



**CAMBRIDGESHIRE
& PETERBOROUGH**
COMBINED AUTHORITY

AUDIT AND GOVERNANCE COMMITTEE

Date: Friday, 08 September 2023

Democratic Services

Edwina Adefehinti
Chief Officer Legal and Governance
Monitoring Officer

10:00 AM

72 Market Street
Ely
Cambridgeshire
CB7 4LS

**Civic Suite, Pathfinder House, St Mary's Street, Huntingdon
PE9 3TN
[Venue Address]**

AGENDA

Open to Public and Press

1 Apologies for Absence & 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 Chair Announcements

3 Minutes of the Previous Meeting

To approve the minutes of the meeting held on 7th July 2023

A&G Committee Draft Minutes 070723

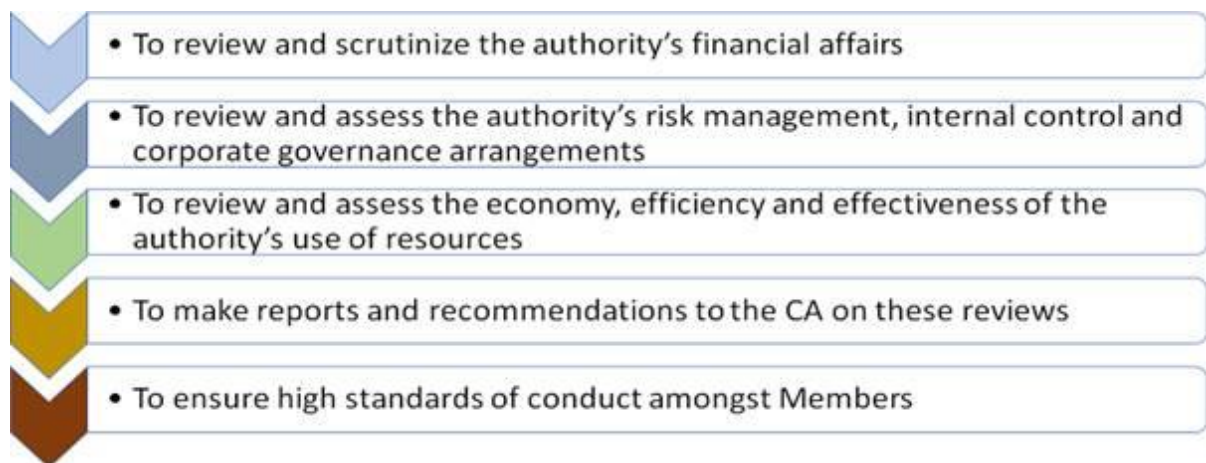
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4	Improvement Framework Report	15 - 36
5	Update to the member officer protocol	37 - 50
6	Risk Management Framework and Risk Deep Dive	51 - 108
7	Single Assurance Framework	109 - 176
8	Internal Audit Progress Report September 2023	177 - 186
9	External Audit - Verbal Update Update from External Auditors Ernst & Young on the 21/22 Audit and approach to the national audit backlog.	
10	Update Procurement Review	187 - 260
11	Review of Mayoral Combined Authority Audit Governance Committee Arrangements	261 - 266
12	Appointment of independent person	267 - 274
13	Audit and Governance Work Programme	275 - 282
14	Date of next meeting: Friday 17th November 2023 at 10am.	

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.

John Pye

Cllr Gary Christy

Councillor Andy Coles

Councillor Stephen Corney

Cllr Geoff Harvey

Cllr Mark Inskip

Cllr Simon Smith

Councillor Graham Wilson

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



Audit & Governance Committee

Friday 7th July 2023

Venue:	Civic Suite, Pathfinder House, Huntingdon PE29 3TN	
Time:	10.00 to 13.00	
Present:	Cllr G Christy Cllr A Coles Cllr S Corney Cllr G Harvey Cllr S Smith Cllr C Shepherd Cllr G Wilson Mr John Pye	Fenland District Council Peterborough City Council Huntingdonshire District Council South Cambs District Council Cambridge City Council East Cambs District Council Cambridgeshire County Council Independent Person
Apologies	Cllr Mark Inskip	East Cambs District Council

Minutes:

1	Apologies for Absence and Declarations of Interest
1.1	Apologies were received from Cllr Mark Inskip, substituted by Cllr Caroline Shepherd.
1.2	No disclosable interests were declared.
2	Chair's Announcements
2.1	<p>The Chair advised that the Adult Education Budget had been scheduled last on the agenda to accommodate the need to move into exempt session if required by the Committee. He asked members if they wished to discuss the exempt information.</p> <p>The Committee agreed they did not wish to discuss the exempt information.</p>
3	Minutes
3.1	The minutes of the meeting held on 9 th June 2023 were approved as a correct record.
3.2	<p>Under consideration of the Action Log the Executive Director for Resource and Performance provided an update on the resilience of the Finance team.</p> <p>The Executive Director advised that the issues had come about because of the delay to the end of year accounts which had been due to staff absences. The team had been working to ensure there was now resilience within the team; recruitment for a new project accountant and assistant accountant had begun. The workload within the team was now spread more effectively and notes required for continuity were shared to cover any unexpected absence.</p>
3.3	The Chair queried when the Committee could expect to receive an update on the review of the makeup audit of Audit Committee's from other Combined Authorities. The Executive Director advised a report would be brought back to the Committee in September.
3.4	<p>ACTION</p> <p>Report on the review A&G Committee's in other combined authorities to be added to the work programme for Sept committee.</p>

4	Improvement Framework Report
4.1	The Committee received the report which provided the Audit and Governance Committee with an opportunity to review progress since June against the key areas of concern identified by the External Auditor in his letter dated June 2022 and February 2023, and the Department for Levelling up, Housing and Communities (DLUHC) in its letter dated January 2023.
4.2	<p>The following points were raised during the discussion:-</p> <ul style="list-style-type: none"> • Officers and the Committee acknowledged the death of Lord Kerslake and the contribution he made as Chair of the Improvement Board; officers stated he was a real friend of the CPCA and understood and helped embed the key values that had been adopted. • The Improvement update using the agreed RAG rating had been signed off by CMT and would be taken to the CA Board at the end of July – this would be circulated to the Committee once published. • Members raised concerns around the concerns in the staff survey regarding members integrity. Officers advised that a key part of future member development would include the values (CIVIL) that had been adopted by the CPCA as they applied to both staff and elected members. • Funding had been received by the LGA to support members with any training needs and the CA would be looking to see if this could be used for further training to be provided around code of conduct. • Training on procurement and contract management would be mandatory for all staff and would hopefully be delivered in the Autumn. • The External Auditor stated that he was encouraged by the actions that had been taken; that the management team was now at full capacity was good and the External Auditor had met with the new CEO. Looking forward, the final response by the External Auditor would be influenced by how the Improvement Board carried out its work and the impact this would have. • Officers agreed that a report detailing how the CIVIL values had been integrated into the appraisal system and the organisation would be brought to the September meeting and that work was underway across the organisation and external partners to develop more positive behaviours. In addition the adopted values and behaviours were now a key part of the recruitment process for new roles. • The Committee noted that it was worrying that behaviours from members was still a concern. Bad behaviour should be questioned at the time it happened and other members should feel empowered to call colleagues out if they felt behaviour was inappropriate. The report for the next A&G meeting should provide a full update on progress regarding members' behaviour.
4.3	<p>The Committee RESOLVED:</p> <p>a) Note the progress made in June against stated areas of improvement identified by the External Auditor in June 2022 and Best Value Notice received in January 2023 as reported to the CA Board on 31 May 2023.</p> <p>b) Note the outcomes of the recent staff survey undertaken in March 2023</p> <p>c) Note the confirmation of appointment of Chair, Independent Improvement Board.</p>
4.4	<p>ACTION</p> <p>1) RAG rating report to be circulated to the Committee once it had been published as part of the CA Board papers.</p>

	2) Report detailing how CIVIL values had been embedded within the organisation as part of the appraisal and recruitment process be brought back to September's meeting, with particular emphasis on members' behaviour.
5	Corporate Risk Register
5.1	The Committee received the report which provided a progress update on the refreshed risk register, risk dashboard and heat map.
5.2	<p>The following points were raised during the discussion:-</p> <ul style="list-style-type: none"> • Work would be done over the Summer to roll out the register across the organisation and a further update could be brought to the Committee in September on how the implementation was going. • The A&G Committee's role was to review and assess the risk management system; the O&S Committee's role was to focus on the impacts and outcomes of policies. This Committee's role was to see how risks were being managed not to question management's judgements about a risk. • Officers advised that they would be reconsidering the scoring definitions and would provide further update on this. • It would be useful to have some context provided to bring a risk to life through a worked example. • While the Heat Map was a very helpful tool it would be useful if an arrow indicating the direction of movement could be added; the Committee could request deep dives on any risks that had little or no movement. • Officers acknowledged that inflation was a risk that was difficult to control; however, by identifying it the organisation could adapt projects to help ease the risk of inflation. • All individual projects had their own risk register which fed into directorate registers which then fed into the Corporate Risk register. Directors were expected to pull up risks they felt may need escalating and these would then be discussed at PARC (Performance & Risk Committee) and agreed whether it needed to be added to the Corporate Risk register. • In regard to risk training; this Committee had received the training first and this would be rolled out to staff between July and September. • The Risk Appetite statement would be used to help influence the target scores – the risk appetite drives the level of comfort in a risk. • The Committee requested that job titles rather than names be used on the Risk register going forward.
5.3	<p>Committee RESOLVED:</p> <ol style="list-style-type: none"> a) To note the refreshed Corporate Risk register report, risk dashboard and heat map. b) To note the procurement and implementation of corporate risk software. c) To note that a risk appetite session has been undertaken with the CA Corporate Management Team and a risk appetite statement drafted.
5.4	<p>ACTIONS</p> <ol style="list-style-type: none"> 1) The Committee requested that two deep dives be provided at the next meeting with the responsible officers in attendance to explain how the risk was being managed operationally,

	<p>including how risk appetite was applied.</p> <p>2) Officers to reconsider the scoring definitions and provide a further update at the next meeting.</p> <p>3) A report on the progression of the roll out of the risk training be brought to the September meeting.</p>
6	Internal Audit Action Tracker Report
6.1	The Committee received the report which provided a progress update on the Internal Audit Action Tracker.
6.2	<p>The following points were raised during the discussion:-</p> <ul style="list-style-type: none"> Members noted that there was an outstanding issue with member training in relation to Data Protection and were advised that it was currently the responsibility of the constituent councils to provide Data Protection Training for their members – officers at the CPCA check with the relevant governance officers to identify any gaps. The Committee were advised by the Monitoring Officer that the ICO regards elected members as data processors. It was in the best interests of every member to attend training provided as it could be easy to breach data protection rules unintentionally. The Committee were advised that there were enough licenses for the organisation; the new software would ensure that once an officer had an action allocated to them, they would be contacted. The Committee requested that the Internal Action Tracker be reviewed on an annual basis in future.
6.3	<p>Committee RESOLVED:</p> <p>a) To note the progress on the Internal Audit Action Tracker, June 2023.</p> <p>b) To note the procurement and implementation of corporate risk / internal audit software to track internal audit actions</p>
6.4	<p>ACTION</p> <p>1) The Internal Action Tracker be reported to the Committee annually starting in January.</p>
7	Proposed Changes to Constitution following Procurement Review
7.1	<p>The Committee received the report which requested that the A&G Committee recommend to the Combined Authority Board to</p> <p>a) approve the changes to the Contract Procedure Rules (CPR's) within the constitution which is to be discussed and approved at Board on 26 July 2023.</p> <p>b) Recommend to the Combined Authority Board to approve the Procurement Strategy and Procurement policy document which is to be discussed and approved at Board on 26 July 2023.</p>
7.2	<p>The following points were raised during the discussion:-</p> <ul style="list-style-type: none"> In regard to contract duration, the officers advised that there would be practical guidance document for officers to follow. Part of the review from PWC was to ensure that the organisations was futureproof to align with any new legislation coming through from central government. Therefore, there shouldn't be a need for constant changes to be made to the constitution. If there were any disagreements between contractor and project lead this would need to be escalated to the Monitoring Officer and head of Corporate Services, and then to CMT if necessary. Officers were looking into ways to monitor how the system was working – the next report to be brought to the Committee in September would provide a more detailed action plan which would

	<p>include performance indicators and how the policy was being adhered to.</p> <ul style="list-style-type: none"> Climate change was addressed in the scoring of bids and also made-up part of the scoring matrix. It was also included in the Procurement Policy document.
7.3	<p>The Committee RESOLVED:-</p> <ul style="list-style-type: none"> a) approve the changes to the Contract Procedure Rules (CPR's) within the constitution which is to be discussed and approved at Board on 26 July 2023. b) Recommend to the Combined Authority Board to approve the Procurement Strategy and Procurement policy document which is to be discussed and approved at Board on 26 July 2023.
8	Treasury Management Outturn Report 22-23
8.1	The Committee received the report which requested them to review the actual performance to 31st March 2023 against the prudential indicators included within the Treasury Management and Capital Strategies
8.2	<p>The following points were raised during the discussion:-</p> <ul style="list-style-type: none"> The resilience within the finance team should mean that there were now mitigations in place to ensure there was cover if deposits came in on a Friday. Significant slippage and underspend had been reported to the Board and was usually a result of lack of information from third parties within commissioned projects. The issue was improving. During a rising interest rate environment, the CA had large investment compared to other authorities which had meant officers had been able to place more funds for longer terms whereas other councils could only invest short term. Within last year's budget there was £500k to cover borrowing; however there had been no indication from the Board that they wished to go in this direction.
8.3	<p>The Committee RESOLVED:-</p> <ul style="list-style-type: none"> a) To note the actual performance for the year to 31st March 2023 against the adopted prudential and treasury indicators.
9	Draft Accounts & Annual Governance Statement 22-23
9.1	The Committee received the report which requested the Audit and Governance Committee to note the draft Annual Governance Statement and Statement of Accounts for the 2022/23 financial year.
9.2	<p>The following points were raised during the discussion:-</p> <ul style="list-style-type: none"> The Executive Director apologised to the committee for the lateness of the report being published and advised that the statutory deadline to have the accounts published on the website had also been missed. The intention was to publish within the next month which would be significantly earlier than last year, and this was an issue that all councils were struggling with. Officers agreed to provide more explanation around the third-party payments to provide more clarity. The final accounts wouldn't be brought to the Committee to approve until after November. The 21/22 accounts should be finalised by the end of August and would be brought to the

	<p>November meeting for approval.</p> <ul style="list-style-type: none"> The Committee requested that a development session on how members should interrogate the accounts more effectively to be provided by the External Auditor be arranged as one of the committee's development sessions.
9.3	<p>The Committee RESOLVED to:-</p> <ol style="list-style-type: none"> Note the draft Annual Governance Statement 2022/23 Note the draft of the Statement of Accounts 2022/23
9.4	<p>ACTION</p> <ol style="list-style-type: none"> Development session on how to scrutinise the accounts effectively be arranged with the External Auditor.
10	Member Officer Protocol Report
10.1	The Committee received the report which requested that they review the Member/Officer Relations' Protocol.
10.2	<p>The following points were raised during the discussion:-</p> <ul style="list-style-type: none"> There should be a reference to the CIVIL values adopted by the CPCA within the protocol. The Committee were advised that there was an Officer Code of Conduct within the CPCA constitution and that the definition of what was a Chief Officer was also set out in the Constitution. Members raised some questions around the reference to contacting junior officers and requested that this be re-looked at to provide further clarity for members on how best to approach communications with members of staff. There should be reference made to what the role of members was within the protocol, making decisions and recommendations. The protocol currently stated that training should be for 'Board members' and the committee requested this be amended to reflect all members appointed to the CA. The Committee were concerned to hear there had been three instances where the protocol had been brought to members attention and felt strongly that member behaviour was still not as it should be and that this needed to be brought to the Board's attention as it was felt by the Committee that the Board were not fully committed to this yet. The Committee felt that the protocol lacked a purpose and requested that an additional document be produced which would provide context and the background to the CPCA, and the challenges and actions to be taken to address the issues.
10.3	<p>Committee RESOLVED:</p> <ol style="list-style-type: none"> The updated protocol incorporating the changes suggested by the Committee be presented to the CA Board for approval with a covering report which would highlight the strong feeling of the Committee in regard to breaches of the code. A further report be provided to the A&G Committee in September which would place the protocol into context and provide a background to the CPCA, the challenges and actions taken to address these.
10.4	<p>ACTION</p> <ol style="list-style-type: none"> Report providing the context and background around the protocol be added to the work programme for September.
11	Co-option of independent members
11.1	The Committee received the report which requested that the Audit and Governance Committee

	consider and approve the draft wording contained in Paragraph 2.2 to be inserted in the constitution and to make recommendations to the Combined Authority Board to adopt the proposed amendments to the constitution.
11.2	Following a discussion the Committee agreed that the process for appointing an independent member should be kept as simple as possible – the Committee requested that officers contact all councillors who were not a member from a political party at the constituent councils to request expressions of interest in the role. A ballot should then be held to select the candidate.
11.3	<p>The Committee RESOLVED:-</p> <ul style="list-style-type: none"> a) Review the suggested update to the Combined Authority constitution and to provide recommendations to the Board to adopt the proposed changes as revisions to the Constitution, so that a co-opted independent member and substitute from constituent authorities can be appointed. b) To recommend to the Combined Authority Board to delegate the recruitment, selection and appointment of an independent co-opted member(s) to the Audit and Governance Committee and that the arrangements for the selection of such members be delegated by the Audit & Governance Committee to the Chairman of the Audit and Governance Committee in consultation with the Monitoring officer. c) Agree that the role of any independent co-opted member(s) from a constituent authority is not remunerated but note that they will receive expenses in line with the authority's current expenses policy, and note that if the Committee decides to co-opt an independent member from outside a constituent council through an open advertisement in the future then such a role would be subject to a review of potential remuneration by the Independent Remuneration Panel. d) Approve the proposed process attached as Appendix 1
11.4	<p style="text-align: center;">*****</p> <p><u>After Action</u></p> <p>The paper intended for the July CA Board was withdrawn after discussion between the Chair, the Executive Director for Resource & Performance, and the Monitoring Officer, and offline agreement of the Committee. Two separate papers will be brought to the September Meeting addressing a co-opted Independent councillor and an Independent Person.</p>
12	Work Programme Report
12.1	The Committee received the draft work programme for the Audit and Governance Committee for the 2023/24 municipal year which also requested that they discuss and suggest possible topics for the scheduled development sessions for the year.
12.2	<p>The Committee RESOLVED:-</p> <ul style="list-style-type: none"> a) Approve the draft work programme b) Add a development session as discussed earlier in the meeting on how to scrutinise the draft accounts effectively.
13.	Date of Next Meeting
13.1	Friday 8th September 2023 at 10am at Pathfinder House, Huntingdonshire DC
14	Adult Education Budget Report
14.1	The Committee received the report which updated the Audit & Governance Committee of the results of Funding Assurance Audits which had taken place in relation to funding received in the 2021/22 academic year.
14.2	The Committee were advised that the number of providers had been increased to mitigate the risk if any provider was to stop providing training. The firm that had stopped had informed the AEB team –

	there had been robust performance management in place and the sharing of information had also helped to mitigate the impact to students.
14.2	<p>The Committee RESOLVED:-</p> <ul style="list-style-type: none"> a) Note the update on Audit results for 2021/22 b) Note the update on the Audit approach for 2022/23

Meeting Closed: 1pm.

Chair

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 7th July 2023

Minute	Report title	Lead officer	Action	Response	Status
4.4	Improvement Framework Report	Angela Probert	RAG rating report to be circulated to the Committee once it had been published as part of the CA Board papers.	Report circulated	CLOSED
4.4	Improvement Framework Report	Nick Bell	Report detailing how CIVIL values had been embedded within the organisation as part of the appraisal and recruitment process be brought back to September's meeting with particular emphasis on members' behaviour.	Added to work programme for September	CLOSED
5.4	Corporate Risk Register	Nick Bell	The Committee requested that two deep dives be provided at the next meeting with the responsible officers in attendance to explain operational process issues including risk appetite.	Added to work programme for September	CLOSED
5.4	Corporate Risk Register	Chris Bolton	A report on the progression of the roll out of the risk training be brought to the September meeting.	Added to work programme for September	CLOSED
6.4	Internal Audit Action Tracker	Nathan Bunting/Anne Gardiner	The Internal Action Tracker be reported to the Committee annually starting in January.	Added to the work programme for January	CLOSED
9.4	Draft Accounts	Anne Gardiner/Nick Bell	Development session on how to scrutinise the accounts effectively be arranged with the External Auditor.	Development Session scheduled for February.	CLOSED
10.4	Member Officer Protocol	Edwina Adefehinti/Nick Bell	Report providing the context and background around the protocol be added to the work programme for September.	Added to work programme for September	CLOSED

11.4	Co-Option of Independent Members	Edwina Adefehinti	After Action – The paper intended for the July CA Board was withdrawn after discussion between the Chair, the Executive Director for Resource & Performance, and the Monitoring Officer, and off line agreement of the Committee. Two separate papers will be brought to the September Meeting addressing a co-opted Independent councillor and an Independent Person.	Added to work programme for September	CLOSED
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Minutes of the meeting 9 June 2023

Minute	Report title	Lead officer	Action	Response	Status
5.3	Minutes	Anne Gardiner	Governance team would create a means to track recommendations and record where they go to be reported back to the Committee.		OPEN
14.4	Internal Audit – Progress Report	Nick Bell	Officers to provide the recommendation tracker in their next report.		OPEN
17.3	Work Programme	Anne Gardiner	Risk Appetite Training provided to member in March to be circulated to new members.		OPEN
17.3	Work Programme	Anne Gardiner	Record to be kept on how many members attend the development sessions for inclusion with the annual report.		OPEN



Audit and Governance Committee		Agenda Item
08 September 2023		4
Title:	Improvement Framework	
Report of:	Angela Probert, Interim Director of Transformation Programme	
Lead Member:	Mayor, Dr Nik Johnson	
Public Report:	Yes	
Key Decision:	No	
Voting Arrangements:	A simple majority of all Members present and voting	

Recommendations:

A	Note the progress made over July and August against stated areas of improvement identified by the External Auditor in June 2022 and Best Value Notice received in January 2023 as reported to the CA Board on 31 May 2023.
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Strategic Objective(s):

The proposals within this report fit under the following strategic objective(s):

x	Achieving ambitious skills and employment opportunities
x	Achieving good growth
x	Increased connectivity
x	Enabling resilient communities
x	Achieving Best Value and High Performance

The identified improvements set out in this report aim to meet the concerns of the External Auditor and Best Value Notice. By making necessary improvements, the capacity, culture and governance of the Combined Authority will support and enable the delivery of identified priorities and objectives set out in the Corporate Plan and result in the CPCA being seen as achieving best value and high performance.

