw the offer of those benefits or when the authority recognises costs for a restructuring. Where termination benefits involve the enhancement of pensions, statutory provisions require the General Fund Balance to be charged with the amount payable by the authority to the pension fund or pensioner in the year, not the amount calculated according to the relevant accounting standards. In the Movement in Reserves Statement, appropriations are required to and from the Pensions Reserve to remove the notional debits and credits for pension enhancement termination benefits and replace them with debits for the cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year-end.

1.4.2 Post-employment Benefits

Employees of the authority can become members of the Local Government Pensions Scheme, administered by Cambridgeshire County Council in partnership with Northamptonshire County Council (until 31 March 2021)

The scheme provides defined benefits to members (retirement lump sums and pensions), earned as employees worked for the authority.

The Local Government Pension Scheme is accounted for as a defined benefits scheme:

- The liabilities of the pension fund attributable to the Authority are included in the balance sheet on an actuarial basis using the projected unit method – i.e. an assessment of the future payments that will be made in relation to retirement benefits earned to date by employees, based on assumptions about mortality rates, employee turnover rates, etc, and projected earnings for current employees.
- Liabilities are discounted to their value at current prices, using a discount rate of based on the indicative rate of return on high quality corporate bonds
- The assets of the pension fund attributable to the Authority are included in the balance sheet at their fair value:
 - o quoted securities – current bid price

- o unquoted securities – professional estimate
- o unitised securities – current bid price
- o property – market value.

The change in the net pensions liability is analysed into the following components:

- Service cost comprising:
 - o current service cost – the increase in liabilities as a result of years of service earned this year – allocated in the comprehensive income and expenditure statement to the Combined Authority Staffing Costs line
 - o past service cost – the increase in liabilities as a result of a scheme amendment or curtailment whose effect relates to years of service earned in earlier years – debited in the comprehensive income and expenditure statement to the Combined Authority Staffing Costs line
 - o net interest on the net defined benefit liability (asset), i.e. net interest expense for the Authority – the change during the period in the net defined benefit liability (asset) that arises from the passage of time charged to the financing and investment income and expenditure line of the comprehensive income and expenditure statement – this is calculated by applying the discount rate used to measure the defined benefit obligation at the beginning of the period to the net defined benefit liability (asset) at the beginning of the period – taking into account any changes in the net defined benefit liability (asset) during the period as a result of contribution and benefit payments.
- Remeasurements comprising:
 - o the return on plan assets – excluding amounts included in net interest on the net defined benefit liability (asset) – charged to the pensions reserve as other comprehensive income and expenditure
 - o actuarial gains and losses – changes in the net pensions liability that arise because events have not coincided with assumptions made at the last actuarial valuation or because the actuaries have updated their assumptions – charged to the pensions reserve as other comprehensive income and expenditure.
 - o contributions paid to the pension fund – cash paid as employer's contributions to the pension fund in settlement of liabilities; not accounted for as an expense.

In relation to retirement benefits, statutory provisions require the general fund balance to be charged with the amount payable by the Authority to the pension fund or directly to pensioners in the year, not the amount calculated according to the relevant accounting standards. In the movement in reserves statement, this means that there are transfers to and from the pensions reserve to remove the notional debits and credits for retirement benefits and replace them with debits for the cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year-end. The negative balance that arises on the pensions reserve thereby measures the beneficial impact to the general fund of being required to account for retirement benefits on the basis of cash flows rather than as benefits earned by employees.

Discretionary benefits

The Authority also has restricted powers to make discretionary awards of retirement benefits in the event of early retirements. Any liabilities estimated to arise as a result of an award to any member of staff are accrued in the year of the decision to make the award and accounted for using the same policies as are applied to the Local Government Pension Scheme.

1.5 Events after the Reporting Period

These are events that occur between the end of the accounting period and the date when the Statement of Accounts is authorised for issue. Two types of events can be identified:

- If events provide new evidence of conditions that existed at the balance sheet date the Statement of Accounts is adjusted;
- Other events are only indicative of conditions that arose after the balance sheet date. The Statement of Accounts is not adjusted, but where such a category of events would have a material effect, disclosure is made in the notes. The note sets out of the nature of the events and their estimated financial effect.

Events taking place after the date of authorisation for issue are not reflected in the Statement of Accounts.

1.6 Financial Instruments

1.6.1 Financial Liabilities

Financial liabilities are recognised on the Balance Sheet when the Combined Authority is contractually committed to a financial instrument. They are initially measured at fair value. They are carried at their amortised cost.

The amount charged to revenue is based on the effective interest rate. The effective interest rate discounts estimated future cash payments over the life of the instrument to the amount at which it was originally recognised.

The carrying value for most loans is outstanding principal repayable plus accrued interest. Interest charged to the CIES is the amount payable under the agreement.

Annual charges for these loans are made to the Financing and Investment Income and Expenditure line in the CIES. The charge is the carrying amount of the liability multiplied by the effective rate of interest.

For these loans, the difference between the annual charge and the cash paid is reversed out in the MIRS.

1.6.2 Financial Assets

Financial assets are classified based on a classification and measurement approach that reflects the business model for holding the financial assets and their cashflow characteristics. There are three main classes of financial assets measured at:

- amortised cost
- fair value through profit or loss (FVPL), and

- fair value through other comprehensive income (FVOCI)

1.6.2.1 Financial Asset Measured at Amortised Cost

Financial assets measured at amortised cost are recognised on the Balance Sheet when the Authority becomes a party to the contractual provisions of a financial instrument and are initially measured at fair value. They are subsequently measured at their amortised cost. Annual credits to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement (CIES) for interest receivable are based on the carrying amount of the asset multiplied by the effective rate of interest for the instrument. For most of the financial assets held by the Council, this means that the amount presented in the Balance Sheet is the outstanding principal receivable (plus accrued interest) and interest credited to the CIES is the amount receivable for the year in the loan agreement.

When soft loans (loans below market rate) are made, a loss is recorded in the CIES (debited to the appropriate service) for the present value of the interest that will be foregone over the life of the instrument, resulting in a lower amortised cost than the outstanding principal.

Interest is credited to the Financing and Investment Income and Expenditure line in the CIES at a marginally higher effective rate of interest than the rate receivable from the borrower, with the difference serving to increase the amortised cost of the loan in the Balance Sheet. Statutory provisions require that the impact of soft loans on the General Fund Balance is the interest receivable for the financial year – the reconciliation of amounts debited and credited to the CIES to the net gain required against the General Fund Balance is managed by a transfer to or from the Financial Instruments Adjustment Account in the Movement in Reserves Statement.

Any gains and losses that arise on the derecognition of an asset are credited or debited to the Financing and Investment Income and Expenditure line in the CIES.

1.6.2.2 Financial Asset Measured at Fair Value through Other Income and Expenditure (FVOCI)

Where the authority has eligible assets, it may elect to account for them at Fair Value through Other Income and Expenditure. This means that any gains or losses in Fair Value are charged to Other Income and Expenditure and reversed out through the MIRS to the Financial Instrument Revaluation Reserve.

1.6.2.3 Financial Assets Measured at Fair Value through Profit or Loss (FVPL)

Financial assets that are measured at FVPL are recognised on the Balance Sheet when the Authority becomes a party to the contractual provisions of a financial instrument and are initially measured and carried at fair value. Fair value gains and losses are recognised as they arrive in the Surplus or Deficit on the Provision of Services.

The fair value measurements of the financial assets are based on the following techniques:

- instruments with quoted market prices – the market price
- other instruments with fixed and determinable payments – discounted cash flow analysis.

The inputs to the measurement techniques are categorised in accordance with the following three levels:

- Level 1 inputs – quoted prices (unadjusted) in active markets for identical assets that the Combined Authority can access at the measurement date.
- Level 2 inputs – inputs other than quoted prices included within Level 1 that are observable for the asset, either directly or indirectly.
- Level 3 inputs – unobservable inputs for the asset.

Any gains and losses that arise on the derecognition of the asset are credited or debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement.

1.6.3 Expected Credit Loss Model

The Combined Authority recognises expected credit losses on all of its financial assets held at amortised cost either on a 12-month or lifetime basis. The expected credit loss model also applies to lease receivables and contract assets. Only lifetime losses are recognised for trade receivables (debtors) held by the Combined Authority.

Impairment losses are calculated to reflect the expectation that the future cash flows might not take place because the borrower could default on their obligations. Credit risk plays a crucial part in assessing losses. Where risk has increased significantly since an instrument was initially recognised, losses are assessed on a lifetime basis. Where risk has not increased significantly or remains low, losses are assessed on the basis of 12-month expected losses.

1.7 Government Grants and Contributions

Whether paid on account, by instalments or in arrears, government grants and third party contributions and donations are recognised as due to the Combined Authority when there is reasonable assurance that;

- the Combined Authority will comply with the conditions attached to the payments, and
- the grants or contributions will be received.

Amounts recognised as due to the Combined Authority are not credited to the CIES until conditions attached to the grant or contribution have been satisfied. Conditions are stipulations that specify that the future economic benefits or service potential embodied in the asset in the form of the grant or contribution are required to be consumed by the recipient as specified, or future economic benefits or service potential must be returned to the transferor.

Monies advanced as grants and contributions for which conditions have not been satisfied are carried in the Balance Sheet as creditors. When conditions are satisfied, the grant or contribution is credited to the relevant service line (attributable revenue grants and contributions) or Non-specific Grant Income and Expenditure (non-ringfenced revenue grants and all capital grants) in the CIES.

Where capital grants are credited to the CIES, they are reversed out of the General Fund Balance in the MIRS. Where the grant has yet to be used to finance capital expenditure, it is posted to the Capital Grants Unapplied reserve. Where it has been applied, it is posted to the Capital

Adjustment Account. Amounts in the Capital Grants Unapplied reserve are transferred to the Capital Adjustment Account once they have been applied to fund capital expenditure.

1.8 Leases

Leases are classified as finance leases where the terms of the lease transfer substantially all the risks and rewards incidental to ownership of the property, plant or equipment from the lessor to the lessee. All other leases are classified as operating leases.

Where a lease covers both land and buildings, the land and buildings elements are considered separately for classification.

Arrangements that do not have the legal status of a lease but convey a right to use an asset in return for payment are accounted for under this policy where fulfilment of the arrangement is dependent on the use of specific assets.

1.8.1 The Authority as Lessee

1.8.1.1 Operating Leases

Rentals paid under operating leases are charged to the Comprehensive Income and Expenditure Statement as an expense of the services benefitting from use of the leased property, plant or equipment. Charges are made on a straight-line basis over the life of the lease, even if this does not match the pattern of payments (e.g. there is a rent-free period at the commencement of the lease).

1.9 Property, Plant and Equipment

Assets that have physical substance and are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes and that are expected to be used during more than one financial year are classified as property, plant and equipment.

1.9.1 Recognition

Expenditure on the acquisition, creation or enhancement of property, plant and equipment is capitalised on an accruals basis, provided that it is probable that the future economic benefits or service potential associated with the item will flow to the authority and the cost of the item can be measured reliably. Expenditure that maintains but does not add to an asset's potential to deliver future economic benefits or service potential (i.e. repairs and maintenance) is charged as an expense when it is incurred.

1.9.2 Measurement

Assets are initially measured at cost, comprising:

- the purchase price
- any costs attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management

In 2020/21, in addition to Vehicle, plant, furniture & equipment, there have been some expenditure classified as Assets Under Construction in the group accounts. measured at the same basis as above incurred for the University of Peterborough project.

Assets included in the Balance Sheet are held at current value.

1.9.3 Impairment

Assets are assessed at each year-end as to whether there is any indication that an asset may be impaired. Where indications exist and any possible differences are estimated to be material, the recoverable amount of the asset is estimated and, where this is less than the carrying amount of the asset, an impairment loss is recognised for the shortfall.

1.9.4 Depreciation

Depreciation is provided for on all property, plant and equipment assets by the systematic allocation of their depreciable amounts over their useful lives. An exception is made for assets without a determinable finite useful life (i.e. freehold land and certain community assets) and assets that are not yet available for use (ie assets under construction).

Depreciation is calculated on the following bases:

- Vehicle, plant, furniture and equipment – Depreciation is calculated from the year of acquisition, on a straight line basis, over a period of five years.
- Assets Under construction – Assets in the course of construction are not depreciated until they are brought into use.

The useful lives of assets are reviewed regularly. Where necessary, the life of an asset is revised and the carrying amount of the asset is then depreciated over the remaining useful life.

1.9.5 Disposals

When an asset is disposed of or decommissioned, the carrying amount of the asset in the Balance Sheet (whether property, plant and equipment or assets held for sale) is written off to the other operating expenditure line in the Comprehensive Income and Expenditure Statement as part of the gain or loss on disposal. Receipts from disposals (if any) are credited to the same line in the Comprehensive Income and Expenditure Statement also as part of the gain or loss on disposal (ie netted off against the carrying value of the asset at the time of disposal). Any revaluation gains accumulated for the asset in the revaluation reserve are transferred to the capital adjustment account.

Amounts received for a disposal in excess of £10,000 are categorised as capital receipts. The receipts remain within the capital receipts reserve, and can then only be used for new capital investment or set aside to reduce the authority's underlying need to borrow (the capital financing requirement). Receipts are appropriated to the reserve from the General Fund balance in the Movement in Reserves Statement.

The written-off value of disposals is not a charge against council tax, as the cost of non-current assets is fully provided for under separate arrangements for capital financing. Amounts are appropriated to the capital adjustment account from the General Fund balance in the Movement in Reserves Statement.

1.10 Programme Management of Delegated Funds

Some funds are delegated to CPCA that HM Government require it to distribute and manage to achieve the desired outcomes. Government subsequently require officers of CPCA to monitor activity and report thereon regularly. Such funds require specific project management and this sets out the methodology for funds under management in 2020/21.

1.10.1 Local Growth Fund

This programme was inherited from the former GCGP LEP. Funding is allocated by the Business Board based upon the 2014/15 funding agreement to deliver increased Gross Value Added (GVA) in the area. Programme management costs are allowed by the funding agency, the Department for Business, Energy and Industrial Strategy (BEIS) as determined by the Accountable Body. Previously 4% was agreed but this was reviewed and, since it became the CPCA's responsibility in 2018/19, reduced to 2% of the funds received in year.

The final tranche of funding was received in 2020-21; however, the responsibility for monitoring and evaluation of the funded projects continues and will be funded from the reserve built up via the programme management element of the funds.

1.10.2 Housing Investment Fund

HM Government devolved funds to the CPCA to deliver affordable homes, and the CPCA has sought out opportunities and delivered utilising a combination of grants and loans. This funding was reviewed at the end of 2020-21 with Ministry of Housing, Communities and Local Government (MHCLG) to establish future funding provision and programme objectives. Repaid capital from the issued housing loans are ringfenced to programme pipeline of opportunities, and discussions are ongoing with MHCLG to agree further funding to support and deliver the pipeline on a project by project basis. These discussions are based on the costs of running the programme continuing to be charged to these funds.

1.11 Provisions, Contingent Liabilities and Contingent Assets

Provisions

Provisions are made where an event has taken place that gives the Combined Authority a legal or constructive obligation that probably requires settlement by a transfer of economic benefits or service potential, and a reliable estimate can be made of the amount of the obligation. For instance, the Combined Authority may be involved in a court case that could eventually result in the making of a settlement or the payment of compensation.

Provisions are charged as an expense to the appropriate service line in the Comprehensive Income and Expenditure Statement when the Combined Authority has a payment obligation and are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet. Estimated settlements are reviewed at the end of each financial year – where it becomes less than probable that a transfer of economic benefits will now be required (or a lower settlement than anticipated is made), the provision is reversed and credited back to the relevant service.

Where some or all of the payment required to settle a provision is expected to be recovered from another party (e.g. from an insurance claim), this is only recognised as income for the relevant service if it is virtually certain that reimbursement will be received if the Combined Authority settles the obligation.

Contingent Liabilities

A contingent liability arises where an event has taken place that gives the Combined Authority a possible obligation whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the authority. Contingent liabilities also arise in circumstances where a provision would otherwise be made but either it is not probable that an outflow of resources will be required or the amount of the obligation cannot be measured reliably.

Contingent liabilities are not recognised in the balance sheet but disclosed in a note to the accounts. There are no Contingent Liabilities disclosed in the 2020/21 accounts.

1.12 Reserves

The Combined Authority sets aside specific amounts as reserves for future policy purposes or to cover contingencies. Reserves are created by transferring amounts out of the General Fund Balance.

When expenditure to be financed from a reserve is incurred, it is charged to the appropriate service in that year. It is included in the Surplus or Deficit on the Provision of Services in the CIES.

The reserve is then transferred back into the General Fund Balance in the Movement in Reserves Statement.

Certain reserves are kept to manage the accounting processes for non-current assets, financial instruments, local taxation, retirement and employee benefits. These reserves are not usable resources for the Combined Authority and are explained within the relevant policies.

1.13 Revenue Expenditure Funded from Capital under Statute (REFCUS)

Expenditure incurred during the year that may be capitalised under statutory provisions but that does not result in the creation of a non-current asset has been charged as expenditure to the relevant service in the Comprehensive Income and Expenditure Statement in the year. Where the authority has determined to meet the cost of this expenditure from existing capital resources or by borrowing, a transfer in the Movement in Reserves Statement from the General Fund Balance to the Capital Adjustment Account then reverses out the amounts charged so that there is no impact on the General Fund Balance.

The Combined Authority receives many capital funds from H.M. Government to achieve outcomes in the area. Such funds include Gainshare (Capital), Transforming Cities Fund, Housing Investment Fund and Local Growth Fund. The CPCA is primarily a commissioning organisation and seeks to deliver the outcomes through third parties such as constituent authorities by giving capital grants to deliver these capital projects. Under the CIPFA prudential code such expenditure is treated as REFCUS.

1.14 Value Added Tax (VAT)

VAT payable is included as an expense only to the extent that it is not recoverable from Her Majesty's Revenue and Customs. VAT receivable is excluded from income.

1.15 Going Concern

Despite the potential impact of COVID-19 on local authority financial sustainability, the Combined Authority is able to maintain a balanced and affordable budget and to continue to operate for the foreseeable future. The Combined Authority has undertaken cash flow modelling which, taking account of the cash balances of £74.1 million at 31 May 2021 and forecast cash balances of £39.5 million at 31 August 2022, demonstrates the Combined Authority does not have any liquidity concerns over the next 12 months. It is therefore appropriate to prepare the financial statements on a going concern basis.

2 Accounting Standards that have been Issued but have Not Yet Been Adopted

- Definition of a Business: Amendments to IFRS 3 Business Combinations
- Interest Rate Benchmark Reform: Amendments to IFRS 9, IAS 39 and IFRS 7
- Interest Rate Benchmark Reform – Phase 2: Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16.

The above changes in accounting requirements which have been introduced by the 2021/22 code are not anticipated to have a material impact on the authority's financial performance or financial position.

3 Critical Judgement in Applying Accounting Policies

In applying the accounting policies set out above, the Combined Authority has had to make certain judgements about complex transactions or those involving uncertainty about future events. The critical judgements made in the Statement of Accounts are:

- The Combined Authority has received a number of capital grants. A judgement has been required for each one, and although some of the grants have been ring fenced for specific purposes, not all of these have conditions in place that satisfy the requirements of the Code to treat the unspent elements of the grants as Capital Grant Receipts in Advance. Unspent capital grant funding in relation to these grants has been accounted for in the CIES and transferred to the Capital Grants Unapplied Reserve.

4 External Audit Costs

The Combined Authority has incurred the following cost in relation to the audit of the Statement of Accounts provided by the Combined Authority's external auditors, Ernst & Young LLP (EY).

2019/20 restated*	External Audit Costs	2020/21
£000		£000
48	Fees payable with regard to external audit services carried out by the appointed auditor	45
(3)	PSAA audit refund	0
45	Total	45

*estimate replaced with actual costs following completion of audit.

5 Mayor's and Members' Allowances

The Mayor is the only Member of the CPCA Board who receives an allowance from the Combined Authority in relation to their position on the Combined Authority Board. The Chair of the Business Board receives an allowance for that role, and the Leaders of the constituent authorities are remunerated by their own authorities.

	Allowances		Expenses		Total	
Role	2019/20	2020/21	2019/20	2020/21	2019/20	2020/21
Mayor	£75,000	£75,000	£4,471	£1,410	£79,471	£76,471
Chair of the Business Board	£18,204	£24,000	£2,585	£0	£20,789	£24,000
Chair of Audit and Governance Committee	£1,534	£1,534	£0	£0	£1,534	£1,534

6 Officers' Remuneration

The Accounts and Audit Regulations 2015 require the disclosure of certain details relating to employees whose remuneration was £50,000 or more. Additional disclosures are required relating to the organisation's Senior Employees.

These requirements only apply to directly employed staff.

Senior Employees

Senior employees whose salary is £50,000 or more, but less than £150,000, are required to be listed individually by way of job title. Employees whose salary is £150,000 or more must also be identified by name. In this context, a senior employee is identified as follows:

- the designated head of paid service, a statutory chief officer or a non-statutory chief officer of a relevant body, as defined under the Local Government and Housing Act 1989;
- any person having responsibility for the management of the relevant body, to the extent that the person has power to direct or control the major activities of the body, in particular activities involving the expenditure of money, whether solely or collectively with others.

	2019-20 Comparator by total post remuneration £000	Name(s) of post holders in 2020-21	Total Remuneration including Employer Pension Contributions £000			
			2020/21			
			Pay	Pension	3rd Party Payments ⁴	Total
Co-Chief Executive ¹	224	John Hill	-	-	133	133
Co-Chief Executive ^{1,2}		Kim Sawyer	85	17	-	102
Director of Corporate Resources ²	95	Kim Sawyer	85	17	-	102
Monitoring Officer	193	Robert Parkin	87	16	-	103
Chief Finance Officer	135	Jon Alsop	100	18	-	118
Director of Business and Skills	148	John T Hill	152	-	-	152
Director of Delivery and Strategy	157	Paul Raynes	138	25	-	163
Director of Housing	157	Roger Thompson	138	25	-	163
Director of Transport ³	65	N/A	-	-	-	-
Total	1,235		785	117	133	1,035

1. CPCA has two joint CEOs (Kim Sawyer and John Hill) who have been in post since 26th September 2018. Prior to this the CPCA had a single Chief Executive
2. Kim Sawyer covers both the role of Director of Corporate Resources and Co-Chief Executive thus the costs are split across both budgets
3. Director of Transport post was removed as a result of restructure in 19/20.
4. Where these posts were covered by non-employees (consultants) these costs are shown here. The services of John Hill are provided under a shared services agreement with East Cambridgeshire District Council.

Employee remuneration above £50,000

Including individuals shown in the senior officers table on the previous page, the number of Combined Authority staff with remuneration (comprising salary, fees, expenses, allowances and any exit package) above £50,000 is as follows:

Remuneration Banding	2019-20	2020-21
£50,000-£54,999	6	5
£55,000-£59,999	3	3
£60,000-£64,999	3	0
£65,000-£69,999	0	4
£70,000-£74,999	1	3
£75,000-£79,999	3	2
£80,000-£84,999	0	4
£85,000-£89,999	0	1
£90,000-£94,999	1	0
£100,000-£104,999	0	1
£110,000-£114,999	0	1
£135,000-£139,999	2	2
£150,000-£154,999	1	1
£165,000-£169,999	1	0
£170,000-£174,999	0	1
Total	21	28

Exit Packages

The number of exit packages in terms of compulsory and other departures is set out in the table below, total amount paid per banding is excluded as it would allow individual packages to be identified and includes pension strain payments where applicable.

	Number of compulsory redundancies		Number of other departures with exit packages		Total number of exit packages	
	2019/20	2020/21	2019/20 restated	2020/21	2019/20	2020/21
£0-£20,000	-	3	2	-	2	3
£200,000 - £250,000	1	-	-	-	1	-
Totals	1	3	2	0	3	3

Pay Multiple

The pay multiple is defined as the ratio between the highest paid taxable earnings for a given year (including base salary, variable pay, bonuses, allowances and the cash value of any benefits-in-kind) and the median earnings figure of the whole of the authority's workforce.

For 2020-21 the Combined Authority's pay ratio was 3.58 (19/20 3.74).

7 Defined Benefit Pension Scheme

Following the transfer of employment contracts held by Peterborough City Council on 1 May 2019, the Authority became an admitted body to the Local Government Pension Scheme, administered locally by Cambridgeshire County Council. The scheme assets and liabilities related to these staff transferred to the Authority on a fully funded basis. For reasons of comparability between funds the Code prescribes the use of specific rates for discounting the scheme liabilities, which are different from the locally determined ones used in the calculation of the funding position and contribution rates. Therefore, under the actuarial calculations used for the accounts the Authority's share of the scheme showed an opening net liability of £1,351k. This is not a real cost to the General Fund and has no impact on the funding calculation.

As part of the terms and conditions of employment of its officers, the authority makes contributions towards the cost of post-employment benefits. Although these benefits will not actually be payable until employees retire, the authority has a commitment to make the payments (for those benefits) and to disclose them at the time that employees earn their future entitlement.

The authority participates in the Local Government Pension Scheme, administered locally by Cambridgeshire County Council – this is a funded defined benefit scheme, meaning that the authority and employees pay contributions into a fund, calculated at a level intended to balance the pensions liabilities with investment assets.

