



**CAMBRIDGESHIRE
& PETERBOROUGH**
COMBINED AUTHORITY

Agenda Item No: 3.2

Climate and Strategy Business Cases

To: Cambridgeshire and Peterborough Combined Authority Board

Meeting Date: 8 June 2022

Public report: Yes

Lead Member: Mayor Dr Nik Johnson

From: Paul Raynes, Director of Delivery & Strategy

Key decision: Yes

Forward Plan ref: KD2022/015

Recommendations: The Combined Authority Board is recommended to:

- a) approve the Business Case for Care Home Retrofit project and approve £2m from subject to approval line in the MTFP.
- b) approve the Business Case for Logan's Meadow Local Nature Reserve Wetland Extension project and approve £280,000 from subject to approval line in the MTFP.
- c) approve the Business Case for the Natural Cambridgeshire project and approve £210,000 from the subject to approval line in the MTFP.
- d) approve the Business Case for the Nature and Environment Investment Fund project and approve £1m from the subject to approval line in the MTFP.
- e) approve the Business Case for the Net Zero Villages Programme and approve £1m from the subject to approval line in the MTFP.
- f) approve the Business Case for the Doubling Nature Metrics project and approve drawdown of £125,000 from the subject to approval line in the MTFP.

- g) approve the Business Case for the City Portrait project and approve drawdown of £80,000 from the subject to approval line in the MTFP.

Voting arrangements: A simple majority of all Members present and voting

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

1. Purpose

- 1.1 To seek approval for Business Cases and approve funding allocations from the subject to approval line of the MTFP.
- 1.2 The Full Business Cases can be found within the appendices of this report.
- 1.3 If approved the projects will have approved funding to move into the delivery phase of the project. Monitoring and evaluation will continue throughout the delivery phase.

2. Background

- 2.1 The below sets out the process these projects have been through to get to this stage.

2.2 Step 1: Prioritisation

- 2.2.1 Bids for inclusion in the CPCA budget were submitted by 31 December in response to the MTFP consultation.
- 2.2.2 For each bid a one-page summary document was provided by applicants.
- 2.2.3 The CA Analysis and Evaluation Manager completed an evaluation of the bids for their strategic fit with the CPCA policy framework (this is the first Critical Success Factor test in the Green Book approach to project selection); this involved:
 - i. scoring against the six capitals of the Sustainable Growth Ambition Statement and contribution to GVA.
 - ii. assessment for alignment with the policies in the relevant sector strategy, for example, Skills Strategy.
 - iii. evaluation of the bids for affordability.
- 2.2.4 Projects that passed through this stage were included within the MTFP as subject to approval allocations following Board approvals in January and March 2022.

2.3 Step 2: Project Initiation Documents (PID)

- 2.3.1 The CA Programme Office worked with project managers to support them in developing the one-page bids into a PID which are internal documents aimed to set out the scope in greater detail and the governance of the project.
- 2.3.2 The PIDs were taken to the March and April Performance and Risk Committee (PARC) meetings, internal officer review meetings, where each were assessed, and relevant changes made. Each project within the scope of this paper has an approved PID.

2.4 Step 3: Business Case

- 2.4.1 The CA Programme Office has worked with project managers to support them in developing PIDs into Business Cases. A series of workshops/meetings took place throughout the process. As part of these meetings, comments were reviewed and

improvements to Business Cases were suggested. The Programme Office would like to pass on its thanks to the project managers for engaging so thoroughly in this process.

2.4.2 A HMT Green Book compliant Business Case template was issued that included guidance to support project managers. The aim has been to ensure the Business Cases evidence value for money whilst also ensuring the document is proportionate to the size of the project and not overly burdensome to complete.

2.4.3 The Full Business Cases can be found within the appendices of this report.

3. Assessing Value for Money

3.1 The CA Programme Office reviewed the Combined Authority Assurance Framework, HMT Green Book (2020) and National Audit Office (NAO) guidance, and met with the Chief Finance Officer when deciding on the guidance for evidencing Value for Money.

3.2 The Assurance Framework states that to achieve value for money in spending public funds is through ensuring that all projects contribute to the objectives of the Combined Authority via adherence to the Green Book principles, specifically that unless fulfilling a statutory requirement, all business cases must demonstrate a strong fit with the strategic objectives of the relevant Board.

3.3 NAO uses three criteria to assess the value for money of government spending i.e. the optimal use of resources to achieve the intended outcomes:

- Economy: minimising the cost of resources used or required (inputs) – spending less;
- Efficiency: the relationship between the output from goods or services and the resources to produce them – spending well; and
- Effectiveness: the relationship between the intended and actual results of public spending (outcomes) – spending wisely.

3.4 The NAO guidance states that there must be a balance of inputs, outputs & outcomes, that 'optimal' is the most desirable possible given restrictions or constraints, and that the question of 'what does good look like?' has been answered.

3.5 Within the Strategic Case of each Business Case the scope of each project has been fully developed and there is a case for change section which assesses what do nothing looks like and what good looks like, linking to CPCA strategic objectives.

3.6 Within the Economic Case a Green Book Project Profile Tool was adapted for each project to link outputs to outcomes to impacts and to CPCA strategic objectives and metrics. A logic model has also been developed. Also included in the Business Cases is a Monitoring and Evaluation section that includes an evaluation plan and how progress against these inputs, outputs and outcomes will be measured.

3.7 Within the Economic Case there is also an assessment of options against costs and benefits including do nothing and do minimum which aims to assess which is the optimal use of resources.

- 3.7 The Chief Finance Officer has reviewed each Business Case and assesses them to represent Value for Money against the above criteria.

4. Timescales and next steps

- 4.1 If approved the above projects will have funding to move into the delivery phase of the project. Monitoring and evaluation will continue throughout the delivery phase.
- 4.2 For the outstanding projects that received a budget allocation at both the January and March CA Board, it is expected that the respective Business Cases will come to July Board for approval.

Significant Implications

5. Financial Implications

- 5.1 The Combined Authority Board approved, as part of the 2022/23 revenue budget, Capital Programme 2022/23 to 2025/26 and Medium-Term Financial Plan (MTFP) 2022/23 to 2025/26, a list of climate and strategy related projects, presented on 26 January 2022.
- 5.2 The initial allocation of subject to approval budgets within the MTFP was agreed at this Board, ensuring that funding would be available for these projects, should they be approved via the gateway stages and provide evidence as value for money.
- 5.3 There are no additional financial implications arising from the recommendations in this report.

6. Legal Implications

- 6.1 None

7. Public Health Implications

- 7.1 Please refer to individual business cases

8. Environmental and Climate Change Implications

- 8.1 Please refer to individual business cases.

9. Other Significant Implications

- 9.1 There are no other significant implications

10. Appendices

- 10.1 Appendix 1 – Care Home Retrofit Business Case
- 10.2 Appendix 2 – Logan’s Meadow Local Nature Reserve Wetland Extension Business Case
- 10.3 Appendix 3 – Natural Cambridgeshire Business Case
- 10.4 Appendix 4 – Nature and Environment Investment Fund Business Case
- 10.5 Appendix 5 – Net Zero Villages Business Case
- 10.6 Appendix 6 – Doubling Nature Metrics Business Case
- 10.7 Appendix 7 – City Portrait Business Case

11. Background Papers

- 11.1 [Combined Authority reports January 2022 - Sustainable Growth Ambition Statement, 2022/23 Budget and Medium-Term Financial Plan 2022 to 2026](#)
- 11.2 [Combined Authority Board March 2022](#)