1. Purpose

1.1	Provide the Audit and Governance Committee with an opportunity to review progress over July and August against the key areas of concern identified by the External Auditor in his letter dated June 2022 and February 2023, and the Department for Levelling up, Housing and Communities (DLUHC) in its letter dated January 2023.
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2. Proposal

2.1	The highlight report attached as Appendix 1 sets out activity delivered during the period July to August 2023 against the Improvement Plan agreed by the CA Board in May 2023.
2.2	Improvement plan progress <ul style="list-style-type: none"> Overall the programme is rated as 'Green' at the end of August 2023, meaning 'successful delivery of the Improvement Plan to time, cost and quality appears to be highly likely', reflecting the positive trends across the five themes set out in the highlight report. The Improvement Group, chaired by the Executive Director, Resources and Performance continues to assess progress against the agreed plan and address any programme issues or risks. The Improvement Group has identified the key links between key deliverables set out in the Improvement Plan to ensure a programme wide focus on delivery is in place and dependencies managed.
2.3	Governance and decision making (Green) <ul style="list-style-type: none"> The Procurement Code was approved by Audit & Governance Committee (A&G) on 7th July and Combined Authority Board on 26th July. Officer / member protocols were agreed at the CA Board on 26th July. Financial regulations have been agreed. Informal meetings with Overview & Scrutiny Committee (O&S) have taken place to support the development of their requirements. Officer support for the O&S is under review. Constitutional changes have been agreed and the new constitution is on the CA website. Member training is in place and underway. Constituent authorities have been asked to nominate representatives for the new committees. Constituent authorities have been asked to nominate representative for Advisory groups. Engagement with Project delivery workstream is ongoing to ensure Single Assurance Framework (SAF) alignment.
2.4	Procurement (Green) <ul style="list-style-type: none"> Revised Procurement Strategy has been agreed and signed off. Revised Procurement Policy and Procedure has been agreed and signed off. Revised Procurement Code has been agreed and signed off. Operating Model for Procurement function has been agreed and signed off. CA Board on the 26th July agreed to recruit to the new Procurement structure with permanent staff. Grant funding agreements have been drafted and are awaiting approval. Procurement of E-Learning Procurement fundamentals training for all staff has been researched and meetings held with 11 providers. Discussions with training providers to deliver the high-level Procurement & Contract Management training have taken place.
2.5	Project plans and delivery (Green / Amber) <ul style="list-style-type: none"> DLUHC engagement has taken place on how to move forward with the required government clearance process for the Single Assurance Framework (SAF). The advice received is that the Local Growth & Assurance Unit within DLUHC will not be able to provide support for this until mid-September. Discussions with DLUHC have taken place to ensure resource is available to seek DLUHC, DfT, DfE Director approval of the SAF in September/ October/ November with an estimated four to six weeks being required for this process. The draft performance management framework has been socialised via constituent authority engagement through the Partner Working Group throughout July and into August. Comments made (and report in the July improvement update note) have been incorporated into the proposed approach and documentation. The document has been shared with the Corporate Management Team, constituent Chief Executives and is due to be shared with Audit and Governance Committee and Leaders. It is due to go to Leaders on 30 August, to Audit and Governance on 08 September and on to CA Board on 20 September.

	<ul style="list-style-type: none"> The risk management framework (RMF) has now been completed in draft and includes the latest risk appetite statement. Over August it has been shared with constituent Chief Executives and Leaders Strategy meeting in August.
2.6	<p>Partnership working (Green/Amber)</p> <ul style="list-style-type: none"> Concerns regarding partnership working were set out in the Best Value Notice with the expectation that The letter from Simon Clarke MP in July 2020 to James Palmer, previous Mayor, and reflected in the Best Value Notice received in January 2023 stated ‘...we need to work towards significantly improved local partnership working arrangements, built on a unity of ambition and shared purpose...’ Significant progress has been made in addressing the identified concerns relating to local partnership working arrangements across the constituent councils and broader stakeholder groups. Stronger and more collegiate partnership working is reported across the constituent councils in areas covering the development of the proposed refresh of the CPIER and shaping the future vision. Deeper devolution has enabled the Combined Authority demonstrate strong and effective partnership both across constituent councils and also as part of the M10 Group of MCAs and the GLA. The Corporate Management Team continue to meet with constituent authority leadership teams and role model collegiate behaviours and partnership working across the CA; this being recognised and reflected in the recent staff survey. The rescoped focus on partnership working will be: <ol style="list-style-type: none"> That it is principles not a framework that needs to be embedded That there is now substantial evidence that partnership working isn’t broken across the local authorities and the MCA That the further work commissioned outside of the Improvement Programme will take on the wider developments of the partnership landscape as part of mapping our delivery systems, essential for further devolution, but more generally in any case.
2.7	<p>Confidence, culture and capacity (Green)</p> <p>Ambition and priorities</p> <ul style="list-style-type: none"> The CA Board in July approved the funding to enable commencement of State of the Region Review and development of a Vision for Cambridgeshire and Peterborough. New approach to Corporate Performance Reporting taken to July CA Board. Comments have been received, significant progress noted and on track for Q1 reporting at September CA Board. <p>Leadership</p> <ul style="list-style-type: none"> Planning of Member Development sessions has commenced with a review of existing sessions across the constituent councils to explore options for joined up approaches and to avoid duplication. Options for further briefing sessions for members are being explored, following the positive feedback from the All Member Induction. Member Induction Pack launched. A series of seminars for internal staff which are being led by Executive Directors has commenced. <p>Values and behaviours</p> <ul style="list-style-type: none"> Launched the first “You said, we listened” staff video, highlighting feedback and resulting actions from the last staff survey, demonstrating areas of improvement and how we plan to address remaining areas of concern for staff. Scheduled the next staff conference and issued a “save the date” card.

	<ul style="list-style-type: none"> Options are being explored for the next staff survey to ensure that we can incorporate the lessons learned from previous surveys. Several HR Policies were approved by HR Committee in the period. These focussed on and introduced policies regarding equality, diversity and inclusion, flexible working, professional development, menopause support and pregnancy loss. Updates to compassionate and family leave were also included.
2.8	Independent Improvement Board engagement <ul style="list-style-type: none"> The Independent Improvement Board (IIB) continues to meet formally on a bi-monthly basis where it receives a report by the Chief Executive on the progress of the Improvement plan. The CA Board attended the IIB meeting in June and it is proposed that members attend at the meeting in September. At the conclusion of each meeting the Chair reports to the CA Board and other key stakeholders areas of assurance and those that require further focus. The Chief Executive and senior officers continue to engage with IIB members on a regular basis and the new IIB Chair is currently meeting with key stakeholders as part of his induction.
2.9	Conclusion of investigations and safeguarding of staff <p>Indications are that significant progress will be made over September and October with the conclusion being reached by the end of the calendar year.</p>

3. Background

3.1	The proposals set out in this report respond to the report presented to CA Board in March 2023. The link to the relevant Board papers is attached as set out in paragraph 10.1. The proposals also address directly the issues raised by the External Auditor, the Best Value Notice and DLUHC; again attached through a link in paragraph 10.1
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4. Appendices

4.1	Appendix 1- Highlight report July / August 2023
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3. Implications

Financial Implications

5.1	The Board in July approved an additional £250k funding for the Improvement Plan. It is anticipated that the allocated funding will now be sufficient to complete the actions contained in the Plan.
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Legal Implications

6.1	<p>The external auditor report and Best Value Notice to Combined Authority set out the statutory background to the auditor's report and the obligations falling on the Combined Authority as a consequence.</p> <p>The Combined Authority has taken actions and continues to take action seeking to improve the governance of the Combined Authority in line with the Combined Authority's Constitution and promote the Combined Authority's statutory duty of best value and continuous improvement.</p> <p>The CPCA's Audit Committee is defined by the Local Government Act 2000 and its purpose is to give assurance to elected members and the public about the governance, financial reporting and performance of the Council. This committee is therefore able to review, assess and scrutinise the information provided to them in this report in order to provide assurance.</p>
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Public Health Implications	
7.1	None
Environmental & Climate Change Implications	
8.1	None
Other Significant Implications	
9.1	None
Background Papers	
10.1	CA Board Report 22 March Best Value Notice External Auditor Letter

<div>Improvement Plan Phase 2</div> <div>Programme Level Highlight Report for the Period:</div> <div>Period - 1 July 2023 - 31 August 2023</div> <div>Item 4</div>
<div>Lead Executive Director Overview</div> <p>I am pleased to present the highlight report for the Improvement Plan for the two months to 31st August 2023.</p> <p>In the last formal highlight report I set out the five themes of this phase of our improvement journey and how these focus tightly upon the expectations- based upon their advice and feedback - of our Independent Improvement Board, DLUHC and the external auditor to ensure that our priorities for improvement reflect those of our partners and stakeholders.</p> <p>After a period where we convened the necessary resources, governance and processes to deliver our outcomes, this report shows positive and genuine progress in achieving the clear targets and milestones set out in the overall improvement plan. We have rightly set ourselves a high bar for our improvement journey - both in terms of the outcomes to be achieved and the pace of change required to demonstrate our commitment to this journey - and I am pleased to set out that the overall progress clearly demonstrates this commitment .</p> <p>Overall, the direction of travel, as demonstrated by the agreed RAG ratings, is encouraging with three of the themes reporting a rating of 'Green' for a second consecutive month, meaning that delivery of all the agreed outcomes to time and budget is considered by the CMT workstream lead to be highly likely.</p> <p>For the remaining two themes, 'Project Planning and delivery' and 'Partnership working' the RAG rating is green/amber. The RAG rating for Project Planning and Delivery is again rated as green amber and whilst the work on the SAF project has seen significant progress in August we are still reliant on DLUHC approving the proposals and the Authority is not in control of when this will occur. We continue to work positively with DLUHC colleagues on this and therefore the RAG rating of Green/Amber is a cautious reflection of the importance of this outstanding action. I also highlighted the close links between the work on Partnership working and the Single Assurance Framework and our continuing discussions with Government on enhanced Devolved powers for the CPCA. In this context the presentation of the SAF to the Combined Authority Board in September is a major milestone.</p> <p>Regarding the Partnership working theme of improvement I am pleased to report that the scope for the partnership working theme is now revised in line with feedback from stakeholders. I expect that the positive direction of travel for the RAG rating of this theme will continue when I next report to Board.</p> <p>Overall the programme is rated as 'Green' at the end of August 2023, meaning 'successful delivery of the Improvement Plan to time, cost and quality appears to be highly likely', reflecting the positive trends across all five themes. I continue to be confident of progress and achievement as we move</p>

Individual Workstream Status		
Workstream	this period	last period
Governance and decision making	green	green
Procurement	green	green
Project, Planning and delivery	green/amber	green/amber
Partnership working	green/amber	amber
Confidence, Culture and Capacity	green	green/amber

Governance and Decision Making		
<p>Project Description: To embed the governance structures & constitutional changes agreed at CA Board, enabling sound decision making & implementation. Create confidence and evidence to ensure external scrutiny of the CPCA governance arrangements is positive. Increase & improve the representation on decision making committees & boards of councillors from across the political spectrum.</p> <p>Project Outcomes:</p> <ul style="list-style-type: none"> - Plan for embedding new structures - Review membership of committees, & advisory groups - Review of BB role & role of BAP - Review role of Mayoral Advisory Group - Develop Terms of Reference for each group - Create Financial Regs, Procurement Code & SAF - Consideration of EDAF Requirements - Internal review of governance arrangements by A&G - Recruitment of permanent staff into interim posts: - Monitoring Officer - Head of HR - Place Director - Review independent councillor representation - Guidance documents and training - Member remuneration - Review role of Scrutiny function - Review non-councillor membership in groups (CIPF code) 		
Workstream Sponsor:	Nick Bell	
Project Manager/s	Louisa Simpson	
PMO (Programme Management Office) Support:	Heidi Robinson	
Agreed Completion Date	31/03/2024	
Forecast Completion Date	31/03/2024	
Reporting Period:	01/07/2023 - 31/08/2023	
Governance and Decision Making - Project Status	This Period:	Green
	Previous Period:	Green
<p>Governance and Decision Making - Project Manager update:</p> <p>Key Activities:</p> <p>The project workstream have met and have moved forward a number of key activities linked to the Improvement Plan, the key activities undertaken this period:</p> <ul style="list-style-type: none"> > Procurement Code approved by Audit & Governance A&G) Committee on 7th July and Combined Authority(CA) Board on 26th July - this delivered milestone 3 > developemnt of new arrangements for the Business Board (BB) - delivery towards milestone 4 > Development of the Economic Development Group- linked to the BB - delivery towards milestone 4 > Scope and review officer support requirements to Overview & Scrutiny (O&S) and met with committee memers to discuss requirements - delivery to support milestone 2 > Additional risks identified and Risk Register updated - delivered milestone 2 > Financial regulations have been agreed - supported delivery milestone 3 > Training analysis for staff undertaken - supported milestone 1 next period 		

- > Constitutional changes have been agreed and the new constitution is on the website - supports milestone 2 for next period
- > Remuneration Board will be looking at O&S, A&G and the BB payments to bring them up to date - supports milestone 2 & 3 for the next period
- > Member training is in place and underway - continued delivery of milestone 1 for next period
- > Membership of new Committees- LA partners have been asked to nominate reps - supports milestone 2 for next period
- > Membership of Advisory Groups- LA partners have been asked to nominate reps - supports milestone 2 for next period
- > Engagement with Project Delivery workstream to ensure Single Assurance Framework alignment - supports milestone 4 for next period

Engagement:

The workstream group during July and August, the engagement with the wider CPCA on changes is a work in progress. As key milestones are met, communication is in place to support the roll out & CMT discuss changes at their meetings. The CA Board members are engaged in change discussions at Leaders Strategy Meetings.

A&G met on the 6th July and agreed the procurement code which was ratified at CA Board on the 26th July.

A meeting took place to move forward the changes to the BB structure & related groups on the 13th July.

O&S met to scope out officer support requirements on the 24th July.

Concerns/Issues:

There are no concerns relating to the changes proposed to governance & decision making, the links to other areas of the Improvement Plan have been worked through and are now noted in Project Plan. The links to outcomes in other workstreams are not dependencies and will not impact delivery of the outcomes associated with Governance & Decision Making.

RAG Rating:

The RAG rating of Green reflects the progress & achievability of the project. The mitigations in place ensure we retain our green RAG rating. Training is being rolled out and CMT continue to engage with colleagues to explain/highlight the benefits of the new governance arrangements.

Governance and Decision Making - Workstream Sponsor comments:

I'm pleased to note that the workstream is on track to compete to the timetable. I note that further work has also been undertaken to develop role & responsibilities of Business Board and roll out a new operating mechanism for O&S. Now that preparation work is underway for review of Audit & Governance at 7th September meeting and development of wider accountability framework, which will feed into the Devo 2 work.

Governance and Decision Making - Key Milestones this Period		
1	Finalise the Risk Register	
2	Agree remuneration policy for members of O&S	
3	Agree Procurement Code	
4	BB Membership agreed & changes implemented	
Governance and Decision Making - Key Milestones Planned for Next Period		
1	Roll out officer training & Governance Guides	
2	Agree role of the BB, BAP & develop the EDG	
3	Agree officer support required for O&S Committee	
4	Align Governance Workstream with SAF delivery plan	
Governance and Decision Making - Key Milestones Project Risks		
	Risk Description	Mitigation

1	Inflexibility of Constitution	There are levels of flexibility that have been agreed within the new constitution that enable reactive decisions, this is also reflected in the SAF
2	Scrutiny role not agreed by committee	Working with O&S to ensure they are comfortable with the proposed changes.
3	Perception Gov arrangements not fit for purpose - internal review/peer review-Jan/DLUHC/IIB	Lead officers to work closely with the internal review and peer review teams to ensure understanding of the arrangements Closely manage reviews to ensure context understood.. identified officer alongside peer review and Angela internal review... also PMO resource
Governance and Decision Making Report Completed By:		Louisa Simpson
Completion Date:		21/08/2023

Procurement		
<p>Project Description: To redesign the Procurement function in line with the Price Waterhouse Cooper prpurement Review report commissioned by the CA, ensuring that Governance, Operating Model, Capability & Capacity and Compliance are reflected in the redesign. Then carrying out the practical elements of updating the Contracts Register, revising the Procurement Strategy, Policy & Procedures. Finally, ensuring the embedding of the new design through corporate training & support</p> <p>Project Outcomes:</p> <ul style="list-style-type: none"> - Redesign the procurement function - Agree operating model - Develop operating model in line with recommendations - Refresh the contracts register - Revise procurement strategy, policies and procedures - Establish a procurement hub - Implement procurement and contract management training - Communication Strategy in place to support changes - Develop procurement KPIs - Develop M&E framework - Regular reviews and periodic evaluations 		
Workstream Sponsor:	Nick Bell	
Project Manager/s	Louisa Simpson	
PMO (Programme Management Office) Support:	Heidi Robinson	
Agreed Completion Date	31/12/2023	
Forecast Completion Date	31/12/2023	
Reporting Period:	01/07/2023 - 31/08/2023	
Procurement - Project Status	This Period:	Green
	Previous Period:	Green
<p>Procurement - Project Manager update:</p> <p>Activities:</p> <p>The following activities took place during July & August:</p> <ul style="list-style-type: none"> > A detailed action plan (project plan) was agreed at the project subgroup meeting to deliver the required changes to the procurement delivery in the CA - this delivered milestone 2 > A revised Procurement Strategy was agreed and signed off - delivered milestone 4 > A revised Procurement Policy & Procedure was agreed and signed off - delivered milestone 2 > A revised Procurement Code was agreed & signed off - supported delivery of milestone 1, 2 & 4 > An operating Model was agreed & signed off - linked to milestone 1 in this month's delivery <p>Combined Authority Board on the 26th July approved the following:</p> <ul style="list-style-type: none"> > Recruitment Approach - agreement to recruit to the new structure, interim in place currently to be replaced by permanent staff - to deliver Milestone 1 <p>Key tasks undertaken this period:</p> <ul style="list-style-type: none"> > Grant Funding Agreements drafted and awaiting approval, this has been contracted out - supports Milestone 5 for the next period > Procurement of E-Learning Procurement fundamentals training for all staff - researched and met with 11 providers - supports delivery of milestone 3 for the next period > Conversations with further training providers to deliver the high-level Procurement & Contract Management training - supports delivery of milestone 3 for the next period > Additional risks identified and Risk Register updated - this is an ongoing task and remains on the agenda at each subgroup meeting. 		

Engagement:

The subgroup meet fortnightly to monitor progress with meetings to move forward actions taking place with key officers in the interim.

O&S met on the 24th July and agreed recommendations for the structure model, strategy & policy for procurement to be ratified at CA Board on the 26th July

Meeting with contractor to agree remit for the GFA & T&C work - 20th July

Engagement with the team developing the SAF continues meeting held 3rd July.

Issues/Concerns:

Currently there are no risks or concerns, the delivery of the action plan and outcomes is on target and is happening at a pace. The timeline is tight but there is support in place from within HR, Finance & Legal to ensure delivery remains on track.

RAG Rating:

The RAG rating remains green and the subgroup are confident of delivery on time. The mitigations in place support the delivery of outcomes and are monitored at each subgroup meeting.

Where external support is required to ensure mitigation of risk it is being secured and where potential changes to government policy is being highlighted this is being built into the new documentation the CA is developing.

Procurement - Workstream Sponsor comments:

This essential workstream is progressing to timetable which is pleasing as a deliberator ambitious timetable was set at the outset. As we move to embedding the recommendations of the report, I'm pleased to note increased engagement with staff members and partners.