The Cambridgeshire County Council pension scheme is operated under the regulatory framework for the Local Government Pension Scheme and the governance of the scheme is the responsibility of the Pensions Fund Committee of Cambridgeshire County Council. Policy is determined in accordance with the Pensions Fund Regulations. The Fund invests the contributions in accordance with the Investment Strategy Statement (<https://pensions.cambridgeshire.gov.uk/app/uploads/2019/04/Investment-Strategy-Statement.pdf>) which manages risks with diversification of asset classes, geography and asset managers.

Other principal risks to the authority of the scheme are the demographic risks, statutory changes to the scheme, changes to inflation, bond yields and the performance of the equity investments held by the scheme. These are mitigated to a certain extent by the statutory requirements to charge to the general fund the amounts required by statute as described in the accounting policies note.

Transactions relating to post-employment benefits

The cost of retirement benefits in the reported cost of services is recognised when they are earned by employees, rather than when the benefits are eventually paid as pensions.

However, the charge that is required to be made against the General Fund is based on the cash payable in the year, so the real cost of post-employment/retirement benefits is reversed out of the general fund via the movement in reserves statement.

The following transactions have been made in the comprehensive income and expenditure statement and the general fund balance via the movement in reserves statement during the year.

2019/20	Comprehensive Income and Expenditure Statement	2020/21
£000		£000
	Cost of Services:	
	Service cost comprising:	
975	Current Service Cost	1,175
105	Past Service Costs Including Curtailments	0
0	(Gain)/ Loss from Settlements	0
	Financing & Investment Income & Expenditure	
37	Net Interest Expense	41
1,117	Total Post Employment Benefit Charged to the (Surplus)/Deficit on the Provision of Services	1,216
	Other post-Employment Benefits Charged to the Comprehensive Income & Expenditure Statement	
	Remeasurement of the net Defined Benefit Liability Comprising:	
1,351	Recognition of net Defined Benefit Liability on transfer on IAS19 basis	0
289	Return on Plan Assets (excluding amounts included in net interest)	(700)
-	Actuarial (Gains)/Losses Arising on Changes in Demographic Assumptions	106
(588)	Actuarial (Gains)/Losses Arising on Changes in Financial Assumptions	2,186
	Difference between actual employers' contributions and estimate in Actuary's report	4
(24)	Other	(54)
2,145	Total Post Employment Benefit Charged to the Comprehensive Income & Expenditure Statement	2,758
	Movement in Reserves Statement	
(2,145)	Reversal of net charges made to the (Surplus)/Deficit on the Provision of Services for post-employment benefits in accordance with the Code	(2,758)
	Actual Amount charged against the General Fund Balance for pensions in the year:	
591	Employers' contributions payable to scheme	668
(1,554)	Retirement benefits payable to pensioners	(2,090)

Pension assets and liabilities recognised in the balance sheet

The amount included in the balance sheet arising from the authority's obligation in respect of its defined benefit plans is as follows:

31-Mar-20	Pension Assets & Liabilities Recognised in the Balance Sheet	31-Mar-21
£000		£000
(4,404)	Present value of the defined benefit obligation	(8,251)
2,850	Fair Value of Plan Assets	4,607
(1,554)		(3,644)

Reconciliation of the movements in the fair value of scheme (plan) assets

31-Mar-20	Reconciliation of the Movements in the Fair Value of the Scheme (plan) Assets	31-Mar-21
£000		£000
2,271	Opening Fair Value of Scheme Assets at transfer 1st May 2019	2,850
61	Interest Income	77
	Remeasurement Gain/(Loss)	
(289)	Return on Plan Assets, excluding amounts included in the net interest expense	700
591	Contributions from employer	668
	Difference between actual employers' contributions and estimate in Acturay's report	(4)
216	Contributions from employees into the scheme	318
-	Benefits Paid	(2)
2,850	Closing Fair Value of Scheme Assets	4,607

Reconciliation of present value of the scheme liabilities (defined benefit obligation)

31-Mar-20	Reconciliation of Present Value of the Scheme Liabilities (defined benefit obligation)	31-Mar-21
£000		£000
3,622	Opening balance at transfer 1st May 2019	4,404
975	Current Service Cost	1,175
98	Interest Cost	118
216	Contributions from Scheme Participants	318
	Remeasurement (Gains) & Losses	
-	Actuarial (Gains)/Losses Arising from Changes in Demographic Assumptions	106
(588)	Actuarial (Gains)/Losses Arising from Changes in Financial Assumptions	2,186
(24)	Other	(54)
105	Past Service Cost	-
-	Benefits Paid	(2)
4,404	Closing balance at 31 March	8,251

Local Government Pension Scheme assets comprised

	Period Ended 31st March 2020				Period Ended 31st March 2021			
	<i>Quoted Prices in Active Markets</i>	<i>Quoted Prices not in Active Markets</i>	<i>Total</i>	<i>Percent of Total Assets</i>	Quoted Prices in Active Markets	Quoted Prices not in Active Markets	Total	Percent of Total Assets
	£000	£000	£000		£000	£000	£000	
Debt Securities								
UK Government	-	147.5	147.5	5%	-	205.7	205.7	4%
Private Equity								
All	-	233.8	233.8	8%	-	347.1	347.1	8%
Real Estate								
UK Property	-	213.3	213.3	7%	-	283.4	283.4	6%
Overseas Property						0.1	0.1	0%
Investment Funds & Unit Trusts								
Equities	-	1,727.4	1,727.4	61%	-	2,767.0	2,767.0	60%
Bonds	-	193.3	193.3	7%	-	534.6	534.6	12%
Infrastructure	-	257.0	257.0	9%	-	417.0	417.0	9%
Total Investment Funds & Unit Trusts	-	2,177.7	2,177.7	77%	-	3,718.6	3,718.6	81%
Derivatives								
Other	-	34.7	34.7	1%	-	(19.0)	(19.0)	0%
Cash & Cash Equivalents								
All	43.0	-	43.0	2%	71.1	-	71.1	2%
Total Assets	43.0	2,807.0	2,850.0	100%	71.1	4,535.8	4,606.9	101%

Basis for estimating assets and liabilities

Liabilities have been assessed on an actuarial basis using the projected unit credit method, an estimate of the pensions that will be payable in future years dependent on assumptions about mortality rates, salary levels, etc.

The Local Government Pension Scheme liabilities have been estimated by Hymans Robertson LLP, an independent firm of actuaries, estimates for the county council fund being based on the latest full valuation of the scheme as at 31 March 2019.

The significant assumptions used by the actuary have been:

31-Mar-20	Basis for Estimating Assets & Liabilities	31-Mar-21
	Mortality Assumptions	
	Longevity at 65 for Current Pensioners:	
22.0 years	Men	22.2 years
24.0 years	Women	24.4 years
	Longevity at 65 for Future Pensioners:	
22.7 years	Men	23.2 years
25.5 years	Women	26.2 years
	Financial Assumptions	
1.8%	Rate of inflation	2.8%
2.3%	Rate of increase in salaries	3.3%
1.8%	Rate of increase in pensions	2.8%
2.3%	Rate for discounting scheme liabilities	2.1%
25%	Take-up of option to convert annual pension into retirement lump sum for Pre-April 2008 service	25.0%
64%	Take-up of option to convert annual pension into retirement lump sum for Post-April 2008 service	64.0%

The liabilities include an estimated allowance with respect to the McCloud judgement which relates to transitional protection given to some scheme members with respect to changes in the scheme which the Court of Appeal ruled was unlawful discrimination.

The estimation of the defined benefit obligations is sensitive to the actuarial assumptions set out in the table above. The sensitivity analyses below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period and assumes for

each change that the assumption analysed changes while all the other assumptions remain constant. The assumptions in longevity, for example, assume that life expectancy increases or decreases for men and women. In practice, this is unlikely to occur, and changes in some of the assumptions may be interrelated. The estimations in the sensitivity analysis have followed the accounting policies for the scheme, ie on an actuarial basis using the projected unit credit method.

Changes in Assumptions at 31 March 2021	Approximate % Increase to Defined Benefit Obligation	Approximate Monetary Amount £000
0.5% Decrease in Real Discount Rate	13%	1,099
0.5% Increase in the Salary Increase Rate	2%	138
0.5% Increase in the Pension Increase Rate	11%	937
1 Year Increase in Member Life Expectancy	3-5%	248-413

Impact on the authority's cash flows

The objectives of the scheme are to keep employers' contributions at as constant a rate as possible. The county council has agreed a strategy with the scheme's actuary to achieve a 70% likelihood of a funding level of 100% over the next 20 years. Funding levels are monitored on an annual basis.

The next triennial valuation is due to be completed on 31 March 2022.

The authority anticipated to pay £664k expected contributions to the scheme in 2021/2022 (£505k 20/21).

8 Comprehensive Income and Expenditure Statement – Other Operating Income and Expenditure

19/20	Other Operating Income and Expenditure	20/21
£000		£000
0	Gains/losses on the disposal of non-current assets	94
0	Total Other Operating Income and Expenditure	94

9 Comprehensive Income and Expenditure Statement – Financing and Investment Income and Expenditure

CPCA 19/20	Financing and Investment Income	Group 20/21	CPCA 20/21
£000		£000	£000
(1,646)	Interest Receivable	(809)	(809)
37	IAS 19 - Pension Interest & Return on Assets	41	41
0	Loss in Fair Value of Investments held at Fair Value Profit and Loss	575	4,122
0	Share of Loss of Prop Co 1	206	0
(1,609)	Total Financing and Investment Income	13	3,296

10 Comprehensive Income & Expenditure Statement – Non Specific Grant Income

Restated* CPCA 19/20	Taxation and Non-Specific Grant Income	CPCA 20/21
£000		£000
	Non -Specific Government Grants	
(8,000)	Gain Share - Revenue	(8,000)
(1,904)	other	(1,559)
(9,904)	Total Non-Specific Grants	(9,559)
	Capital Grants & Contributions	
(9,946)	Gain Share - Capital	(11,979)
(12,044)	Growth Deal	(4,535)
0	Other	(114)
(21,990)	Total Capital Grants & Contributions	(16,628)
(39,149)	Total Taxation and Non Specific Grant Income	(26,187)

*19/20 Restated to show in DfE -Adult Education in Budget in costs of services.

11 Related Parties

The Combined Authority is required to disclose material transactions with related parties - bodies or individuals that have the potential to control or influence the Combined Authority or to be controlled or influenced by the Combined Authority.

a) Central Government

The UK Central Government has significant influence over the general operations of the Combined Authority, it is responsible for providing the statutory framework, within which the Combined Authority operates, provides the majority of its funding in the form of grants and prescribes the terms of many of the transactions that the Combined Authority has with other parties.

The funds received from the Central Government in year were as follows;

2019/20 restated*		2020/21
£000		£000
(9,918)	MHCLG - revenue grants	(9,040)
(12,000)	MHCLG - capital grants	(12,000)
(43,658)	DfT - capital grants	(61,691)
0	DfT - revenue grants	(2,030)
(4,966)	BIES - revenue grants	(1,266)
(17,199)	BEIS - capital grants	(122,388)
(1,400)	DWP - career and pay progression	0
(7,255)	DfE revenue grants	(13,283)
(96,396)	Total Income	(221,698)

*restated to split out BEIS and MHCLG grants

b) Cambridgeshire and Peterborough Constituent Councils

The Leaders of the district councils, county council and unitary authority also serve as members of the Combined Authority.

The period's transactions, and period end balances were as follows;

2019/20		2020/21
£000		£000
	Expenditure	
	<i>Expenditure with councils</i>	
12,654	Cambridgeshire City Council	4,133
23,093	Cambridgeshire County Council	37,451
286	East Cambridgeshire District Council	290
556	Fenland District Council	1,499
285	Huntingdonshire District Council	185
5,873	Peterborough City Council	14,254
(210)	South Cambridgeshire District Council	(226)
42,537		57,586
	Creditors	
	<i>General Creditors with councils</i>	
(5,459)	Cambridgeshire City Council	(9,100)
3,953	Cambridgeshire County Council	(4,053)
0	East Cambridgeshire District Council	(18)
(506)	Fenland District Council	878
(50)	Huntingdonshire District Council	(51)
(2,643)	Peterborough City Council	(216)
0	South Cambridgeshire District Council	0
(4,705)		(12,560)

c) Members

The Members of the Combined Authority have direct control over the Combined Authority's financial and operating policies.

The following companies related to Combined Authority Board and Business Board members have received grants, payments for services or investment (Start Codon) during 2020/21.

CPCA 19/20	Company	Related Party	CPCA 20/21
£000			£000
75	Cross Keys Homes	Cllr Holdich / Cllr Fitzgerald	1,470
1,033	City College Peterborough	Cllr Holdich	2,281
0	Stainless Metalcraft	Austen Adams	241
42	NIAB	Tina Barsby	3,358
0	University of Cambridge	Professor Andy Neely	3,000
9	Cambridgeshire Chambers of Commerce	Faye Holland	115
0	TWI Ltd	Aamir Khalid	1,230
0	Start Codon Ltd	Jason Mellad	890

d) Officers

The senior officers of the Combined Authority may have direct control over the Combined Authority's financial and operating policies.

John Hill is a director of East Cambs Trading Company Limited which the Combined Authority has provided loans to, see note 28.

12 Expenditure and Income Analysed by Nature

CPCA 19/20	Expenditure and Income Analysed by Nature	CPCA 20/21
£000		£000
	Expenditure	
5,193	Employee Expenses - Contracts held by CPCA	6,708
181	Employee Expenses - Contracts held by PCC	0
50,737	Capital Grants made treated as REFCUS	109,943
52	Depreciation	37
14,954	Other Service Expenses	39,556
71,117	Total Expenditure	156,244
	Income	
(2,226)	Interest & Investment Income	(1,447)
(79,471)	Government Grants & Contributions	(130,062)
(720)	Other Income	(8,136)
(82,417)	Total Income	(139,645)
(11,300)	Deficit / (Surplus) on the Provision of Services	16,599

13 Expenditure and Funding Analysis

The Expenditure and Funding Analysis shows how annual expenditure is used and funded from resources (e.g. government grants) by local authorities in comparison with those resources consumed or earned by authorities in accordance with generally accepted accounting practices. It also shows how this expenditure is allocated for decision making purposes between the Combined Authority's directorates. Income and expenditure accounted for under generally accepted accounting practices is presented more fully in the Comprehensive Income and Expenditure Statement (CIES).

2019/20 restated*				2020/21		
Exp Chargeable to the General Fund	Adjustments between the Funding and Accounting Basis	Net exp in the CIES		Exp Chargeable to the General Fund	Adjustments between the Funding and Accounting Basis	Net exp in the CIES
£000	£000	£000		£000	£000	£000
3,654	471	4,125	Combined Authority Staffing Costs	3,539	595	4,134
333	0	333	Externally Commissioned Support Services	317	0	317
753	52	805	Corporate Overheads	500	131	631
17	0	17	Governance Costs	49	0	49
352	18	370	Mayor's Office	421	37	458
(251)	0	(251)	Other Corporate Budgets	216	0	216
8,552	(251)	8,301	Business and Skills	411	1	412
3,147	574	3,721	Delivery and Strategy	8,386	1,744	10,130
420	11,617	12,037	Housing	539	22,510	23,049
16,977	12,481	29,458	Net Cost of Services	14,378	25,018	39,396
(20,282)	(20,476)	(40,758)	Other Income & Expenditure	(11,591)	(11,206)	(22,797)
(3,305)	(7,995)	(11,300)	(Surplus) / Deficit on Provision of Services	2,787	13,812	16,599
(13,732)			Opening General Fund Balance	(17,037)		
(3,305)			Less/plus surplus or (deficit) on General Fund balance in year	2,787		
(17,037)			Closing General Fund Balance	(14,250)		

* restated to reflect 2020/21 management reporting headings

Adjustments between funding and accounting basis:

2019/20 restated*					2020/21			
Adjustments for Capital Purposes ¹	Net Change for Pensions Adjustments ²	Other Differences ³	Total Adjustments		Adjustments for Capital Purposes ¹	Net Change for Pensions Adjustments ²	Other Differences ³	Total Adjustments
£000	£000	£000	£000		£000	£000	£000	£000
0	471	0	471	Combined Authority Staffing Costs	0	483	112	595
0	0	0	0	External Support Services	0	0	0	0
52	0	0	52	Corporate Overheads	131	0	0	131
0	0	0	0	Governance Costs	0	0	0	0
0	18	0	18	Mayor's Office	0	24	13	37
0	0	0	0	Other Corporate Budgets	0	0	0	0
(251)	0	0	(251)	Business and Skills	1	0	0	1
574	0	0	574	Delivery and Strategy	1,744	0	0	1,744
11,617	0	0	11,617	Housing	22,510	0	0	22,510
11,992	489	0	12,481	Net Cost of Services	24,386	507	125	25,018
(20,500)	37	(13)	(20,476)	Other Income & Expenditure	(11,232)	41	(15)	(11,206)
(8,508)	526	(13)	(7,995)	Difference between general fund surplus or deficit and CIES surplus or deficit on the provision of services	13,154	548	110	13,812

* restated to reflect 2020/21 management reporting headings

1. Adjustments for Capital Purposes:

- for service lines this column adds in depreciation, Revenue Expenditure Funded by Capital Under Statute and associated grant funding and the expected credit losses on capital loans.

- the other income and expenditure line is credited with capital grants receivable in the year without conditions or for which conditions were satisfied in the year and adjusted for capital disposals with a transfer of income on disposal of assets and the amounts written off for those assets.

2. Net change for the pension adjustments:

- for service lines this represents the removal of the employer pension contributions made by the Combined authority as allowed by statute and the replacement with current service costs and past service costs.

- for other income and expenditure – the net interest on the defined benefit liability is charged to the CIES.

3 Other Statutory adjustments:

- for service lines this represent the removal of short term accumulated absences

- for other income and expenditure this column recognises adjustments to the general fund for the timing differences for premiums and discounts.

14 Movement in Reserves Statement – Adjustments between Accounting Basis and Funding Basis under Regulations

This note details the adjustments that are made to the total Comprehensive Income and Expenditure Statement (CIES) recognised by the Combined Authority in the year in accordance with proper accounting practice to the resources that are specified by statutory provisions as being available to the Combined Authority to meet future capital and revenue expenditure.

- General Fund Balance - is the statutory fund into which all the receipts of the Combined Authority are required to be paid, and out of which all liabilities of the Combined Authority are to be met, except to the extent that statutory rules might provide otherwise. These rules can also specify the financial year in which liabilities and payments should impact on the General Fund, which is not necessarily in accordance with proper accounting practice. The General Fund Balance therefore summarises the resources that the Combined Authority is statutorily empowered to spend on its services or on capital investment (or the deficit of resources that the Combined Authority is required to recover) at the end of the financial year.
- Capital Receipts Reserve – holds the proceeds from the disposal of land or other assets and repayment of loans and continues to be restricted by statute from being used other than to fund new capital expenditure or to be set aside to finance historical capital expenditure.
- Capital Grants Unapplied Account – holds the grants and contributions received towards capital projects for which the Combined Authority has met the conditions that would otherwise require repayment of the monies but which have yet to be applied to meet expenditure. The balance is not restricted by grant terms as to the capital expenditure against which it can be applied and / or the financial year in which this can take place.

Usable Reserves are those reserves that can be applied to fund expenditure. The Capital Grants Unapplied Account can only be used to finance the Capital Programme and the General Fund is used by the Combined Authority to maintain a prudent level of reserves.

Unusable Reserves are those reserves that absorb the timing differences arising from different accounting arrangements.

Adjustments between Accounting Basis and Funding Basis under Regulations 2020/21	Usable Reserves			Movement in Unusable Reserves
	General Fund	Capital Receipts Reserve	Capital Grants Unapplied	
	£000	£000	£000	£000
Adjustments involving the Capital Adjustment Account:				
<u>Reversal of items debited or credited to the CIES:</u>				
Depreciation & impairment of non-current assets	(37)			37
Capital grants and contributions	89,400			(89,400)
Reversal of Expected credit loss on capital loans	18			(18)
Revenue expenditure funded from capital under statute	(109,943)			109,943
Loss for Interest foregone on capital loan	(76)			76
Loss in Fair Value of capital investments	(4,018)			4,018
Reversal of asset derecognition	(455)			455
Reversal of proceeds from asset disposal	361			(361)
Adjustments primarily involving the Capital Grants Unapplied Account:				
Capital grants & contributions unapplied from the CIES	11,596		(11,596)	0
Application of grants to capital financing transferred to the Capital Adjustment Account			57,563	(57,563)
Adjustments involving the Capital Receipts Reserve:				
Redemption of Financial Assets (Loans)		(3,171)		3,171
Application of capital receipts to capital financing transferred to the Capital Adjustment Account		4,958		(4,958)
Adjustments involving the Pension Reserve:				
Reversal of items relating to retirement benefits debited or credited to the CIES	(548)			548
Adjustments involving the Accumulated Absences account				
Adjustments for Short term absences	(125)			125
Adjustments involving the Financial Instruments Adjustment Account:				
Amounts by which finance costs charged to the CIES are different from finance costs chargeable in the year in accordance with statutory requirements.	15	0	0	(15)
Total Adjustments	(13,812)	1,787	45,967	(33,942)

Adjustments between Accounting Basis and Funding Basis under Regulations 2019/20	Usable Reserves			Movement in Unusable Reserves
	General Fund	Capital Receipts Reserve	Capital Grants Unapplied	
	£000	£000		£000
Adjustments involving the Capital Adjustment Account:				
<u>Reversal of items debited or credited to the CIES:</u>				
Depreciation & impairment of non-current assets	(52)			52
Capital grants and contributions	38,797			(89,400)
Reversal of Expected credit loss on capital loans	(643)			643
Revenue expenditure funded from capital under statute	(50,720)			50,720
Adjustments primarily involving the Capital Grants Unapplied Account:				
Capital grants & contributions unapplied from the CIES	21,673		(21,673)	0
Application of grants to capital financing transferred to the Capital Adjustment Account	(547)		47,760	47,213
Adjustments involving the Capital Receipts Reserve:				
Redemption of Financial Assets (Loans)		(254)		254
Application of capital receipts to capital financing transferred to the Capital Adjustment Account		382		(382)
Adjustments involving the Pension Reserve:				
Reversal of items relating to retirement benefits debited or credited to the CIES	(526)			526
Adjustments involving the Financial Instruments Adjustment Account:				
Amounts by which finance costs charged to the CIES are different from finance costs chargeable in the year in accordance with statutory requirements.	13			(13)
Total Adjustments	7,995	128	26,087	34,210

- **Summary of Usable and Unusable Reserves**

The table below shows the movement on each reserve to give total balances as at 31 March for usable and unusable reserves.

01-Apr-19	Movement	31-Mar-20		01-Apr-20	Movement	31-Mar-21
£000	£000	£000		£000	£000	£000
(11,185)	(2,751)	(13,936)	General Fund Balance	(13,936)	6,134	(7,802)
(2,547)	(554)	(3,101)	Specific Earmarked Reserves	(3,101)	(3,347)	(6,448)
(11,136)	128	(11,008)	Capital Receipts Reserve	(11,008)	1,787	(9,221)
(130,979)	26,087	(104,892)	Capital Grants Unapplied	(104,892)	45,967	(58,925)
(155,847)	22,910	(132,937)	Total Usable Reserves	(132,937)	50,541	(82,396)
			Unusable Reserves			
(4,859)	(34,723)	(39,582)	Capital Adjustment Account	(39,582)	(34,600)	(74,182)
47	(13)	44	Financial Instruments Adjustment Account	44	(15)	29
132	76	208	Financial Instruments Revaluation Reserve	208	57	265
0	0	0	Accumulated Absences Account	0	125	125
0	1,554	1,554	Pensions Fund Reserve	1,554	2,090	3,644
(4,670)	(33,106)	(37,776)	Total Unusable Reserves	(37,776)	(32,343)	(70,119)
(160,517)	(10,196)	(170,713)	Total Usable and Unusable Reserves	(170,713)	18,198	(152,515)

15 Movement in Reserves Statement – Transfers to / (from) Earmarked Reserves

This note sets out the amounts set aside from the General Fund Balance in earmarked reserves to provide financing for future expenditure plans and the amounts posted back from earmarked reserves to meet General Fund expenditure.

	01-Apr-20	Trf. Out	Trf. In	Movement	31-Mar-21	Purpose of the Earmarked Reserve
	£000	£000	£000	£000	£000	
Revenue Reserve	1,000	0	0	0	1,000	This reserve provides a working balance to cover risks to the revenue budget.
Elections Costs Reserve	520	0	260	260	780	This reserve smooths the impact on the revenue budget of the Mayoral elections which take place every four years.
AEB Reserve	659	0	1,189	1,189	1,848	This reserve holds the balance of adult education budget funding to maintain a locally determined ringfence between financial years.
Business Board Strategic Revenue Reserves	0	(46)	774	728	728	This reserve holds un-ringfenced revenue funds which are received by the Combined Authority as the Accountable Body for the Business Board.
Departmental Reserves	922	0	1,170	1,170	2,092	These represent unspent grant funding and other income which does not require repayment, but is earmarked for projects in future years.
Total Reserves	3,101	(46)	3,393	3,347	6,448	

16 Capital Grants Unapplied Reserve

	01-Apr-20	Trf. Out	Trf. In	31-Mar-21
	£000	£000	£000	£000
Gain Share - Capital	43,344		11,952	55,296
Housing Grant - General	16,387	(12,758)		3,629
Housing Grant - Cambridge	13,979	(13,979)		0
Local Growth Fund	31,183	(31,183)		0
Total Capital Grants Unapplied	104,893	(57,920)	11,952	58,925

In March 2021 the Secretary of State for the Ministry of Housing, Communities and Local Government transferred responsibility for delivering the Affordable Housing programme within Cambridge City to Cambridge City Council, as such the remaining balance of the "Housing Grant - Cambridge" was paid across to the City Council to support their delivery.