Procurement - Key Milestones this Period		
1	Agree the preferred delivery structure for procurement function	
2	Development of a detailed stage 2 action plan	
3	Procurement Strategy & Procedure agreed & signed off	
4	Revised Procurement Policy completed	
Procurement - Key Milestones Planned for Next Period		
1	Recruitment to new structure - including Contract Manager	
2	Update to current contract register	
3	Procure training for all staff	
4	Establish Procurement Hub	
5	Meeting to agree standard GFA & T&C for standard contract documents	
Procurement - Key Milestones Project Risks		
	Risk Description	Mitigation
1	Delegated Procurement Authority not agreed	Working closely with the board to ensure there is agreement of the delgated financial options.
2	Fail to demonstrate best value in Procurement	The documents being developed are focused on achieving the outcomes required to achieve best value. We have engaged external support to ensure delivery on time.
3	Procurement Policy & statutory requirements not met	The Policy has been developed in partnership with sector experts, and is being reviewed and monitored on a regular basis. The Policy is being familiarised with partner districts to ensure it fits with their policies.
Procurement Report Completed By:		Louisa Simpson
Completion Date:		21/08/2023

Project Plans and Delivery		
Project Description: Development of an inclusive Single Assurance Framework (SAF)		
Project Outcomes: - Agreement by the CPCA and partners of a SAF - Agreement of a Performance Management Framework and reporting Dashboard. - Adoption of a new corporate risk management framework - A revised PMO with expanded responsibility for corporate performance		
Workstream Sponsor:	Steve Cox	
Project Manager/s	Jodie Townsend	
PMO (Programme Management Office) Support:	Thomas Farmer	
Agreed Completion Date	30th September 2023	
Forecast Completion Date	30th September 2023	
Reporting Period:		01/07/2023 - 31/08/2023
Project Plans and Delivery - Project Status	This Period:	Green / Amber
	Previous Period:	Green / Amber
Project Plans and Delivery - Project Manager update:		
Key Activity Single Assurance Framework (SAF): The SAF project has seen a significant shift in focus in August with a completed draft of the SAF including the relevant annex's, and the content has been shared with Corporate Management Team(CMT) to provide an opportunity for review and check. The Project Plans & Delivery Working Group continues to meet and update the CMT Workstream Sponsor. These meetings have now developed to provide Performance Management Framework and Risk Management Framework overview on top of what was already being focused on development of the SAF. There has been a significant step up in Constituent Authority engagement through the Partner Working Group through throughout July and into August that has seen a real contribution to the development of the Concept Paper, SAF Template, business case approach and the SAF phase 1 process. The July Leader's Strategy Meeting engagement proved to be both supportive and valuable, providing the steer that was required on a number of key elements. The Corporate Prioritisation prpcess within the SAF, that aligns it to the priorities of the CA has also been a key focus in July with testing of the existing approach with CPCA Business Areas being undertaken. Although the prioritisation approach will not be a part of the SAF content it is a key part of the overall process and so needs to be agreed during SAF development. The prjecft team expect this willbe finilised through further discussion during August and CMT will subsequently be engaged. Conversations have taken place with DLUHC regarding interpretation of Governement's English Devolution Accountability Framework requirements for the SAF. Engagement In addition to the political engagement detailed above, the SAF draft will be shared with the Public Service Board (to engage Constituent Council CEXs) to inform discussions at the meeting on 23 August and agree approach to the Leader's Strategy Meeting (LSM) meeting scheduled for 30 August, the intention at present is to engage LSM and provide an overview of SAF phase key process and a discussion on the levels of assurance required within the SAF At the time of writing this report these meetings had not taken place. DLUHC engagement has taken place on how to move forward with the required government clearance process for the SAF, advice received is that the Local Growth & Assurance Unit within DLUHC will not be able to provide support for this until mid-September. This is the key risk to the completion of the project to timetable and is detailed below. Discussions with DLUHC have taken place to ensure resource is available to seek DLUHC, DfT, DfE Director approval of the SAF in September/ October/ November with an estimated 4-6 weeks being required for this process. A SAF engagement video has been produced for CPCA staff to explain what the SAF is and the progress to date in its development. Performance Management Framework: The draft performance management framework has also been socialised with constituent authority engagement through the Partner Working Group throughout July and into August that has seen both engagement, understanding and a real contribution to the development of the Performance Management Framework. Over the last few months, the group have helped shape our approach to performance, supporting the development of the July Performance Report. In August, the group were sent an early version of the framework for comment, and a meeting was set up to take attendees through the document. A lot of feedback has been received and subsequent edits to the document has been made. The document has also been shared with senior managers and partners and is due to be shared with O&S and Leaders. It is due to go to Leaders and to an informal O&S meeting on 30 August, and on to Board on 20 September. The project continues to time and the final version should be ready by the end of August following Leaders and O&S feedback. Risk Management Framework: The draft framework has also been the subject of wider socialisation in July and August and there has been a significant step up in Constituent Authority engagement through the Partner Working Group. In August partners were sent an early version of the framework for comment, and a meeting was set up to take attendees through the document. A lot of feedback has been received and subsequent edits to the document has been made. The document has also been shared with CMT, CEXs and is due to be shared with A&G and Leaders. It is due to go to Leaders on 30 August, to A&G on 08 September and on to Board on 20 September. The final product will be ready following Leaders and A&G feedback in early September. Key Issues: The key issues for the prpjct relate only to the SAF element: 1. The timeframe for completion of the Draft SAF document is extremely challenging and involves significantly tight turnaround of feedback and drafting to meet required deadlines to take through Corporate Management Team, Public Service Board, Leaders Strategy Meeting, Audit & Governance Committee, Overview & Scrutiny Committee and to meet submission deadlines for the 20 September Board meeting. 2. Engagement with DLUHC remains a key concern. The delay in getting a clear response on moving forward with Government clearance process has required significant amendment to the overall project plan as a result. Although engagement has now been made, advice on EDAF received, and a clear timeframe agreed to ensure clearance before the November Board meeting there is still a concern that document and approach has been developed without DLUHC direct engagement. 3. The development of the Corporate Prioritisation approach has been delayed due to availability of key resource, lack of clarity on the ask and development of approach not considered fir for purpose. RAG Rating Rationale Single Assurance Framework:		

The rating of Green/ Amber has been assigned, as although significant progress in line with the Project Plan continues and is on track with the required engagement and consideration requirements in preparation for the Board in September, the project has not been assigned a Green rating due to the delay in DLUHC engagement and the need for this to ebnsure Government clearance.

Project Plans and Delivery - Workstream Sponsor comments:

As significant progress continues within the development all 3 frameworks against a very demanding backdrop of engagement requirements, it is particularly pleasing to see the level of engagement being provided by Constituent Authority partners through the Partner Working Group.

I am relieved that DLUHC contact has finally been made on SAF clearance and anticipate that process, once it begins, should be relatively straightforward.

A monumental effort has gone into producing a Draft SAF document that is able to enter the pre-meeting cycle for Audit & Governance Committee and Board in September. Similarly the amount of work that has gone into getting the Performance Management Framework ready for the same process should be recognised, I look forward to consideration of all 3 frameworks in September.

Project Plans and Delivery - Key Milestones/Activities this Period		
1	Complete Draft SAF document (August)	
2	LSM positive steer on key elements (July)	
3	Complete PMF/RMF document	
4	Partner and Internal Working Group positive steer key elements of all frameworks	
Project Plans and Delivery - Key Milestones Planned for Next Period		
1	Draft SAF and RMF Endorsement at Audit & Governance Committee	
2	Begin official DLUHC-DfT-DfE review of draft SAF document	
3	SAF, RMF, PMF document approval at Board	
4	Official submission SAF document to DLUHC for EDAF clearance process	
5	PMF endorsed by O&S at the informal Committee meeting	
Project Plans and Delivery - Key Milestones Project Risks		
	Risk Description	Mitigation
1	Capacity of Project Manager	Wider support from PMO to be sought. Initial discussions have taken place
2	Project Plan requirements in context of engagement timeline requirements - SAF	Engagement with CPCA Chief Executive and Improvement Group
3	Lack of clarity on EDAF clearance criteria to inform SAF document - SAF	Engagement with CPCA Chief Executive and Improvement Group
4	Data is not reported that demonstrates poor performance. - SAF	Performance management culture has been built into Improvement Programme Culture and Capacity workstream.
5	Performance information is not relevant or meaningful for members. - PMF	Engagement with members on corporate performance approach including KPI list has ensured that information will be reported that members value.
6	Too much performance information is presented to members, making it inaccessible. - PMF	CMT to review which Corporate KPIs will be scrutinised by CMT and which by CAB.
7	CAB discussion is not informed by O&S recommendations. - PMF	O&S scrutiny has been scheduled into O&S workplan in an informal session well in advance of CAB.
8	CPCA is not seen to be improving its approach to corporate performance reporting. - PMF	Performance Management Framework will be presented to CAB in September. Reporting a meaningful set of data to Sep23 CAB in a ‘good enough’ approach has been prioritised over developing a much higher quality system over a longer time. Further development of the approach will take place over future months and years.
Project Plans and Delivery Report Completed By:		Jodie Townsend
Completion Date:		25/08/2023

Partnership Working		
<p>Project Description: To enhance partnership working within the combined authority, enabling it to act as a bridge between the local area and government. This involves establishing a unified voice and offer through co-ordinated representation, policy alignment, and effective advocacy. The workstream aims to foster strategic partnerships, streamline communication channels, and influence policy development. Additionally, it seeks to secure funding and resources, facilitate joint problem-solving, and empower local governance.</p> <p>Project Outcomes: The Combined Authority should be the bridge between the local area, government and all local regional and national partners and stakeholders, providing a single unified voice and offer for the combined authority area.</p>		
Workstream Sponsor:		Richard Kenny
Project Manager/s		Pete Tonks
PMO (Programme Management Office) Support:		Heidi Robinson
Agreed Completion Date		31/03/2024
Forecast Completion Date		31/03/2024
Reporting Period:		01/07/2023 - 31/08/2023
Partnership Working - Project Status	This Period:	Green / Amber
	Previous Period:	Amber

Partnership Working - Project Manager update:

The partnership workstream is now well designed and developed, as set out below.

1. The new principles will set out what success looks like for effective partnership working will be adopted and embedded into the values, behaviours and culture of how CPMCA works as a high performing organisation;
2. The evidence as recently discussed and agreed with Constituent Member Authorities CEOs, is that the relationships, collaboration and partnership working across the area are no longer broken (as suggested back in 2020) , and this evidence is now being fully collated and provided as a body of evidence by the Workstream;
3. A process for securing a clear sense of purpose and clarity about the partnership landscape across Cambridgeshire & Peterborough , both internal and external, is now emerging as part of additional commissioned work, to help develop and shape the underpinning delivery system for the MCA.

The RAG Rating for this workstream is Green/Amber. Scope for the workstream is now clearly defined and project tasks are on track to be delivered on time. Progress is to be monitored closely given the impact of Risk item 1 below.

Partnership Working - Workstream Sponsor comments:

The three elements of the partnership workstream are now well designed and in-flight, as set out above. These are:

1. The new Framework that will set out what success looks like for effective partnership working;
2. The development of a new joint working group to bring together both all of the constituent member authorities and directorates of the MCA to deliver the workstream as a collaborative endeavour in its own right;
3. The process for securing a clear sense of purpose and clarity about the partnership landscape, both internal and external, as the underpinning delivery system for the MCA.

In my view, point one is the primary task associated with the IP. Point two is a helpful mechanism for its delivery as well as delivering point 3 that sits outside of the frame of the IP, but is nevertheless an essential and important integral part to the effective functioning of the MCA.

Partnership Working - Key Milestones/Activities this Period		
1	First draft Partnership Working Framework complete	
2	Mechanism for coordinated approach for the Improvement Programme to work with Constituent Councils agreed	
3	Template issued to CPCA staff to gather information on existing stakeholders, partnerships and groups	
Partnership Working - Key Milestones Planned for Next Period		
1	Review completed template from CPCA staff and define further analysis/deep dive approach	
2	Deep dive into existing collaborations	
3	Seek approval for Partnership Working Framework	
Partnership Working - Key Milestones Project Risks		
	Risk Description	Mitigation
1	Defining, analysing and prioritising partnerships is resource intensive and there is a risk that there may not be enough capacity within the PMO to undertake this work.	Secure additional resource in the interim from PMO/wider CPCA.
2	There is a risk that if analysis approach is not robust or clearly defined then project efforts are focussed on partnerships that do not add the most value at the expense of those that do. This will not enhance effective partnership working.	Ensure Analysis Approach is clear and follows guidelines set out in the Partnership Working Framework (PWF).
3	Once the Improvement Plan is complete there is a risk that as focus is removed from partnership working, the partnerships will become ineffective.	Ensure the PWF is embedded in the Single Assurance Framework.
Partnership Working Report Completed By:		Peter Tonks
Completion Date:		25/08/2023

Confidence, Culture and Capacity		
<p>Project Description: To establish a clear direction for the Combined Authority, foster a positive work culture based on shared values and behaviours, develop effective leadership at all levels and be recognised as a good employer. By focusing on these areas, the project seeks to establish a strong foundation for the Combined Authority to effectively deliver its goals and serve the region within a positive working environment.</p> <p>Project Outcomes:</p> <p>Ambition and Priorities:</p> <ul style="list-style-type: none"> - We are clear in our ambition and priorities for the combined authority region - We have a well-established framework to work in partnership with key stakeholders to deliver this ambition <p>Values and Behaviours:</p> <ul style="list-style-type: none"> - Values and behaviours are embedded and owned by everyone (both officers and members) through day to day activities - Values and behaviours are recognised as central to all CPCA practice and processes and there is collective ownership and responsibility for culture- living the values through day to day working activity - Alignment to the values is recognised and celebrated, whilst non-aligned of 'behaviours' are addressed - Peer reviews and feedback from partners identify CPCA is 'living its values <p>Leadership:</p> <ul style="list-style-type: none"> - Leadership at all levels of CPCA is seen as high quality, effective and in line with the agreed values and behaviours <p>Recruitment, Retention, Reward and Resources</p> <ul style="list-style-type: none"> - Balanced scorecard in place that reflects job satisfaction, employee turnover, absence etc. - Workforce strategy agreed (up to 2025) that identifies key resourcing requirements and how they will be delivered. - CPCA is viewed as a 'good' employer tested through staff surveys, exit interviews and external review 		
Workstream Sponsor:	Kate McFarlane	
Project Manager/s	Pete Tonks	
PMO (Programme Management Office) Support:	Heidi Robinson	
Agreed Completion Date	31/03/2024	
Forecast Completion Date	31/03/2024	
Reporting Period:		01/07/2023 - 31/08/2023
Confidence, Culture and Capacity - Project Status	This Period:	Green
	Previous Period:	Green / Amber

Confidence, Culture and Capacity - Project Manager update:**Key Activities undertaken this period include:****Ambition and priorities**

- July CA Board approval of funding to enable commencement of State of the Region Review and development of a Vision for Cambridgeshire and Peterborough.
- New approach to Corporate Performance Reporting taken to July CA Board. Comments received, significant progress noted and on track for Q1 reporting at September CA Board.

Leadership

- Planning of Member Development sessions has commenced with a review of existing sessions across the constituent councils to explore options for joined up approaches and to avoid duplication.
- Options for further Briefing Sessions for members are being explored, following the positive feedback from the All Member Induction.
- Member Induction Pack Launched.
- A series of seminars which are being led by Executive Directors has commenced.

Values and behaviours

- Launched the first video for staff called "You said, we listened", highlighting feedback and resulting actions from the last staff survey, demonstrating areas of improvement and how we plan to address remaining areas of concern for staff.
- Scheduled the next staff conference and issued a "save the date" card.
- Options are being explored for the next staff survey to ensure that we can incorporate the lessons learned from previous surveys.

Recruitment, retention, reward and resourcing

- Launched training in collaboration with Cambridgeshire County Council, providing staff with the opportunity to expand both personal skills (such as leadership) and core skills.
- Several HR Policies were approved by HR Committee in the period. These focussed on and introduced policies regarding equality, diversity and inclusion, flexible working, professional development, menopause support and pregnancy loss. Updates to compassionate and family leave were also included.

The workstream is on track to achieve key deliverables on time therefore the RAG Rating for this period is Green.

Confidence, Culture and Capacity - Workstream Sponsor comments:

Work on this improvement theme which is on track has continued at pace, with some significant milestones achieved during this period including the adoption of a suite of new HR policies, Board approval to drawdown funding for the development of the State of the Region Review and a Shared Vision for Cambridge and Peterborough as a Place. The external communications review continues at pace along with the publication of our 2022/23 successes report highlighting what the CPCA delivered last year and the first "You Said, We've Listened" video which marked the launch of a new approach to communicating and engaging with staff. The project group is working well, there are adequate resources in place, an agreed project plan and during this period have seen both the completion of some activities as scheduled and scoping the development of future activities to ensure future milestones are met.

Confidence, Culture and Capacity - Key Milestones/Activities this Period

1	Internal communications review and improvement commenced
2	Next staff conference planning has commenced
3	Corporate Performance Reporting - New approach taken to July Board
4	Approval of funding for State of the Region and development of Vision given at CA Board in July
5	Additional HR policies approved at HR Committee
6	Options for future staff surveys developed/considered
7	Board Development work commenced (Sub-Group set up and met, proposal developed)

Confidence, Culture and Capacity - Key Milestones Planned for Next Period

1	Training collaboration with Cambridgeshire County Council to commence/Continue
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2	Staff conference and survey planning to continue	
3	State of the Region and Vision activities to commence/continue	
4	Board and Member development activity planning to commence	
5	External and internal communications review to continue	
Confidence, Culture and Capacity - Key Milestones Project Risks		
	Risk Description	Mitigation
1	The workstream encompasses many facets of the organisation and is intertwined with BAU activities. This means there is a risk of scope creep which could shift focus to tasks and activities that are not a priority and do not directly impact upon tangible outcomes for the Improvement Plan.	Clearly define what is in and out of scope. Do not add tasks or actions to the project plan without a whole project team review.
2	Members can be perceived as the 'face' of the CA given their public profiles/roles. If they are unwilling or unable to engage properly in developmental activities they may not demonstrate that change has happened/been effective (even if change been a success for officers and staff).	Continue to plan and support board/member development. Seek formal feedback. Encourage and track attendance at development sessions.
3	The Confidence, Capacity and Culture Workstream relies on acceptance of change across staff and members. Whilst, training sessions, process, workshops and internal communications will drive and encourage this, ultimately the change has to be accepted. Some staff and members may not accept the changes. Depending upon a number of factors (i.e. which staff or members do not accept, how their rejection of change is voiced/heard, how many staff/members do not accept change) the effect can be significant and can undermine the outcomes for the workstream.	Continue to outline the benefits of the changes via staff forums, conferences etc.
Confidence, Culture and Capacity - Report Completed By:		Peter Tonks
Completion Date		25/08/2023

The Independent Improvement Board have requested implementation of 'Rag Rating' to report progress against identified areas of activity. It is proposed that this will be used from now on for Improvement reports to all Boards and Committees to ensure a consistent approach. We have used our learning from the first phase of improvement and sought best practice to inform our future approach.

Set out below is the methodology adopted.

Green	Successful delivery of the improvement theme to time, cost and quality appears to be highly likely.
Green / Amber	Successful delivery of the improvement theme within timescale appears probable. However, constant attention will be needed to ensure risks do not materialise into issues threatening delivery.
Amber	Successful delivery of the improvement theme appears feasible, but issues exist requiring attention. These appear resolvable at this stage, and if addressed properly, should not represent a schedule overrun.
Amber / Red	Successful delivery of the improvement theme is in doubt with major risks or issues apparent some key areas. Action is underway to ensure these are addressed and establish whether resolution is feasible.
Red	Successful delivery of the improvement theme withing the agreed timescale and/or budget appears to be unachievable as issues have been identified which officers conclude are at present not manageable or resolvable. The theme will therefore need re-profiling.



Audit and Governance Committee		Agenda Item
08 September 2023		5
Title:	Update to the member officer protocol	
Report of:	Edwina Adefehinti	
Lead Member:	Edna Murphy (Lead Member for Governance)	
Public Report:	Yes	
Key Decision:	No	
Voting Arrangements:	Simple majority	

Recommendations:

A	Approve the amendments to the member officer protocol
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Strategic Objective(s):

The proposals within this report fit under the following strategic objective(s):

5	Achieving Best Value and High Performance
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1. Purpose

1.1	The Audit and Governance Committee has a role in overseeing standards in relation to how Members and officers interact with each other. The committee requested to review the Member officer relations protocol and to receive a report providing feedback on how the protocol was performing. A report went to the Audit & Governance committee on 9 th June 2023 addressing the operation of the protocol as well as seeking a review of the protocol. The Audit and Governance provided its views on the operation of the protocol and the review
1.2	This report is seeking the views of the Combined Authority Board on the attached amended protocol.

2. Proposal

2.1	To approve the amendments to the attached protocol following the CPCA Board consideration.
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3. Background

3.1	<p>The Member / Officer Relations Protocol (Annex 3) to the Combined Authority's Constitution sets out the parameters through which Members and Officers should engage with each other through their roles.</p> <p>It deals with many issues including general conduct, decision making, use of resources and day to day contact.</p> <p>The Protocol also includes a section setting out how Members should interact with each other, and the basic standards expected.</p> <p>The Audit and Governance Committee has a role in monitoring Member standards including how Members interact with each other and with officers.</p> <p>The attached Protocol was adopted on 27th July 2022 by the Combined Authority Board and was reviewed at its meeting in July 2023. The Board reviewed and commented on the protocol and authorised the Monitoring Officer in consultation with the Chair of the Audit & Committee to make any further changes to the protocol.</p>
3.2	<p>At the meeting of Audit & Governance on 9th June 2023, the committee requested.</p> <ul style="list-style-type: none">• For CIVIL to be included in the protocol.• Re-think paragraphs 2.15 and 4.7 of the protocol• Role of members should be amended to specifically recognise that members also make recommendations & decisions• Expand Paragraph 11.1 on member training to include all members of committees as it is currently limited to Board members. <p>Audit & Governance Committee RESOLVED:</p> <ol style="list-style-type: none">1. The updated protocol be presented to the CA Board for approval with a covering report which would highlight the strong feeling of the Committee in regards to breaches of the protocol.2. A further report be provided to the Audit & Governance Committee in September which would place the protocol into context and provide a background to the CPCA, the challenges and actions taken to address these.
3.3	<p>Members will note that the amendments requested have been made. Unfortunately, the report requested is not yet available, but the Monitoring Officer will endeavour to bring the report to the November meeting of this committee.</p>

4. Appendices

4.1	<p><i>Appendix 1- Member officer protocol-</i> CA Board Constitution March 2023 (cambridgeshirepeterborough-ca.gov.uk)</p> <p>Appendix 2- Amended Member Officer protocol with changes highlighted in red</p>
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5. Implications

Financial Implications

5.1	None
Legal Implications	
6.1	The Members/Officer protocol set out at Annex 3 of the Combined Authority's Constitution forms part of the Combined Authority's ethical framework and should be read in conjunction with the Combined Authority's Constitution, the Code of Conduct for Members, disciplinary codes which regulate the conduct of officers and other relevant codes and guidance.
6.2	The Protocol does not specify that the Audit and Governance Committee and/or the Monitoring Officer will jointly keep this Protocol under review. It is good practice to review on an annual basis and make recommendations for changes as appropriate.
6.3	The Combined Authority Board should pay regard to the Combined Authority's Public Sector Equality Duty (Equality Act 2010) and its obligations to equality and diversity in facilitating and/or discharging the functions of the Combined Authority's including the extent to which have informed the protocol and any proposed revisions to it as part of the Committee's review. The Combined Authority Board should consider the extent to which the Protocol supports equality of opportunity and engagement for all Members and officers including any impact on protected characteristics.
Public Health Implications	
7.1	None directly
Environmental & Climate Change Implications	
8.1	None Directly
Other Significant Implications	
9.1	None Directly
Background Papers	
10.1	None



Appendix 1: Protocol on Member/Officer Relations

1. Introduction

- 1.1 The protocol is designed to provide a guide to good working relations between Combined Authority Board Members, including the Mayor, and officers, to define their respective roles and provide some principles governing conduct. It is not intended to be prescriptive or comprehensive and seeks simply to offer guidance on some of the issues that most commonly arise.
- 1.2 The protocol seeks to reflect the principles underlying the respective Codes of Conduct that apply to Members and officers and should be read in association with those Codes. The shared objective of the Codes is to enhance and maintain the integrity of local government.
- 1.3 This protocol will also apply to co-opted members of committees/boards.
- 1.4 Members and Officers are all public servants who depend on each other in carrying out their work. Members are responsible to the people of the Combined Area who they serve for as long as their term of office lasts, while Officers are responsible to the Authority. Their job is to give impartial advice to the Cabinet and to the Authority's committees and subcommittees as well as individual Members, and to carry out the Authority's work.
- 1.5 Mutual respect between Members and Officers is essential to good local government. Mutual respect and courtesy should prevail in all meetings and contacts (both formal and informal) between Members and Officers. To be most effective Members and Officers will work closely and cohesively together. However, close personal familiarity between individual Members and Officers can damage this important relationship.
- 1.6 The relationship has to operate without any risk of compromising the ultimate responsibilities of Officers to the Authority as a whole, and with due regard to such technical, financial, professional and legal advice that Officers can legitimately provide to Members.

Protocol on Member/Officer Relations

- 1.7 It is clearly important that there should be a close working relationship between Board members, committee chairs, and the relevant chief officers. However, such relationships should never be allowed to become so close, or appear to be so close, as to bring into question the individual's ability to deal impartially with others.

2. Members' Role and Individual Officers

- 2.1 A Board member who is also an elected member of a constituent authority may be asked for advice and support by an officer who is one of their constituents. Officers are entitled to seek such assistance in the same way as any other member of the public. However, members should be aware of the wider provisions of the constitution and be careful not to prejudice the Authority's position in relation to disciplinary procedures or employment matters in respect of an officer.
- 2.2 A member approached for help in such circumstances should first seek advice from the Monitoring Officer.
- 2.3 An officer should treat a Member as they would a member of the public in relation to the limited situations where they may be in personal receipt of services provided by authority.

Roles of Members

- 2.4 Members have many different roles:
- a) Members are the policy makers and carry out a number of strategic and corporate functions collectively approving the Authority's policy framework, strategic plans and budget.
 - b) Developing and reviewing policy and strategy.
 - c) Monitoring and reviewing policy implementation and service quality.
 - d) Members express political values and support the policies of the political party or group to which they belong (if any).
 - e) Representing their communities and bringing their views into the Authority's decision-making processes, thus becoming advocates for their communities.
 - f) Being involved in partnerships with other organisations as community leaders.
 - g) Representing the Authority on other bodies and acting as ambassadors for the Authority.
 - h) Members may have roles relating to their position as members of the Board or Overview and Scrutiny Committee or other committees and sub committees of the Authority.
 - i) **Making recommendations & decisions**

Roles of Officers

- 2.5 Officers' main roles are as follows:
- a) Providing advice to the Board, to the Authority's committees and subcommittees and Members to

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- enable them to fulfil their roles.
- b) Managing and providing services for which they are responsible.
- c) Being accountable for ensuring those services are efficient and effective.
- d) Advising the Board, the Authority's committees and subcommittees and Members in respect of those services.
- e) Initiating proposals for policy development.
- f) Implementing the Authority's policies.
- g) Ensuring the Authority acts lawfully.
- h) Representing the Authority on external organisations.

Respect and Courtesy

- 2.6 An essential ingredient to the Authority's business being conducted effectively is ensuring mutual respect, trust, courtesy and even-handedness in all meetings and contacts between Officers and Members. This plays a very important part in the Authority's reputation and how it is seen by the public and partners.

The Authority's Reputation

- 2.7 Members and Officers both have an important role in engendering a good reputation for the Authority. In particular they should:
- 1) protect and promote the legitimacy of democratic local government;
 - 2) promote a positive relationship between Members and Officers and be careful not to undermine it;
 - 3) avoid criticism of the Authority when formally representing it; and
 - 4) avoid personal criticism of other Members and Officers.

Undue pressure

- 2.8 In any dealings between Members and Officers neither should try to take advantage of their position or place undue pressure on junior staff.
- 2.9 Members and Officers must always be mutually respectful, regardless of their role within the Authority. Members must not pressurise any Officer to do things s/he has no power to do, or to work outside of normal duties or hours.
- 2.10 Apart from decisions that are clearly illegal, Officers should usually carry out decisions of the Authority. However, instructions should never be given to Officers to act in a way that is unlawful. Officers have a duty to express their reservations in this sort of situation, and the Monitoring Officer or Chief Finance Officer may get involved as they have a statutory duty to intervene where illegality or maladministration is possible.
- 2.11 To assist Members in decision making they should be informed of all legal and financial considerations, and be warned of the consequences even if it is unpopular. If a Member has a concern that an Officer is not carrying out a particular Authority decision, the Member concerned should draw this to the

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attention of the Head of Paid Service.

- 2.12 In similar terms, Officers should not use undue influence to pressurise an individual Member to make a decision in his/her favour, nor raise personal matters to do with their job, or make claims or allegations about other Officers to Members.
- 2.13 The Authority has procedures for consultation, grievance and discipline and there is a right to report actions of concern under the Authority's Whistleblowing Policy.
- 2.14 Members should not seek to place undue pressure on junior officers through direct requests for information/advice.
- 2.15 **There will be occasions when members need to contact officers, if members contact officers who are not listed in the top three tiers of officer structure, the officer who has been contacted should inform their director if required. If possible, members should avoid going directly to Officers not listed in the top three tiers.**
- 2.16 As mentioned above, the Authority has adopted separate Codes of Conduct for Members and Officers. The codes aim to improve and maintain the Authority's reputation as well as protect both Mayor/ Members and Officers and so they demand very high standards of conduct.

3. Personal and Business Relationships

- 3.1 Members and Officers must work together closely to effectively undertake the Authority's work. This inevitably leads to a degree of familiarity. However, close personal relationships between individual Members and Officers can be damaging to mutual respect.
- 3.2 It is important not to allow any personal or business connection or relationship with any other Member or Officer to affect the performance of official responsibilities, taking action or making decisions. It is also important in these circumstances to be wary of passing confidential information to anyone who should not have access to it.
- 3.3 Members and Officers should always consider how any relationship or connection could be interpreted by anyone outside the Authority, or by any other Member or Officer, and avoid creating any impression of unfairness or favouritism.
- 3.4 Members should take account of any relationship or connection they have with any other Member or Officer when considering whether or not they need to register or declare a personal interest. It would usually be inappropriate for a Member to have special responsibilities in an area of activity in which someone with whom s/he has a close personal or business relationship is a senior officer. If this situation arises, the Member should take appropriate action to avoid a potential conflict of interest.

Protocol on Member/Officer Relations

4. Officers' Advice to Members

- 4.1 Members are entitled to ask the Chief Officers for such advice and information as they reasonably need to help them in discharging their role as a Member of the Authority. This can range from general information about some aspect of the Authority's activities, to a request for specific information on behalf of a constituent.
- 4.2 It is important for the Chief Officers to keep Members informed both about the major issues affecting the Authority and about issues affecting the areas s/he represents. Members shall be kept informed about proposals affecting their constituent council areas and be invited to Authority initiated events within or affecting their constituent council areas.
- 4.3 Advice or information sought by Members should be given in a timely manner. It should be provided by the relevant service provided it is within the service's resources.
- 4.4 Officers serve the whole Authority and must be politically neutral in their work. In providing advice and support to the Authority and when implementing its lawful decisions, it must not be assumed that an Officer is supportive of a particular policy or view or is being other than politically neutral in implementing such decisions. Political neutrality in carrying out their work ensures that Officers are able to act impartially in the best interests of the Authority. Special legal rules exist which limit the political activities of senior Officers. All senior posts are 'politically restricted', which means that the Officers in those posts are not allowed to speak or write in such a way that could affect public support for a political party. However, they can speak or write in a way which is necessary in order to perform their duties properly.
- 4.5 If Members have any concerns that an Officer is not acting in a politically neutral manner, they should refer their concerns to the Head of Paid Service. Allegations that an Officer has not acted in a politically neutral way are serious and could be damaging to his/her reputation.
- 4.6 Officers can advise Members on matters relating to the Authority's business. When seeking advice the Members should approach the Chief Officers in the first instance. They will direct the Members to the appropriate lead officer who will normally be at Director/ Head of Service level.
- 4.7 There will be occasions when members need to contact officers, if members contact officers who are not listed in the top three tiers of officer structure, the officer who has been contacted should inform their director if required. If possible, members should avoid going directly to Officers not listed in the top three tiers.
- 4.8 Officers can usually give information confidentially unless doing so would not be in the Authority's best interests (for example, if it went against their obligation to protect the Authority's legal or financial position). Any

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information a Member receives confidentially in one capacity (for example, as a Member of the Board) cannot be used when acting in a different capacity (for example, when representing his/her ward).

- 4.8 Confidential information can only be given to those entitled to see it. It is best to check with the Officer giving the information whether it is appropriate to pass it on to others. Members should make sure that when they are getting help and advice from Officers they only ask for information to which they are properly entitled. There is more detail about the information to which Members are entitled in the Constitution.
- 4.9 Members' rights to inspect documents are contained partly in legislation and partly at common law.
- 4.10 Officers are required to serve the Authority as a whole. They are responsible to the Head of Paid Service, the Monitoring Officer and the Chief Finance Officer, and not to individual Members whatever office they may hold.

5. Support Services to Board Members

- 5.1 Board Members are provided with access to ICT (information and communication technology) systems and to support services (e.g. diary management, correspondence handling, typing, printing, photocopying etc.) to enable them to better perform their role as Board Members.
- 5.2 Members should not use - and officers should not provide - such access and support services in connection with party political or campaigning activity or for purposes not related to Combined Authority business, except that ICT access may be used for non- commercial purposes provided it does not cause a conflict with, or risk to, the Authority's systems, or increase the support required from officers.

6. Member/Officer Working

- 6.1 The relationship between officers and Board Members should be characterised by mutual respect and courtesy and recognition of each other's roles and responsibilities. Board Members have the right to challenge officers' reports and actions, but they should avoid personal and or/public attacks, and ensure their criticism is fair and constructive.
- 6.2 Officers should not publicly criticise Authority decisions even if they do not personally agree with those decisions.
- 6.3 Collaborative working between Members and officers is essential but close personal familiarity can lead to damaging assumptions by others. Councillors and officers should inform the Monitoring Officer of any relationship either personal or family, or business connection which might be seen as unduly influencing their work in their respective roles. The Monitoring Officer will consider what action, if any, should be taken.
- 6.4 Officers work to the instructions of their managers not individual Board Members.

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- 6.5 Board Members must not require officers to change their professional advice or take any action which the officer considers unlawful or illegal or which would amount to a breach of officers roles and responsibilities, maladministration or breach of a statutory duty.
- 6.6 Board Members should not raise matters relating to the conduct or capability of an officer or of officers collectively at meetings held in public or in the press. Any concerns should be raised using the appropriate procedure.
- 6.7 The advice provided and actions taken by officers should be sensitive to the political nature of the organisation, but their advice should always be independent and unbiased.
- 6.8 Board Members must consult with the Monitoring Officer and the Chief Finance Officer about legality, maladministration and financial impropriety and if they have doubts as to whether a particular decision is or is likely to be contrary to the policy framework or budget.
- 6.9 The Authority has a statutory duty to positively promote equality. Members and officers should not by their manner, speech, or in any written communication, be discriminatory with regards to a person's age, disability, gender reassignment, marriage and civil partnership, pregnancy and the protected characteristics set out in The Equality Act 2010.

7. Officers and Individual Members

- 7.1 Any Board Member may request a private and confidential briefing from an Executive Director or Director on matters of QQ.U.gy which have already been or may be discussed by the Authority or within its decision-making or advisory process. All requests should be made to the appropriate Executive Director or Director.
- 7.2 Briefings shall remain strictly confidential and are not to be shared with other members of the Authority unless so permitted by the relevant member.
- 7.3 Confidential information relating, for instance, to a Board member's ward/divisional cases should not normally be sought. If in exceptional circumstances members wish to discuss confidential aspects of an individual case then they shall first seek advice from the Executive Director or Director and follow appropriate guidance.
- 7.5 Finally, any official information provided to a member must only be used by the Board Member solely for the purpose for which it was provided (i.e. in connection with the proper performance of the member's duties as a member of the Council).
- 7.6 The point is emphasised in the Code of Conduct.

8. Politically Restricted Posts

- 8.1 There are a number of rules which apply to Officers who occupy politically

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restricted posts under the Local Government and Housing Act 1989. In summary such Officers are prevented from:

- a) being a Member of Parliament, a Member of the European Parliament or a local authority member;
- b) acting as an election agent or sub agent for a candidate for any of those bodies;
- c) being an officer for a political party or branch, or a committee if that role is likely to involve participation in the management of the party or branch, or to act on its behalf in dealings with other persons;
- d) canvassing on behalf of a political party or an election candidate;
- e) speaking in public in support of a political party; and
- f) publishing written or artistic works affecting support for a political party.

9. Officers and Elected Representatives from other bodies

- 9.1 Officers may be requested to meet with Councillors or elected representatives from constituent Councils or partner organisations to provide briefings and/or policy advice.
- 9.2 Any officer requested to attend a meeting of this nature which is not held on a cross- political party basis must obtain the prior authorisation of the Chief Executive

10. Media Relations

- 10.1 All relations with the media must be conducted in accordance with the Authority's agreed procedures and the law on Local Authority publicity. Media inquiries relating to official business should be referred to the Communication Team.
- 10.2 Officers will make every effort to keep Board Members informed of media interest in Authority activities relevant to their responsibilities especially regarding strategic or contentious matters.
- 10.3 Any officer assisting a member with media relations must act at all times in the interests of the whole Authority and in a politically impartial manner. Other than factual statements, members should not seek assistance from an officer with the preparation or issue of any media statement that will adversely affect the reputation of the Authority.

11. Member Training

- 11.1 **Board Members and all members of committees** are expected to embrace the principles of personal development and skill training and ensure they allocate time to participate in all the necessary training and personal development activities. This includes, but is not limited to, the necessary skills to take advantage of the ICT facilities made available to them.

12. Complaints/Concerns

Procedure for Members

- 12.1 If a Board Member is dissatisfied with the conduct, behaviour or

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performance of an officer they should raise the matter privately with the relevant Executive Director or Director. If their concerns relate to an Executive Director or Director the concern should be raised with the Chief Executive. If the concerns relates to the Chief Executive then the concern should be raised with the Monitoring Officer. Where necessary, internal HR processes will be undertaken.

Procedure for Officers

- 12.2 If an officer is unhappy with the conduct or behaviour of a Board Member they should seek to resolve the matter by appropriate discussion and involvement of their Executive Director or Director.
- 12.3 In the event that matters remain unresolved they should inform the Monitoring Officer who will consider what action should be taken.

13. Arbitration

- 13.1 When necessary, the Chief Executive will arbitrate on the interpretation of this Protocol following consultation with the Monitoring Officer, who may also involve the head of HR where s/he judges that appropriate.



Audit and Governance Committee		Agenda Item
08 September 2023		6
Title:	Risk Management Framework and Risk Deep Dive	
Report of:	Nick Bell	
Lead Member:	Cllr Edna Murphy	
Public Report:	Yes	
Voting Arrangements:	A simple majority of all Members present and voting.	

Recommendations:

A	Recommend to CPCA Board approval of the Risk Management Framework and Procedure (including refined Financial risk scoring definitions).
B	To note and feedback on the Risk Deep Dive – Finance – Inflation and Future funding
C	To note the July - Risk Register

Strategic Objective(s):

The proposals within this report fit under the following strategic objective(s):

X	Achieving ambitious skills and employment opportunities
X	Achieving good growth
X	Increased connectivity
X	Enabling resilient communities
X	Achieving Best Value and High Performance

1. Purpose

1.1	The purpose of this document is to recommend to CPCA Board approval for the CPCA's Risk Management Framework and Procedure, to assist its communication and understanding and to provide guidance to those with responsibilities for ensuring that it is applied effectively and consistently. (This information is supplied in Appendix 1 and 2).
1.2	Information on the Risk Deep Dive – Finance – Inflation and Future funding has been supplied Appendix 2. This information will describe the process followed in which the financial risks are identified, assessed the risk (and adding the risk treatment), monitored and reported.
1.3	The Corporate risk register and supporting reports for July 2023 can be found in Appendix 3.

2. Proposal

2.1	<p>The CPCA are accountable for delivering in a complex and changing environment. Managing risk and uncertainty is critical to the successful delivery of strategic aims.</p> <p>The Risk Management Framework sets out an enhanced and integrated approach that builds on our existing risk management practice. The Framework is intended to support the strategic and organisation-wide focus on risk, setting out the ambition, motivation and principles that frame our approach.</p> <p>The Risk Management Procedure outlines the Combined Authority's approach to managing risk and outlines the tools and techniques involved in ensuring that this takes place effectively and in a consistent manner.</p> <p>The CPCA is committed to implementing an organisation-wide risk management culture that exemplifies high levels of risk maturity and best practice in the identification, evaluation and effective management of risk in respect of current activities and new opportunities.</p> <p>The Risk Management Framework has been co-produced with our Partners through a Partner Working Group.</p>
2.2	<p>The Orange Book 5 principles are governance, integration, collaboration, processes, and continual improvement.</p> <p>The objective of this framework is to adapt these principles to the Combined Authority's ways of working, ensuring compliance with our Single Assurance Framework.</p> <p>This Framework sits within the proposed Single Assurance Framework (SAF). The proposed SAF sets out the processes, approach and criteria that demonstrate to government the robust assurance, appraisal and value for money considerations that are used to develop and deliver projects and programmes to a high standard, maximising the opportunity to realise benefits whilst ensuring effective stewardship of public funds.</p> <p>The Risk Management Framework is a key tool in successfully delivering the SAF. It ensures that appropriate pipeline and project oversight is provided by both officers and politicians and provides risk data on project development and delivery to drive performance review considerations.</p> <p>To embed the use of the Risk Management Framework and Procedure, risk training has been undertaken with following groups:</p>
2.3	<p>Risk Management training</p> <p>Two risk Management sessions for members of the Audit and Governance Committee have now taken place: 21st November 2022 24th March 2023</p> <p>Risk Management training for CPCA and subsidiary companies Programme / Project Managers was delivered on 24th February 2023. A follow up training session is to be delivered in Autumn 2023.</p> <p>Risk Appetite training for the Corporate Management team took place on 27th April 2023. A Risk Appetite Statement has been drafted. The Risk Appetite Statement is incorporated within the Risk Management Framework.</p>
2.4	<p>Implementation of Risk Register software – 4Risk</p>

	<p>In May, risk software was procured. (4Risk supplied by RSM). The investment in new corporate, web-based risk software will allow a central and auditable platform to register risks associated across the work programme.</p> <p>Training in the use of the new software will be undertaken across all service areas and subsidiary companies this autumn.</p>
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3. Background

3.1	<p>The Combined Authority Risk Management Framework has been based upon the principles of the HMT Orange Book (2020).</p> <p>The Orange Book states that, in successful organisations, risk management enhances strategic planning and prioritisation, assists in achieving objectives and strengthens the ability to be agile to respond to the challenges faced. Therefore, if we are serious about meeting our objectives successfully, improving service delivery and achieving value for money, risk management must be an essential and integral part of planning and decision-making.</p> <p>The Department for Levelling Up Housing & Communities (DLUHC) published its English Devolution Accountability Framework (EDAF) in March 2023. This provides guidance on how Mayoral Combined Authorities should be accountable to local scrutiny, the public and the UK government. Our Risk Management Framework supports our compliance with the standards in the EDAF, and we are seeking to go beyond the spirit of EDAF in delivering good governance and strong measures of accountability.</p> <p>The Risk Management Framework was last approved in January 2020.</p>
3.2	<p>The Risk Management Framework and Procedure documents have been co-produced and co-designed with the following groups:</p> <ul style="list-style-type: none"> • M10 Assurance network (3 sessions – May – Aug 2023). • Internal Officer Working Group – officers from across all CPCA service areas. (4 sessions covering the Single Assurance Framework, Performance Management Framework and Risk Management Framework, May – Aug 2023). • Partner Working Group – nominated officers from all CPCA constituent councils. (4 sessions covering the Single Assurance Framework, Performance Management Framework and Risk Management Framework, May – Aug 2023).
3.3	<p>The Risk Deep Dive on Future Funding and Inflation risks is included as appendix 4.</p> <p>This is the first of the Deep Dives prepared for the Committee with the intention of providing the Committee's with a better understanding of the key risks, and mitigating actions, within the Combined Authority.</p> <p>As this is the first such report, the format and content are open to development and the Committee's views are sought to inform future reports to meet their needs.</p>

4. Appendices

4.1	<p>Appendix 1. Risk Management Framework</p> <p>Appendix 2. Risk Management Procedure.</p> <p>Appendix 3. Corporate Risk Register and supporting documents, July 2023.</p> <p>Appendix 4. Risk Deep Dive – Future Funding and Inflation</p>
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5. Implications

Financial Implications	
5.1	There are no direct financial implications to this report, adoption of the revised risk management framework and updated financial definitions will enable more effective reporting and scrutiny of the financial impacts of key risks.
Legal Implications	
5.2	The Cities and Local Government Devolution Act 2016 established the requirement for Combined Authorities to appoint an audit committee whose functions include reviewing and assessing the authority's risk management, internal control and corporate governance arrangements.
Public Health Implications	
5.3	None
Environmental & Climate Change Implications	
5.4	None
Other Significant Implications	
5.5	None
Background Papers	
5.6	None



**CAMBRIDGESHIRE
& PETERBOROUGH**
COMBINED AUTHORITY

Risk Management Framework

September 2023



Version History

Revision Number	Revision Date	Nature of Revision	Created by
V1	January 2020	Approved at Audit & Governance in November 2019 and Combined Authority Board January 2020	Programme Office
V2	September 2023	Refresh of Risk Management Framework following RSM Audit and structured around new HMT Orange Book guidance	Programme Office
	Next review September 2025 at Audit & Governance		

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1 Introduction

The Combined Authority Risk Management Framework has been based upon the principles of the [HMT Orange Book](#) (2020).