17 Capital Adjustment Account

2019/20	Capital Adjustment Account	2020/21
£000		£000
(4,859)	Balance Brought Forward	(39,582)
	Reversal of Items Debited or Credited to the Comprehensive Income & Expenditure Statement:	
(38,797)	Capital Grants & Contributions credited to the Comprehensive Income and Expenditure Statement that have been applied to Capital Financing	(89,400)
50,720	Revenue Expenditure Funded from Capital under Statute	109,943
254	Redemption of financial assets (loans)	3,171
(3,82)	transfer from usable capital receipts	(4,958)
52	charges for depreciation	37
0	Asset derecognition	455
0	Proceeds from asset disposal	(361)
0	Loss for Interest foregone on capital loan	76
0	Loss in Fair Value of capital investments	4,018
643	charges for expected credit loss relating to capital loans	(18)
(35,284)	Application of grants to finance capital loans from the Capital Grants Unapplied Accounts	(4,267)
(11,929)	Application of Grants to Capital Financing from the Capital Grants Unapplied Account	(53,296)
(39,582)	Balance Carried Forward	(74,182)

18 Financial Instruments Adjustment Account

The Financial Instruments Adjustment Account absorbs the timing differences arising from the different arrangements for accounting for income and expenses relating to certain financial instruments and for bearing losses or benefitting from gains per statutory provisions.

2019/20	Financial Instruments Adjustment Account	2020/21
£000		£000
57	Balance Brought Forward	44
(13)	Amounts arising from timing differences associated with certain financial instruments	(15)
44	Balance Carried Forward	29

19 Financial Instruments Revaluation Reserve

The Financial Instruments Revaluation Reserve contains the gains and losses made by the Combined Authority arising from changes in the value of its investments that are measured at fair value through other comprehensive income.

2019/20	Financial Instruments Revaluation Reserve	2020/21
£000		£000
132	Balance Brought Forward	208
76	Impairment of Equity Instrument	57
208	Balance Carried Forward	265

20 Accumulated Absences Account

The accumulated absences account absorbs the differences that would otherwise arise on the General Fund balance from accruing for compensated absences earned but not taken in the year, e.g. annual leave entitlement carried forward at 31 March. Statutory arrangements require that the impact on the General Fund balance is neutralised by transfers to or from the account.

2019/20	Accumulated Absences Account	2020/21
£000		£000
0	Balance Brought Forward	0
0	Amounts Accrued at the end of the current year	125
0	Balance Carried Forward	125

21 Pensions Reserve

The Pensions Reserve absorbs the timing differences arising from the different arrangements for accounting for post-employment benefits and for funding benefits in accordance with statutory provisions. The Combined Authority accounts for post-employment benefits in the comprehensive income and expenditure statement as the benefits are earned by employees accruing years of service, updating the liabilities recognised to reflect inflation, changing assumptions and investment returns on any resources set aside to meet the costs. However, statutory arrangements require benefits earned to be financed as the Combined Authority makes employer's contributions to pension funds or eventually pays any pensions for which it is directly responsible. The debit balance on the Pensions Reserve therefore shows a shortfall in the benefits earned by past and current employees and the resources the Combined Authority has set aside to meet them. The statutory arrangements will ensure that funding will have been set aside by the time the benefits come to be paid.

2019/20	Pensions Reserve	2020/21
£000		£000
0	Balance Brought Forward	1,554
1,351	Recognition of net Defined Benefit Liability on transfer in IAS19 basis	0
(323)	Remeasurements of the net defined benefit liability	1,542
1,117	Reversal of items relating to retirement benefits debited or credited to the surplus or deficit on the provision of services in the comprehensive income and expenditure statement	1,216
(591)	Employer's pensions contributions and direct payments to pensioners payable in the year	(688)
1,554	Balance Carried Forward	3,644

22 Property, Plant and Equipment

	Group			CPCA		
	Vehicle, Plant, furniture & equipment	Assets under construction	Total Property, Plant & Equipment	Vehicle, Plant, furniture & equipment	Assets under construction	Total Property, Plant & Equipment
	£000	£000	£000	£000	£000	£000
Cost or valuation						
At 01 April 2020	287	361	648	287	361	648
Additions	28	702	730	28		28
Disposals	(156)	(361)	(517)	(156)	(361)	(517)
At 31 March 2021	159	702	861	159	0	159
Accumulated Depreciation & Impairments						
At 01 April 2020	104	0	104	104	0	104
Depreciation Charge	37	0	37	37	0	37
Disposals	(62)	0	(62)	(62)	0	(62)
At 31 March 2021	79	0	79	79	0	79
Net Book Value						
At 31 March 2021	80	702	782	80	0	80
At 31 March 2020	183	361	544	183	361	544

23 Capital Expenditure and Capital Financing

The total amount of capital expenditure incurred in the year is shown in the following table, together with the resources that have been used to finance the expenditure.

2019/20	Capital Financing Requirement	2020/21
£000		£000
0	Opening Capital Financing Requirement	0
	Capital Investment	
50,720	Revenue Expenditure Funded from Capital Under Statute	109,493
388	Property Plant and Equipment	28
0	Equity Instruments	34,282
35,284	Capital loans	8,029
	Sources of Finance	
(382)	Usable Capital receipts	(5,319)
(47,213)	Capital grants unapplied	(57,563)
(38,797)	Capital Grants & Contributions	(89,400)
0	Closing Capital Financing Requirement	0

24 Combined Authority Leasing Arrangements

Combined Authority as Lessee - Operating Leases

The Combined Authority's only material operating lease was for the office in Alconbury. The lease was surrendered during 2020/21. The amount charged to Costs of Services in the Comprehensive Income and Expenditure Statement during the year was £170k (£174k 19/20).

25 Financial Instruments

Under IFRS 9 the financial assets on the Balance Sheet are now classified by one of the following categories in the table below:

- Amortised Cost
- Fair Value through the Income and Expenditure (FVOCI)
- Fair Value through the Profit and Loss (FVPL)

The gains and losses recognised in the Comprehensive Income and Expenditure Statement in relation to financial instruments are made up as follows:

2019/20		2020/21
£000		£000
(1,637)	Interest Income - Treasury Management	(794)
(589)	Interest Income - Service Loans	(803)
0	Reduction in carrying amount of Service Loans due to interest foregone	150
643	movement in expected credit loss allowances	(18)
0	loss from changes in Fair Value (FVPL assets)	4065
(1,583)	Net impact on surplus/deficit on provision of services	2,600
76	loss from changes in Fair Value (FVOCI assets)	57
76	Impact on Other Comprehensive income	57
(1,507)	Net (gain)/loss for the year	2,657

The following categories of financial instrument are carried in the Balance Sheet:

31-Mar-20			31-Mar-21	
Long Term	Current		Long Term	Current
£000	£000		£000	£000
		Assets at Amortised Cost:		
0	80,699	Investments - Amortised Cost	10,000	138,100
0	80,565	Cash & Cash Equivalents	0	83,697
19,677	0	Debtors - Service Loans	22,469	21,308
0	20,377	Debtors - Other	0	10,760
		Assets at Fair Value:		
		Investments at Fair Value Profit and Loss	31,308	0
133		Medtech Shares - Designated FVOCI	75	0
19,810	181,641	Total Financial Assets	63,852	253,865
		Liabilities at Amortised Cost:		
0	(12,955)	Creditors	0	(52,398)
0	(12,955)	Total Financial Liabilities	0	(52,398)

26 Fair Value of Financial Assets and Financial Liabilities

Financial liabilities and financial assets represented by loans and receivables are carried in the balance sheet at amortised cost.

Their fair value has been assessed by calculating the net present value of the cash flows that will take place over the remaining term of the instruments, using the following assumptions:

- The fair values of other long-term investments have been discounted at the market rates for similar instruments with similar remaining terms to maturity on 31st March
- Service loans have been discounted using a rate with an equivalent margin over current base rate to that at the time the loan was agreed
- no early repayment is recognised.
- where an instrument has a maturity of less than 12 months or is a trade or other receivable the fair value is taken to be the carrying amount or the billed amount.

- For equity and equity type investments, the fair value has been assumed as the Combined Authority's share of shareholders funds as at 31 March 2021, except for investments in Start Codon where the fund valuation has been used and Illumina investments where an estimate has been made of the value to be received under the agreements.

With the introduction of IFRS 9 the authority has designated the Medtech shares at 31 March 2020 as fair value through other comprehensive income. This is because the shares are not held for trading or income generation, rather a longer term policy initiative.

The Fair Values calculated are as follows:

31-Mar-20				31-Mar-21	
Carrying Amount	Fair Value		Fair Value Level	Carrying Amount	Fair Value
£000	£000			£000	£000
		Assets at Amortised Cost:			
0	0	LT Investments - Amortised Cost	2	10,000	10,053
39,019	40,127	Debtors - Service Loans	2	43,777	43,965
		Assets at Fair Value:			
0	0	Investments at Fair Value Profit and Loss	3	31,308	31,308
133	133	Medtech Shares - Designated FVOCI	3	75	75
39,152	40,260	Total		88,649	85,417
		Assets for which Fair Value is not disclosed:			
80,699		ST Investments - Amortised Cost		138,100	
80,565		Cash & Cash Equivalents		83,697	
1,035		Debtors - Other		10,760	
201,451		Total Financial Assets		321,206	
		Liabilities for which Fair Value is not disclosed:			
(12,955)		Creditors		(52,398)	
(12,955)		Total Financial Liabilities		(52,398)	

27 Nature and Extent of Risks Arising from Financial Instruments

The Combined Authority's activities expose it to a variety of financial risks:

- Credit risk – the possibility that other parties might fail to pay amounts due to the Combined Authority.
- Liquidity risk – the possibility that the Combined Authority might not have funds available to meet its commitments to make payments.
- Market risk – the possibility that financial loss might arise for the Combined Authority as a result of changes in such measures as interest rates and money market movements.

The Combined Authority's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the resources available to fund services. Risk management is carried out by the Finance team, under policies approved annually by the Combined Authority in the Treasury Management Strategy. The Combined Authority provides written principles for overall risk management, as well as written policies covering specific areas, such as interest rate risk, credit risk and the investment of surplus cash.

Credit risk

The Combined Authority manages credit risk by ensuring that treasury investments are only placed with organisations of high credit quality as set out in the Treasury Management Strategy. These include commercial entities with a minimum long-term credit rating of A-, the UK government, other local authorities, and organisations without credit ratings upon which the Council has received independent investment advice.

A limit of £25m of the total portfolio is placed on the amount of money that can be invested with a single counterparty (other than the UK government). For unsecured investments in banks, building societies and companies, a smaller limit of £15m applies. The Combined Authority also sets limits on investments in certain sectors.

Combined Authority had a total of £231.0m deposited with the Debt Management Office (DMO), other local authorities, UK banks and CCLA at 31 March 2021. As the DMO is within the scope of HM Treasury this reduces the overall credit risk. There is a specific risk attached to amounts deposited with the individual institutions based on their ability to make interest payments and repay the principal outstanding, it is however more difficult to assess the risk in general terms. Recent experience has shown that it is rare for such entities to not meet their commitments. Whilst there is a risk of recoverability with regard to these deposits, there was no evidence that this was likely at 31 March 2021 and no Expected Credit Loss allowances have been made on treasury investments. We are in constant communication with our treasury advisors to update our position in accordance with their advice on managing emerging risks particularly relating to COVID 19.

Expected Credit Loss calculations on service loans outstanding at year end have been adjusted for the expected impact of COVID-19 across the relevant sector.

Liquidity Risk

The Combined Authority has a comprehensive cash flow management system that seeks to ensure that cash is available as needed. In the unlikely event that unexpected movements happen, the Combined Authority has ready access to borrowings from the Public Works Loans Board (PWLB), other local authorities at favourable rates and the money market generally. There is no significant risk that it will be unable to raise finance to meet its commitments.

Market risks:

Interest rate risk

The Combined Authority is exposed to risk in terms of its exposure to interest rate movements on its and investments. Movements in interest rates have a complex impact on the Combined Authority. For instance, a rise in interest rates would have the following effects:

- investments at fixed rates – the fair value of the assets will fall
- investments at variable rates – the interest income credited to the (Surplus) / Deficit on the Provision of Services will rise

The Finance Team assesses interest rate exposure which feeds into the setting of the annual budget and is used to update the forecasts during the period. This allows any adverse changes to be accommodated.

Price Risk

The Combined Authority holds shares in several companies for service delivery purposes, which are not publicly traded. For most of these companies, the value in the accounts is based on the shareholder funds held on the 31st March 2021, rather than a market share value, as such for these companies, we do not consider there to be exposure to losses arising from movements in the traded price of shares. During 20/21 the Combined Authority invested Local Growth Funds in the Start Codon and Illumina projects which provide funding and support to local start-up companies across the Biomedical, healthcare technology and life sciences sectors. The value of the funds invested are exposed to the changes in the companies' values, however this risk is acceptably tolerated as no reliance has been placed on these funds for future service delivery, thus any losses would not have an effect on the wider financial sustainability of the Combined Authority.

Foreign Exchange Risk

The Combined Authority has no liabilities denominated in foreign currencies and one future agreement for equity which will be denominated in a foreign currency however it's total value will be £100k on the date of maturity thus there is no material risk arising from movements in exchange rates.

28 Debtors

CPCA 31-Mar-20	Short Term Debtors	Group 31-Mar-20	CPCA 31-Mar-21
£000		£000	£000
616	Central government bodies	1,620	1,620
226	Other local authorities	993	993
19,535	Other entities and individuals	21,772	21,772
0	Group Companies	3,362	7,635
6,057	Prepayments	6,991	6,991
26,434	Total Short Term Debtors	34,738	39,011

Restated* CPCA 31-Mar-20	Long Term Debtors	CPCA 31-Mar-21
£000		£000
19,091	Other entities and individuals	21,868
586	Other local authorities	601
19,091	Total Long Term Debtors	22,469

*31 March 20 restated to split out Other local authorities' balance.

'Other' includes loans of £24.0m to East Cambs Trading Company, £14.0m to other housing developers, and £5.8m of Growth Fund loans which are split across both short- and long-term debtors (19/20 £26.3m ECTC, £6.8m other housing and £5.9m of Growth Fund Loans).

29 Creditors

CPCA 31-Mar-20	Short Term Creditors	Group 31-Mar-20	CPCA 31-Mar-21
£000		£000	£000
(8,652)	Central government bodies	(9,327)	(9,327)
(4,704)	Other local authorities	(19,625)	(19,625)
(8,051)	Other entities and individuals	(8,343)	(8,335)
0	Group Companies	(18,439)	(22,985)
(21,407)	Total Short Term Creditors	(55,734)	(60,272)

30 Provisions

The Combined Authority has an outstanding matter in relation to pension obligations relating to the transfer of ex-GCGP LEP staff to the Combined Authority in April 2018. The Combined Authority is working with the pension fund providers to confirm the nature and timing of the obligation and of the quantum of any liability attached to this obligation. The total potential liability is estimated at £226k.

31 Capital Grants Receipts in Advance

The Combined Authority has received a number of capital grants that have yet to be recognised as income as they have conditions attached to them that will require the monies to be returned to the funding body if not met. The balances at the year-end are as follows:

CPCA 31-Mar-20	Capital Grants Received in Advance	CPCA 31-Mar-21
£000		£000
(13,268)	Transforming Cities Fund	(25,772)
(1,110)	National Productivity Infrastructure Fund	0
0	Pothole and Flood Resistance	(3,075)
0	Green Homes LAD 2 Energy Grant	(79,236)
(14,378)	Total Capital Grants Received in Advance	(108,083)

32 Cash Flow Statement – Investing Activities

Short Term Investments are sums invested with a maturity of greater than three months but less than 12 months at the balance sheet date. Sums invested with a maturity of less than three months at the balance sheet date are classified as Cash and Cash Equivalents, see note 0. The cash flows for investing activities include the following items:

CPCA	Cash Flow Statement – Investing Activities	Group	CPCA
2019/20		2020/21	2020/21
£000		£000	£000
22,956	Purchase of Short & Long-Term Investments	76,571	79,570
387	Purchase of Property, Plant & Equipment	27	27
35,284	Cash advanced for capital loans	7,140	7,140
(254)	Proceeds from loan repayments	(2,865)	(2,865)
58,373	Net Cash flows from investing activities	80,873	83,872

33 Cash Flow Statement – Cash and Cash Equivalents

The balance of Cash and Cash Equivalents is shown in the following table.

CPCA	Cash Flow Statement - Cash & Cash Equivalents	Group	CPCA
2019/20		2020/21	2020/21
£000		£000	£000
79,921	Short Term Cash Investments	83,131	83,131
644	Bank Accounts	3,565	566
80,565		86,696	83,697

Glossary

Accounting Period - 1 April to 31 March is the local authority accounting period. It is also termed the financial year.

Accruals - Revenue and capital income and expenditure are recognised as they are earned or incurred, not as money is received or paid. Transactions are accrued with income and expenditure due but unpaid at 31 March brought into the accounts.

Annual Governance Statement – Identifies the systems that the Combined Authority has in place to ensure that its business is conducted in accordance with the law and proper standards and that public money is safeguarded.

Balance Sheet – This statement is fundamental to the understanding of the Combined Authority's financial position at the year-end. It shows the balances and reserves at the Combined Authority's disposal and its long term indebtedness. It also shows the long term and net current assets employed in its operations.

Balances – The non-earmarked reserves of the Combined Authority. These are made up of the accumulated surplus of income over expenditure. This is known as the General Fund Balance. Adequate revenue balances are needed to meet unexpected expenditure or a shortfall in income. The Combined Authority may decide to use its revenue balances to reduce its budget and thus its call on the Collection Fund.

Budget - A statement of an Combined Authority's plans for net revenue and capital expenditure.

Capital Expenditure - Expenditure on the acquisition or development of major assets which will be of use or benefit to a Authority in providing its services beyond the year of account.

Capital Grant - A grant received towards the capital expenditure incurred on a particular service or project. Capital grants can be made by an Authority.

Cash Equivalent – An investment that is liquid and matures within three months. There is no significant risk to the value on redemption.

Code of Practice on Local Authority Accounting – The statutory accounting code published by CIPFA.

Comprehensive Income and Expenditure Statement or CIES- Reports the income and expenditure for all the Combined Authority's services. The CIES demonstrates how services have been financed from general government grants and income from taxpayers.

Creditor - An amount owed by the Combined Authority for work done, goods received or services rendered to the Combined Authority within the accounting period but for which payment has not been made.

Current Asset - An asset which can be expected to be consumed or realised during the next accounting period.

Current Liability - An amount which will become payable or could be called in within the next accounting period.

Debtor - An amount owed to the Combined Authority within the accounting period, but not received at the Balance Sheet date.

Effective Rate of Interest – The rate of interest that is consistent with estimated cash flows over the life of a financial instrument and its initial value in the balance sheet. It is calculated using discounted cash flow.

Fair Value – Fair value is an important in setting the value for various assets in the balance sheet. It is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Financial Asset – A right to future economic benefits controlled by the Combined Authority. Examples include bank deposits, investments made and loans receivable by the Combined Authority.

Financial Instrument – This is an important definition in understanding the accounts. It includes both financial assets and liabilities. A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another.

Financial Liability – An obligation to transfer economic benefits controlled by the Combined Authority. Examples include borrowings, financial guarantees and amounts owed to trade creditors.

General Fund - The main fund of the Combined Authority that meets the cost of most services provided by the Combined Authority. The services are paid for from Council Tax, business rates, government grant and other income.

Government Grants and Subsidies - Grants towards either the revenue or capital cost of Combined Authority services. These may be either in respect of particular services or purposes, (specific and supplementary grants), or in aid of local services generally such as Revenue Support Grant.

Movement in Reserves Statement or MIRS – This statement shows the movement in the year on the different reserves held by the Combined Authority, analysed into 'usable reserves' (i.e. those that can be applied to fund expenditure or reduce local taxation) and unusable reserves.

Non-current asset - An asset which has value beyond one financial year.

Non-Domestic Rates (NDR) or business rates - The rates payable by businesses on their properties are calculated by applying a nationally determined multiplier to the rateable value of the property. There is a lower multiplier for small businesses.

Precept – The Combined Authority is not empowered to bill council tax payers directly. Instead it may raise a precept on the billing authorities that are its members.

Reserves - Amounts set aside for purposes falling outside the strict definition of provisions are considered as reserves. Reserves include earmarked reserves set aside for specific projects or service areas, or expected future commitments.

Revenue Expenditure - The day-to-day running costs the Combined Authority incurs in providing services (as opposed to capital expenditure).

Usable Reserves – Those reserves that can be applied by the Combined Authority to fund expenditure or reduce local taxation.

Unusable Reserves – Those reserves that absorb the timing differences arising from different accounting arrangements. Unusable reserves are not available to fund expenditure or reduce local taxation.

Draft Annual Governance Statement

For the year ended 31 March 2021

Cambridgeshire and Peterborough Combined Authority Annual Governance Statement – 2020/21

Scope of Responsibility

The Cambridgeshire and Peterborough Combined Authority (“the Authority”) is responsible for ensuring that its business is conducted in accordance with the law and proper standards and that public money is safeguarded and properly accounted for and used economically, efficiently, and effectively. The Authority is also the accountable body for the Local Enterprise Partnership (known as the Business Board) and Greater South East Energy Hub.

The Combined Authority also has a duty under the Local Government Act 1999 to arrange to secure continuous improvement in the way in which its functions are exercised.

In discharging this overall responsibility, the Authority is responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions including arrangements for the management of risk.

The Authority was formally established on 3 March 2017 and continues to develop and refine its governance arrangements through regular review of its key documents. Latest copies of its constitution, assurance framework and monitoring and evaluation framework are available on its website.

The governance arrangements will comply with the principles of the Local Code of Governance, which is consistent with the principles of the CIPFA / SOLACE Framework *Delivering Good Governance in Local Government 2016 and the National Local Growth Assurance Framework (January 2019)*.

This statement explains how the Combined Authority has complied with the Code and meets the requirements of the Accounts and Audit Regulations 2015 Regulation 6.1 (b) in relation to the publication of an Annual Governance Statement.

The Authority acknowledges that good governance arrangements will enable it to establish effective policies and to deliver ambitious programmes to communities in the combined authority area. The arrangements put in place must be both robust and adaptable to deliver its objectives in a dynamic and strategic environment.

The Purpose of the Governance Framework

The governance framework comprises the systems, processes, culture and values, by which the Authority is directed and controlled and how it engages with and leads the community in those activities for which it is accountable. It enables the authority to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost effective services.

The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Authority's policies, aims and objectives, to evaluate the likelihood of and potential impact of those risks being realised and to manage them efficiently, effectively and economically.

The Governance Framework

Context

Between March and June 2016, seven constituent councils across the Cambridgeshire and Peterborough area negotiated a devolution deal with Government. In June 2016, the constituent councils agreed a scheme for a combined authority for the Cambridgeshire and Peterborough area, with a directly elected Mayor, for wider consultation. Following extensive consultation with residents, businesses and stakeholders in Cambridgeshire and Peterborough over a six week period, the seven councils submitted the scheme to the Secretary of State for approval in November 2016. The Cambridgeshire and Peterborough Combined Authority Order 2017 was made on 2 March 2017 and came into force on 3 March 2017.

The Cities and Local Government Devolution Act 2016 came into force on 28 March 2016, making Cambridgeshire and Peterborough local authorities amongst the first to establish a combined authority for its area under these new provisions. Following the making of the Order, the Authority's first directly elected Mayor was elected on 4 May 2017 for a four-year term of office. The Authority's second mayoral election was held on 6 May 2021.

The powers which have been devolved from Central Government to the Combined Authority include:

- Control of a £20 million a year funding allocation, over 30 years, to be invested in the Cambridgeshire and Peterborough Single Investment Fund, to boost growth.
- Funding to deliver new homes over a five-year period in Cambridgeshire and Peterborough which includes affordable, rented and shared ownership housing.
- Responsibility for chairing an area-based review of 16+ skills provision.
- Responsibility to develop a more effective joint working with the Department for International Trade to boost trade and investment through agreement of a Joint Export Plan
- Powers devolved to the Mayor as part of the devolution plan include:
 - Responsibility for a multi-year, consolidated and devolved transport budget.
 - Responsibility for an identified Key Route Network of local authority roads.
 - Powers over strategic planning and the responsibility to create a non-statutory spatial framework for Cambridgeshire and Peterborough and to develop with Government a Land Commission.

Further secondary legislation has since come into force to increase its powers. This includes:

- Mayoral powers to levy a business rate supplement to raise money for projects that will promote economic development.
- Devolved powers for the Adult Education Budget and associated powers to deliver an adult education service that supports wider economic and social priorities.
- Housing regulations enabling the Combined Authority to fund homes for Affordable Rent.

The Combined Authority is small in size and strategic in nature. The Authority has adopted a commissioning model with delivery being undertaken by those best qualified to do so across the public and private sector.

Cambridgeshire and Peterborough Combined Authority Structure

The Authority is made up of a directly elected Mayor and the following seven local authorities (referred to as the Constituent Councils) and the Local Enterprise Partnership known as the Business Board:

- Cambridge City Council;
- Cambridgeshire County Council;
- East Cambridgeshire District Council;
- Fenland District Council;
- Huntingdonshire District Council;
- Peterborough City Council; and
- South Cambridgeshire District Council.

The Constitution for the Authority sets out the Authority's governance arrangements. It sets out the powers and functions of the Combined Authority, including matters reserved to the Mayor and Board, financial procedures, contract standing orders, Member Codes of Conduct, the scheme of delegation to officers and arrangements for the operation of executive committees, an overview and scrutiny committee, and an audit and governance committee function.

The Scheme of Delegation provides for the day-to-day management and oversight of the Authority including the responsibilities of the Head of Paid Service, the Chief Finance Officer and the Monitoring Officer.

The key elements of the governance framework, its systems and processes, are outlined below.

Board

Each of the Constituent Councils appoints a nominated representative to be a Member of the Combined Authority and another Member to act in his or her absence. The Business Board (LEP) also nominates one of its Members, normally the Chair and a substitute member, to be its representative.

The Combined Authority Members comprise the Board. The Board's role and powers are set out in the constitution. Essentially, it provides strategic leadership for the Combined Authority area, approving strategies, policies and overseeing fiscal matters to ensure that the required outcomes are delivered.

The Combined Authority Board has invited the following organisations with direct responsibility for functions relevant to the Combined Authority objectives to become co-opted Members to attend the Combined Authority Board and may take part in the debate.

- (a) The Police and Crime Commissioner for Cambridgeshire;
- (b) Cambridgeshire and Peterborough Fire Authority representative;
- (c) Cambridgeshire and Peterborough Clinical Commissioning Group representative.

Mayor

Certain functions are reserved to the Mayor as set down in the Order and the Constitution. The Mayor has an overall leadership role and chairs the Board meetings. Both the Mayor and the Combined Authority have a general power of competence.

The functions of the Combined Authority are grouped into portfolios. In accordance with the Combined Authority's Constitution, the Mayor and the Combined Authority Board agree portfolio responsibilities in respect of those functions. The Mayor nominates Lead Members from amongst the Members of the seven constituent councils who are formally approved by the Board. Each Lead Member leads on his/her allocated portfolio functions and is accountable for his/her allocated area. Lead Members do not have delegated powers.

Executive Committees

In September 2018, the Board set up three executive committees; the Transport and Infrastructure Committees, the Skills Committee and the Housing and Communities Committee. By placing responsibility for three of the largest portfolios into a committee system, it enabled the Combined Authority to meet challenges of resilience and volume. The Chair of each committee leads the portfolio responsibilities of that committee and can distribute responsibility for delivering discreet areas of the portfolio amongst the members of the committee. By creating a division of the portfolio workload across the committee members, the Combined Authority ensures a measure of continuity in the delivery of its key projects. A committee system also allows member oversight of the delivery of its programme of works against the Combined Authority's Assurance Framework and Monitoring and Evaluation Framework.

In September 2019 the Combined Authority Board agreed amendment to the Authority's constitution to strengthen the role of the Executive Committees by delegating to them decision-making powers previously exercised by the Combined Authority Board. The membership of the Executive Committee was expanded to include representatives of all the constituent councils on each committee.

The advantages of these arrangements include:

- Creating more realistic workloads for the members of the Combined Authority Board, who are also the Leaders of their councils.
- Allowing members of the Combined Authority Board to have a strategic focus.
- Increasing the profile of the Authority amongst the constituent councils.
- Increasing the understanding of the Authority amongst constituent councils.
- Sharing of knowledge and regional issues.
- Improving cross-boundary co-operation.
- Bringing in additional member expertise to the Authority in key areas, and
- Decreasing the frequency of Combined Authority Board meetings.

The effectiveness of these governance arrangements will be kept under review by the Authority's Audit & Governance Committee.

Overview and Scrutiny Committee

The Combined Authority has established an overview and scrutiny committee to comply with the requirements of the Combined Authorities (Overview and Scrutiny Committees, Access to Information and Audit Committees) Order 2017. The Committee comprises 14 elected councillors, two from each of the seven constituent councils, and reflects the political balance across the combined authority area. Its primary role is to review and scrutinise decisions of the combined authority and the Business Board. They monitor the Forward Plan of forthcoming key decisions and may call-in any of these decisions where members consider that further scrutiny and challenge is required.

The committee undertakes other roles including pre-decision scrutiny where they can act as a "critical friend" to highlight key issues, and challenge policies at the developmental stage. The committee has set up two task and finish groups, one to consider the Cambridgeshire Autonomous Metro project and one to consider the Authority's Bus Review. The Mayor and Chief Executive attend meetings at least quarterly to update the committee and to answer any questions. The committee has also responded to the change in the Authority's governance

arrangements by revising its own arrangements for pre-scrutiny to allow lead members appointed by the Committee to formulate questions for the Executive Committees.

Audit and Governance Committee

The Board has established an Audit and Governance Committee in accordance with the Combined Authorities (Overview and Scrutiny Committees, Access to Information and Audit Committees) Order 2017. It comprises 7 elected members reflecting the political balance across the area and an independent person who chairs the meetings.

The Chair of the Audit and Governance Committee presented his annual report to the Committee in April 2021 for consideration before being presented to the Combined Authority Board in June. The annual report highlights the work of the Committee for the Municipal Year and details the following:

- Background to the Committee, its roles, responsibilities and membership;
- An overview and coverage of its remit including Internal Audit, Accounts and Financial Management, External Audit, Risk Management, Control Assurance, Corporate Governance, and Fraud and Irregularities;
- Training provided to ensure that suitable challenge and scrutiny is adopted.
- Records of complaints, Freedom of Information requests and attendance levels for the committee to consider.

Business Board (Local Enterprise Partnership)

On 1 April 2018, the Greater Cambridge Greater Peterborough Local Enterprise Partnership was dissolved, and a new Local Enterprise Partnership was formally created in September 2018 and is known as the Business Board. The Business Board is a voluntary partnership between constituent councils and non-constituent local authorities and the business community, playing a key role in determining local economic priorities and growth. The Partnership is a key interface with Central Government and the region and offers policy advice and strategic direction aligned to the Authority's objectives.

The current membership comprises fourteen members, which includes two public sector members and up to twelve business representatives from amongst the key sectors across the Cambridgeshire and Peterborough area. The majority members on the Board are from the private sector. Membership of the Business Board reflects two key priorities:

(1) that the Business Board should be predominantly private sector led to provide the best possible platform for businesses within the area and that

(2) the Board ought to be comprised of representatives of those key sectors which are driving economic growth in the area.

The Mayor and the Portfolio Holder for Economic Growth are members of the Business Board recognising the importance of its role and of the private sector in any growth strategies for delivery in the Authority's area.

The Business Board is closely aligned to the Authority through a unified assurance framework and has a single staffing structure under the Authority's Chief Executive. The Authority is the accountable body for the Business Board.

The Business Board's constitutional arrangements comply with the National Local Growth Assurance Framework and with the joint Local Assurance Framework for the Authority and the Business Board.

Strategic Direction

The Authority continues to make good progress in developing its strategic direction.

1. The **Cambridgeshire and Peterborough Independent Economic Review** (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 at www.cpier.org.uk.
2. The **Cambridgeshire and Peterborough Growth Ambition Statement** sets out the area's priorities for achieving ambitious levels of inclusive growth and meeting the commitments of the Devolution Deal. The Statement has been adopted by the Combined Authority Board (November 2018) and is based upon the significant work of the Cambridgeshire and Peterborough Independent Economic Review (CPIER).
3. The **Local Industrial Strategy** approved by the Combined Authority and Business Boards in March 2019 sets out the economic strategy for Cambridgeshire and Peterborough, taking a lead role in implementing the business growth, productivity, and skills elements of the Growth Ambition Statement as set out below:



The Local Industrial Strategy was co-produced with Government as part of the first wave of these strategies being developed to deliver the UK Industrial Strategy in local areas.

The Local Industrial Strategy is focussed around the five foundations of productivity established in the UK Industrial Strategy 2018, namely:

- People
- Ideas
- Business Environment
- Infrastructure
- Place

It is a core principle of the Local Industrial Strategy that the fifth foundation of place reflects the findings of the CIPER. In this area there will be economic strategies which respond to the three sub-economies identified in the region.

- Greater Cambridge
- Greater Peterborough
- The Fens

Investments will only be made if they can demonstrate that they will support the delivery of the Growth Ambition Statement and the Local

Industrial Strategy, and the more detailed place and sector strategies (where they are in place).

4. The **Cambridgeshire and Peterborough Combined Authority Business Plan** sets out the authority's investment priorities. It is updated annually and presented to the Board for approval each January, alongside the Authority's budget and Medium-Term Financial Plan. The Combined Authority continues to develop its detailed strategies for key areas of activity including:
 - Housing Strategy
 - Local Industrial Strategy
 - Local Transport Plan
 - Non-statutory spatial plan
5. The Medium-Term Financial Plan forms the investment plan for the Combined Authority and allocates resources to deliver the next stages of these priority programmes.

This 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 and might not be feasible, 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 are transformational and will need investment during the plan 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.

The Business Plan aligns with the approach to performance management which the Authority has already adopted and the Authority's quarterly performance reports enable members to monitor performance against the Business Plan priorities

The Combined Authority has progressed key investment decisions in a range of transport and infrastructure, skills, housing and economic development initiatives.

Assurance Framework

In November 2019, the Combined Authority Board and the Business Board agreed a revised joint Assurance Framework. The latest version of the Assurance Framework complies with the National Local Growth Assurance Framework and was approved by the Board in March 2021 following feedback and sign off from CLGU (Cities and Local Growth Unit) published in January 2019. 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, incorporating the Single Pot funding.
- (b) The respective roles and responsibilities of the Combined Authority, the Business Board and officers, in decision-making and ways of working.
- (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.

Project Delivery

In January 2021, the Authority approved an update to its monitoring and evaluation framework. The framework provides assurance to the Combined Authority Board and to Central Government through robust monitoring and evaluation arrangements for each of the commissioned projects. Monitoring and evaluation (M&E) is a critical component of an effective performance management regime. Monitoring supports the effective tracking of a scheme or series of policy interventions ensuring that intended outputs are being achieved. Evaluation quantifies and assesses outcomes, including how schemes were delivered and whether the investment generated had the intended impact and ultimately delivered value for money.

The Monitoring & Evaluation Framework incorporates the Local Growth Fund monitoring and evaluation plan. Being able to show the efficacy and impact of the Business Board's investments enables a positive case to be made to Government in discussions regarding the allocation and responsibility for future funding streams.

Decision Making

All agendas and reports produced for meetings of the Combined Authority, its associated Committees and the Business Board are issued to members and published on the Authority's website in accordance with access to information requirements in the 2017 Order. All Combined Authority Board and Executive Committee meetings are held in public, whilst adhering to government guidance and legislation during the COVID-19 pandemic.

A Forward Plan identifying strategic decisions that will be made by the Board over a four-month period is updated and presented to the Combined Authority Board at each meeting. It will also include all forthcoming key decisions which require at least 28 days' notice.

Notice of decisions are also published no more than two days after the meeting and are not implemented until five days after they are published to enable the Overview & Scrutiny Committee to exercise its right to call-in decisions.

Financial Management

A key responsibility of the Combined Authority is determining, agreeing and monitoring appropriate budgets for it to be able to fulfil strategic objectives.

A budget framework has been agreed for setting the budget in future years which takes account of the process laid down in the Combined Authorities (Finance) Order 2017

In summary, the draft Budget shall be submitted to the Combined Authority Board for consideration and approval for consultation purposes before the end of December. The Board will agree the timetable for consultation and those to be consulted. The consultation period shall not be less than four weeks, and the consultees shall include Constituent Authorities, the Business Board (LEP) and the Overview and Scrutiny Committee.

Before 1st February, having considered the draft Budget, the consultation responses, and any other relevant factors, the proposed budget for the following financial year, including the Mayor's budget, will be submitted to the Board for final approval. There is also a process for agreeing the Mayor's budget where no agreement can be reached.

Budget update reports are presented at each Combined Authority Board meeting to provide information on income and expenditure for the year to date against the approved budget and to provide an analysis of any variances between actuals and budget for both Revenue Funds and the Capital Programme.

While not in force for the year ended the 31st March 2021, the Combined Authority is required to adhere to the CIPFA Financial Management Code from April 2021. As such a review of the Authorities Financial Management arrangements against the requirements of the code was undertaken and the following key actions that will be addressed in 2021-22 were identified:

- A formal timeline for the creation of the Annual Governance Statement will be established.
- Regular budget holder and project manager training will be implemented to reinforce the responsibilities associated with those roles.
- The Authority will carry out a financial resilience assessment.
- Regular financial reporting to Corporate Management Team, Committees and Boards will include key balance sheet items.

Developing Capacity

The member structure is well-defined and a permanent staffing structure is now in place.

Internal Audit

RSM Assurance Limited were appointed as the Combined Authority's new internal auditors in September 2020. RSM provide the Chief Internal Auditor function for the Combined Authority and presented the audit plan for approval to the Audit & Governance Committee in November 2020 and has provided the Committee with regular updates since then.

External Audit

Ernst & Young LLP has been appointed as the Authority's external auditors and has audited these accounts.

Risk Management

The Authority's Audit and Governance Committee is responsible for overseeing the Authority's risk management strategy and corporate risk register. The Risk Strategy was adopted by the Combined Authority Board in January 2020 and will be updated in 2021/22 following a review by the internal auditors.

Corporate and project risks are identified, recorded and monitored by the Corporate Management Team and the Audit & Governance Committee, and are escalated to the Combined Authority Board where necessary.

Managing Performance

Given the level of investment undertaken by the combined authority, it is vital that it follows robust programme management processes for its programmes and for collective consideration of outputs and outcomes. Alongside the monitoring and evaluation framework, a Performance Management process has also been developed, to monitor and report on programme delivery (time, quality, cost) and the outcomes and impact of projects/programmes.

Review of Effectiveness

The Authority has responsibility for conducting an annual review of the effectiveness of its governance framework. This includes consideration of systems of internal control and arrangements for internal audit and assurance statement from key officers. This has focused on where we are now and where we want to be in the year ahead against the Good Governance Principles.

The Combined Authority currently has 6 subsidiary companies over which it has a significant level of control. Material trading activity of the subsidiaries only started in 2020-21 and, as such the governance arrangements of these companies has become increasingly important. This is an area of significant interest across the Local Authority sector given the high-profile issues that have come to light following Croydon Council's S114 notice and CIPFA will be publishing new guidance on governance of Local Authority Trading Companies (LATC) to address this. The Combined Authority will review its LATC governance arrangements once the guidance has been published, to ensure they are appropriate and effective.

The Chief Internal Auditor of a Local Authority is required annually to provide their opinion on the overall systems of internal control and their effectiveness.**The Annual Internal Audit Opinion**

The annual internal audit opinion is based upon and limited to the work performed, on the adequacy and effectiveness of the organisation's risk management, control and governance processes.

For the 12 months ended 31 March 2021, the head of internal audit opinion for Cambridgeshire and Peterborough Combined Authority is as follows:

“The organisation has an adequate and effective framework for risk management, governance and internal control. However, our work has identified further enhancements to the framework of risk management, governance and internal control to ensure that it remains adequate and effective.”

Impact of Covid-19 on the CPCA’s Governance Arrangements

While the COVID-19 pandemic has caused significant disruption across the Country, the Combined Authority has maintained its governance systems in line with business as usual - the same governance processes have operated throughout including authorisation limits, required sign off by statutory officers and reporting to Boards. Prior to the enactment of legislation which formally allowed for local authority meetings to take place virtually, the CPCA ran meetings in public, which enabled relevant matters appropriate to the Mayoral general power to be made in a public setting, and for other matters to be debated. This balanced the need to maintain a continuity of business, with the need to maintain transparency and inclusion in decision making.

In line with legal requirements, from June 2021, the Combined Authority’s meetings are once again being held in-person however live-streaming technology is being utilised both to lower the risk of COVID transmission and to enhance accessibility.

During 2020/21, RSM conducted a review of project delivery arrangements at the Combined Authority in relation to the robustness of project approvals and monitoring during COVID-19 (COVID). The report found that “the Board can take reasonable assurance that the controls upon which the organisation relies to manage this area are suitably designed and consistently applied.

Conclusion

The Combined Authority recognises its responsibilities for ensuring that its business is conducted in accordance with the law and proper standards and that public money is safeguarded and properly accounted for and used economically, efficiently and effectively, alongside a duty to make arrangements to secure continuous improvement in the way in which its functions are exercised.

The Authority has made good progress during 2020/21 and we are committed to making continued improvements during 2021/22.

Certification

As Mayor and Chief Executive Officers, we have been advised on the implications of the results of the review of the effectiveness of the Combined Authority’s governance framework, by the Audit and Governance Committee.

Our overall assessment is that the Annual Governance Statement is a balanced reflection of the governance environment and that an adequate framework exists within the Combined Authority to ensure effective internal control is maintained. We are also satisfied that there are appropriate plans in place to address any significant governance issues and will monitor their implementation and operations as part of our next annual review.

Signed:

Dr Nik Johnson, Mayor of Cambridgeshire and
Peterborough Combined Authority

Date:

Signed:

Kim Sawyer, Joint Chief Executive Officer of
Cambridgeshire and Peterborough Combined
Authority

Date:

Signed:

John Hill, Joint Chief Executive Officer of
Cambridgeshire and Peterborough
Combined Authority

Date:



**CAMBRIDGESHIRE
& PETERBOROUGH**
COMBINED AUTHORITY

Agenda Item No: 8

2020/21 Treasury Management Outturn Report

To:	Audit and Governance Committee
Meeting Date:	25 th June 2021
Public report:	Yes
From:	Robert Emery, Chief Accountant and Deputy S73 Officer
Key decision:	Not a key decision
Forward Plan ref:	
Recommendations:	<p>The Audit and Governance Committee is recommended to:</p> <p>a) Review the actual performance for the year to 31st March 2021 against the adopted prudential and treasury indicators.</p>

1. Purpose

- 1.1. The purpose of the report is for the Audit and Governance Committee to review the actual performance to 31st March 2021 against the prudential indicators included within the Treasury Management and Capital Strategies.

2. Background

- 2.1. 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”.
- 2.2. The Treasury Management in the Public Services: Code of Practice 2017 recommends that Members receive regular reports on the authority’s treasury management policies, practices and activities, including an Annual Treasury Report, which is a review document and provides details of a selection of actual prudential and treasury indicators and actual treasury operations compared to the estimates within the strategy. This report represents the Annual Treasury Report.

Treasury Management Strategy Prudential Indicators

- 2.3. The Prudential Code underpins the system of capital finance. Prudential indicators are developed to ensure that:
- (a) Capital investment plans are affordable;
 - (b) All external borrowing and other long-term liabilities are within prudent and sustainable levels; and
 - (c) Treasury management decisions are taken in accordance with professional good advice.
- 2.4. The Annual performance against the adopted Prudential Indicators is shown at appendix 1.
- 2.5. The Chief Accountant reports that there were two areas of non-compliance with the Authority’s approved Treasury Management Strategy in 2020-21 for the following reasons:
- Principal Sums Invested For Longer than a Year – 2020/21.
This indicator shows the value of all treasury management investments as at the end of the 20-21 financial year and was based on the forecast end-of-year cash balance when the 2020-21 Treasury Management Strategy was approved. During the year, the CPCA was awarded £79m in Green Homes grants to be spent in 2021-22 which has increased the balance of cash invested at the end of the year beyond what was anticipated. As can be seen with the indicators for 2021-22 and 2022-23 being within the parameters, this is a short-term issue and does not represent a significant risk to the CPCA.
 - Interest Rate Risk Exposure
This breach was previously reported in the update to the Audit and Governance Committee in January 2021 and is due to higher levels of liquid funds being held to meet operational needs in the next 12 months. This has been reflected in the increase of the indicator to

£1.5m in the 2021-22 Treasury Management Strategy that the Committee recommended to the Board in January.

Investment Activity

- 2.6. Surplus cash balances are held in accordance with the principles set out in the Treasury Management Strategy in order to support strategic investment decisions, the Capital Programme, and the Medium-Term Financial Plan (MTFP).
- 2.7. In 2020-21 the Combined Authority received a total return of £794k against an original, pre-pandemic, budget of £1,020k – this is better than was predicted halfway through the year due to a number of multi-year deals which were made at a rate of interest significantly higher than that available for shorter term investments. Deals which had already been entered into at the end of March 2021 mean that the CPCA has secured returns in excess of the budget for 2021-22 without compromising on security or liquidity.
- 2.8. Table 1 below shows the treasury management position at 31st March 2021 and the change during the year. The CPCA has undertaken no borrowing in 2020-21 so there is no corresponding summary for debt.

Table 1: Treasury Management Summary

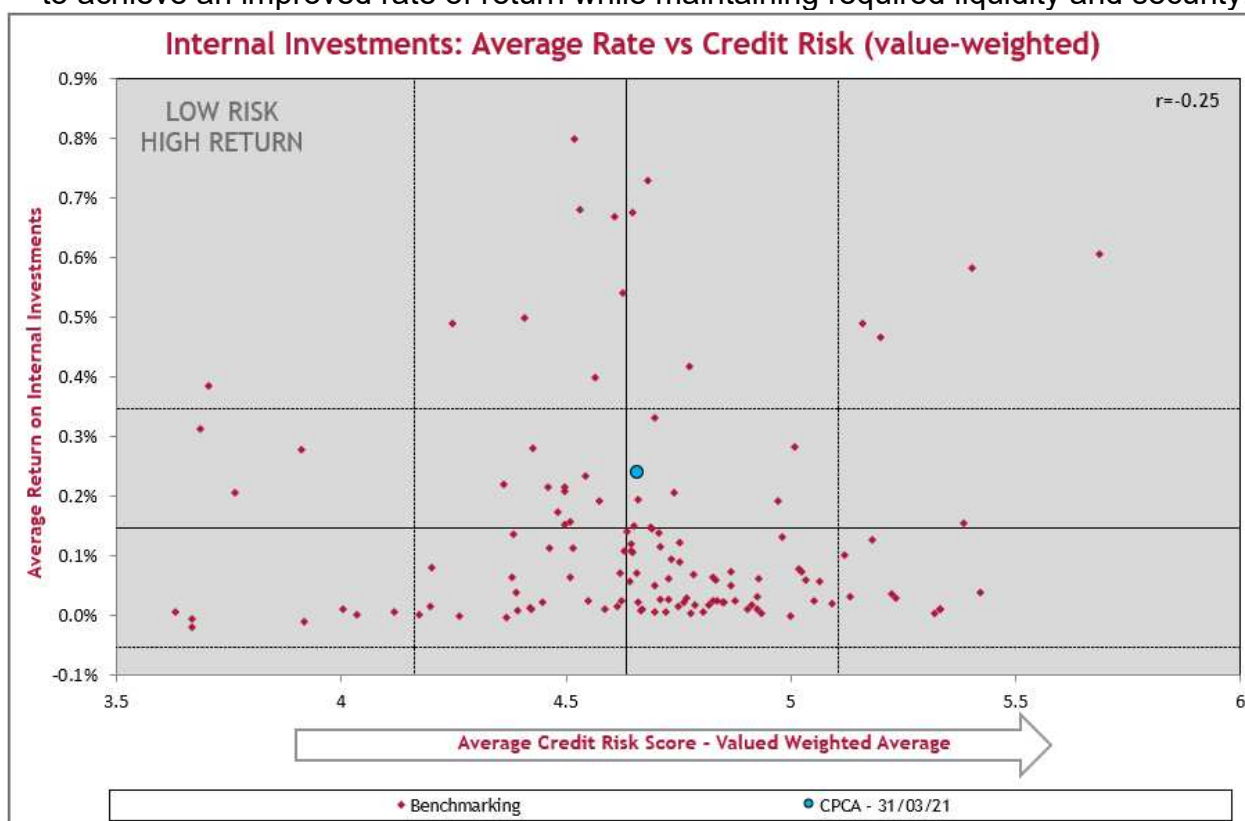
	As at 31.3.2020		As at 31.3.2021	
	Balance (£m)	Average Rate	Balance (£m)	Average Rate
<u>Fixed Term Deposits</u>				
Local Authority, time to maturity:				
Less than 3 months	69	0.88%	40	0.33%
3-6 months	40	0.84%	45	0.32%
7-9 months	25	0.84%	43	0.26%
10-12 months	15	0.97%	50	0.20%
Longer than 12 months	0	-	10	0.61%
Total Local Authority	149	0.87%	188	0.29%
DMO* less than 3 months	0	-	0	-
<u>Immediate Access</u>				
Call Account	1	0.00%	11	0.00
Money Market Funds	10	0.47%	32	0.01%
Total investments	160.0	0.84%	231	0.24%