The Orange Book states that, in successful organisations, risk management enhances strategic planning and prioritisation, assists in achieving objectives and strengthens the ability to be agile to respond to the challenges faced. Therefore, if we are serious about meeting our objectives successfully, improving service delivery and achieving value for money, risk management must be an essential and integral part of planning and decision-making.

The Department for Levelling Up Housing & Communities (DLUHC) published its English Devolution Accountability Framework (EDAF) in March 2023. This provides guidance on how Mayoral Combined Authorities should be accountable to local scrutiny, the public and the UK government. Our Risk Management Framework supports our compliance with the standards in the EDAF.

This Framework sits within a broader Single Assurance Framework (SAF). The SAF sets out the processes, approach and criteria that demonstrate to government the robust assurance, appraisal and value for money considerations that are used to develop and deliver projects and programmes to a high standard, maximising the opportunity to realise benefits whilst ensuring effective stewardship of public funds. The Risk Management Framework is a key tool in successfully delivering the SAF. It ensures that appropriate pipeline and project oversight is provided by both officers and politicians and provides risk data on project development and delivery to drive performance review considerations.

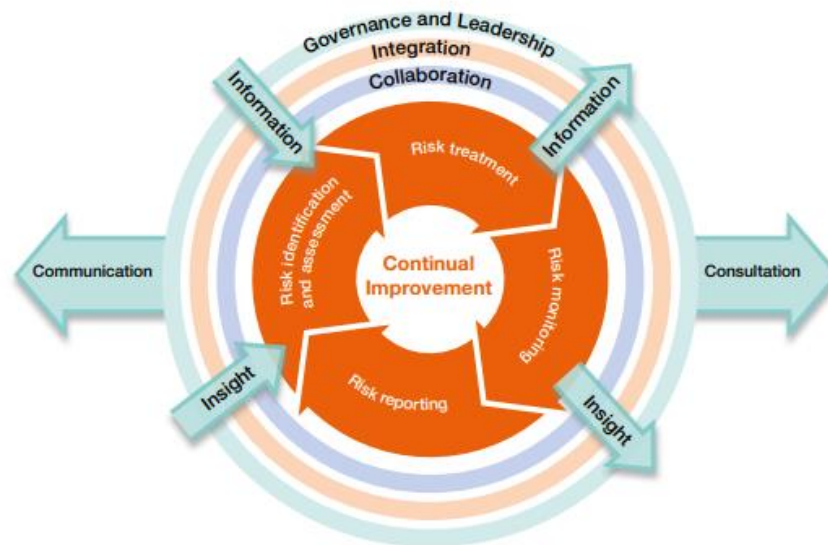
2 Approach

Figure 1 is an illustration of the Orange Book Risk Management Framework and how the Combined Authority Risk Management Framework has been designed around these Orange Book principles.

These principles of risk management support the consistent and robust identification and management of risk within desired levels across the organisation, supporting openness, challenge, innovation, and excellence in the achievement of objectives.

Figure 1

Risk Management Framework



The Orange Book 5 principles are **governance, integration, collaboration, processes, and continual improvement.**

The objective of this framework is to adapt these principles to the Combined Authority's ways of working, ensuring compliance with our Single Assurance Framework.

The outcomes and benefits gained from the implementation of this framework include:

- Strengthened governance and leadership: with clear lines of reporting and clarity of levels of delegation and escalation.
- Improved knowledge of risk: as an organisation and improved risk culture.
- Efficient risk reporting: where risks will be reported to the relevant people ensuring resources are in the right place.
- Effective risk reporting: where risk management processes are used correctly at all levels to ensure good management of risks
- Better cooperation and collaboration: with partners, identification, and management of risk.
- Improved culture of continual improvement and learning.

This Risk Management Framework is underpinned by the Authority's Risk Management Procedure. The Risk Management Procedure outlines the tools, techniques, and mechanisms for managing risk in line with this strategy.

3 Governance

3.1 Desired risk culture



Our five values (**CIVIL**) are central to our culture, driving everything we do. Our employees embody these values to help us all work toward a common purpose.

A positive risk culture starts from the top and filters down. Senior members of teams, forums or boards must encourage staff to be open, honest/transparent and must listen and communicate effectively. If a risk does arise, there must be a no blame culture, otherwise it may stop people raising other risks in the future. A risk identified is positive, a risk ignored is negative.

Our five values are central to our culture, driving everything we do. Our employees embody these values to help us all work toward a common purpose. Excellent risk management demonstrates our values by:

- listening when a risk is raised and communicating the impact of risks in an open and transparent manner (demonstrating our value '**Collaborative**').
- positively challenging why we do things the way we do based on data and evidence (demonstrating our value '**Innovation**').
- ensuring that seeking inclusive, good growth for an equitable, resilient, healthier, and connected region is at the heart of our risk management (demonstrating our value '**Vision**').
- ensuring risks are identified and not ignored when they do not fit with where an officer wants the project, programme, or Authority to be - putting the obligations of public service above their own personal interests (demonstrating our value '**Integrity**').
- encouraging members of the team, forum or board to be honest about the risk and its potential impact (demonstrating our value '**Leadership**').

Risk reports are provided to the Audit & Governance Committee (A&G) which are published and discussed publicly. These are available on our [website](#).

3.2 Roles & Responsibilities

The Chief Executive, working closely with the Executive Director of Resources & Performance, is accountable for ensuring that Corporate Risk Management is being completed to the appropriate standard in line with this framework. This includes ensuring risks are captured and updated and that mitigating actions have been completed. The Corporate Management Team review the risks on the register monthly. Similarly, the Executive Directors and Heads of Service are accountable for the service level risk registers within their remit, and Project Managers for the project level risk registers.

The Authority's Programme Management Office (PMO) manage and coordinate these reviews, as well as collating information to support effective decision making and developing

the associated risk reports. The PMO support A&G and other governance forums to consider the management of risks, and how the risks are integrated with discussion on other matters.

The PMO are responsible for ensuring that the Corporate Risk Register is maintained, updated and that risks are regularly reviewed with the Executive Director of Resources & Performance, CMT, A&G and the risk owners. The PMO also meets with service teams to review the service/programme level risk registers.

The A&G Committee is responsible for overseeing the Authority's Risk Management Framework and Procedures and the Corporate Risk Register, to ensure that risk management is being done to the appropriate standard and in line with this framework.

The full roles & responsibilities are set out in Appendix 1.

3.3 Corporate Risk Appetite

The Authority has an approved risk appetite statement that provides the parameters for the management and decision making of the risks being faced by the organisation. Different categories of risk have been defined, each of which has an appetite aligned to it. The associated risk appetite level aids in informing the target risk score for each risk within the corporate risk register.

3.3.1 Risk Appetite Level Definitions

Risk appetite level	Risk appetite level description
Averse	We shall seek to reduce the residual risk as far as practically and reasonably possible within the constraints of resources available.
Minimal	We shall accept a low degree of residual risk. Benefit will not be the driver.
Cautious	We are willing to accept some degree of residual risk where we have identified scope to achieve significant benefit and / or realise an opportunity.
Open	We are willing to consider a range of options where we are able to demonstrate a balance between a high level of residual risk and a high likelihood of successful / beneficial outcomes.
Hungry	We are eager to be innovative and choose a range of options based on maximising opportunities and beneficial outcomes even if those activities carry a very high level of residual risk.

3.3.2 Risk Appetite Statement

Finance

Ensuring continued financial viability is a key factor for the Combined Authority to ensure that it is suitably positioned to deliver its day-to-day activities and future plans. We will keep in check its key internal financial controls and financial arrangements to ensure they remain in the Combined Authority's best interests.

The Combined Authority has set a **Cautious** risk appetite to financial risk, however, is willing to be **Open** and accept a higher level of residual risk where there is an opportunity to generate significant returns, benefit or outcomes in line with its Strategies.

People

The Combined Authority's risk appetite for People related risks (including but not limited to capability, experience, and skills) has been set as **Open**. We will continue to provide and review creative opportunities to develop the workforce to build the capability and skills needed to deliver our strategic objectives.

However, we are mindful that we must remain **Cautious** to people risk that may impact upon our ability to succession plan, or negatively affect the wellbeing or stability of the workforce.

Service Design & Delivery

For the Combined Authority to achieve its strategic objectives, we need to be **Open** to designing and delivering services differently and to innovate. However, we need to ensure that this does not negatively affect the stability or quality of our activities, for example through drawing resources away from day-to-day activities that are important to us or that are relied upon by our communities and stakeholders.

The Combined Authority has set an **Open** risk appetite and is willing to consider a range of options for service delivery where we are able to demonstrate a balance between a higher level of residual risk and a high likelihood of successful / beneficial outcomes.

Compliance & Regulation

The Combined Authority faces an array of compliance and regulatory requirements. The Board and Corporate Management Team do not view regulation as a tick box exercise but instead understand that good regulation can provide benefits to the outcomes that the Authority is seeking. We will use compliance with regulation as a positive measure of quality and governance and therefore will develop this as part of our organisation's culture.

As such we have set a **Cautious** risk appetite and are willing to accept some degree of residual risk where we have identified scope to achieve significant benefit. However, when complying with Health and Safety legislation, we have set an **Averse** risk appetite, and will seek to reduce the residual risk as far as practically and reasonably possible within the constraints of resources available.

Culture & Confidence

The Combined Authority's risk appetite for risks related to culture and confidence has been set to **Cautious**. Our culture is important to us and will continue to evolve as it is a fundamental element of the improvement plan. We must therefore be willing to accept some degree of residual risk where we have identified scope to achieve significant benefit and / or realise an opportunity, however this will need to be undertaken in a considered manner.

Data & Management Information

The Combined Authority relies heavily upon data and management information to make decisions in an informed manner, however it is understood and appreciated that not all data will always be available when a decision is required to be made.

We have therefore agreed a **Cautious** risk appetite with regards to the access, quality and analysis of data within the Combined Authority so that we are in the best informed position possible whilst accepting some degree of residual risk may exist where we have identified scope to achieve significant benefit and / or realise an opportunity.

Partnerships

The Combined Authority works collaboratively with a number of strategic partners and seeks to use its influence and relationships to harness the benefits that these can bring.

The Combined Authority has set a **Cautious** risk appetite for partnerships and is willing to accept some degree of residual risk where we have identified scope to achieve significant benefit and / or realise an opportunity. However, if there is potential for the brand or values of our organisation to be negatively impacted then a **Minimal** appetite will be adopted where a low degree of residual risk will be acceptable, and benefit will not be the driver.

Programmes & Projects

Programmes and projects underpin the Combined Authority's strategic objectives and therefore it is important that an **Open** risk appetite is taken towards considering new bids, particularly given the desire to design and deliver services in a more innovative manner. We are therefore willing to consider a range of options where we are able to demonstrate a balance between a high level of residual risk and a high likelihood of successful / beneficial outcomes.

We will however adopt a **Cautious** appetite to contract management risks to ensure that the programmes and projects deliver the desired outcomes and benefits, and that the reputation of the Combined Authority is not negatively impacted as a result.

3.3.3 How Risk Appetite will be used

FIGURE 2

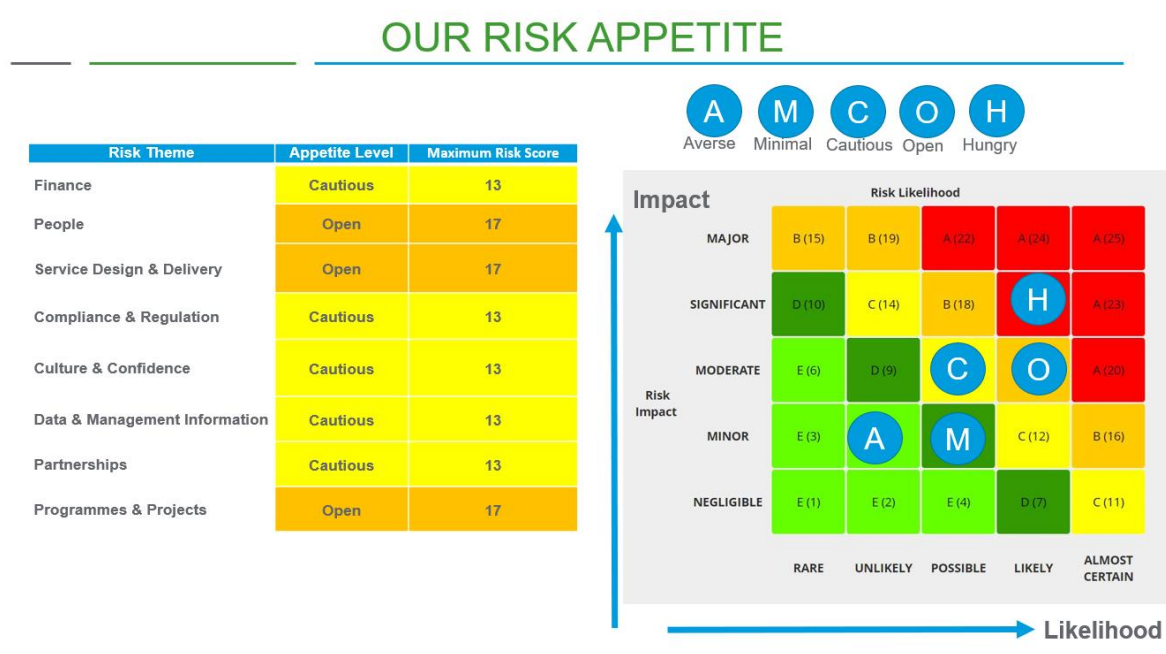


Figure 2 shows the maximum risk score for each risk theme based on our appetite level. This means, as an example, if the Combined Authority were to have a financial risk above 13 it would be escalated and a deep dive into that risk would take place with the Corporate

Management Team, as well as Audit & Governance Committee. This would be to ensure the correct mitigating actions are in place, including if we would be willing to tolerate the risk. **Risks are therefore escalated based on exceeding the maximum risk score.**

Within the Risk Report taken to Corporate Management Team and Audit & Governance Quarterly, there will be a graphic showing the risks that fall above risk appetite.

The frequency of review is determined by the category of risk. As figure 2 illustrates there are 5 categories from A to E, for example A is a risk between 20-25. The frequency of review will be built into the 4risk software, meaning that automatic notifications will be linked to the category that the risk currently sits within. This is expected to be the following:

Category A (20+): Reviewed every month

Category B (15-20): Reviewed quarterly

Category C (11-14) and D (7-10): Reviewed every 6 months

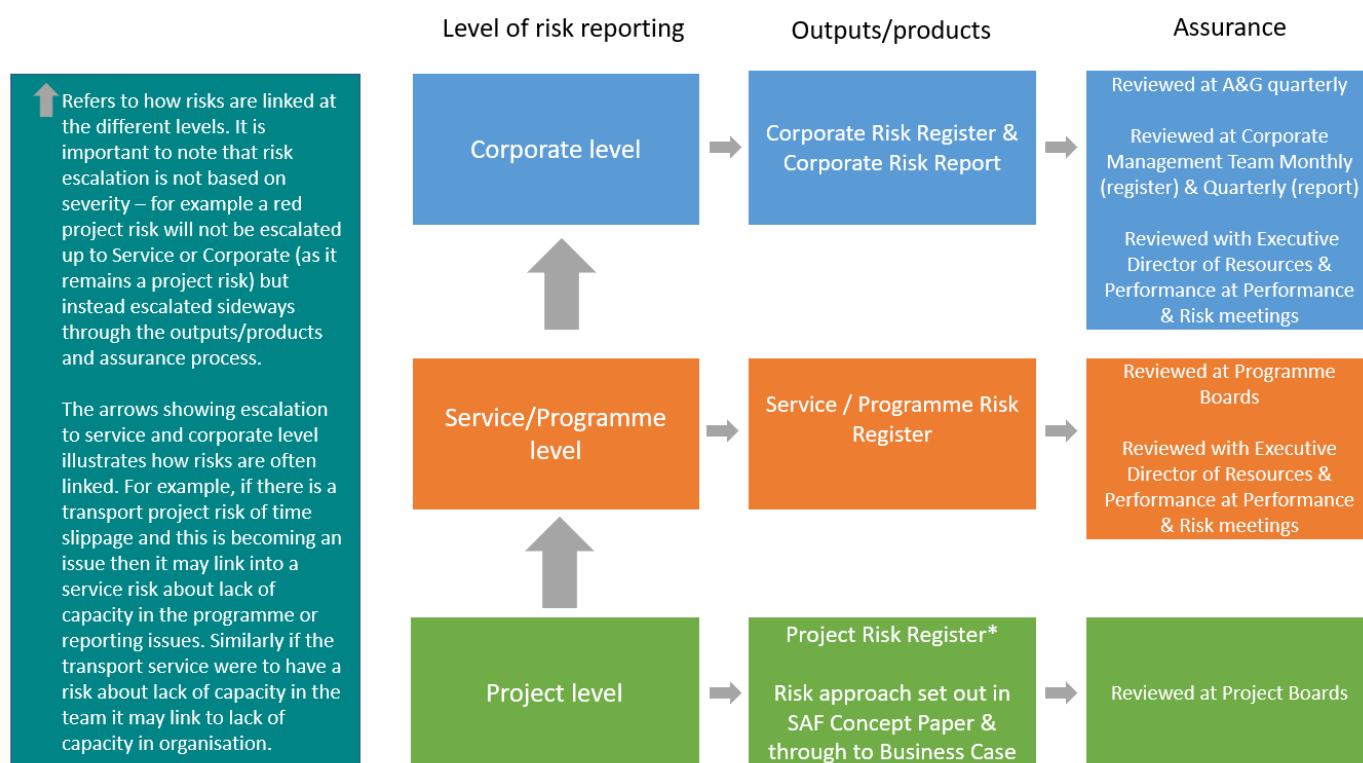
Category E (1-6): Reviewed every 9 months

4 Integration

4.1 Risk Structure in the Combined Authority

Corporate and service risk registers will be managed and reported within the 4risk platform. The level of reporting, outputs/products produced, and the level of assurance is illustrated in Figure 3.

FIGURE 3



* Projects require a risk register if the project is in delivery. This is completed as part of highlight reporting. If a project is at concept or business case stage then only a simplified highlight report is required, and this does not include a risk register. Nevertheless, at initiation stage all projects identify the key risks, and this continues through business case stage.

4.2 Corporate level risk management - roles and outputs

Corporate level risk refers to the uncertainties and opportunities that may positively or negatively impact the Authority or have an impact upon the achievement of its objectives.

As figure 3 illustrates, at a corporate level there is a Corporate Risk Register which is owned by the Chief Executive Officer, supported by the Executive Director for Resources & Performance and the PMO. This is to be held on the 4Risk platform.

This risk register is reviewed monthly by the PMO and the Executive Director of Resources & Performance and taken to Corporate Management Team meetings monthly. The Programme Office also have regular meetings with each Risk Owner.

In those meetings the risks that are above risk appetite are identified as well as high category risks (see 3.3.3 for more information). These forums can decide to close a risk and also decide that a risk which is above risk appetite is within tolerance; but in that case an explanation would be required which would feed into the Risk Report.

A Risk Report is reviewed quarterly at Corporate Management Team and taken quarterly to the Audit & Governance Committee.

As Figure 3 illustrates, service risks can often be linked to corporate risks. The Heads of Service and Executive Directors are responsible for identifying any service risks that link in to risks that impact the organisation, including threats and opportunities that our organisation faces.

4.3 Service / Programme level risk management - roles and outputs

The Combined Authority has 4 Directorates. Multiple services fall within these Directorates, an example being Transport or Skills. Each of these Services must have a risk register which will be held on 4risk. This is with the exception of services that only deliver corporate projects such as HR, PMO, Democratic Services etc.

The Authority also delivers programmes, in which multiple interrelated or dependent projects are delivered.

Understanding the risks is fundamental to the success of the service/programme. A risk unidentified or unmanaged could cause it to fail to meet its goal.

It is the responsibility of Executive Directors and Heads of Service to identify risks that may affect the service in their remit. Or if it is a programme the Programme Manager may identify common risks across the projects. It is also their responsibility to maintain this register and update the 4risk platform accordingly.

The registers are reviewed as part of the Performance & Risk meetings.

Performance & Risk meetings are between the Executive Director for Resources & Performance and the PMO team. Executive Directors, Heads of Service or Programme and Project Managers (including Sponsors) may be called into these meetings by exception to discuss risk/s.

As Figure 3 illustrates, project risks are often linked to service/programme risks. The Head of Service / Programme Manager must ensure they are close enough to the projects to be able to identify common causes of project risks which may form a service/programme risk.

To support effective decision-making risks will be managed by exception – in other words risks will only be escalated when necessary, and risk roles will be clear to ensure efficient resources are in the correct places.

A risk that is high or above appetite, should be escalated to the relevant assurance board such as programme board for a deep dive to ensure the mitigating actions are sufficient.

4.4 Project level risk management - roles and outputs

All projects are expected to show, in detail, any risks identified during the business case development and due diligence processes. Once in delivery, ongoing risk registers are maintained and incorporated into the monthly highlight report.

A risk approach (including roles & responsibilities) is developed through the Single Assurance Framework concept and initiation stage and continues into business case stage. The governance structure and roles within the project is set out, and this ensures that decision makers have focused information and that its source, format, and frequency has been agreed.

Project level risk registers are not currently held on 4risk and instead form part of highlight reporting.

To support effective decision-making risks will be managed by exception – in other words risks will only be escalated when necessary, and risk roles will be clear to ensure efficient resources are in the correct places.

A risk that is high or above appetite, should be escalated to the relevant assurance board such as project board for a deep dive and ensure the mitigating actions are sufficient.

See the Combined Authority 'Risk Management Procedure' which offers more information on the Authority's project/programme risk tools, reporting and budgets.

Who is responsible and accountable for risk depends on the governance of the project and the risk approach. Table 1 offers guidance to project managers when developing these roles and responsibilities by summarising who is responsible for risk based on the role of the Combined Authority in the project.