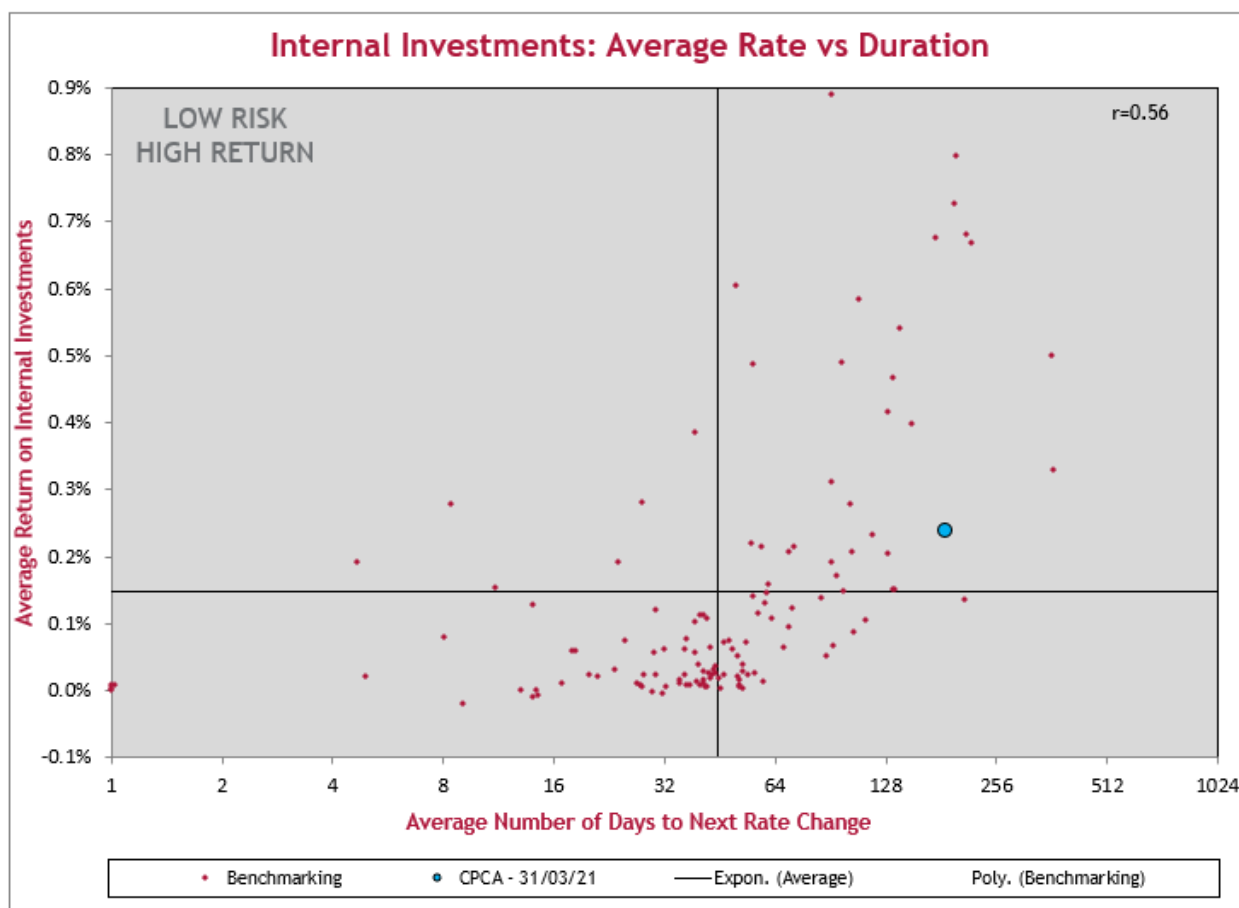
*DMO (formally the Debt Management Account Deposit Facility) is a government department which offers risk-free deposits for Local Authorities.

- 2.9. In response to the global economic recession due to COVID the Bank of England, in line with many national and international institutions has reduced the cost of borrowing (the

base rate) to historically low levels. The cost of debt from the Bank has a knock-on effect on lending rates across the country.

- 2.10. While some early signs of increased inflation have been seen in recent months, particularly in the US markets, this has not yet fed through into state-set interest rate increases with the Bank of England voting unanimously to maintain the base rate at 0.1% in May 2021.
- 2.11. As we predominantly lend to other Local Authorities this reduction in the cost of debt is further exacerbated as Government has made substantial cash injections into the sector and projects have been put on hold, reducing the demand for borrowing and thus the rates achievable.
At the previous update we highlighted that this meant current deals were being replaced with lower rate deals as they mature. Since then, the majority of our treasury management deals have matured so, barring unforeseen further developments, the average rate is unlikely to fall further due to the direct impacts of COVID.
- 2.12. The investment portfolio compares favourably against benchmarking data provided by our treasury management advisors, Arlingclose. The first graph (below) shows value weighted average credit risk of the portfolio against the average return. The expectation would be that as credit risk increases, returns increase. The Authority's portfolio has a credit risk almost exactly average for the sector, whilst enjoying slightly above average returns.
- 2.13. The maturity of a portfolio will impact on this metric as more established portfolios with investments taken out longer ago will benefit from the higher rates on offer at the time. The second graph shows average rate against the average remaining duration of investments. The Authority's portfolio is slightly above average rate and significantly above average duration; this was a conscious decision to, where possible, take longer term deals in order to achieve an improved rate of return while maintaining required liquidity and security.





Significant Implications

3. Financial Implications

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

4. Legal Implications

4.1. 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.

5. Other Significant Implications

5.1. There are no significant implications not discussed above.

6. Appendices

6.1. Appendix 1: 2021 Performance against Treasury Management and Capital Indicators and Limits

7. Background Papers

7.1. CPCA Treasury Management Strategy: [25 March 2020 Combined Authority Board Item 2.2 App 2](#)

Appendix 1 – 2021 Performance against Treasury Management and Capital Indicators and Limits

Treasury Management Indicators

The Authority measures and manages its exposures to treasury management risks using the following indicators, compliance has been indicated for each:

1. **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 banks under the same ownership will be treated as a single organisation for limit purposes. 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.

	Cash limit per the 20-21 Treasury Management Strategy	Maximum balance held in 2020-21 financial year	Complied?
Any single organisation, except the UK Central Government	£25m each	£25m	Yes
UK Central Government	unlimited	£115m	Yes
Any group of organisations under the same ownership	£25m per group	£0	Yes
Any group of pooled funds under the same management	£50m per manager	£0	Yes
Negotiable instruments held in a broker's nominee account	£50m per broker	£0	Yes
Foreign countries	£25m per country	£0	Yes
Registered providers and registered social landlords	£50m in total	£0	Yes
Unsecured investments with building societies	£25m in total	£0	Yes
Loans to unrated corporates	£40m in total	£0	Yes
Money market funds	unlimited	£40m	Yes
Real estate investment trusts	£50m in total	£0	Yes

2. **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.

	31.3.21 Actual	2020/21 Target	Complied?
Portfolio average credit score (lower is better)	4.66 (A+)	6 (A)	Yes

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

	31.3.21 Actual	2020/21 Target	Complied?
Total cash available within 3 months	£73m	£50m	Yes

4. **Interest Rate Exposures:** This indicator is set to control the Authority's exposure to interest rate risk. The upper limits on the one-year revenue impact of a 1% rise or fall in interests was:

Interest rate risk indicator	31.3.21 Actual	2020/21 Limit	Complied?
Upper limit on one-year revenue impact of a 1% <u>rise</u> in interest rates	£1.15m	£1m	No
Upper limit on one-year revenue impact of a 1% <u>fall</u> in interest rates	£1.15m	£1m	No

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

5. **Principal Sums Invested for Periods Longer than a year:** 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 were:

	2020/21	2021/22	2022/23
Actual principal invested beyond year end	£188m	£30m	£0m
Limit on principal invested beyond year end	£160m	£50m	£50m
Complied?	No	Yes	Yes

Capital Strategy Indicators

1. **Capital Expenditure in £ millions.** The table shows the Combined Authority's capital expenditure for 2020/21, and the following two financial years based on the medium-term financial plan. Slippage requested reflects the amount of budget originally programmed for 2020/21 which has not been spent and is now anticipated in 2021/22 which would create a corresponding increase in the 2020/22 budget.

	2020/21 forecast	2020/21 outturn	Slippage requested	2021/22 budget	2022/23 budget	2023/24 budget
Capital investments	173.53	153.31	27.77	132.37	114.86	44.87
TOTAL	173.53	153.31	27.77	132.37	114.86	44.87

2. **Indicator 2 – Capital Financing in £ millions.** 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 financing of the above expenditure is as follows:

	2020/21 forecast	2020/21 outturn
Gainshare Capital/TCF	55.39	9.62
Housing Capital	44.61	29.95
Highways Maintenance Grant	23.08	36.62
Local Growth Fund	50.45	66.92
Getting Building Fund ¹	0	7.30
Recycled Growth Funds ²	0	1.75
NPIF ²	0	1.11
Debt	0	0
TOTAL	173.53	153.31

¹ The getting building fund was awarded within 2020-21 and thus was not included in the forecast set at the start of the financial year

² These were include under 'Other' in the approved capital strategy.

3. **Indicator 3 – Gross Debt and the Capital Financing Requirement in £ millions.** 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 Minimum Revenue Provision (MRP) and capital receipts used to replace debt. The Authority currently has no debt and therefore no CFR. Projected levels of the Authority's

total outstanding debt which comprises borrowing, PFI liabilities and leases are shown below, compared with the capital financing requirement.

	31.3.2021 forecast	31.3.2021 actual
Debt (incl. PFI & leases)	0	0
Capital Financing Requirement	0	0

4. **Indicator 4 – Borrowing and the Liability Benchmark in £ millions.** 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, but will be kept under review.

	31.3.2021 forecast	31.3.2021 actual	31.3.2022 budget
Outstanding borrowing	0	0	0
Liability benchmark	0	0	84.61

5. **Indicators 5 and 6 - Authorised limit and operational boundary for external debt in £ millions.** 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.

	2020/21 limit	2020/21 actual	2021/22 limit
Authorised limit – total external debt	84.61	0	84.61
Operational boundary – total external debt	74.61	0	74.61



Adult Education Budget (AEB) Provider Audit Update

To: Audit and Governance Committee

Meeting Date: 25 June 2021

Public report: Public Report

From: Janet Warren
Commissioner – Adult Education

Recommendations: The Audit and Governance Committee is recommended to:

a) Note the update being provided, to the Combined Authority's approach to auditing of providers, funded by the devolved Adult Education Budget.

Voting arrangements: No vote, noting item.

1. Purpose

1.1 To provide an update on the audit approach for the Adult Education Budget (AEB).

1.2 Updating the committee of the outcome of the two remaining external provider funding audits as discussed at the last committee meeting.

2. Background

2.1 Following the devolution of AEB to the Mayoral Combined Authorities and the Greater London Authority in August 2019, an agreement was made that the Education and Skills Funding Agency (ESFA) would undertake a funding assurance review on a sample of providers in receipt of AEB devolved funds for the funding year 2019 to 2020 (Year 1).

2.2 For Cambridgeshire and Peterborough Combined Authority (CPCA) this meant three providers out of fifteen were audited. The below assurance reviews were part of that sample.

2.2 Following the previous Audit and Governance Committee meeting both remaining funding audits have been completed, and we await the final audit report for just one. The update to the Committee is as follows:

2019 to 2020 Funding Year (Year 1) – Funding Assurance Review Results

1. West Suffolk College	<p>Audit firm: Price Waterhouse Coopers Status: Completed 01 February 2021 Results: £0 funding errors identified, and satisfactory conclusion on the use of funds</p> <p>No action required.</p>
2. Cambridgeshire County Council	<p>Audit firm: Mazars Status: Completed 20 April 2021 Results: £3,889 overclaim Error rate: 2.02% = satisfactory conclusion on the use of funds</p> <p>We have recovered the funding owed through offsetting monthly profiled payments due to the provider.</p>
3. TCHC Group	<p>Audit firm: Mazars Status: Incomplete due to continued provider delays Results: £7,343 overclaim Error rate: 20.00% = unsatisfactory conclusion on the use of funds</p> <p>Awaiting final report however we intend to make a full recovery of the funds identified in the report.</p>

Please Note that conclusion is based on sample error rate; 5% or above results in conclusion of unsatisfactory, otherwise the result is considered satisfactory.

2020 to 2021 Funding Year (Year 2) – Funding Assurance Approach

- 2.3 The Combined Authority intends to start the 2020/21 funding audits in July 2021, and we expect to receive the outcome reports in August 2021. We shall create our own audit working papers updated with our own funding guidance, to allow for full compliance testing against our funding and performance management rules.
- 2.4 Using a risk-based approach we have identified four of our AEB providers for planned funding audits for the current 2021/22 academic year. We are required to give four weeks' notice of the audit to providers.
- 2.5 The audits shall take place within the current academic year, so that any funding errors can be corrected in-year via the Individualised Learner Record (ILR), which is the data record for adult education and main mechanism by which funding is claimed. Clawback of funding, arising from errors identified at audit will be recovered by 'offsetting' against future payments to providers.

Value for Money Review

- 2.5 Given that we have not commenced the Year Two Audit Plan, it is too early to start the value for money review. However, when comparing costs from another external audit firm, they have quoted £2,000 more compared with the contracted auditor's figure of £6,300. We have been advised that since our engagement, our chosen audit firms' costs have increased, however they have honoured an earlier quote with the lower rate.

Post-16 Audit Code of Practice 2021-21

- 2.6 The ESFA have made changes to the Post-16 Audit Code of Practice, whereby they now require all external auditors to conduct a funding audit before signing off the annual college financial statements. In previous years external auditors signed off college accounts without checking accuracy of income claims received through the Individualised Learner Record (ILR) data returns. Until now the ESFA provided assurance over use of funds by using auditors to check that providers evidence supported the data and the claims.
- 2.7 The implication of this change is that external auditors will now have to carry out more work than anticipated this summer to ensure all providers are compliant with the respective funding rules, and even though there are plenty of audit firms available – only four are able to complete the required funding assurance reviews.
- 2.8 The Combined Authority have not yet decided if we are going to follow suit.

2021 to 2022 Funding Year (Year 3) – Funding Assurance Approach

- 2.9 The start of the next Academic Year commences on 1st August 2021 and runs to 31st July 2022, the audit approach as described above for Year Two shall come to an end and the Combined Authority shall be required to implement a longer-term solution to providing Audit and Assurance over the use of AEB funds.
- 2.10 The Combined Authority will have the option to invite all four audit firms to tender for a Framework procurement for the Year Three audits and beyond, this is the approach that the ESFA has taken, and their new Framework begins next year. We intend to commence work on this with our in-house procurement team later this year to explore all options open to us.

Significant Implications

- 2.11 As described above, only four audit firms can conduct the required funding assurance reviews. The Combined Authority will need to ensure coverage with at least three of these firms should we decide that we require full assurance on all 15 providers each year, this is also to avoid conflict of interests where the external auditor is also appointed as the providers internal auditor. We could decide to audit fewer providers, this would keep costs down, and we would continue to monitor providers risk and seek assurance in other ways such as annual controls testing.
- 2.12 The Combined Authority has plenty of time to work through this and consider all options before deciding on our future audit work.

3. Financial Implications

- 3.1 During this academic year it has been necessary for the Combined Authority to seek its own assurance as to the effectiveness of providers' eligible spend on Adult Education. To fund our own audits of up to four providers per year, the likely cost would be £40,000 based upon applying similar resources for each audit as the ESFA regime and including the costs of producing our own working papers and assurance approach.
- 3.2 The costs of audit have been budgeted from the 3.4 per cent, AEB top slice that is used to facilitate the administration costs of the programme and will therefore have no effect on the wider Combined Authority budget.

4. Legal Implications

- 4.1 The Cambridgeshire and Peterborough Combined Authority (Adult Education Functions) Order 2018 conferred specified adult education functions of the Secretary of State onto the Combined Authority.

5. Other Significant Implications

- 5.1 NA

6. Appendices

- 6.1 NA



**CAMBRIDGESHIRE
& PETERBOROUGH**
COMBINED AUTHORITY

Agenda Item No: 10

Report title: Climate Change Commission

To: Audit and Governance Committee

Meeting Date: 25th June 2021

Public report: Public Report

From: Paul Raynes
Director for Delivery and Strategy

Recommendations: The Audit and Governance Committee is recommended to:

a) Note the content of this report.

1. Purpose

- 1.1 The purpose of this report is to describe the development of climate change recommendations through the work of the Cambridgeshire and Peterborough Independent Commission on Climate.

2. Background

- 2.1 On 27 November 2019 the Combined Authority Board approved the establishment of an Independent Commission on Climate Change. The Board authorised the chief executive, in consultation with the Mayor, to appoint a chairperson and members of the Commission (none of the roles to be remunerated). It was to include a broad spread of expertise with at least four members each from business and the voluntary/community sector.
- 2.2 The Commission has been established, and is led by Dame Julia King, Baroness Brown of Cambridge. It presented its first report in March 2021 and will present its second report in Autumn 2021. In its first report the Commission has made 31 recommendations for action.
- 2.3 The Commission's report provides a local evidence base – including the results of public engagement with communities in Greater Cambridgeshire – and makes locally-tailored

recommendations to underpin action on the local causes and impacts of climate change. Few areas are in this position.

- 2.4 The Commission found that emissions per person in the Combined Authority area were above average and have been reducing more slowly than nationally. The area also has specific vulnerabilities to the impact of a changing climate, especially concerning overheating, water supply and flood risk. Although residents with higher incomes on average generated higher emissions per head, residents on some of the lowest incomes also had high emissions. In many cases those residents live or work in areas of higher climate risks. The Commission also found that at current rates, the area would exceed its share of the global emissions need to keep global temperatures below 2oC within 6-9 years.

DEVELOPING THE RECOMMENDATIONS

- 2.5 The Commission split its activity into two phases. The first phase looked at climate related risks for the Combined Authority area and provided recommendations on the topics of transport, buildings, energy and peat. It also looked at what advice could be given to residents on how they could individually help to mitigate greenhouse gas emissions and adapt to a changing climate. The second phase, currently underway, is looking at business, innovation, adaptation to a changing climate, nature-based solutions, water, and how to ensure that outcomes are fair.
- 2.6 The approach the Commission took to develop its independent recommendations was to convene sub-groups on each topic, each led by a Commissioner and co-opting additional advisers and guest speakers from that field of interest. That approach was supported by the national evidence and advice, local research studies and online surveys. The existing activity of councils was input through an analysis of existing and emerging climate change strategies and policies, and officer input on specific topics.
- 2.7 National evidence and advice is available through the Climate Change Committee. The Climate Change Committee (CCC) is an independent, statutory body established under the Climate Change Act 2008. Its purpose is to advise on emissions targets and to report to Parliament on progress made in reducing greenhouse gas emissions and preparing for and adapting to the impacts of climate change. Dame Julia King is also the Chair of the CCC's Adaptation committee. During work on phase one the Committee published its Sixth Carbon Budget, updating the trajectory of emissions targets.
- 2.8 The Commission also undertook two research studies: one on climate risks from the University of Cambridge and one on a net-zero carbon road-map (looking at the carbon reduction effectiveness of different measures, and the costs of such measures) from the University of Leeds. The climate risks study provided the Commission with the long-term impacts of a changing climate under different emissions scenarios and highlighted different vulnerabilities of the Combined Authority area as a result. This will also feed into the second phase, which is looking at how the area can adapt to the changing climate that is already happening.
- 2.9 The University of Leeds net-zero road map analysis provided the Commission with a view on what the most cost and carbon effective measures might be. The Commission did not, in its initial recommendations, identify how (and by whom) costs of implementation might be met. It noted that costs might have a disproportionate impact on residents less able to

respond and so has set up a sub-group to provide recommendations on that issue for the second phase.

- 2.10 The Commission launched its report in March 2021. The March meeting of the Combined Authority Board welcomed the report and the work of the Commission. It agreed that a climate action plan responding to the recommendations for the Combined Authority be developed with the input of councils and be brought to a future Board meeting. Discussions have subsequently been had with officers and leaders of the councils on the recommendations and the potential routes to implement them, including a comparison with the climate change ambitions and strategies of each council. That work is ongoing and a report on the action plan is scheduled to be debated at the June Board meeting.

3. Financial Implications

- 3.1 There is an agreed budget of £100k/annum for the Commission's research, public engagement, and development of its recommendations.
- 3.2 Costs of implementation of the Commission's recommendations need to be identified as part of the action planning process. The Commission's evidence base does provide the Combined Authority with a strong basis for securing additional funding from government and other sources into the area.

4. Legal Implications

- 4.1 None

5. Other Significant Implications

5.1 EQUALITIES IMPLICATION

- 5.2 The Commission identified the climate change risks to the Combined Authority area. Their initial recommendations seek to mitigate those risks by reducing the emission of greenhouse gases (which will also have beneficial impacts on air quality and the health implications). Implementing the recommendations can have a range of equalities co-benefits, such as improved access to greenspace or improved public transport. However, depending on the nature of the response there is a risk of reinforcing inequalities. The Commission has a specific workstream ongoing that is looking at how mitigating and adapting to a changing climate can be achieved in a manner that supports those less able to respond and supports the sustainable growth of our communities, environment and economy.

6. Appendices

- 6.1 Appendix 1 - Summary of the Recommendations.

7. Background Papers

- 7.1 [Report to CPCA Board, 27th November 2019](#)
- 7.2 [Initial report of the Cambridgeshire and Peterborough Independent Commission on Climate \(also contains the link to the University of Leeds report, and University of Cambridge report on risks\).](#)

Appendix 1: Summary of the Commission's recommendations

In this Appendix, each recommendation of the Independent Commission is summarised in the table to highlight the topic area it covers. The full text of the recommendations as provided by the Commission can be found here: <https://cambridgeshirepeterborough-ca.gov.uk-6985942.hs-sites.com/cpicc-initial-report>.

Summary of the Independent Commission's recommendations
Overarching 1: A Climate Cabinet chaired by the Mayor, a climate action plan, and officer capacity to implement. Arrangements for independent monitoring.
Overarching 2: A climate change assessment undertaken for all decisions
Overarching 3: Net zero target of 2030 for CPCA and Council operations
Overarching 4: Assess opportunities for green finance
Overarching 5: Lead engagement with local people and businesses
Overarching 6: Leadership role in Doubling Nature
Overarching 7: Training and upskilling to support climate response
Overarching 8: Support innovation and net-zero business opportunities
Overarching 9: Broker and invest in demo projects for decarbonisation
Overarching 10: Government to devolve increased funding
Overarching 11: Government to require higher standards for development
Transport 1: Develop a plan for rollout of charging infrastructure, focused on districts with lowest levels
Transport 2: Buses to be zero emission by 2030 (2025 on CPCA subsidised routes), taxi 30% by 2025, council fleets by 2030
Transport 3: Reduction in car miles driven by 30%, prioritise alternatives to road investment, and implement a Bus Review
Transport 4: Diesel vans and trucks to be excluded from urban centres by 2030
Building 1: Support local energy planning
Building 2: New buildings net zero ready by 2023, and with tighter water efficiency
Building 3: New developments must prioritise sustainable principles, including biodiversity and transport
Building 4: All buildings, starting in 2025 with the most inefficient, to have renovation plans to full decarbonisation. Roll out retrofit of measures.
Building 5: Performance to reflect real world use and effective enforcement
Building 6: CPCA and councils own estate is net zero by 2030, plans by 2025
Energy 1: Develop a local energy plan
Energy 2: Prioritise consideration of hydrogen from surplus electricity generation
Energy 3: OfGem to allow investment ahead of need
Energy 4: OfGem to reduce connection charges for decarbonisation projects
Energy 5: Government to clarify hydrogen potential in gas grid
Energy 6: Simplify schemes for local energy projects
Peat 1: Funding for a Peat Committee to inform the evidence base on emissions
Peat 2: More funding for scientific evidence and best practice
Peat 3: Develop role of County Farms as exemplars
Peat 4: Consult and develop a vision and strategy for the Fens that takes account of economic impact.



Report title: Review of Corporate Risk Register & Risk Management Strategy

To: Audit and Governance Committee

Meeting Date: 25 June 2021

From: Robert Parkin
Monitoring Officer

Key decision: No

Recommendations: The Audit and Governance Committee is recommended to:

- a) Note and review the Combined Authority's Corporate Risk Register (Appendix 1)
- b) Recommend any proposed changes to the Corporate Risk Register to be reported to the next Combined Authority Board meeting for approval.

Voting arrangements: Item a) Note only, no vote

Item b) A simple majority of all Members.

1. Purpose

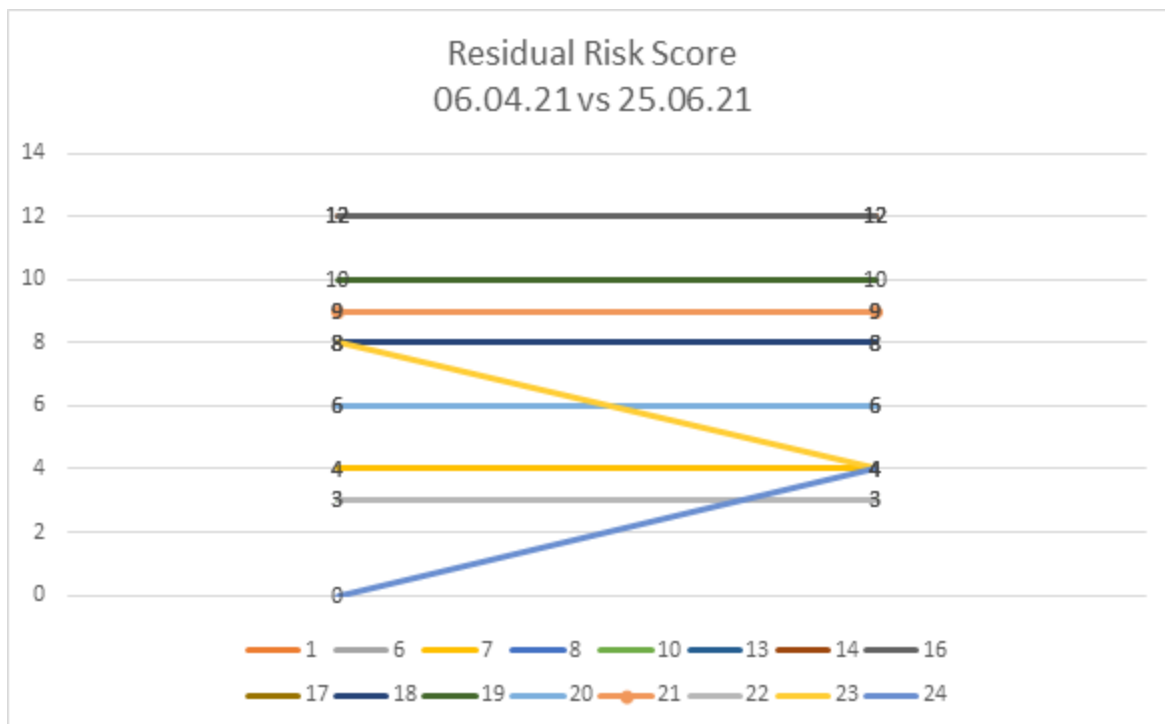
- 1.1 The Audit and Governance Committee's terms of reference include monitoring the Combined Authority's risk management arrangements including the risk register.
- 1.2 This report provides the Committee with an update on the Corporate Risk Register.
- 1.3 In the interests of good governance, the Committee is requested to review the Corporate Risk Register and suggest any changes they would like to put forward as a recommendation to the Combined Authority Board.

2. Background

- 2.1 The Corporate Risk Register is populated by reference to individual project risk assessments and over-arching corporate risks.
- 2.2 The Corporate Risk Register is reviewed by the Corporate Management Team, any risks which arise, or which become more significant between their meetings are escalated to the next Corporate Management Team meeting.
- 2.5 The same risk register template and terminology are used by all Project Managers during the reporting process for each project. Any risks that score over the agreed threshold on an individual project register will then also appear on the main risk register so that it can be monitored accordingly. Again, the report of the internal auditor on risk includes some recommendations around the corporate risk register.

Significant Implications

- 2.6 Risk ID 23 - Lack of capacity/resilience in the ICT provision to the CPCA
The residual risk score has been reduced from 8 to 4, moving from Amber to Green. This is due to the completion of the work of the specialist consultancy "SOCITM" to undertake an ICT needs assessment and future provision plan for the CPCA, as well as to provide options around support.
- 2.7 Risk ID 24 – Change in political management and change in priorities for the CPCA. This is a replacement for Risk ID 4, which has, therefore, been closed down. This is reflected in the risk register.
- 2.8 Directors and directorates have reviewed the risk register and affirmed the currency of entries, and considered the necessity for new items. Any new items were discussed at a meeting of the CPCA Corporate Management Team.
- 2.9 Below is a graph demonstrating the changes in residual risk score from the previous Audit and Governance Meeting on the 6th April 2021 to the current Audit and Governance meeting. This reflects the changes noted above.



3. Financial Implications

- 3.1 All of the work has been carried out in-house, therefore there are no significant financial implications to this activity.

4. Legal Implications

- 4.1 No significant legal implications.

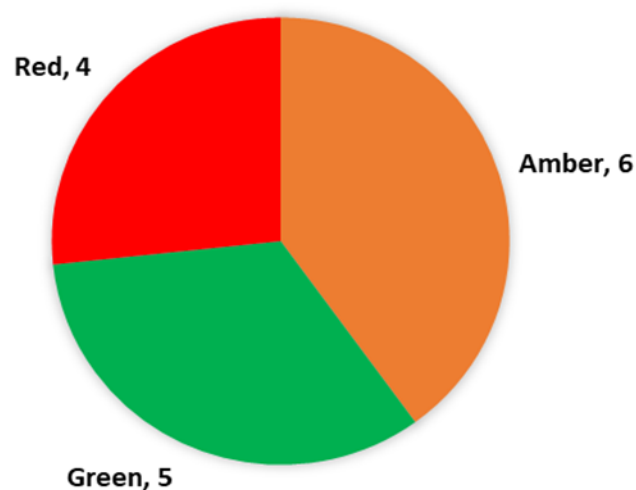
6. Appendices

- 6.1 Appendix 1 – Corporate Risk Dashboard
- 6.2 Appendix 2 – Corporate Risk Heat Map
- 6.3 Appendix 3 – Corporate Risk Register

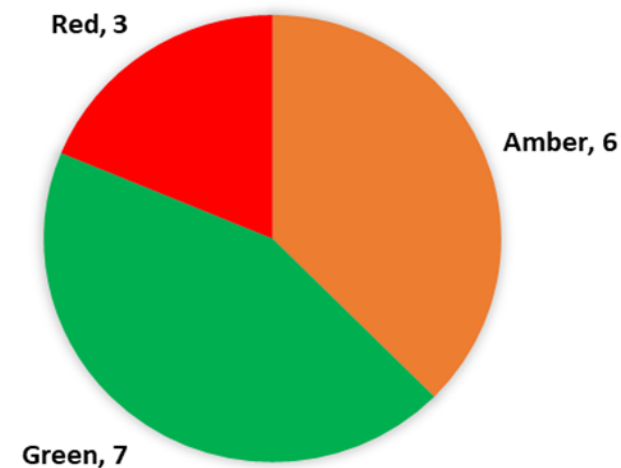
Corporate Risk Register																						
Risk ID	Date Identified	Cause(s)	Risk Event	Effect(s)	Risk Type	Risk Status	Risk Priority	Likelihood (1-5)	Impact (1-5)	Inherent RAG score	Date Last Review	Mitigation Plan (Current Controls)	Mitigation Action (New Controls)	Action Owner	Date Risk Closed	Likelihood (1-5)	Impact (1-5)	Residual RAG score	Comments/Notes / Assumptions	Risk Owner	Escalation Required?	Date Closed
1	01/09/2019	External delivery partners unable to deliver on agreed commitments to CPCA projects	External delivery partners do not meet deadlines, budget or qualitative requirements of their agreements with the Combined Authority	Projects are not delivered on time, budget, or to the required standard	Strategic	Open	Imminent	5	4	20	09/06/2021	Close working with delivery partners through best-practice project and programme management. Political and senior leadership engagement with partners to ensure effective communication, early warning, and timely and effective escalation of issues	(i) Ensuring compliance with CPCA project management guidance (ii) Monthly project highlight reporting (iii) Monthly budget monitoring (iv) Creation of programme boards to engage partners at senior level in managing larger areas of work (v) regular project reporting to Board and Committees (vi) minimising delivery partner risk on some projects by direct in-house contracting with the supply chain (vi) achieving increased clarity about roles and responsibilities in the partner landscape (vii) targeted Mayor-level political engagement with delivery partners on some initiatives	CMT Members, PMO, Project Managers	3	4	12	CPC (Key delivery partner) now introducing project management approach, but at an embryonic stage. Cost and timing risks still crystallising on legacy projects.	Director of Delivery & Strategy	NA		
6	01/09/2019	Change in government policy around devolution	Lack of structural resilience / insufficient internal resources	Failure to maintain BAU due to the devolution white paper and known changes of transferring of the transport teams from PCC and CCC, including changes in SLA requirements. Increase in subsidiary companies requiring increased employment to accelerate programmes e.g. CAM	Strategic	Open	Close	4	2	8	09/06/2021	Employed a strategy team to consider and report on the impacts. HR function to allow recruitment of additional transport function. Ensuring we have sufficient funding to allow employment.	The Directors meet weekly and are responsible for signing off recruitment to new posts. The HR team has been increased to support the organisational structure and recruitment of candidates of callies. There are staff dedicated to programme management with a system of monthly project highlight reporting. This enables Directors to move resources to higher risk projects. We are in the process of standardising documentation to create a single source of information which builds resilience in case of individual staff members incapacity	Chief Executives	4	1	4		Chief Executives	NA		
7	01/09/2019	Potential impact of the new Trade Deal with the EU on delivery of the Combined Authority's Growth Ambition Programme (A)	Potential impact of Brexit on delivery of the Combined Authority's Growth Ambition Programme in the short term.	Potential financial uncertainty and economic instability leading to insufficient investment in priority projects in the short term.	Strategic	Open	Close	2	4	8	09/06/2021	Establish a permanent and continuous economic insight programme to monitor sector and place impacts of Trade Deal conditions. Engagement with business organisation (FSB, CBI etc) stakeholders to augment resources, including business advice and monitoring of sentiment through Chambers. Development of an economic recovery strategy from both COVID and Brexit that stimulates growth in relatively unaffected firms and sectors, whilst evaluating the impacts for those affected by the trade deal.	Monthly monitoring of sector economic impacts and daily monitoring of business sentiment and impacts. Weekly monitoring of bulletins from MHCLG, BEIS, HMRC to ensure information is accurate and up to date, recognising funding streams relevant to need. Engagement with LEP Network and CLGU on funding for additional resources. Monitor for possible impacts resulting from the Trade Deal.	Director of Business & Skills (Brief Lead)	2	2	4	Assumption being that CPCA re-calibrate our objectives to a new GVA figure. With the advent of a trade deal the main residual risk relates to the long term reduction in attractiveness of the UK as an inward investment destination, especially from Europe.	Director of Business & Skills (Brief Lead)	NA		
8	01/09/2019	Absence of funding of historic ambitious and long stalled programmes	Ambitious and long stalled programmes can not proceed due to lack of government funding and/or private investment.	There are major programmes that will require clear and innovative funding strategies if they are to progress. CPCA funding has been used to develop the feasibility and Strategic Outline Business Cases/Outline Business Cases for such schemes. CPCA funding is intended to act as a catalyst and an enabler in bringing these schemes forward.	Financial	Open	Close	3	3	9	09/06/2021	Work is progressing at developing the business cases. Stakeholders across the wider geography are working together to tackle the issues around the growth agenda. Getting Board agreement and making resources will help give a coordinated approach to priorities and bidding for resources. Funding sources have been identified for key sources and CPCA resources allocated to move projects to those funding decisions.	Strong budget process and funding allocation within CPCA MTTP and Business Plan. Business Case approval by CPCA Board and Stakeholders. Ongoing discussions with Whitehall departments about access to national funding programmes, such as LLM	Directors	2	2	4		Chief Finance Officer	NA		
10	01/09/2019	Lack of Resource Planning & Financial Management practices	Absence of Resource Planning & Financial Management practices	The organisation has no clear budget and capital programme that sets out how resources will be deployed and managed within. This is fundamental to any proper management practice and any reporting that will be required by CPCA Board, Stakeholders and Government. Without this, no prioritisation takes place and there is no clear measurement of outcome / ambition. It is the framework for sound decision making.	Financial	Open	Imminent	1	5	5	09/06/2021	A comprehensive Medium Term Financial Plan was approved at Board in January which focused on re-prioritised priorities to support economic recovery. Regular financial and budget update reports are provided to Committees and to the CPCA Board. Internal Management reporting is being developed alongside the PMO highlight reports.	Monthly Budget monitoring reports. All business cases for capital spend is approved at Board. CFO and Monitoring Officer to sign off all business cases and reports. Corporate approach to Monitoring & Evaluation and Action.	Chief Finance Officer	1	3	3		Chief Finance Officer	NA		
13	01/09/2019	First 5 Year Gateway Review of Gainshare Funding (Mar 2021)	Access to Gainshare funding called into question by the Gateway Review evaluation of Gainshare	The Combined Authority is unable to access Gainshare funding	Strategic	Open	Approaching	3	5	15	09/06/2021	Provision of persuasive evidence to the Gateway Review demonstrating the good management and value for money delivered through Gainshare funding. External and internal communication plans to manage either positive or negative outcome.	CMT members to seek intelligence from MHCLG about potential notification of the review outcome. PR to brief Communications team.	CMT Members, PMO, Programme Manager, Analysts and Evaluation Manager	2	4	8		Director of Delivery & Strategy	NA		
14	01/03/2020	Covid-19 Pandemic (A)	Disruption to the operation of the Combined Authority	Potential absence of significant numbers of Combined Authority staff undermining the ability to transact the operational business of the Combined Authority	Operational	Open	Imminent	4	4	16	09/06/2021	Developed a business continuity plan based on technological advances (digital transformation)	HR support to staff working remotely. Communication with both suppliers and delivery partners. All Combined Authority staff are now working from home, with support for remote meetings. Developed on digital transformation on virtual exhibitors and online Committee / Board meetings. Liaison with suppliers to ensure continuity of supply chains.	Chief Executives	3	4	12		Chief Executives	NA		
16	01/03/2020	Covid-19 Pandemic (B)	Disruption of the delivery of the Combined Authority objectives in regard to the short term economic objectives	Economic impact of lockdown in response to Covid-19, may have implications for future government funding and for economic activity within the Combined Authority area in the short term.	Strategic	Open	Imminent	4	4	16	09/06/2021	Support to local businesses to weather the Covid-19 lockdown - in co-ordination with the constituent councils. Following government guidelines and working with local resilience forums to plan the recovery and restoration of services. Additional budget announcements from govt.	Business Restoration and Business Recovery Groups. Board reports - MTTP re-prioritisation towards economic recovery. Membership of the SCG (Strategic Recovery Group) - weekly transport recovery group. Mayoral forum. Chaired economic recovery group. Local economic recovery strategy - will be implemented in October 2020. CSR (3 year) - submitted with Covid-19 mitigating asks.	Chief Executives	3	4	12		Chief Executives	NA		
17	16/05/2020	Unbudgeted increases in cost for highways and transport schemes funded by the Combined Authority and delivered to partner agency	Unplanned significant increases in costs lead to requests for additional funding to the Combined Authority to enable schemes to proceed.	The unplanned increases in budget prejudice the Combined Authority's ability to manage its finances and could ultimately prejudice delivery of the Combined Authority's Business Plan and a balanced budget.	Financial	Open	Imminent	5	3	15	09/06/2021	Close working with delivery partners through best-practice project and programme management. Political and senior leadership engagement with partners to ensure effective communication, early warning, and timely and effective escalation of issues. Particular focus on the relationship between scheme design and cost at an early stage.	(i) Ensuring compliance with CPCA project management guidance (ii) Monthly project highlight reporting (iii) Monthly budget monitoring (iv) Creation of a Transport Programme Board (v) stronger discipline around the compilation and working of project boards for individual projects (vi) regular project reporting to Board and Committees (vii) review of historic overruns to establish causes (viii) updating project management handbook (ix) with full resources available to undertake work	Director of Delivery & Strategy	3	3	9		Chief Executives and Chief Finance Officer	NA		
18	31/07/2020	Climate Change	Climate change related events, policies and political pressures e.g. policy designed to reduce carbon emissions that restrict growth	Unable to double GVA	Strategic	Open	Close	4	4	16	09/06/2021	CPCA funding an independent climate change commission to provide advice and recommendations on how to delivery Combined Authority ambitions and to achieve net-zero. Strategic combined authority policies require business cases for the delivery of projects to be consistent with the net-zero ambition.	Preparing an implementation plan for the CPCC recommendations. Communicating the CPCC headlines, especially that its recommendations are consistent with an ambitious growth trajectory. Accommodation, travel and internal policies to reduce scope one & two emissions	Strategic Planning Manager, Head of Comms, Chief Executives	4	2	8		Chief Executives	NA		
19	11/11/2020	Covid -19 Pandemic (C)	Disruption of the delivery of the Combined Authority objectives in regard to the long term economic objectives	Economic impact of lockdown in response to Covid-19, may have implications for future government funding and for economic activity within the Combined Authority area in the long term.	Strategic	Open	Imminent	4	4	16	09/06/2021	Support to local businesses to weather the Covid-19 lockdown - in co-ordination with the constituent councils. Following government guidelines and working with local resilience forums to plan the recovery and restoration of services. Additional budget announcements from govt.	Business Restoration and Business Recovery Groups. Board reports - MTTP re-prioritisation towards economic recovery. Membership of the SCG (Strategic Recovery Group) - weekly transport recovery group. Mayoral forum. Chaired economic recovery group. Local economic recovery strategy - will be implemented in October 2020. CSR (3 year) - submitted with Covid-19 mitigating asks.	Chief Executives	3	2	10		Chief Executives	NA		
20	11/11/2020	Potential impact of the New Trade Deal with the EU on delivery of the Combined Authority's Growth Ambition Programme (B)	Potential impact of the new Trade Deal on delivery of the Combined Authority's Growth Ambition Programme in the long term	Slowing of baseline growth sufficiently to undermine CPCA current and planned interventions, rendering them unable to produce enough additive growth to hit the doubling of GVA target	Strategic	Open	Approaching	2	4	8	09/06/2021	Establish a permanent and continuous economic insight programme to monitor sector and place impacts of Trade Deal conditions. Engagement with business organisation (FSB, CBI etc) stakeholders to augment resources, including business advice and monitoring of sentiment through Chambers. Development of an economic recovery strategy from both COVID and Brexit that stimulates growth in relatively unaffected firms and sectors, whilst evaluating the impacts for those affected by the trade deal.	Monthly monitoring of sector economic impacts and daily monitoring of business sentiment and impacts. Weekly monitoring of bulletins from MHCLG, BEIS, HMRC to ensure information is accurate and up to date, recognising funding streams relevant to need. Engagement with LEP Network and CLGU on funding for additional resources. Monitor for possible impacts resulting from the Trade Deal.	Director of Business & Skills (Brief Lead)	2	3	6	raised from green to amber on the basis of business sentiment and impacts. Weekly monitoring of bulletins from firms, say SMEs, that sales are being adversely impacted by new regulations. Need to monitor whether solutions are developed by firms to adapt or not	Chief Executives and Chief Finance Officer	NA		
21	11/11/2020	MHCLG Review of £100m Housing programme	Up to £45m of Government funding not provided, change of end date of £100m Housing Programme from 31st March 2022 to 31st March 2021 and potential programme loss of 243 housing units at Northshore which MHCLG may not recognise.	£170m programme has shortage of anticipated capital and significantly reduced time and capability to deliver target of 2000 houses and the £100m programme under the £170m. Potentially significant reputational damage to CPCA housing programme itself.	External	Open	Imminent	5	5	25	09/06/2021	Outcome of review is now known, current programme being closed on 31st March 2021. Board, Committee members and key stakeholders being advised. Funding decisions have successfully prioritised on achieving affordable housing starts by supporting all those schemes that could start on site before end March 2021. MHCLG have indicated a willingness to make further funding available to support a further affordable housing programme for the period April 2021 to March 2022 subject to conditions, the practical arrangements for which are being worked upon.	Mitigations ongoing with MHCLG to work out the details on how the 2021/22 affordable housing programme will work.	Chief Executives / Housing Director	3	3	9	Mitigation ongoing with MHCLG discussions to work out practical details for the programme, it's future monitoring and progress reports and providing evidenced claims to enable authorisation of future funding payments.	Housing Director			
22	06/01/2021	Delivery partner authorities determining that costs incurred in relation to CPCA capital funded projects should not be treated as capital expenditure for the purposes of the relevant financial rules.	Grant funding which is expected to be treated as capital expenditure is required to be treated as revenue expenditure by CPCA, as a result of a determination by a partner delivery authority. The risk would be a consequent shortfall in revenue funding to meet the commitment.	Revenue funding deficit	Financial	Open	Approaching	2	3	6	09/06/2021	Discussions with Delivery Partners including constituent authorities. Ensure that grant determination letters are explicit in the expectation that capital grant funds will be used only for capital purposes.	All Directors	1	3	3		Chief Finance Officer				
23	25/03/2021	Lack of capacity/resilience in the ICT provision to the CPCA	Shortfall in the provision of an adequate ICT platform for future need - including software and systems, and equipment. Failure to have access to an application/system needed for the delivery of the CPCA project, programme, or service.	Programme, project, or service disruption.	Operational	Open	Approaching	2	4	8	09/06/2021	The CPCA is in discussions with the current service provider to understand the level of service offer available to the CPCA. The CPCA has commissioned the specialist consultancy "SCOTM" to undertake an ICT needs assessment and future provision plan.	Examination of options for interim support to stabilise the service provision.	All	1	4	4		Chief Executives	NA		
24	09/06/2021	Post-election onboarding	Changes in Political Management and change in priorities for the CPCA	Impact on funding, contractual arrangements and investor confidence in the CPCA	Strategic	Open	Approaching	4	2	8	09/06/2021	Clearly around existing priorities and contractual obligations.	MTTP, Business Plan, Leaders Strategy meetings following the election	Chief Executives	2	2	4	Following the election of Mayor Johnson, governance/priorities are reviewed	Chief Executives	NA		
25										0								0				
26										0								0				
27										0								0				
28										0								0				
29										0								0				
30										0								0				
31										0								0				
32										0								0				
33										0								0				
34										0								0				
35										0								0				
36										0								0				
37										0								0				
38										0								0				
39										0								0				
40										0								0				
41										0								0				
42										0								0				
43										0								0				
44										0								0				
45										0								0				
46										0								0				
47										0								0				
48										0								0				
49										0								0				
50										0								0				
51										0								0				
52										0								0				
53										0								0				
54										0								0				
55										0								0				
56										0								0				
57										0								0				
58										0								0				
59										0								0				
60										0								0				
61										0								0				
62										0								0				
63										0								0				
64										0								0				
65										0								0				
66										0								0				
67										0								0				
68										0								0				
69										0								0				
70										0								0				
71										0								0				
72										0								0				
73										0								0				
74										0								0				
75										0								0				
76										0								0				
77										0								0				
78										0								0				
79										0								0				
80										0								0				
81										0								0				
82										0								0				
83										0								0				
84										0								0				
85										0								0				
86										0								0				
87										0								0				
88										0								0				
89										0												

Risk ID	Risk Event	Risk Status	Residual RAG Score			Movement
			Impact	Likelihood	Score	
1	External delivery partners do not meet deadlines, budget or qualitative requirements of their agreements with the Combined Authority.	Open	4	3	12	↔
6	Lack of structural resilience / insufficient internal resources	Open	1	4	4	↔
7	Potential impact of Brexit on delivery of the Combined Authority's Growth Ambition Programme in the short term.	Open	2	2	4	↔
8	Ambitious and long stalled programmes can not proceed due to lack of government funding and or private investment. The levelling up fund has been announced and provides a £4b opportunity for CPCA bid a list is being prepared.	Open	2	3	6	↓
10	Absence of Resource Planning & Financial Management	Open	3	1	3	↔
13	Access to Gainshare funding called into question by the Gateway Review evaluation of Gainshare	Open	4	2	8	↔
14	Disruption to the operation of the Combined Authority	Open	4	3	12	↔
16	Disruption of the delivery of the Combined Authority objectives in regard to the short term economic objectives	Open	4	3	12	↔
17	Unplanned significant increases in costs lead to requests for additional funding to the Combined Authority to enable schemes to proceed.	Open	3	3	9	↔
18	Climate change related events, policies and political pressures e.g. policy designed to reduce carbon emissions that restricts growth	Open	2	4	8	↔
19	Disruption of the delivery of the Combined Authority objectives in regard to the long term economic objectives	Open	2	5	10	↔
20	Potential impact of the new Trade Deal on delivery of the Combined Authority's Growth Ambition Programme in the long term	Open	3	2	6	↑
21	Up to £45m of Government funding not provided, change of end date of £100m Housing Programme from 31st March 2022 to 31st March 2021 and potential programme loss of 243 housing units at Northstowe which MHCLG may not recognise.	Open	3	3	9	↓
22	Grant funding which is expected to be treated as capital expenditure is required to be treated as revenue expenditure by CPCA, as a result of a determination by a partner delivery authority.	Open	3	1	3	↔
23	Shortfall in the provision of an adequate ICT platform for future need - including software and systems, and equipment. Failure to have access to an application/system needed for the delivery of the CPCA project, programme, or service.	Open	1	4	4	↓
24	Changes in Political Management and change in priorities for the CPCA	Open	2	2	4	New Risk