Table 1

Combined Authority role in projects	Who is accountable and responsible?	Further information on	How is it reported?
-------------------------------------	-------------------------------------	------------------------	---------------------

		the role of the Combined Authority	
Deliverer: Projects which the Combined Authority deliver directly through a supplier/contractor.	Accountable: The person in CPCA accountable for the project (SRO, Programme Manager etc.) Responsible: Project Manager (who in this case would be a Combined Authority employee) Informed/consulted: Programme Office, Project Board and Supplier/contractor	The Combined Authority will be responsible and accountable for the management of risk, in consultation with the supplier if they have been appointed – this is unless the supplier has agreed to take on the reporting and management of risk.	Highlight reports to the Programme Office once in delivery. Project Boards may decide to review monthly or ad hoc
Funding partner: Commissions work / subsidiary companies: <i>Projects which we deliver through a partner or delivery company and the responsibility for delivery has been delegated to another organisation/body.</i> Or Grant or loan delivery: <i>Delivery of grant or loan payments directly to another organisation or government body – through winning some form of bidding process.</i>	Accountable: Combined Authority Responsible Officer (Project Sponsor or equivalent) Responsible: Project Manager (in this case the person would be external to the Authority) Informed/consulted: Programme Office, Project Board, relevant body within the deliverer organisation and consultant/supplier	The Combined Authority Responsible Officer works with the project manager and delivery team to: a) approve the risk approach b) review risks by exception: the project manager will escalate the key risks where necessary c) mitigation of strategic risks: keeping an eye on the project to ensure it remains a strategic fit for the Authority.	Highlight reports to the Programme Office once in delivery. Project Boards may decide to review monthly or ad hoc

5 Collaboration & Best Information

5.1 Reporting

Risk reporting will be conducted as laid out in table 2.

At a project level a monthly highlight report cycle has been created and embedded across the organisation. Highlight reports also contain risk registers for each project in delivery, where project managers track and monitor key risks (and assign a named individual of appropriate seniority against each).

Using information from these monthly highlight reports, the data is pulled into a dashboard that is live on the Authority's website for transparency. This includes details on the RAG status of projects. One aspect of the RAG rating guidance is an assessment of level of risk; therefore the level of project risk impacts the RAG rating.

Performance data is also shared with a range of stakeholders and Boards/Committees. Table 2 sets out where performance data will be taken and what information each Board and Committee will receive.

Table 2

Meeting	What performance data will be received	Frequency
Combined Authority Board	Corporate Performance Report	Quarterly
A&G	Risk report	Quarterly
Performance & Risk meeting	Corporate Risk Register	Monthly
Corporate Management Team	Corporate Performance Report	Quarterly
	Corporate Risk Register	Monthly

5.2 Partnership working and stakeholder risk engagement

All reports are available through the minutes / papers of the Audit & Governance Committee. Associated papers will be published on the CPCA Website through this [link](#).

Partners and stakeholders will be continuously consulted on risks that affect the public, region, and organisation. The formal consultations take place in the following forums:

- Consultation with A&G Committee who review the Authority's Corporate Risk Register quarterly and suggest additional risk considerations.
- The Board receives an annual A&G report that includes risk. Board members can identify strategic risks and ask for these to be added to the Corporate Risk Register.
- Consultation with partners in programme boards, and sharing of risk across partners
- Consultation with partners at project boards

- Public consultations where the public are made aware of the risks and benefits of various options

6 Processes

The Combined Authority's Risk Processes are set out in the Risk Management Procedure ([link to be added shortly](#)) including information on the risk management cycle, how to manage risk, controls, treatments and assurance.

7 Continuous Improvement

7.1 Lessons Learned

Lessons will be captured through our lessons software (Microsoft PowerApps) which captures all lessons in the Authority, and these will be shared with partners to enable a community of learning. A Partner Working Group has been established so that all of the Authority's local partners can share ideas and lessons around assurance, performance and risk. The Authority also shares lessons with other Mayoral Combined Authorities via the 'M10' network.

7.2 Monitoring & Review of the Strategy

The Corporate Management Team will regularly review the Risk Management Framework to ensure that it continues to meet the needs of the Authority and is further refined and continually improved over time.

Risk Registers will be monitored regarding their standard of information and how often they are reviewed to ensure that specific risks are being actively reviewed and managed.

The Audit & Governance Committee will review the Risk Management Framework every 2 years to ensure that the Framework is fit for purpose and working effectively.

The Framework will be subject to regular review by Internal Audit as per audit schedules.

7.3 Training

All staff will be required to undertake risk management training appropriate to their role. The training will be delivered via workshops, online seminars and one to one support as appropriate. Those identified with increased responsibility for risk and reporting may be required to attend additional specific risk training.

A training schedule will be held by the PMO to ensure a regular training is made available.

8 Appendix 1: Roles & Responsibilities

Role	Responsibility / Action
Chief Executive supported by Executive Director for Resources and Performance	<ul style="list-style-type: none"> • Ownership of strategic / corporate risks and issues, ensuring mitigation actions are dealt with at the appropriate senior level. • Accountable for the monitoring and reviews of the corporate risk register. • Define clear rules for escalation and promotion.
Executive Directors and Heads of Service	<ul style="list-style-type: none"> • Ownership of service/programme level risk and issues. • Assures adherence to the risk management principles • Define clear rules for escalation and promotion. • Escalates items across the service / programme boundaries to Corporate Risk Register for resolution where necessary. • Communicates the progress of the resolution of issues in a clear and timely fashion across the service / programme. • Provides support and advice on risks • Allocates risk and issues as appropriate.
Risk owners (at all levels)	<ul style="list-style-type: none"> • Ownership of the risk, responsible for its management. • Assuring adherence to the risk management principles. • Escalates items where necessary. • Communicates the progress of the resolution of issues in a clear and timely fashion. • Provides support and advice on risks.

Role	Responsibility / Action
Combined Authority Board	<ul style="list-style-type: none"> • Adopt and review the Risk Management Framework. • Receive recommendations from the Audit & Governance Committee as to the Authority's arrangements for the management of risk and on any concerns that risks are being accepted which the Authority may find unacceptable. • Identify and propose new strategic risks • Review annual report from A&G

Audit & Governance Committee	<ul style="list-style-type: none"> • Initiates assurance reviews • Overseeing the Authority's Risk Management Framework and Corporate Risk Register. • Review the Risk Framework on an annual basis. • Monitor the Authority's risk and performance management arrangements including reviewing the risk register, progress with mitigating actions and assurances. • The 2009 Act requires the Audit & Governance Committee to review and scrutinise the Authority's financial affairs and to review and assess its risk management, internal control, and corporate governance arrangements.
Project Management Office (PMO)	<ul style="list-style-type: none"> • Manages and coordinates the information and support systems to enable efficient handling of the risk . • Maintains the risk register for the corporate risk register • Reviews the Service Level Registers. • Establishes, facilitates, and maintains the risk management cycle.



**CAMBRIDGESHIRE
& PETERBOROUGH**
COMBINED AUTHORITY

Risk Management Procedure

September 2023



Version History

Revision Number	Revision Date	Nature of Revision	Checked by	Reviewed by	Approved by
1	September 2023	Procedural document developed to supplement the refresh of Risk Management Strategy document following RSM Audit and structured around new HMT Orange Book guidance			
	Next review September 2024				

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1. Scope

This risk management procedure outlines the Combined Authority's approach to managing risk and outlines the tools and techniques involved in ensuring that this takes place effectively and in a consistent manner.

1. Identify, capture and assess risk
2. Identify and implement suitable risk treatment (controls) to help reduce the likelihood of risks happening
3. Monitor how well the risk is being managed and any improvements needed
4. Understand the effectiveness of the control environment
5. Report risk using the relevant reporting system and escalation processes

2. Introduction

What is Risk?

To identify and record risk it is imperative to understand what a 'risk' is and what's involved in the process of risk management for the Authority.

Risk can be defined as anything that poses a threat to the achievement of Authority's objectives, programmes or service delivery to residents, businesses, and communities. It can come from inside or outside the organisation; may involve financial loss or gain; physical damage to people or property; customer dissatisfaction; unfavourable publicity; failure of equipment; fraud, etc. Failure to take advantage of opportunities may also have risks, e.g., not bidding for external funding, etc.

Risk definition

- Effect of uncertainty on objectives.
- May be positive, negative or a deviation from the expected.
- Risk is often described by an event, a change in circumstances or a consequence.

What is Risk Management?

Risk management is the range of activities that an organisation intentionally undertakes to understand and reduce the effects of risk in a manner consistent with the virtues of economy, efficiency, and effectiveness. Put simply when things go wrong then the cost of rectification brings about an unexpected draw on resources i.e., waste, this distracts us from delivering services and achieving our objectives and in the worst case can de-rail the Authority completely. It is also about making the most of opportunities that present themselves and knowing that the Authority can respond appropriately when it is in its interests to do so to help it achieve its objectives.

There is no such thing as a risk-free environment, but many risks can be avoided, reduced, or eliminated through good risk management – something managers do every day as part of their normal work.

Risk Management definition

The process to help organisations understand, evaluate, and take proportionate action on all their risks with a view to increase the probability of success and reduce the likelihood of failure

3. The Risk Management Cycle

3.1 Risk management cycle

This illustrates the Orange Book procedure for managing risks. Combined Authority project, programme and corporate officers will be expected to follow this same process, which is to identify risks, assess the risk (and adding the risk treatment), monitoring and reporting the risk.



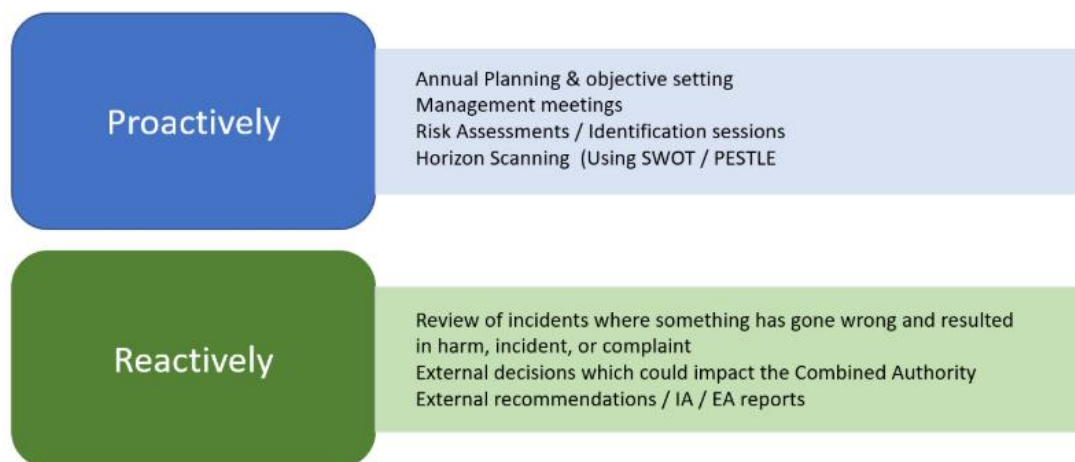
3.2 How risks are identified and considered

Risks will often be identified through reviewing lessons learned from previous projects/programmes and looking ahead through horizon scanning and using tools such as PESTLE analysis. A corporate level horizon scanning exercise will take place formally every 6 months to ensure there are no new risks facing the organisation, however it is anticipated that as risk is on the agenda for the Corporate Management Team on a regular basis that opportunities will arise for risks be identified as and when they are perceived to pose a threat.

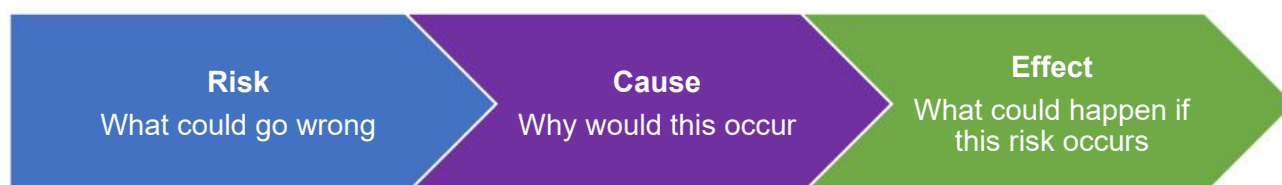
At a project and programme level risk scanning must take place as part of reviews of the risk register. Best practice for project, programme or corporate teams is a workshop to identify new risks at a set time throughout delivery. Risks must be reviewed monthly within the project, programme and corporate registers to ensure that they remain updated given a shifting internal and external environment, and new risks identified.

The Authority's risk appetite is outlined in the 'Risk Management Strategy', if the Authority's risk appetite changes, then this will be communicated to all staff who must reassess the risks in light of those changes. For example, if the Authority's appetite to one category of risk reduces then the management of all risks at a project, programme and corporate level will likely change, and it may lead to a trigger to escalate as risks now fall above the accepted tolerance.

Regardless of at what level a risk is captured, risks are typically identified through two avenues, either proactively, or reactively. The diagram below demonstrates examples of the different channels through which risks may be identified.



Once a risk is identified, the risk must be assessed to determine how significant it is and how likely it is to happen. To do this the risk owner must consider why the risk would happen as this is what influences the likelihood. Then the effect the risk would have must be considered, which will tell us how big the potential impact could be.



Risk Assessment generally begins with understanding the objective (what the Authority is trying to maintain or achieve) and then an identification of hazards that may prohibit or delay achieving that objective.

The cause and impact of these hazards coming into effect are what is being assessed.

The differences between hazard, risk and an issue are explained below:

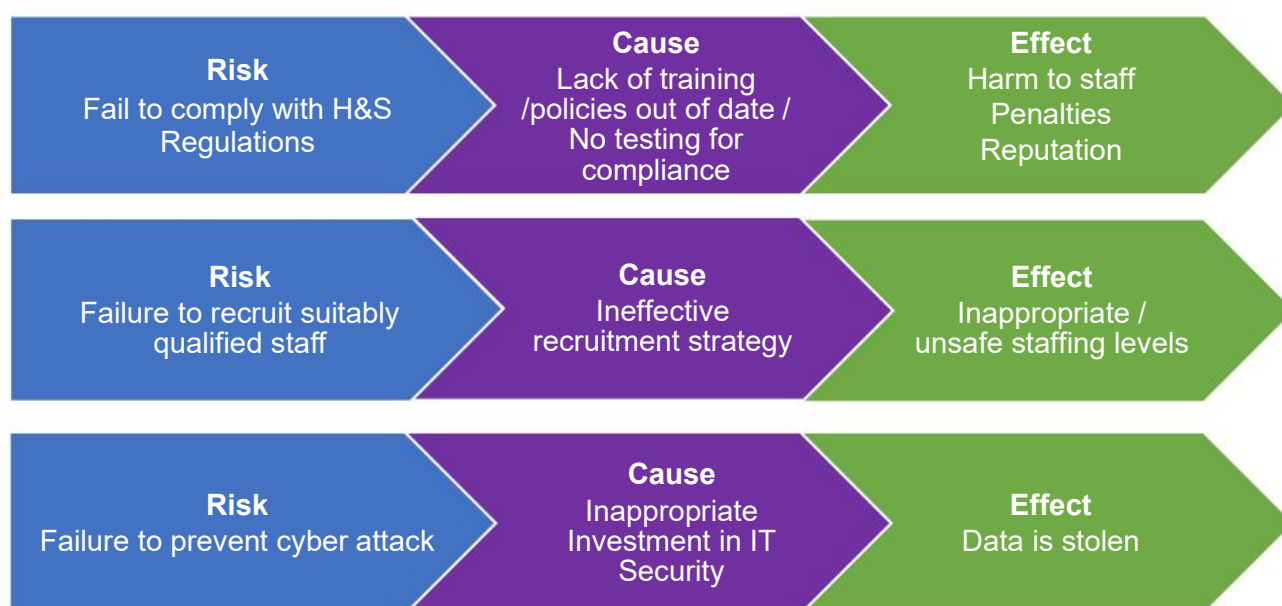


3.3 Recording Risks

Once a risk is identified, owners must record it so that management can continue to monitor and ensure that the Authority is managing the risk. A risk owner is the accountable person best placed to manage the risk. As risks escalate, they may change ownership to reflect seniority and responsibility.

All risks must be recorded in the appropriate risk register on the 4risk platform (the risk management system used by the Authority to document, manage, and monitor risk). The risk management system allows the Authority to create “Risk Registers” which are the central point for recording and monitoring the lifecycle of risk assessments. It is here that risk owners must maintain risk records and manage improvement actions.

As explained earlier risks are to be described using cause and effect to support the risk description so that, at a glance, management can understand what could cause the risk and how the Authority could be impacted if it was to happen. Simplified examples are:



3.4 Risk Assessment

The Authority uses a 5 by 5 risk grading matrix which helps assess, using scores of 1-5, the likelihood and impact (see below) of each risk.

- Each risk must be given a **‘inherent’** (before controls) score based on there being nothing in place to help manage the risk. The risk owner must then rate the risk with its **‘residual’** (after controls) score. i.e. where the risk owner believes it sits today based on how the risk is currently being managed to prevent the risk from happening.

- Finally, the risk must also be given a **‘target’** score to demonstrate where the risk owner would like the risk to be once all controls are in place and actions are complete, this will be driven by the agreed risk appetite for the category of risk in question.

Impact	5 Critical	15	19	22	24	25
	4 Major	10	14	18	21	23
	3 Moderate	6	9	13	17	20
	2 Minor	3	5	8	12	16
	1 Negligible	1	2	4	7	11
		1 Rare	2 Unlikely	3 Possible	4 Likely	5 Almost Certain
		Likelihood				

3.5 Controls and Risk Treatment

Understanding the control environment for each risk is a fundamental consideration as part of the Authority’s risk management framework.

Each risk must have a set of key ‘current’ controls identified, which must be aligned to the causes for the risk. Controls are defined as the day-to-day management activities within the Authority that will manage the risk and reduce the likelihood of the risk materialising. These must be succinctly documented within the risk register, and if deemed effective, demonstrate a reduction in risk between the inherent and residual scores.

Where it is deemed, that further action is required to better manage a risk and improve the control environment, an action must be identified, with an owner identified and an implementation date. This information must be recorded within the risk register for monitoring purposes.

For example, if the residual risk score is perceived to be higher than the target risk score, then it is expected that one or more actions would be identified.

It is possible that the residual and target scores are the same, if this is the case then it may be that no further action is required as the risk is deemed to be in-line or within the Authority’s risk appetite for that type of risk.

The Authority has adopted risk treatment concepts to help risk owners ascertain how to treat a risk based upon its residual risk score and risk appetite.

Threat

1. **Accept** – Here we accept the risk and take no proactive action other than putting monitoring processes in place to make sure that the potential for damage does not change. Once the risk is accepted it is generally necessary to provide for some form of contingency to provide funds / time to accommodate the risk should it happen (despite its lower likelihood / impact)
2. **Avoid** – The only real way to avoid a risk is to change the project scope or approach – what we do or the way we do it.
3. **Transfer** – We seek to move the risk from our risk register onto someone else's risk register. We seek to transfer the potential for harm to another. Usually through an insurance policy or a contract.
4. **Reduce** – either the likelihood or impact.

When considering opportunity risk and a thorough risk assessment has been undertaken, the following treatment should be followed:

Opportunity

1. **Reject** – Choose not to take the advantage of the opportunity, possibly because it is worth too little or requires too much work to capitalise on.
2. **Enhance** – Take proactive steps to try and enhance the probability of the opportunity being able to be exploited.
3. **Exploit** – This involves changing the scope of the project /programme to encompass some
4. **Share** – Seek partners with whom can actively capitalise on the circumstances such as a Joint Venture.

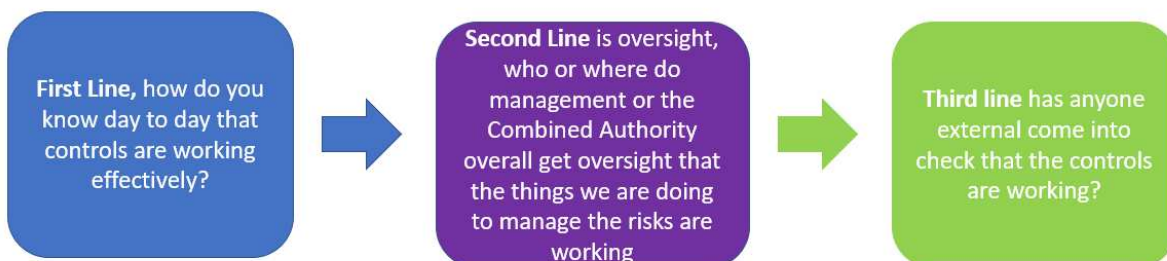
Care is needed when arriving at any response to risk because regardless of what action is taken, it has the potential to generate other risks. When a risk can no longer be mitigated and the risk becomes realised, it is then called an "Issue".