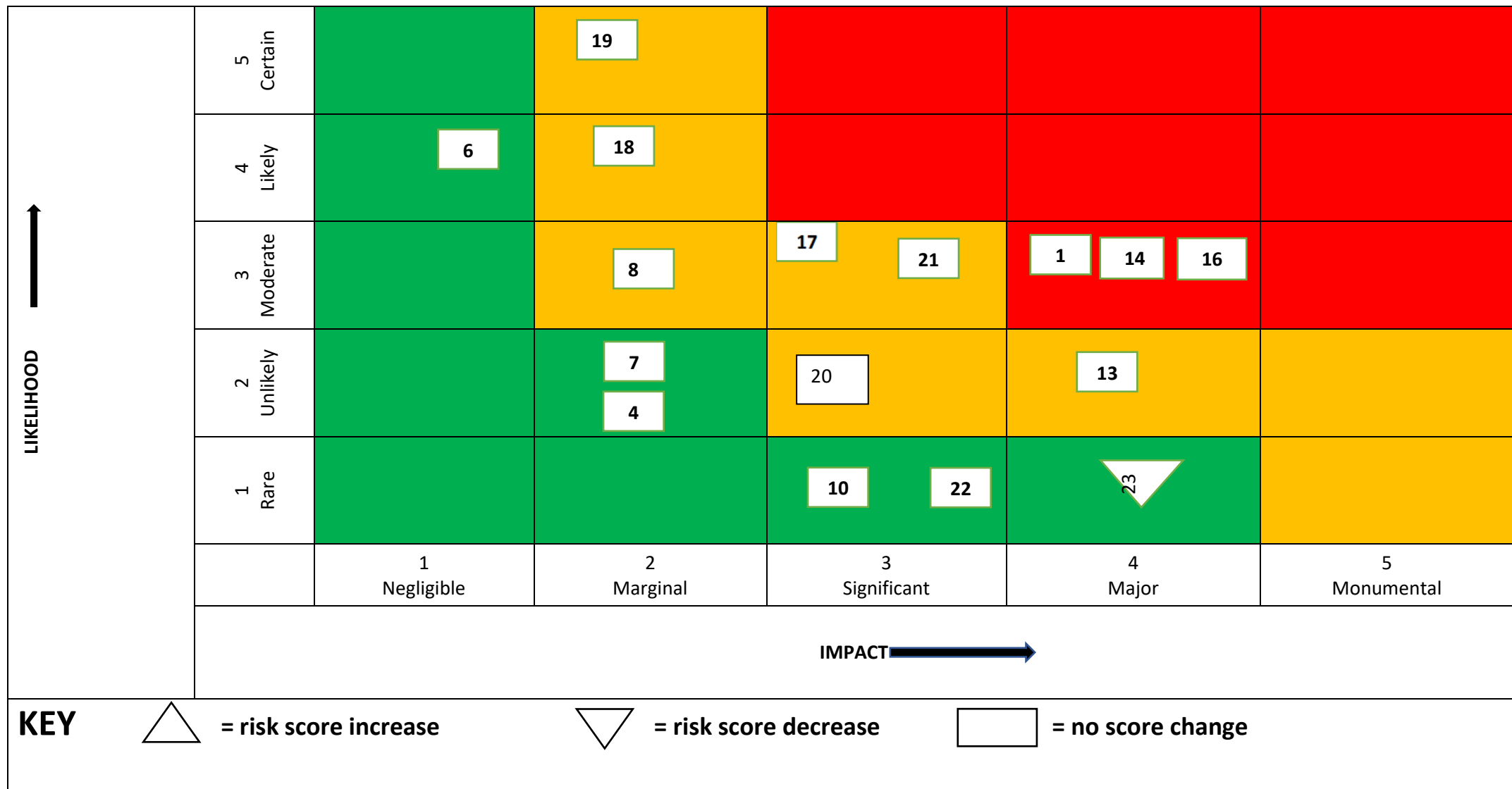
Total RAG Count - Meeting 06.04.21



Total RAG Count - Meeting 25.06.21



Combined Authority Corporate Risk Heat Map





**CAMBRIDGESHIRE
& PETERBOROUGH**
COMBINED AUTHORITY

Agenda Item No: 11

Report title: Review of Governance Policies and Annual Report

To: Audit and Governance Committee

Meeting Date: 25 June 2021

From: Robert Parkin
Monitoring Officer

Key decision: No

Recommendations: The Audit and Governance Committee is recommended to:

- a) Comment on and note the corporate whistleblowing and complaints procedures previously approved by the committee in March 2018 and May 2020 respectively
- b) Review the procedures and either reaffirm approval for the policies or recommend a review
- c) Note that the Monitoring Officer has delegated authority to make any changes recommended by the Local Government and Social Care Ombudsmen or resulting out of the Audit and Governance Committee function to monitor the complaints procedures
- d) Note the data on corporate complaints and Freedom of Information requests from June 2020 – May 2021

Voting arrangements: A simple majority of all Members.

1. Purpose

- 1.1 The Audit & Governance Committee has responsibility, through its terms of reference for monitoring the Combined Authority's whistleblowing policy and the complaints process and for reviewing the Combined Authority's corporate governance arrangements. The purpose of this report is to provide an update on those matters to the Committee.

- 1.2 This report provides the Committee with the opportunity to review and reaffirm its approvals of the corporate complaints and whistleblowing procedures.
- 1.3 This report provides data related to the number of corporate complaints and Freedom of Information (Fol) requests received during the period June 2020-May 2021.

2. Background

Corporate Complaints Policy

- 2.1 An effective complaints procedure is one of the key elements of ensuring good customer care, quality assurance and a quest for excellence. The Local Government and Social Care Ombudsman has produced guidance to assist Combined Authorities to produce a complaints procedure which sets out the principles for creating a simple integrated complaints system.
- 2.2 The Ombudsman's guidance states with the creation or expansion of every combined authority, there is the opportunity, and the necessity, to create a simple, integrated complaints system that will be:
 - better for the public
 - better for local accountability and scrutiny, and
 - better value for money
- 2.3 The guidance goes on to state the design of complaints systems and procedures is a matter for each authority but that their guidance sets out the key benchmarks authorities will want to use, to ensure their complaints procedures are simple, fair and encourage organisational improvement.
- 2.4 The Audit and Governance Committee considered the revised Complaints Policy [at Appendix 1] of the Combined Authority, which was produced in line with Ombudsman principles, at its meeting on 26 May 2020 and recommended that the Combined Authority Board approved and adopted the procedure; and notified the Local Government and Social Care Ombudsman of its decision to approved and adopt the procedure. The Combined Authority Board accepted these recommendations at its meeting on 3 June 2020.
- 2.5 The procedure aims to resolve complaints as soon as possible after they are identified, and to enable the complainant to complain to the Local Government and Social Care Ombudsman without unnecessary delay if they feel the authority has not dealt with their complaint appropriately.

Corporate Whistleblowing Policy

- 2.7 The Combined Authority has received no Whistleblowing disclosures since its establishment in 2017. The Whistleblowing Policy [at Appendix 2] was reviewed by the Committee in March 2018 and adopted by the Combined Authority Board in May 2018.

Corporate Complaints June 2020- May 2021

2.8 During the period 1 June 2020 to 31 May 2021 the Combined Authority received four complaints. All were responding to within the statutory timeline.

- 2.9 The complaints received were related to:
- A10 pre-consultation issues
 - The process involved in applying for grants
 - Procurement issues

Two of the complaints received were related to application for grants

Freedom of Information Requests June 2020-May 2021

During the period 1 June 2020 to 31 May 2021 the Combined Authority received 32 requests for information under the Freedom of Information Act and a further three requests for information under the Environmental Information Regulations. All requests and responses are published on the Combined Authority's website. The main topics upon which Freedom of Information requests were made included:

Public bodies are required to respond to Freedom of Information requests within 20 working days. Performance for this period was as follows:

- Six late responses [five were provided within an additional 11 days, due to complexity of the additional request; one further response took an additional 22 days due to the large number of documents that needed to be reviewed as a result of the initial Fol request]
- Nil late responses to Environmental Information request

3. Financial Implications

- 3.1 All of the work has been carried out in-house, therefore there are no significant financial implications to this activity.

4. Legal Implications

The Monitoring Officer has a statutory duty to report any findings of maladministration to the combined authority board. This means that the Monitoring Officer is primarily responsible for ensuring complaints are dealt with effectively as part of their role.

5. Appendices

- 6.1 Appendix 1 – Corporate Complaints Procedure
- 6.2 Appendix 2 – Corporate Whistleblowing Procedure

<u>Source Documents</u>	<u>Location</u>
Principles of complaint handling in combined authorities and devolved settings by Local Government and Social Care Ombudsman	http://www.lgo.org.uk/information-centre/reports/advice-and-guidance/guidance-notes/principles-combined-authorities

Complaints Policy

Table of Content

1. Introduction
2. Aims of the Complaints Policy
3. What is a complaint?
4. How do I make a complaint?
 - a. Transport and Street Matters
 - b. Greater Cambridge Partnership
 - c. Business Board of the Cambridgeshire and Peterborough Combined Authority
 - d. General Data Protection Regulation (GDPR)
5. Cambridgeshire and Peterborough Combined Authority
6. Points to note
7. Local Government and Social Care Ombudsman
8. Comments and suggestions

1. Introduction

We are committed to providing high-quality services for all members of the public, businesses and organisations. We welcome our customers' views and will use them to improve our services.

This policy describes how we will deal with complaints and the role of the Local Government and Social Care Ombudsman.

2. Aims of the Complaints Policy

Our complaints policy aims to ensure that customers:

- (a) know where and how to complain to us
- (b) receive an acknowledgement and information on progress of their complaint
- (c) receive an appropriate response and action is taken where we have failed to provide a satisfactory service.

We are committed to treating all our customers fairly and equally.

We will use complaints to review and improve the way we provide services.

If you wish to make an appointment to discuss a complaint, please contact the Monitoring Officer by email contactus@cambridgeshirepeterborough-ca.gov.uk

3. What is a complaint?

A complaint is an expression of dissatisfaction about the standard of service the Cambridgeshire and Peterborough Combined Authority provides.

There are some complaints that will not be dealt with under this policy such as:

- (a) Where legal processes are involved – where a legal challenge is being made regarding whether a decision or action is lawful;
- (b) Where there is a more appropriate individual or organisation to deal with your complaint, such as a tribunal, Ombudsman or another local organisation or council;
- (c) We would not normally deal with complaints about something that happened more than a year ago;

- (d) Complaints about members of the Combined Authority – elected councillors have a separate complaints process and the Monitoring Officer can advise you about this;
- (e) Whistleblowing policy – there is a separate policy relating to whistleblowing;
- (f) Complaints about Freedom of Information (FOI) requests. We have a separate policy for these types of complaints.

4. *How do I make a complaint? – Choosing the correct organisation*

Before raising a complaint to the Cambridgeshire and Peterborough Combined Authority (CPCA), you should ensure that you have raised the complaint with the correct organisation.

- (a) The CPCA has not replaced existing local authorities; there are seven individual councils in the Cambridgeshire and Peterborough area who deliver the vast majority of services for your community
- (b) The CPCA is separate from the Greater Cambridge Partnership (formerly called the “City Deal”)
- (c) The CPCA does not handle complaints related to handling of personal data protected by the General Data Protection Regulation (GDPR)

If you have a complaint that does not directly relate to an activity carried out by the CPCA, you should submit your complaint to the appropriate Council; Local Enterprise Partnership or transport company/organisation.

a. Transport and Street Matters

If you have a complaint about any transport services or street related matter, please contact the local authority for your area.

Highways

Peterborough City Council

Website: <https://www.peterborough.gov.uk/contact-us/>

Cambridgeshire County Council

Website: <https://www.cambridgeshire.gov.uk/council/contact-us/>

Street matters (i.e. refuse collections, environmental services, licensing)

Cambridge City Council

Website: <https://www.cambridge.gov.uk/contact-us>

East Cambridgeshire District Council
Website: <https://www.eastcambs.gov.uk/content/contact-us>

Fenland District Council
Website: <https://www.fenland.gov.uk/contactus>

Huntingdonshire District Council
Website: <https://www.huntingdonshire.gov.uk/contact-us>

Peterborough City Council
Website: <https://www.peterborough.gov.uk/contact-us/>

South Cambridgeshire District Council
Website: <https://www.scambs.gov.uk/the-council/ways-to-contact-us/>

b. Greater Cambridge Partnership

If you have a complaint about the Greater Cambridge Partnership, please contact

Greater Cambridge Partnership,
SH1311, Shire Hall,
Cambridge,
CB3 0AJ

Email: contactus@greatercambridge.org.uk
Telephone: 01223 699906
<https://www.greatercambridge.org.uk/>

c. Business Board of the Cambridgeshire and Peterborough Combined Authority (formerly the Greater Cambridgeshire/ Greater Peterborough Local Enterprise Partnership)

If you have a complaint about the Business Board of the Cambridgeshire and Peterborough Combined Authority, please contact:

Business Board of the CPCA,
72 Market Street,
Ely,
Cambridgeshire,
CB7 4LS

Telephone: 01480 277180
Website: <https://cambridgeshirepeterborough-ca.gov.uk/business-board>

d. General Data Protection Regulation (GDPR)

If you have a complaint related to the handling of your personal data, please contact the UK's supervisory authority for GDPR:

The Information Commissioner's Office,
Wycliffe House,
Water Lane,
Wilmslow,
Cheshire

Telephone: 0303 123 1113

Website: <https://www.ico.org.uk/concerns>

The Combined Authority has a Data Protection policy which can be viewed here: [Data Protection Policy](#)

5. *How do I make a complaint? Cambridgeshire and Peterborough Combined Authority*

The Combined Authority will take a proportionate approach to the assessment, investigation and review of complaints; and has an initial two-stage policy.

It is expected that all complaints received will be treated in confidence. There may be rare instances, however, where to preserve the fairness of the complaints procedure, we might need to contact the complainant to ascertain their willingness to share identity with those subject to or involved in the complaint. This would never be done without the complainant's express agreement.

Where a complainant publicizes the facts and details of a complaint during the course of the investigation, the Monitoring Officer (in consultation with the Chair of the Audit and Governance Committee) may conclude that the balance of the public interest lies in treating the identity of the complainant as no longer confidential.

Anonymous Complaints

Anonymous complaints will not normally be investigated, and will only be accepted in exceptional circumstances where the Monitoring Officer (in consultation with the Chair of the Audit and Governance Committee) concludes that the balance of the public interest lies in doing so, and the fairness of the procedure is maintained.

Step One - Informal Complaint

We will try to deal with your complaint informally. This means that you should phone or take your complaint to the office or person who dealt with your enquiry. Our staff will do their best to settle your complaint without you needing to do anything else.

Step Two - Formal Complaint

If you have spoken to our staff about your complaint but they have not been able to put things right, or you are not happy with the result, the next step is for you to make a formal complaint in writing to the Monitoring Officer:

You can make a complaint (or compliment) using one of the following ways. You can:

- email us on contactus@cambridgeshirepeterborough-ca.gov.uk
- write to Complaints, Cambridgeshire and Peterborough Combined Authority, c/o Monitoring Officer, 72 Market Street, Ely, Cambridgeshire, CB7 4LS

When you contact us, please give us your name and address - including your postcode - and your phone number. If you prefer, you can ask a friend or relative to speak or write to us for you.

The Monitoring Officer will ask a Director to investigate your complaint. If we cannot resolve your complaint immediately, we will write to you within three working days to let you know we have received your complaint. We will give you a reference number and let you know that your complaint is being investigated.

This information will make it easier for you to contact the person dealing with your complaint if you need to.

The Director will:

- investigate your complaint;
- take any necessary action; and
- make sure they send a written reply within 15 working days.

If your complaint needs more investigation, and we cannot send you a written reply within 15 working days, we will write to you and let you know when you will receive a written reply.

Step Three - Complaint Review

If you have been through steps one and two of the complaints procedure and you are still not happy with the results of the investigations, you can write to the Local Government and Social Care Ombudsman (see 7, below).

6. Points to note

Most complaints will be dealt with through these procedures without difficulty. However, in order that the Combined Authority deals with complaints in a way that is demonstrably consistent and fair the complaints procedures should acknowledge complaints may be withdrawn. The procedures should also explain how the Combined Authority might deal with unreasonably persistent complainants or other unreasonable behaviour by complainants. There should be an acknowledgement of organisational learning following complaints.

Withdrawing a Complaint

A complainant may withdraw their complaint at any time. The relevant Director will consider whether, or not the issue of concern requires further consideration under appropriate internal management review systems.

Persistent and Unreasonable Complaints

The Combined Authority is committed to dealing with all complaints fairly and impartially. However, there are occasions when contact from a complainant becomes too frequent or complex, so that it hinders our consideration of their complaints, or those made by other people.

The Combined Authority does not expect its staff to tolerate behaviour by complainants which is unacceptable, abusive, offensive or threatening, and will take action to protect staff from such behaviour. The term 'persistent and unreasonable complainant' broadly applies to those customers who are aggressive or have demonstrated abusive behaviour as well as those who make

unreasonable demands or become unreasonably persistent with vexatious complaints. In such cases we may take action to limit the contact the complainant has with us.

Customers to whom this policy may apply include those who:

- Refuse to accept the remit of the process to be undertaken as described to them
- Request action that is not compatible with the process or make unreasonable demands
- Introduce unrelated additional information and expect it to be taken into account
- Make excessive contact with staff
- Submit habitual complaints about issues that have been previously dealt with
- Engage with staff in a manner which is deemed unacceptable or inappropriate
- Refuse to adhere to previously agreed communication plans
- Behave in a threatening or abusive manner, having been previously advised it is not acceptable

In all cases, the Combined Authority will write to tell the complainant why it believes the behaviour is unacceptable; what action the Council will be taking; the duration of that action; and how, and when it will be reviewed. The complainant will also be informed as to how to challenge the decision if they disagree with it. However, in cases of extreme behaviour, which threatens the immediate safety and welfare of staff, the Combined Authority will consider other options, for example escalating the matter to the police or taking legal action. In such cases, the complainant may not, necessarily, get prior warning of the action.

Learning from Complaints

Listening to feedback about our services can identify potential service problems and affords us the opportunity of putting things right. The Combined Authority is determined to learn from complaints and any changes that we can make to help or prevent a recurrence and improve our service at any point in the process, will be highlighted and acted upon.

Through Annual Reporting to the Audit & Governance Committee of the Combined Authority the trends and themes of complaints can be identified in public forum. The Annual Complaints report will include:

- The number of complaints received
- The outcome of complaints (e.g. the proportion upheld)
- Complaint themes and trends

- What the Combined Authority has learnt from complaints and the changes made as a result
- Compliments, and example compliments – such as quotes

7. Local Government and Social Care Ombudsman

The Ombudsman has a statutory responsibility for investigating complaints of maladministration about local authorities. However, the Ombudsman will usually only consider a complaint after it has completed the Authority's complaints procedure. At the end of stage two, complainants are advised of their rights to progress their complaint to the Ombudsman should they remain dissatisfied.

While the Ombudsman can investigate complaints about how the Authority has done something, they would not normally question what an Authority has done simply because someone does not agree with it.

The Local Government and Social Care Ombudsman can be contacted about your complaint at any time. However, the Ombudsman usually gives the Combined Authority the opportunity to investigate first.

You can contact the Local Government Ombudsman at:

Local Government & Social Care Ombudsman
PO Box 4771
Coventry CV4 0EH

Phone: 0300 061 0614

Text: 'call back' to 0762 480 3014

Website: www.lgo.org.uk

You can get leaflets about how to complain to the Local Government and Social Care Ombudsman from any Council offices or library.

8. Comments and suggestions

As well as learning from complaints, we want to know any comments or suggestions you may have that will help us improve our services. You can do this by telling a member of staff about your comment or suggestion. Alternatively put your comment or suggestion in writing: contactus@cambridgeshirepeterborough-ca.gov.uk



Cambridgeshire and Peterborough Combined Authority

Whistleblowing Policy

1. Introduction

A Discloser is the person who is the whistle-blower. They might be an employee, a Cambridgeshire and Peterborough Combined Authority Member, a contractor or a third party.

This procedure outlines the process to follow for a Discloser when reporting a perceived wrongdoing within the Cambridgeshire and Peterborough Combined Authority, including something they believe goes against the core values of Standards in Public Life (the Nolan Principles) and the Code of Conduct for Cambridgeshire and Peterborough Combined Authority Members and staff. The Standards in Public Life include the principles of; integrity, honesty, objectivity, accountability, openness, honesty, leadership and impartiality.

In particular Cambridgeshire and Peterborough Combined Authority Members, as the key decision makers of the Combined Authority, have a right and a responsibility to speak up and report behaviour that contravenes these values.

It is important that this procedure is followed when raising any concerns, to ensure that the matter is dealt with correctly.

2. Definitions

This document uses the following definitions:

- **Whistleblowing** - where an individual who has concerns about a danger, risk, contravention of rules or illegality provides useful information to address this. In doing so they are acting in the wider public interest, usually because it threatens others or impacts on public funds. By contrast, a grievance or private complaint is a dispute about the individuals own position and has no or very limited public interest.
- **Combined Authority** - Cambridgeshire and Peterborough Combined Authority
- **Discloser** – this is the person who is the whistle-blower. They might be an employee, a Cambridgeshire and Peterborough Combined Authority Member, a contractor or a third party.
- **Responsible Officer** - this is the person appointed by the Cambridgeshire and Peterborough Combined Authority with overall responsibility for

maintaining and operating this whistleblowing policy. They will maintain a record of concerns raised and the outcomes (but will do so in a form that does not endanger confidentiality) and will report as necessary to the Cambridgeshire and Peterborough Combined Authority Board.

- Their contact details are

Kim Sawyer, Co-Chief Executive, Cambridgeshire and Peterborough Combined Authority
72 Market Street,
Ely,
Cambridgeshire,
CB7 4LS
Kim.Sawyer@cambridgeshirepeterborough-ca.gov.uk

If the concern relates to the Responsible Officer then in the alternative the concern should be raised with the statutory Chief Finance Officer to the Combined Authority. Their contact details are

Jon Alsop
Finance Director
Cambridgeshire and Peterborough Combined Authority
72 Market Street,
Ely,
Cambridgeshire
CB7 4LS
Jon.Alsop@cambridgeshirepeterborough-ca.gov.uk

- **Relevant Concern** – something the Discloser has been asked to do, or is aware of which they consider to be wrong-doing and is in the public interest.

3. Scope

The Combined Authority is committed to creating a work environment with the highest possible standards of openness, probity and accountability. In view of this commitment, we encourage Disclosers with serious concerns about the work of the Combined Authority to come forward and voice their concerns without fear of reprisal.

Disclosers should note that where the concern is one that might fall under Combined Authority's staff or work force policies on equality and diversity or harassment and

bullying or other staff policies, they should consider using the reporting mechanisms for those other policies first, as stated in the Staff Handbook.

The Combined Authority has a pre-existing complaints procedure that in many cases will be more appropriate for third parties or members of the public to follow. Third parties or members of the public should review the separate confidential complaints procedure link outlined in the Combined Authority complaints policy <http://cambridgeshirepeterborough-ca.gov.uk/contact-us/complaints-policy> on its website first before going through the whistleblowing process.

However, if a member of the public or third party believes that their complaint fits the description of a 'relevant concern' outlined below, they may report their concerns through the whistleblowing policy procedure.

4. Policy Statement

The Combined Authority acknowledges that Disclosers may often be the first people to realise that there may be something seriously wrong within the organisation.

This policy aims to:

- Encourage people to feel confident about raising serious concerns and to question and act upon their concerns without fear of victimisation or harassment;
- Provide avenues for Disclosers to raise those concerns and receive feedback on any action taken;
- Allow Disclosers to take the matter further if they are dissatisfied with the Combined Authority's response; and
- Reassure all Disclosers, employees in particular who may have specific concerns about their position and employment status in the Combined Authority, that they will be protected from possible reprisals or victimisation if they have a reasonable belief that they have made any disclosure in the public interest.

5. What is a relevant concern?

If a Discloser is asked to do something, or is aware of the actions of another, which they consider to be wrongdoing, they can raise it using this procedure. The Discloser must have a reasonable belief that raising the concern is in the public interest.

A Discloser may decide to raise a concern under the whistleblowing policy if they are aware of a situation that they feel:

- is against the Combined Authority's procedures and protocols as set out in its code of conduct and the Combined Authority's Assurance Framework;
- falls below established standards of practice the Combined Authority subscribes to;
- amounts to improper conduct; or
- is an abuse of power for personal gain.

The types of matters regarded as a relevant concern for the purpose of this procedure include, but are not limited to, the following:

- Fraud or financial irregularity
- Corruption, bribery or blackmail
- Other Criminal offences
- Failure to comply with a legal or regulatory duty or obligation
- Miscarriage of justice
- Endangering the health or safety of any individual
- Endangering the environment
- Improper use of authority
- Concealment of any of the above.

Disclosers should not raise malicious or vexatious concerns, nor should they raise knowingly untrue concerns. In addition, this procedure should not be used to raise concerns of a HR/personal nature, for example, complaints relating to a management decision or terms and conditions of employment. These matters should be dealt with using the relevant alternative procedure, for example, the Combined Authority's grievance procedure. Equally, this policy would not apply to matters of individual conscience where there is no suggestion of wrongdoing by the Combined Authority but, for example, an employee or Combined Authority Member is required to act in a way which conflicts with a deeply held personal belief.

6. Safeguards

The Public Interest Disclosure Act (1999) gives legal protection to employees against being dismissed or penalised by their employers as a result of publicly disclosing certain serious concerns. The Combined Authority believes that no member of staff should be at a disadvantage because they raise a legitimate concern.