3.6 Assurance

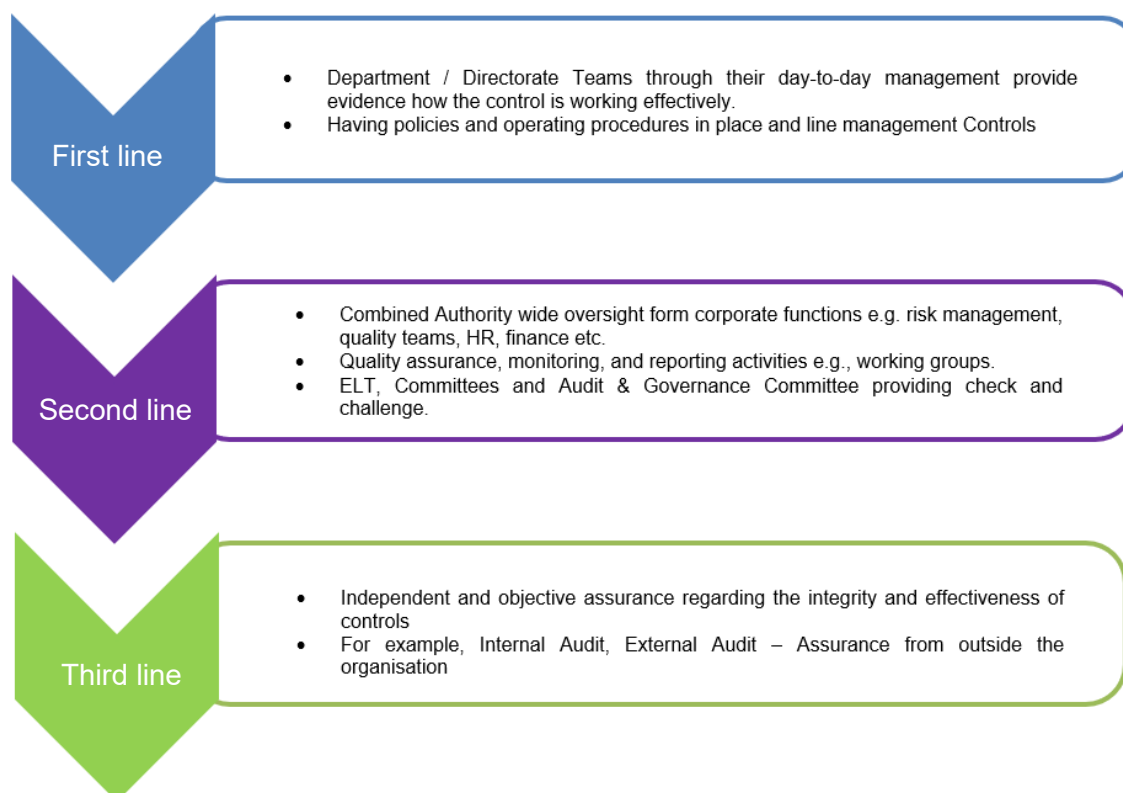
All corporate risks must have, where available, assurances documented to demonstrate the effectiveness of the controls. The assurance of controls is fundamental in ensuring the controls are regularly monitored and reviewed. It is important however that the approach remains proportionate and balanced to the risk exposure being faced.

Assurance refers to an opinion on the effectiveness of the controls being relied upon to manage a risk. Assurance can be either negative or positive in this instance and is gathered at 3 different 'lines'. These are explained further in the diagram below.

Assurance – What does it mean if I am a Risk Owner?



Examples of assurances at each of the ‘three lines’ are shown in the diagram below. It is expected that as a **minimum**, a first line of assurance should be available for each control identified and recorded within the risk register.



3.7 Monitoring and reporting of risk

Risk is managed as a cycle as it is a continual process. It should involve regular checking or surveillance, and this will be done periodically (via meetings such as Risk Reviews, Programme Reviews etc or on an ad hoc basis). A combination of both ensures that risks are reviewed regularly, and the mitigation and action plan are up to date.

Monitoring and review ensure that the Authority continually learns from experience. The objectives of our monitoring and review process are as follows:

- Ensuring the controls are effective in both design and operation.
- Obtaining further information to improve risk assessment.
- Analysing and learning lessons from previous events.
- Detecting changes in the external and internal context.
- Identifying emerging risks.

Risk will be monitored and reported in line with the following frequencies:

Corporate Risk Register:

The Corporate Risk Register will be reviewed on a monthly basis by the Executive Director of Resources & Performance and CMT and subsequently by the Audit & Governance Committee quarterly.

Service / Programme Risk:

These risk registers must be reviewed regularly and monitored bi-monthly at Performance & Risk meetings.

4. Lessons learned (learning from risk)

Organisational learning from risks that have materialised is crucial to ensure continuous improvement and risk awareness. Should a risk materialise, a review should be undertaken to understand why the risk came to fruition. This review should seek to ascertain the key causes of the risk and any control failures.

The approach to the review should be proportionate to the level of risk that materialises and the impact that it had upon the Authority, programme or project.

Any key findings should be communicated to stakeholders and logged accordingly. If improvements are required for the control environment or safeguards need to be put in place to reduce the likelihood of the risk or similar risks occurring in the future, then these should be tracked through to implementation.

5. Appendix 1 – Risk Scoring Impact Descriptors

Impact:	Safety	Reputation	Media Attitude	Legal	Financial Loss	Strategic	Political	Planning or environmental
5. Critical	Potential to cause one or a number of fatalities. H&S breach causing serious fine, investigation, legal fees and possible stop notice	Stakeholders / Third parties suffer major loss or cost	Governmental or comparable political repercussions. Loss of confidence by public.	Action brought against Combined Authority.	Over £5m	Project will no longer align with the Combined Authority strategic objectives.	Impact on relationships with political partners/stakeholders or government leading to possible funding, legal or reputational impacts. Or Loss of confidence from CPCA Board in ability to deliver project successfully.	Unlikely to receive planning permission or will cause environmental harm.

4. Major	Serious risk of injury possibly leading to loss of life. H&S investigation resulting in investigation and loss of revenue.	Significant disruption and or Cost to Stakeholders / third parties	Story in multiple media outlets and/or national TV main news over more than one day		Between £4m and £5m	Project will need changes to align with Combined Authority strategic objectives.	May not be supported if taken to Board. Lack of political unanimity for scope and objectives	
3. Moderate	High risk of injury, possibly serious. H&S standards insufficient / poor training	A number of Stakeholders are aware and impacted by problems.	Critical article in Press or TV. Public criticism.		Between £3m and £4m	Project aligns with majority of strategic objectives but change is required to fit with one specific objective.	More than one political stakeholder/partner does not support	
2. Minor	Small risk of minor injury. H&S policy not regularly reviewed.	Some external Stakeholders aware of the problem, but impact on is minimal.	Negative general article of which Combined Authority is mentioned		Between £1m and £3m	Minor impact on strategic objectives	One political stakeholder/partner does not support	
1. Insignificant	No risk of injury. H&S compliant	External Stakeholders not impacted or aware of problem	No adverse media or trade press reporting.	No threat of legal action	Between £0 and £1m	Project continue to align to objectives	No threat of political issues	Permissions likely to be received and no environmental harm

6. Appendix 2 – Risk Scoring Likelihood Descriptors

Likelihood:	Description:
5. Almost certain	<ul style="list-style-type: none"> • A history of it happening across the organisation • The event is expected to occur • 80% - 100% probability
4. Likely	<ul style="list-style-type: none"> • Has happened across the organisation in the recent past • The event will probably occur in most circumstances • 60% -80% probability
3. Possible	<ul style="list-style-type: none"> • Happened across the organisation in the past • The event should occur at some time • 40% - 60% probability
2. Unlikely	<ul style="list-style-type: none"> • May have happened across the organisation in the past • The event could occur at some time • 20% - 40% probability
1. Rare	<ul style="list-style-type: none"> • History of it happening across the organisation • The event may occur only in exceptional circumstances • < 20% probability

Generated Date	30 Aug 2023 14:05
Risk Criteria	
Project	Corporate Risk Register

Item 6

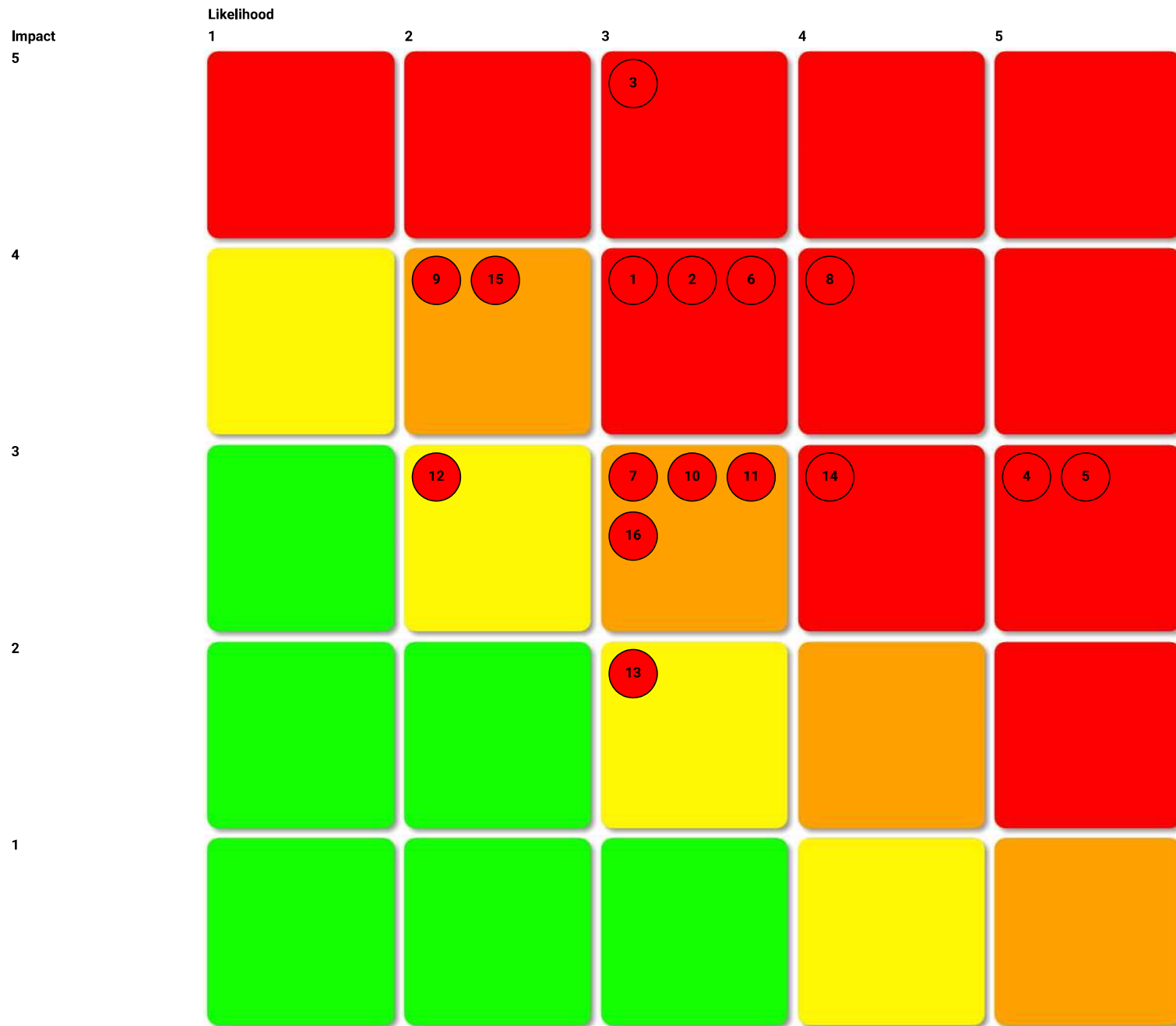
Corporate Risk Register											
Title	Risk Type	Owner	Inherent Priority	Controls Summary	Residual Priority	Residual Direction of Travel Direction of Travel	Detail	Actions Owner	Assurance Line	Variable Target	Target Priority
Inflation	Financial	Assistant Director Resources and Performance	Very High (4.5=23)	a) Lobby government to highlight our position and what will happen without a more sustainable funding solution	Very High (3.5=20)	=	Review of Transport programmes underway which will allow a greater understanding of spend profile and thus size of inflationary risk that individual projects are subject to. Report June 2023.	Assistant Director Resources and Performance	2nd	30 Nov 2023	High (2.4=12)
				b) Project delivery - enter into fixed price contracts, i.e. transferring inflationary risk to contractors.			Work to identify inflationary pressures on budgets will be undertaken over summer 2023 to feed into the MTFP cycle in Oct/Nov 2023.	Assistant Director Resources and Performance	2nd	30 Nov 2023	
Strategy Gap	Strategic	Head of Chief Executives Office	Very High (5.5=25)	c) Project delivery delays mitigated by active project management to minimise slippage.	Very High (4.3=18)	=	Work to identify inflationary pressures on budgets will be undertaken over summer 2023 to feed into the MTFP cycle in Oct/Nov 2023.				Low (2.1=3)
				d) Reconsideration of the use of CA powers to use financial freedoms.							
				e) Engage with M10 colleagues to secure new devolution deal with sustainable funding at its core.							
				f) Consideration given to the impact of inflation on our budgets each year as part of the development of the MTFP							
Future viability of the CA	Strategic	CEO	Very High (5.5=25)	a) Agreement of Corporate Plan with underpinning MTFP	Very High (4.3=18)	=	Business plan agreed at June Board.	Head of Chief Executives Office	2nd	29 Sep 2023	Medium (2.3=8)
				b) Corporate Plan cascaded into Directorate Business Plans to give greater detail about priorities and resourcing			Further Business Board away day planned.	Head of Chief Executives Office	2nd	29 Sep 2023	
				c) Revised performance management framework including KPI's			Communication strategy discussed by ET, needs to be refined and implemented.	Head of Chief Executives Office	2nd	29 Sep 2023	
				d) Governance review - development of Single Assurance Framework enabling clear prioritisation and effective delivery of key projects			New CEX Group has had an initial meeting. CEX Group will meet monthly.	Head of Chief Executives Office	2nd	29 Sep 2023	
				e) Planned CPIER refresh requires further board discussion is part of report to Board 26th July			Improvement Plan Workstream A Political (Strategy and Ambition) work underway.	Head of Chief Executives Office	2nd	29 Sep 2023	
Climate change	Strategic	Strategic Planning Officer	Very High (4.4=21)	a) Developing an improvement plan in order to build confidence with central government.	Very High (4.3=18)	=	Under the leadership of the interim CEO an improvement plan has been developed.	CEO	3rd	29 Sep 2023	Low (1.3=4)
				b) Actions contained within original improvement plan now complete.							
				c) Improved communications between partners							
				d) Reframed improvement plan now approved to meet issues identified in Best Value notice from DLUHC							
				e) Developed and implemented a new governance model, in effect, from 31st May, 2023							
Net Zero Hubs (2)	Reputation	Interim Consultant Net Zero Hub	Very High (4.5=23)	a) Corporate Strategy approved with (a) Resilience as one of the corporate objectives, and (b) climate as one of the six capitals.	Medium (2.3=8)	=	Regular progress reporting to Climate partnership and E&SC Committee	Strategic Planning Officer	3rd	29 Jul 2023	Low (1.3=4)
				b) Keeping Climate action plan up to date, keeping evidence base current.			Internal roll out of Climate awareness training	Strategic Planning Officer	3rd	31 Jul 2023	
				c) Maintaining independent climate change commission to provide advice.							
				d) Next step to embed climate considerations in our work programme as set out in departmental plans.							
				e) Maintaining effective networks and national and regional level to enable horizon scanning.							
Transforming Cities Fund (TCF)	Financial	Head of Transport	Very High (4.5=23)	a) Expediting the job gradings and approval to recruit	Very High (3.5=20)	=	Move to recruitment now the role evaluations are complete.	TBC	2nd	09 Jun 2023	Low (1.3=4)
							Recruitment portal launch with these roles needs to be prioritised in CPCA or an alternate route to advert found.	TBC	2nd	09 Jun 2023	
							Appoint contingent labour if there is any delay beyond July for staff to be in post for key roles in reporting and project support.	TBC	2nd	09 Jun 2023	
Culture	Reputation	CEO	Very High (4.4=21)	a) Assessing the TCF funding programme around deliverability and cost undertaken. Where schemes will no longer be delivered and there will be a...	High (3.3=13)	=	a) CCC and PCC to assess their TCF programme - complete	Head of Transport	3rd	31 Jul 2023	Medium (3.2=9)
				b) Meeting with DFT and ARUP to understand what programme management measures they require to be reported on a quarterly basis to DFT to maintain...			b) Identify funding gaps (complete)	Head of Transport	3rd	31 Jul 2023	
							c) Suggest alternative schemes for delivery - assessment required - complete	Head of Transport	3rd	31 Jul 2023	
							d) Paper to be written for consideration by TIC and subsequently by the Board on the requirement to approve spend by end of the financial year (including comparison with other M10 authorities) - complete	Head of Transport	3rd	31 Jul 2023	
							e) Outline to government the revised programme - complete	Head of Transport	3rd	31 Jul 2023	
							f) Respond to government's request for information and evidence to inform their "study" - ongoing - complete	Head of Transport	3rd	31 Jul 2023	
							g) Liaise with DFT on the additional programme management tools and associated information to maintain confidence in the deliverability of the programme	Head of Transport	3rd	31 Jul 2023	
Financial - Underspend	Financial	Assistant Director Resources and Performance	Very High (5.3=22)	a) Governance review underway as part of Improvement Plan.	Very High (4.3=18)	=	Ongoing engagement with Members and Officers to display appropriate behaviours.	CEO	3rd	29 Sep 2023	Medium (2.3=8)
				b) Funding secured from LGA to help develop constructive discussions between members.							
EQIA	Legal	Head of Legal and Deputy Monitoring Officer	Very High (4.5=20)	a) Implementing self service financial reporting which will enable project managers to more easily identify if there is a disconnect between...	Very High (3.4=17)	=	Development of directorate self service reports including RAG rating. This work will be supported by corporate project mgt and risk training.	Assistant Director Resources and Performance	2nd	30 Jun 2023	High (2.4=12)
				b) Financial RAG ratings are in place so it can be seen immediately as part of the monthly performance reporting.			Reprofiling carry forward project budgets by project managers is taking place in April 2023	Assistant Director Resources and Performance	2nd	30 Jun 2023	
				c) Active programme/project management by those responsible within the CPCA.							
Cyber Security	Financial	Executive Director Resources and Development	Very High (5.3=22)	a) Each project will undertake an EQIA as part of the Single Assurance Framework.	High (3.3=13)	=	EQIA legal review to be undertaken	TBC	2nd	29 Sep 2023	Medium (2.3=8)
				EQIA training will be undertaken as part of the SAF training programme.							
Future Funding	Financial	Executive Director Resources and Development	Very High (4.4=21)	a) Data recovery - cloud based organisation.	High (4.2=14)	=	Continue to develop CPCA Cyber security position with the support of Local Digital and industry best practices from GCHQ.	Executive Director Resources and Development	2nd	30 Sep 2023	Low (2.2=5)
				b) Recovery time - due back in minutes.							
				c) Devices stock held to reissue equipment							
				d) All devices are encrypted to protect from unauthorised access.							
				e) Data access role based.							
				f) Active monitoring on all systems.							
				g) Yearly training to educate end users.							
				h) Large number of system controls re. login protection - two factor authentication.							
				i) SOCITM Cyber Essential accreditation done yearly.							
				j) Remedial funding from DLUHC to support Cyber Security.							
Subsidiary Companies	Financial	Chief Officer Legal and Governance & Monitoring Officer (Interim)	Very High (4.5=23)	a) Sharing risk with partners (how will we share risk with partners)	Very High (5.3=22)	=	Engage with M10 colleagues to secure new devolution deal with sustainable funding at its core.	Executive Director Resources and Development	3rd	30 Sep 2023	High (3.3=13)
				b) Workshops with partners to work out alternative funding sources			Activities and outputs being progressed as part of Improvement plan - including development of case for 'bidding' resource				
				c) Liaison with government and M10 on potential opportunities							
				d) Consider use of existing CA powers to fund future programmes							
				e) Effective programme management to take into account funding deadlines.							
Future Funding	Financial	Executive Director Resources and Development	Very High (4.4=21)	f) Manage stakeholder expectations regarding CA resources available to deliver strategic objectives	High (3.3=13)	=	Shareholder Board to meet again later in year.	Chief Officer Legal and Governance & Monitoring Officer (Interim)	2nd	01 May 2024	Low (2.2=5)
				a) Action plan to address the internal audit recommendations has been developed. Early actions are being addressed.							
Subsidiary Companies	Financial	Chief Officer Legal and Governance & Monitoring Officer (Interim)	Very High (4.4=21)	b) Shareholder Board met 7th June 2023. Audit and action plans discussed and agreed.	High (3.3=13)	=					Low (2.2=5)

Title	Risk Type	Owner	Inherent Priority	Controls Summary	Residual Priority	Residual Direction of Travel Direction of Travel	Detail	Actions Owner	Assurance Line	Variable Target	Target Priority
HR Operations	Legal	Assistant Director for Human Resources	Very High (4:4=21)	a) Digital review has been undertaken to identify system challenges and issues	Medium (3:2=9)	=	Budget for business change (review all HR processes) and technology circa £30k p.a. Implementation costs circa £50k	Assistant Director for Human Resources	2nd	30 Jun 2023	Low (2:1=3)
				b) Quick wins have been identified and implemented.			HR staff to be upskilled	Assistant Director for Human Resources	2nd	30 Jun 2023	
				c) Long term solution HRIS to be agreed and new system procured which will generate process improvements and efficiencies							
				d) Retrospective checks taking place over coming months on existing processes							
				e) New staff added to the HR team							
Net Zero Hubs (1)	Reputation	Interim Consultant Net Zero Hub	Very High (4:4=21)	a) Taking longer to produce specifications for technical delivery and for Managing Agents and Suppliers	Very High (4:4=21)	=	Complete the Managing Agent and Turnkey Supplier Specifications	Interim Consultant Net Zero Hub	2nd	15 Jun 2023	Medium (1:4=7)
				b) Further risk that suppliers may not want/be able to adapt to deliver the new scheme			Prepare the contracts that align to specifications	Interim Consultant Net Zero Hub	2nd	15 Jun 2023	
				c) Reduction in achievable volume of delivery, with potential for significant delay and loss of funding.			Market engagement and testing of specifications to gauge level of interest	Interim Consultant Net Zero Hub	2nd	15 Jun 2023	
Workforce/HR	Financial	Assistant Director for Human Resources	Very High (3:4=17)	a) Workforce planning - redeployment of staff / temporary contracts	High (3:3=13)	=	Recruitment register being created, to fortnightly at ET and is extended to include planned leavers to enable us to take a more strategic view on vacancies.	Assistant Director for Human Resources	2nd	31 Dec 2023	Medium (2:3=8)
				The introduction of establishment control measures across the CA by Finance and HR (owner) brings greater control on vacancies within the...			Develop workforce strategy/plan to align with Business Plan (this needs to be reviewed in context of improvement work), including specific approval for fixed term contracts linked to funding and effects of inflation.	Assistant Director for Human Resources	2nd	31 Dec 2023	
				The HR Business Partner will hold regular meetings with Executive and Assistant Directors to monitor recruitment activity and create a pipeline of...			Keep close to ET members in the context of potential changes to funding streams as a result of the EY letter. And update recruitment tracker accordingly.	Assistant Director for Human Resources	2nd	31 Dec 2023	
							Financial implications of funding stream coming to an end, for example, exit payments	Assistant Director for Human Resources	2nd	31 Dec 2023	
University of Peterborough project	Financial	Executive Director Economy and Growth	Very High (3:5=20)	The wider CA finances are insulated from the performance of Prop Co 1 and Prop Co 2 by no future expenditure being reliant on financial returns...	High (4:2=14)	=	Paper in Forward plan to Board in November 2022 and Jan 23.	Executive Director Economy and Growth	2nd	31 Jul 2023	Low (2:2=5)
				A review of the future campus business case is to be undertaken.			Report on the review on the future campus business case July 2023.	Executive Director Economy and Growth	2nd	31 Jul 2023	



HEAT MAP - RESIDUAL MOVEMENT

In projects:
Corporate Risk Register
Status **Planning** or **Open**



< INHERENT RESIDUAL TARGET >

Matrix Id	Reference	Title	Inherent	Residual	Target	
1	1047	Future viability of the CA	Very High	Very High	Medium	🔗
2	1026	Strategy Gap	Very High	Very High	Low	🔗
3	1007	Future Funding	Very High	Very High	High	🔗
4	1001	Inflation	Very High	Very High	High	🔗
5	1061	Net Zero Hubs (2)	Very High	Very High	Low	🔗
6	1093	Culture	Very High	Very High	Medium	🔗
7	1125	EQIA	Very High	High	Medium	🔗
8	1199	Net Zero Hubs (1)	Very High	Very High	Medium	🔗
9	1135	Cyber Security	Very High	High	Low	🔗
10	1073	Transforming Cities Fund (TCF)	Very High	High	Medium	🔗
11	1096	Subsidiary Companies	Very High	High	Low	🔗
12	1136	HR Operations	Very High	Medium	Low	🔗
13	1052	Climate change	Very High	Medium	Low	🔗
14	1117	Financial - Underspend	Very High	Very High	High	🔗
15	1068	University of Peterborough project	Very High	High	Low	🔗
16	1015	Workforce/HR	Very High	High	Medium	🔗

Appendix 4: Risk Deep Dive – Future Funding and Inflation

1. Introduction

- 1.1. The Audit and Governance Committee requested a deep dive on two of the high scoring financial risks within the corporate risk register, specifically Risk Refs 1 – Inflation and 2 – Future Funding.
- 1.2. The aim of this deep dive is to give the Committee greater insight into these risks, their potential impacts and the mitigating actions the Combined Authority is taking.
- 1.3. As the first of these deep dives, feedback from the Committee on the presentation and coverage is welcomed to inform future exercises.