The Combined Authority will not tolerate harassment or victimisation and will take action to protect Disclosers when they raise a concern in the public interest.

If a Discloser experiences something in the workplace which they consider a relevant concern, it is important that the concern is raised as early as possible. Proof is not required at this point – it is for the Combined Authority to investigate. The Discloser must, however, have a reasonable belief that disclosing the information is in the public interest before raising a concern.

All concerns will be treated in confidence and every effort will be made to protect the Discloser's identity if they wish to remain anonymous. However, at the appropriate time, it is possible that the Discloser will need to come forward as a witness for the matter to progress.

It is important to follow the correct procedure when raising a whistleblowing concern.

The following steps should be adhered to:

- a. It is important that the concern is raised with the person best placed to deal with the matter, in most cases this will be the Responsible Officer. However, the Discloser may want to raise the concern with someone they know and trust, such as their line manager who can raise it with the Responsible Officer on their behalf.
- b. If it is suspected that the concern may implicate the line manager in some way, then it could be raised with a more senior manager in the line management chain.
- c. If the Discloser is unable to raise a relevant concern with a line manager or a senior manager or feel that it has not been adequately addressed, it should be raised directly with the Responsible Officer.
- d. Ultimately, the Discloser can raise their concern with the statutory Chief Finance Officer and S151 Officer.

7. Information needed to raise a concern

When raising a concern under the procedure the Discloser should try to provide the following information:

- the background and reason behind the concern
- whether they have already raised a concern with anyone and the response
- any relevant dates when actions related to the concern took place.

This information should demonstrate that there are reasonable grounds for the concern to be acted upon. It is important that matters are not investigated by the Discloser themselves.

If applicable, personal interests must be declared from the outset.

8. How the concern will be handled

All investigations will be conducted sensitively and as quickly as possible. While the Combined Authority cannot guarantee that the outcome will be as the Discloser may wish, it will handle the matter fairly and in accordance with this procedure.

Once a concern has been raised with either the line manager or Responsible Officer, Senior Manager or Chief Executive, or statutory Chief Finance Officer, a meeting may be arranged with them to determine how the concern should be taken forward.

The Combined Authority may decide to take the matter forward by a number of methods, including:

- An internal inquiry or other formal investigation
- An internal or external audit
- Referring the matter to the police
- Referring the matter to another relevant authority for investigation.

Before a final decision is taken on how to proceed, or as part of the investigation, the Discloser may be asked to meet with those investigating their allegation.

If a meeting is arranged, the Discloser may wish to be accompanied by a trade union representative, colleague or friend. The person who accompanies the Discloser should not be involved or have a direct interest in the area of work to which the concern relates. The meeting can be conducted over the telephone rather than face to face.

Within 10 working days of a concern being raised, the Combined Authority's Responsible Officer will write to the Discloser to:

- Acknowledge that the concern has been received
- Indicate how they propose to deal with the matter
- Give an estimate of how long it will take to provide a final response
- Tell the Discloser whether any initial investigation or enquiry has been made
- Tell the Discloser whether further investigation will be made, and if not, why not.
- Tell the Discloser how frequently the Combined Authority will keep them up to date on progress of the investigation.

The amount of contact between the Combined Authority and the Discloser concerned will vary, depending on the concern raised, any difficult issues and any further clarity required. If necessary, the Combined Authority will seek further information from the Discloser.

The Combined Authority will confirm when the matter is concluded and, if appropriate, the outcome of the investigation, maintaining security and confidentiality for all parties as far as possible.

Throughout any investigation, the Discloser will still be expected to continue their duties/role as normal unless deemed inappropriate.

9. Confidentiality and anonymity

The best way to raise a concern is to do so openly, as this makes it easier for the Combined Authority to investigate and provide feedback.

Any disclosures made under this procedure will be treated in a sensitive manner. However the Combined Authority recognises that the Discloser may want to raise a concern in confidence, i.e. they may want to raise a concern on the basis that their name it is not revealed without their consent.

The Combined Authority will respect any request for confidentiality as far as possible, restricting it to a 'need to know' basis. However, if the situation arises where it is not possible to resolve the concern without revealing the Discloser (for example in matters of criminal law), the Combined Authority will advise them before proceeding. The same considerations of confidentiality should be afforded to the recipient(s) at the centre of the concern, as far as appropriate.

The Combined Authority always encourages potential Disclosers to speak up about potential serious wrongdoing in a way that they feel comfortable. Disclosers may choose to raise concerns anonymously, i.e. without providing their name at all. If this is the case, the investigation itself may serve to reveal the source of information.

Disclosers are therefore encouraged, where possible to put their names to concerns raised. When anonymous concerns are raised, they will be treated as credible and investigated so far as possible.

10. Protection

If a concern is raised in the reasonable belief that it is in the public interest and procedures have been followed correctly, the Discloser raising the concern will be protected by the terms of this policy and, where applicable, by whistleblowing legislation (see www.gov.uk for more information on who is covered by whistleblowing legislation). Where a Discloser has been victimised for raising a concern, the Combined Authority concerned will take appropriate action against those responsible, in line with the Combined Authority's disciplinary policy and procedures.

11. Changes to procedures or policy as a result of whistleblowing

If changes are made to Combined Authority policies and processes as result of whistleblowing investigations, the Combined Authority will publicise the changes as appropriate, taking into consideration the importance of protecting the anonymity and confidentiality of individuals.

12. Untrue allegations

If a Discloser makes an allegation but it is not confirmed by the investigation, no action will be taken against them. However, if a malicious or vexatious allegation is made without good reason to: cause trouble; for personal gain; or to discredit the Combined Authority an investigation may take place. Where the Discloser is an employee or a Combined Authority Member or a contractor this may result in disciplinary or other action if they have broken the terms of their employment, acted against the Authority's Code of Conduct or broken a clause in a contract.

13. How this matter can be taken forwards if you are not satisfied

This procedure is intended to provide Disclosers with an avenue to raise legitimate concerns. If you are either unable to raise the matter with the Combined Authority or you are dissatisfied with the action taken you can report the matter externally.

If you are either unable to raise the matter with the Combined Authority or you are dissatisfied with the action taken you may consider raising it with:

- The police
- The relevant regulatory body or professional body
- Your Trade Union
- Your solicitor
- Your Citizens Advice Bureau

Further information and signposting for potential Disclosers is available on www.gov.uk .

If a Discloser does take the matter outside the Combined Authority, to an external body, they should ensure they do not disclose information that is confidential, for

example, if you are an employee your contract of employment may set out expectations of your regarding what is confidential.

Prescribed Persons

Where your concerns are in the public interest, you can take them to a number of persons who have been prescribed by the Secretary of State.

A full list of prescribed persons to whom you can make a protected disclosure can be obtained through the following link: [List of Prescribed Persons](#)

14. Feedback on Whistleblowing Policy

Any feedback or comments on this policy should be directed to the Combined Authority's Monitoring Officer, .The Incubator 2, Alconbury Weald Enterprise Campus, Alconbury Airfield, Huntingdon, Cambridgeshire, PE28 4WX.

15. Review

This procedure will be kept under review and any amendments will be subject to consultation with staff representatives. It will be reviewed by the Combined Authority's Audit and Governance Committee.

Reviewed by	Audit and Governance Committee	26 March 2018	
Approved by	Cambridgeshire and Peterborough Combined Authority	30 May 2018	

Last updated June 2020



**CAMBRIDGESHIRE
& PETERBOROUGH**
COMBINED AUTHORITY

Agenda Item No: 13

Report title: Audit and Governance Committee Work Programme

To: Audit and Governance Committee

Meeting Date: 25 June 2021

Public report: Public Report

From: Anne Gardiner
Scrutiny Officer

Recommendations: Note the work programme for the Audit and Governance Committee for the 2021/22 municipal year attached at Appendix 1 and agree to regularly review the work programme at each meeting.

Voting arrangements: N/A

1. Purpose

- 1.1 To provide the Committee with the draft work programme for Audit and Governance Committee, looking ahead to the 2021/22 municipal year.

2. Background

- 2.1 In accordance with the Constitution, the Audit and Governance Committee must perform certain statutory duties including the approval of accounts, governance arrangements, financial reporting and code of conduct.
- 2.2 A draft work programme which outlines when these decisions are taken for the current municipal year is attached at Appendix 1.
- 2.3 The document attached at Appendix 1 provides commentary on items received by the Committee over the last two municipal years (including the current one) alongside future items to be received throughout the remainder of this municipal year. This includes those items that must be considered annually by the committee.

3. Financial Implications

3.1 None.

4. Legal Implications

4.1 None.

5. Appendices

5.2 Appendix 1 – Work Programme for 2021/22

AUDIT AND GOVERNANCE COMMITTEE WORK PROGRAMME 2021/22

Meeting Date 2020/21	Item	COMMENTS
25 June 2021 Virtual Meeting	Combined Authority Board Update	Standing item on the agenda when a chief officer or by agreement once a year the Mayor for the Combined Authority provides an update on the activities for the authority.
	Minutes of the previous meeting	Standing item on the agenda for the committee to agree the minutes from the last meeting.
	Adult Education Budget Update	The Committee requested that an update of the external audits be brought to the committee once they had been completed.
	Independent Commission on Climate Change	Report from Director for Strategy on how recommendations from the report would be implemented.
	Corporate Risk Register	Standing item by request of the committee to be considered at each meeting.
	Work Programme	Standing item for the committee to consider their upcoming work programme.
	Internal Audit – Progress Report	Report from the Internal Auditors to provide an update on the progress of the current internal audits

	Draft Annual Financial Statements & Draft Annual Governance Statement	Committee to review the draft accounts and annual governance statement.
	Treasury Outturn Report	
	Review Whistleblowing FOI and Complaints Policies	
Meeting Date	Item	Comment
30 July 2021 Venue: TBA		
	Combined Authority Board Update	Standing item on the agenda when a chief officer or by agreement once a year the Mayor for the Combined Authority provides an update on the activities for the authority.
	Minutes of the previous meeting	Standing item on the agenda for the committee to agree the minutes from the last meeting.
	Corporate Risk Register	Standing item by request of the committee to be considered at each meeting.
	Work Programme	Standing item for the committee to consider their upcoming work programme.
	Internal Audit – Progress Report	Report from the Internal Auditors to provide an update on the progress of the current internal audits.
	Internal Audit – Annual Report	A report provided by the Internal Auditors on the effectiveness of the Authority's systems of

		governance; risk management and internal control.
	External Audit Final Results	The Committee receive the audit results report from the external auditors.
	Annual Financial Report & Annual Governance Statement	The Committee receives the report which asks them to: a) approve the audited Statement of Accounts 2017/18 b) Receive and approve the Annual Governance Statement 2017/18
	Appointment of Independent Persons for Member Conduct	
	Business Board Chair	Invite the Business Board Chair to report back to committee on recommendation to hold meetings in public.
Meeting Date 2020/21	Item	COMMENTS
DEVELOPMENT SESSION: TRADING COMPANIES		
24 Sept 2021 Venue: TBA	Combined Authority Board Update	Standing item on the agenda when a chief officer or by agreement once a year the Mayor for the Combined Authority provides an update on the activities for the authority.
	Minutes of the previous meeting	Standing item on the agenda for the committee to agree the minutes from the last meeting.
	Corporate Risk Register	Standing item by request of the committee to be

		considered at each meeting.
	Annual Constitution Review including governance arrangements for the CA Board	
	Work Programme	Standing item for the committee to consider their upcoming work programme.
	Internal Audit – Progress Report	Report from the Internal Auditors to provide an update on the progress of the current internal audits.
	External Audit – Annual Audit Letter	The Committee receive the annual audit letter which communicates the key issues arising from external auditors work in carrying out the audit of the statement of accounts for the Cambridgeshire and Peterborough Combined Authority.
	Trading Companies	The Committee requested that a report on how the governance of Trading Companies would be arranged.
	Information Governance Update	Bi annual update on governance issues including FOI, Complaints, incidents of fraud and whistleblowing.
Meeting Date	Item	Comment
DEVELOPMENT SESSION: ROLE OF AUDIT ON MAJOR PROJECTS		
26th November 2021	Combined Authority Board Update	Standing item on the agenda when a chief officer or by agreement once a year the Mayor for the Combined Authority provides an update on the activities for the authority.
	Minutes of the previous meeting	Standing item on the agenda for the committee to

		agree the minutes from the last meeting.
	Corporate Risk Register	Standing item by request of the committee to be considered at each meeting.
	Work Programme	Standing item for the committee to consider their upcoming work programme.
	Internal Audit – Progress Report	Report from the Internal Auditors to provide an update on the progress of the current internal audits.
	External Audit – Draft Audit Plan	The Committee receive the draft Audit Plan and comment whether the planned audit is aligned with the Committee's expectations.
	Treasury Management Strategy Update	The Committee receive the report which provides the Audit and Governance Committee with an update on the Combined Authority (CPCA)'s Treasury Management Strategy.
	Assurance Framework	Committee agreed in May 2019 that the A/Framework be presented to Committee on 6-month basis.
28th January 2022	RESERVE MEETING	
Meeting Date	Item	Comment
11th March 2022	Combined Authority Board Update	Standing item on the agenda when a chief officer or by agreement once a year the Mayor for the Combined Authority provides an update on the activities for the authority.

	Minutes of the previous meeting	Standing item on the agenda for the committee to agree the minutes from the last meeting.
	Corporate Risk Register	Standing item by request of the committee to be considered at each meeting.
	Work Programme	Standing item for the committee to consider their upcoming work programme.
	External Audit – Audit Plan	The Committee receive and approve the final audit plan prepared by the external auditors
	Internal Audit Plan:	Details of audit activity for the following year.
	Treasury Management Strategy Summary	The Committee receive the report asks for comments comment on the draft Treasury Management Strategy.
	Assurance Framework	The Assurance Framework is a set of systems, processes and protocols, which along with standing orders, financial regulations, departmental procedures, and codes of practice is linked in a hierarchy of management and financial control procedures, which clearly define the responsibilities of members and the duties of the CPCA's officers, consultants and partners. – Approved annually.
	Information Governance Update	Bi annual update on governance issues including FOI, Complaints, incidents of fraud and whistleblowing.

Meeting Date	Item	Comment
27 May 2022	Combined Authority Board Update	Standing item on the agenda when a chief officer or by agreement once a year the Mayor for the Combined Authority provides an update on the activities for the authority.
	Minutes of the previous meeting	Standing item on the agenda for the committee to agree the minutes from the last meeting.
	Corporate Risk Register	Standing item by request of the committee to be considered at each meeting.
	Work Programme	Standing item for the committee to consider their upcoming work programme.
Occurred Meetings – Work Programmes		
19 July 2019 Fenland District Council	Internal Auditors Annual Report	The Committee considered and endorsed the Annual Report and Opinion from Internal Audit for the year ended 31st March 2019
	Statement of Accounts 2018/19 and External Audit Final Results	<p>The Committee resolved that: i) That the Chief Executive circulate the draft statutory notice to the members of the Audit and Governance Committee prior to publication.</p> <p>ii) That the Chief Executive liaise with all affected constituent Councils and send a letter to government expressing their dissatisfaction with the auditors performance and the impacts this has had on each Council.</p> <p>iii) That the Chair of the Audit and Governance</p>

	<p>Committee write to the Partner leading the Ernst and Young Government and Public Sector Assurance team expressing the Committee extreme disappointment.</p> <p>iv) That the Committee receive and approve, in principle, the final Statement of Accounts.</p> <p>v) That the Committee agree to the additional recommendations below:</p> <p>a) Note that the Combined Authority's external auditors are not able to guarantee that they will have completed their audit of the accounts for 2018/19 before the statutory deadline of 31 July 2019 for the publication of the statement of accounts together with any certificate or opinion from the external auditors;</p> <p>b) Note that if it is not possible to publish the statement of accounts on time the law requires the Combined Authority to publish as soon as reasonably practicable on or after the deadline a notice stating that it has not been able to publish the statement of accounts and its reasons for this;</p> <p>c) Authorise the Chief Finance Officer in consultation with the Chair of Audit and Governance Committee, as and when the final Audit Opinion is provided by the external auditors, to make any minor amendments to the statement of accounts arising from the final Audit Opinion</p>
--	---

		<p>and to authorise the Chief Finance Officer and Chair of Audit and Governance to then sign and publish the statement of accounts together with any certificate or opinion from the external auditors;</p> <p>d) In the event that amendments arising from the final Audit Opinion would constitute a “material adjustment” to the final accounts as defined in the external auditor’s final audit plan a further report is to be brought to Committee; and</p> <p>e) That the Committee receive and approve the Annual Governance Statement 2018/19 as included within the statement of accounts.</p>
	Chairman’s Annual Audit Report	The Annual Report of the Chair of the Committee be submitted to the Combined Authority Board was approved.
	Internal Audit Plan	The Committee considered and endorsed the Annual Report and Opinion from Internal Audit for the year ended 31st March 2019.
	Value for Money Report	The Committee noted the Combined Authority’s approach to delivering value for money.
	Treasury Management Annual Report	The Committee reviewed the actual performance for the year to 31st March 2019, against the adopted prudential and treasury indicators.
	Human Resources Risk Reduction Update	The Committee noted the update.
	Work Programme	The Committee agreed updates to the work programme and noted the report.
Meeting Date	Item	COMMENTS

2019/20		
27 September 2019 Cambridge City Council	Audit Results Reports & Statement of Accounts 2018/19	The Committee received the audit results report for the year ended 31st March 2019.
	Transport Acceleration and Risk Report	The Committee noted the officers' assessment of the impact of the accelerated delivery strategy on project risk and the wider measures put in place by the Authority to manage project risk.
	Medium-Term Financial Plan and Business Plan	The report was noted.
	Combined Authority Board Update	The Committee noted the update.
	Business Board Update	The Committee noted the priorities and objectives of the Business Board.
	Internal Audit Update	The progress report from Internal Audit was considered. Internal Audit would provide timelines and progress indicators in future reports and seek The Committee's approval to any programme changes.
	Governance Review Report	The proposed new governance arrangements for the Combined Authority had been considered and the Committee's Work Programme be amended to include a future report to the Committee reviewing the effectiveness of the proposed new governance arrangements.
	Risk Register and Performance Update	The Committee noted the Performance Reporting processes that are in place for the Combined Authority. The Committee requested that the Performance Reporting Dashboard is presented to the Board on a quarterly basis and recommend any proposed

		changes be noted. The Committee requested that the proposed changes to the Corporate Risk Register be reported to the next Board meeting for approval.
	Report on Freedom of Information, Whistleblowing and Fraud	The Committee would advise how the Combined Authority communicated the Whistleblowing Policy and encouraged its use.
	Response to National Audit Office Consultation	The proposed changes to the Code of Audit practice and the potential impact on reporting to the Committee for local audit work was noted.
	Work Programme	The update was noted.
Meeting Date 2019/20	Item	COMMENTS
16 December 2019 South Cambridgeshire District Council	Assurance Framework	A paper will be produced for Audit & Governance Committee meeting in March 2020. The Committee noted the revised Assurance Framework
	Corporate Risk Register	The proposed revised Strategy and changes to the Corporate Risk Register were recommended.
	Data Protection Policy	An update from the Data Protection Officer be put on Audit & Governance Committee Work Programme for December 2020. That the Combined Authority would keep an eye on implications on data protection after Brexit. The Data Protection Policy report was recommended
	Internal Audit Progress Report	That an update report be brought back to Audit & Governance Committee in March 2020, including a procedure for urgent items.

		<p>That a reminder email be sent to Members regarding themes for internal auditors for the following year.</p> <p>The Committee noted the report.</p>
	Adult Education Budget and Assurance Programme	<p>An annual insight to be received by the Committee every year.</p> <p>A briefing session to be organised for the Committee in summer/autumn 2020.</p> <p>The Adult Education Budget Audit and Assurance Programme, along with the arrangements, was noted.</p>
	Treasury Management Strategy Update	The update was reviewed by the Committee.
	Combined Authority Board Update	The Committee noted the update.
	Work Programme	The Committee agreed updates to the work programme and noted the report.
Meeting Date 2020/21	Item	COMMENTS
26 May 2020 Remote Meeting	Confirmation of Membership of the Audit & Governance Committee	<p>Membership was the same as in the last municipal year and there had been no changes amongst substitute members. The Committee noted Fenland DC Annual General Meeting was to be held on 17 June, which could signal change in Fenland DC membership of the Committee.</p>
	Combined Authority Board Update	The Committee noted the update.
	Statement of Accounts 2019/20	<p>The statement of accounts to be presented at the 31 July 2020 meeting of the Committee will be circulated to members two-weeks in advance of the meeting.</p>
	External Audit Update	<p>A further report will be received at the 31 July 2020 meeting of the Committee.</p>

	Internal Audit Update	The Internal Audit with opinion be received at the 31 July 2020 meeting of the Committee.
	Draft Annual Report of the Chair of the Audit & Governance Committee	The report was approved by the Committee for submission to the CA Board meeting on 5 August 2020, subject to the correction of a typographical error.
	Corporate Risk Register	The Committee recommended climate change is included on the on the Risk Register in future.
	Complaints Procedures	The Committee noted the revised procedures and, with the addition of the contact details of 'street scene' issues for the borough, city and district councils, approve them to the CA Board.
	Treasury Management Strategy	The Committee noted the strategies.
	Trading Companies	A development session on the trading companies be held, possibly in autumn 2020.
	Revised Guide for Project Management	The Committee received and noted the revised guide.
	Work Programme	The Committee requested greater clarity on the work programme for future meetings.
	Urgent Item: Lancaster Way	The Committee responded positively to the request for an independent review. and that this has no impact on the delivery of the project. The Committee is open to an Extraordinary meeting, if necessary, with the proviso that sufficient time is afforded to enable the Committee to have all the background information it requires.

Meeting Date 2020/21	Item	COMMENTS
31 July 2020 Remote Meeting	Appointment of a Vice-Chairman of the Audit & Governance Committee	A Vice-Chairman of the Committee would be appointed at the meeting on 31 July as the Combined Authority Board Annual Meeting was not until 3 June and a decision on a Vice-Chairman appointment would be ratified at that meeting.
	Combined Authority Board Update	Standing item on the agenda when a chief officer or by agreement once a year the Mayor for the Combined Authority provides an update on the activities for the authority.
	Minutes of the previous meeting	Standing item on the agenda for the committee to agree the minutes from the last meeting.
	Corporate Risk Register	Standing item by request of the committee to be considered at each meeting. The report to be presented to the 31 July 2020 meeting of the Committee to include the top three to four risks that are improving/getting worse.
	Work Programme	Standing item for the committee to consider their upcoming work programme.
	Internal Audit 2020/21	A separate paper on how the Combined Authority is to take Internal Audit forward after the Service Level Agreement with Peterborough City Council concludes was requested for this 20 meeting.

	Internal Audit – Annual Report	A report provided by the Internal Auditors on the effectiveness of the Authority's systems of governance; risk management and internal control.
	External Audit Final Results	The Committee receive the audit results report from the external auditors.
	Annual Governance Statement	Explains how the Combined Authority has complied with the Local Code of Governance and meets the requirements of the Accounts and Audit (England) Regulations 2015 Regulation 6.1(b) – usually received along with the Annual Financial Report.
	Draft Financial Statements 2019/20	The Committee receives the report which asks them to: a) approve the audited Statement of Accounts 2017/18 b) Receive and approve the Annual Governance Statement 2017/18
	Independent Commission on Climate Change	Committee to receive a report on the procedures undertaken in the appointment of the Independent Chair of the Commission
Meeting Date 2020/21	Item	COMMENTS
2 October 2020 Venue: TBA	Combined Authority Board Update	Standing item on the agenda when a chief officer or by agreement once a year the Mayor for the Combined Authority provides an update on the activities for the authority.
	Minutes of the previous meeting	Standing item on the agenda for the committee to agree the minutes from the last meeting.

	Corporate Risk Register	Standing item by request of the committee to be considered at each meeting.
	Work Programme	Standing item for the committee to consider their upcoming work programme.
	Internal Audit Plan 2020/21	Report from the Internal Auditors on the Internal Audit Plan for the municipal year.
	Financial Statement 2019/20 and External Audit Update	
	Treasury Management Strategy Review	The Committee receive the report which review the current performance against the prudential indicators included within the Treasury Management Strategy.
27 November 2021 Virtual Meeting		
	DEVELOPMENT SESSION	VALUE FOR MONEY
	The Mayor of the Combined Authority	Mayor James Palmer will be in attendance
	Combined Authority Board Update	Standing item on the agenda when a chief officer or by agreement once a year the Mayor for the Combined Authority provides an update on the activities for the authority.
	Lancaster Way Update	
	Minutes of the previous meeting	Standing item on the agenda for the committee to

		agree the minutes from the last meeting.
	Corporate Risk Register	Standing item by request of the committee to be considered at each meeting.
	Work Programme	Standing item for the committee to consider their upcoming work programme.
	Internal Audit: Internal Audit Plan	Report from the Internal Auditors to provide an update on the progress of the current internal audits.
	External Audit and Opinion 2019/20	To receive the External Audit and Opinion from Ernst & young for the previous financial year.
	End of Year Financial Statements 2019/20	
	Adult Education Budget	