2. Future Funding – inherent risk score 25, residual risk score 22

Risk background and potential impact

- 2.1. The risk relating to future funding arises from the transition from a high funding certainty, high control operating environment which the Combined Authority experienced for the first 3-5 years of its existence to a low-funding certainty, low control environment currently being experienced.
- 2.2. In 2018, following the integration of the area's LEP into the Combined Authority, the Combined Authority had 3 multi-year capital funds: Transforming Cities Fund (£95m over 5-years for transport), the Affordable Housing grants (£170m over 5 years) and the Local Growth Fund (£147m over 6 years) for business and skills investment.
- 2.3. Each of these provided the Combined Authority with certainty over what funding it would have available to deliver its objectives over several years, and gave the Combined Authority devolved decision-making powers to decide which projects would best deliver its strategic objectives within the broad parameters of the funds – this is the underlying principal of devolution: allowing local areas to make decisions for themselves on what the important projects are that will deliver change for their area.

- 2.4. The table below, cut down from the Combined Authority's 2022-23 budget 2 months before the new risk register was implemented with this risk included, shows this stark difference. Setting aside the Highways Capital grants, which are passported to the County and Peterborough City Councils, 2022/23 in-year income was forecast at £71.2m, including Housing Capital grants and Transforming Cities Fund, by 2025/26 its £12.2m – an 83% reduction.

Source of Funding	2022/23					2025/6			
	Forecast balance at 1/4/22	In-year Income	Approved Expenditure	Subject to Approval Expenditure	Balance at Year End	In-year Income	Approved Expenditure	Subject to Approval Expenditure	Balance at Year End
	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000
Capital Single Pot	(32,269)	(33,000)	6,157	37,902	(21,210)	(12,184)	-	-	(37,493)
Housing	(735)	(37,588)	28,385	-	(9,934)	-	-	-	-
Recycled Growth Funds / Getting Building Fund	(8,192)	(1,138)	5,250	-	(4,080)	-	-	-	(4,138)
Highways Capital Grants	-	(27,695)	27,695	-	-	(27,695)	27,695	-	-
Total	(41,196)	(99,421)	67,491	37,902	(35,223)	(39,879)	27,695	-	(41,630)

- 2.5. It's very unlikely that the Combined Authority will actually find itself with so few funds in 2025/26 as, instead of continuing to make devolved funding settlements to the Combined Authority, there has been a move toward centrally controlled bid-based funding allocation from Central Government. This means that, while the Combined Authority can't forecast grant income in future years as it's not certain, it is expected that short-term, project specific funding will make up significant amounts of this gap. For example, the Combined Authority has secured the Home Upgrade Grant, worth up to £158m, and Levelling Up Funding of £47.9m for Peterborough Station Quarter amongst many others, but these funds are secured via a bidding process into Central Government which means there is no ability to plan what level of resourcing will be required, nor what can and can't be achieved, in the medium term as we can't know what calls for funding the Government will make and thus what projects may be fundable.
- 2.6. This bid-based approach to funding means the Combined Authority has little certain funding beyond the project-based awards currently in place. This has two impacts which the risk on the register recognises:

- 1) It limits the Combined Authority's ability to make plans, and set realistic ambitions, beyond the current project-based funding awards.
- 2) It could limit the Combined Authority's ability to deliver its strategically important projects as the lack of devolved funding means only projects which fit specific calls for projects from Central Government will receive funding.

2.7. As we are already in a situation where there is little funding beyond the Combined Authority's annual £12m gainshare secured beyond the next two financial years, the inherent likelihood of the risk is '5-certain'. The ability to deliver strategic change with £60m of gainshare over 5 years is significantly lower than the £472m the Authority had access to with gainshare, transforming cities, local growth fund and the affordable housing grants so the impact is rated 5, leading to an overall score of 25.

Risk Mitigations

- 2.8. There are a range of mitigating actions either being implemented or planned for implementation, some focus on what can be done locally, either with delivery partners or internally within the CPCA, and others are focussed nationally to influence Central Government.
- 2.9. The first of the internal mitigations is ensuring that our strategic framework is up to date and accurately reflects local priorities – a current example is the development of the Local Transport and Connectivity Plan. The fit with local strategies is a key element in demonstrating 'strategic fit' within business cases, something which is required for a successful bid on funding into Central Government.
- 2.10. Alongside this, the work on the improvement plan during 2022-23 identified the need to improve our internal bidding function as a reaction to the move from devolved funding to bid-on funding sources – this work is being taken forward through a review of the PMO function and internal training on business case development being offered across the organisation.

- 2.11. These two actions together should maximise the success of bids on funding into Central Government and mitigate the impact of the change in funding approach on the Authority's ability to deliver its strategic objectives.
- 2.12. Alongside this drive to maximise bid-based grant income we are working alongside our delivery partners to identify opportunities to deliver projects and outcomes without relying on central government grants. This is done routinely on a project-by-project basis, supporting delivery partners to identify if there is private sector, or applicable S106 funding to reduce the call on CPCA resources. A wider piece of work on this, being led on by the Authority's S73 officer, is in its early stages but will involve looking more holistically at opportunities across the area for strategic projects to be delivered by local funding whether private, institutional, or public.
- 2.13. The Combined Authority has also been increasing its public affairs capacity in order to more effectively lobby government, both for specific strategic projects, and for a longer-term funding settlement with greater devolved decision-making powers.
- 2.14. The most recent example of project specific influencing is the Combined Authority convened, Ely Rail Summit which brought together key stakeholders from across Business, Transport, Industry and Politics to send a message to Government highlighting the benefits funding the Ely Area Capacity Enhancements would bring to the nation. This approach seeks to secure funding for the most important projects to our area.
- 2.15. To try and address the holistic lack of long-term, locally determined, funding available to the area the Combined Authority is working with the M10 network (the network of the Mayoral Authorities) to persuade Government to expand the powers and flexibilities of the Combined Authority via a round 2 devolution deal like those seen in Greater Manchester (GMCA) and the West Midlands Combined Authorities (WMCA).

- 2.16. Of particular relevance to this risk is the opportunity to secure a 'single funding settlement' – this would mean the Combined Authority receiving a single multi-year award of revenue and capital funds from Government to replace the patchwork of individual grants which it currently receives.
- 2.17. If a potential settlement can secure the Combined Authority a devolved share of national funding streams from Government departments this has the potential to remove this risk from the register for the period of the settlement, however what will be included in GMCA and WMCA's settlements is still being negotiated so the scope of this opportunity is still uncertain.

Conclusion

- 2.18. While the actions identified should maximise the Combined Authority's ability to make a persuasive case for further investment into the area, and thus reduce the likelihood of reduced future funding, the decision over future funding and whether to put in place a 'single settlement' is ultimately outside of the Combined Authority's control. Alongside the impact of not securing future funding still being a fundamental inability to achieve our objectives means that the residual risk score is still very high at 23

3. Inflation – inherent risk score 23, residual risk score 20

Risk background and potential impact

- 3.1. The risk of inflation is ubiquitous to all organisations, however the impact is significantly heightened in the case of the Combined Authority as the majority of our funding is granted by Government with none linked to inflation, so the options for the Combined Authority to raise its own income to meet the ever-increasing costs of delivery are very limited.
- 3.2. This risk can be separated into the risk of inflation to the organisation's core operations and to its portfolio of projects.

- 3.3. Taking the impact on core operations first, the 30-year funding settlement agreed within the devolution deal is inherently unsustainable as it is £20m a year (£12m capital and £8m revenue) regardless of inflation. This is a significant amount of money, but each year the buying power of that money reduces due to inflation. if inflation stayed low, averaging 2% over those 30 years, the £8m revenue in the first year would be equivalent to £4.45m in year 30, a reduction of 44% - if inflation averages 5% this becomes £1.80m, a reduction of 77%. This is a national issue being felt by Combined Authorities across the country, however most have some insulation from this in the form of additional 'core' funding through locally retained business rates which increase both with growth in the area, and the business rates multiplier which is pegged to inflation.
- 3.4. Given the scale of ambition for the Combined Authority locally the option to plan for the long term – i.e. staying small and limiting delivery to hold back funding in the first 10-15 years to top-up inflation impacted budgets 20 years later - was not possible. As such the Combined Authority faces a position of reducing buying power each year with costs (staffing, electricity, bus services, etc) increasing while most of the Authority's funding does not.
- 3.5. Without a sustainable funding solution being identified the impact on the Combined Authority will be a decline in its ability to deliver the area's strategic objectives and services resulting in cuts to both services and additional funding being brought into the area due to the Combined Authority's bidding and advocacy.
- 3.6. While the nuances of the drivers for inflation on the portfolio of projects will be different to those of the core running costs, for example the cost of raw materials has little impact on the core running cost of the Authority but a very significant one on construction projects, the fundamentals of the risk are the same.

- 3.7. In terms of potential impact this would be seen in increased costs to deliver the same project or service, exacerbated by any slippage in projects. The result of this could be anything from individual projects being re-phased or becoming unaffordable, to cuts to bus services and adult education provision for our residents. If the fundamental unsustainability of the Authority's core funding is not addressed it will eventually result in the Combined Authority being unable to effectively operate and fulfil its obligations under law and the devolution deal.
- 3.8. Taking into account that inflation is nearly certain, and the high levels of inflation seen over the last 12-18 months, the likelihood of the risk is certain, and the impact is significant. As the impact is likely to build over time rather than a significant short-term cliff-edge this has resulted in an inherent risk score of 23.

Risk Mitigations

- 3.9. Actions relating to the risk to individual projects within the Combined Authority's portfolio predominantly fall into two categories – transference and mitigation of the impact of inflation.
- 3.10. Transferring inflationary risk within a project is done via the legal agreements the Combined Authority enters into with delivery partners. On a commercial basis this could be a fixed price construction contract, as the Combined Authority entered into on behalf of its subsidiary, the Peterborough HE Property Company Ltd, for the construction of the first teaching building in the University Quarter. Contracts like this lock in a price for construction of infrastructure regardless of the level of inflation and mean that inflation risk sits with the contractor. It's worth highlighting that this approach transfers both upside and downside inflation risk i.e. if inflation is lower than was built into the fixed price this approach may end up costing more than it would have if the contract hadn't been at a fixed price.

- 3.11. On a grant-based project this transfer would be done via terms in the Grant Funding Agreement, which would set out that the Combined Authority's grant is a fixed contribution, and that the delivery partner is responsible for managing inflationary risk and cost overruns. This is a standard approach taken by Central Government when providing grants to Local Authorities and is used in the vast majority of grants the Combined Authority awards, reflecting that the Authority's role is predominantly in commissioning and sponsoring works rather than delivery and that risk should sit with the entity which has day to day management of delivery of the project.
- 3.12. In practice, while this is the standard approach to Combined Authority grant agreements, the lack of financial resilience within the Local Government sector as a whole following more than a decade of austerity often means that our constituent authorities are unable to fund such cost increases (whether due to inflation or unforeseen additional costs) so additional funding is requested from the Combined Authority. In these cases, while the risk has not been effectively transferred, it does still give the Combined Authority the flexibility not to increase funding rather than being contractually committed to doing so.
- 3.13. It is also good practice for projects to include a degree of contingency within their project budget – this is an allowance for 'residual known risks' i.e. risks which still exist in the project as they cannot be transferred or entirely avoided. Inflation is one such risk and so the calculation of contingency within project budgets includes an estimate for meeting inflationary pressures. As future levels of inflation cannot be known, there is a balance between providing a sufficient contingency to avoid cost overruns and not over-allocating and tying up budgets which could be delivering other priorities at the same time.
- 3.14. While the approach to this will heavily depend on the individual standards put in place by the delivery partner, an assessment of the proposed project budget, including the contingency, is taken into account when the Combined Authority reviews business cases both on a financial basis and on deliverability.

- 3.15. Given the recent substantial increase in inflation following a long period in which inflation has remained very low, Combined Authority finance officers consider it highly likely that project and service budgets which were set more than a year or two ago will not have factored in a sufficient allowance for inflation. In response to this the Combined Authority have been recommended, and adopted, two increases in the Authority's reserves to create a greater corporate 'contingency' to allow it to meet additional inflationary pressures in its portfolio when they arise.
- 3.16. The first of these was approved as part of the 23-24 MTFP and increased and more than doubled the minimum revenue reserve from 2% of gross revenue expenditure to 4.5% (£1.8m in 23-24) and created a £1.5m capital reserve. The second was the decision to set aside a proportion of the increased treasury management income received due to increased interest on lending to create an additional 'inflation reserve' of £2.4m.
- 3.17. In addition to the setting aside of these contingencies, officers within the Combined Authority engage with delivery partner's teams regularly to understand cost pressures, alongside non-financial risks, on the projects it funds. This is fed into the MTFP setting process each year when responsible officers are given the opportunity to flag inflationary pressures and risks within their project and service budgets. Where these are certain (e.g. inflation-linked contracts) these are built into the baseline budget, where this is a risk rather than certainty these are collected and considered during the budget process and allocation of corporate contingency to increase budgets will be considered.
- 3.18. While the Combined Authority has limited ability to increase its income, it does have some local fund raising powers and the consideration of the use of these is another key element in mitigating the potential impact of inflationary risk. The three main revenue raising powers the Combined Authority has are its ability to raise a Mayoral General Precept (council tax), the ability to create a business rates supplement and the ability to set the transport levy on the Local Highways Authorities (the County and Peterborough City Councils).

- 3.19. The first of these, the Mayoral General Precept has been used for the first time in 2022-23 specifically to address the substantial increase in costs of supporting the passenger transport network in the region in face of substantial inflationary driven cost pressures. The precept is the power to raise council tax on every residential dwelling, the income can be used on a wide variety of costs and, unlike all other council tax raising bodies, there is no existing referendum limit on the Mayoral General Precept i.e. there is no requirement to hold a referendum if an increase is proposed.
- 3.20. As such the precept is an extremely versatile tool, and its use is entirely within the Combined Authority's control as it can agree, or vote down, any precept proposed within the Mayor's budget. However it is an increase in taxation on the area's residents and as such can rightly be contentious, especially against the backdrop of a cost of living crisis.
- 3.21. The Combined Authority can also create a business rates supplement, which would increase business rates paid in the area by up to 2p per £1, however it's use is limited to delivering a specific project (or package of projects) which deliver economic growth and a business case must be consulted on which demonstrates the need and impact of such a supplement – as such it is a relatively long process with limited application in reacting to inflationary pressures and rather a tool to be examined in the context of funding large strategic projects.
- 3.22. The final tool the Combined Authority has to raise income is the levying of a Transport Precept. This power allows the Combined Authority to charge the Local Highways Authorities for the costs it incurs in the delivery of its responsibilities around local transport – predominantly these are the creation of the Local Transport and Connectivity Plan, the operation and costs of the national concessionary fares scheme, and the subsidisation of the privately operated bus network. The latter of which would be replaced with the operation of a franchised bus network were bus franchising to be implemented.

- 3.23. As Members will be aware one of the areas of most significant inflationary pressure is the subsidisation of passenger transport, and the Combined Authority has the legal power to increase the levy each year by the Retail Price Index (RPI) measure of inflation however increasing the levy shifts the burden from the Combined Authority to two of its constituent authorities which are facing their own substantial pressures. As such the increase in the Levy is locally agreed each year, for 23-24 RPI was 12.6% however the increase in the levy was locally agreed at 2% effectively creating a 10.6% inflationary pressure which the Combined Authority had to manage in order not to pass this on to its constituent authorities.
- 3.24. Due to the financial pressures facing the constituent authorities it's unlikely that increases in the levy will meet the inflationary pressures within the transport service so this is, at best, a partial mitigation of inflationary risk in one service area, admittedly a very significant one.
- 3.25. With the exception of a widespread expansion of the mayoral general precept, the above actions would not address the fundamental unsustainability of the Combined Authority's funding settlement from Government. As this is a critical risk both to this Combined Authority and to others nationally, there is continued lobbying of government within regular discussions with civil servants, in responses to funding consultations, and when responding to information gathering exercises from Government. Alongside this general lobbying the Combined Authority is currently pursuing the opportunity to agree local retention of all growth in business rates within the Combined Authority area as part of ongoing discussions surrounding a second round of devolution deals following the model of GMCA and WMCA's trailblazers announced in the spring budget.
- 3.26. This is an arrangement which is in place in the majority of Mayoral Combined Authorities already and would result in the Cambridgeshire and Peterborough area keeping an additional £60m per year which is currently redistributed nationally by Central Government.

- 3.27. As this funding is redistributed to local authorities nationally, agreeing to the retention of these funds within the Combined Authority area would be fiscally neutral for the Treasury. A relatively small fraction of this could address the sustainability of the Combined Authority's funding settlement (as business rates increase with business growth and in-line with inflation), leaving the majority available to unlock the delivery of the area's wider aspirations covering transport, skills and economic growth. The further benefit of this would be the creation of a virtuous cycle – where investment into these areas leads to growth in the local economy, leading to increased business rate income, and increased investment.
- 3.28. As one of the few net contributors to the Treasury the case for these arrangements is clear, and the impact on the area's ability to deliver the growth and potential improvement for residents is substantial – however the decision on whether to agree this sits with Government and so the residual likelihood of this risk remains high until an agreement with Government can be reached.

Conclusion

- 3.29. While there are a range of actions being taken, and planned, to transfer or mitigate the risk of inflation to the Combined Authority, those related to projects and services are limited in scope as the Combined Authority's funding streams fundamentally do not keep pace with inflation so the scope for Combined Authority to deliver the range and scope of services will decrease, and more rapidly when inflation is 6-10% than when it has been less than 2%.
- 3.30. The existing income raising powers at the Authority's disposal are limited by the pressures being faced by those who would be required to pay, whether that's constituent authorities with their own financial challenges, or the area's residents who are being impacted by the current cost of living crisis and living standards squeeze.
- 3.31. Finally, there is a chance of a significant agreement with Government, through a new devolution deal, to fundamentally address some of these issues and mitigate the risk the Combined Authority faces, however the decision as to whether this negotiation is successful lies with Government and so is uncertain until an agreement is reached.

- 3.32. Based on the above the likelihood of inflationary pressures impacting the Combined Authority is high, but mitigated by the project specific actions, and the potential impact, in the long term, is fundamental. As such the residual risk score is still significant at 20.



Audit and Governance Committee		Agenda Item
08 September 2023		7
Title:	Single Assurance Framework	
Report of:	Jodie Townsend, Governance Improvement Lead	
Lead Member:	Councillor Edna Murphy, Lead Member for Governance	
Public Report:	Yes	
Key Decision:	No	
Voting Arrangements:	By majority	

Recommendations:	
A	The Audit & Governance Committee is asked to consider the Draft SAF document at Appendix A, provide comment on its content and endorsement before it moves forward for consideration at the Combined Authority Board
B	The Audit & Governance Committee is asked to consider the developing Draft terms of reference for the Investment Committee and the Investment Panel, attached at Appendix B and C, and provide feedback

Strategic Objective(s):	
The proposals within this report fit under the following strategic objective(s):	
X	Achieving ambitious skills and employment opportunities
X	Achieving good growth
X	Increased connectivity
X	Enabling resilient communities
X	Achieving Best Value and High Performance
The Combined Authority has a responsibility to ensure that it provides appropriate stewardship of public funds, that it drives improvements and standards within its initiation, development and approval of programmes and projects, and that it ensures the golden thread is central within the development of high quality business cases to increase the ability of those programmes and projects to realise the benefits that they seek to deliver.	
The Single Assurance Framework is designed to do all of the above and drive delivery of each of the Corporate Plan priority areas in doing so.	

This report is intended to be considered alongside the DRAFT Single Assurance Framework at Appendix A. The report has been drafted however to assist Members in considering the SAF without necessarily reading the DRAFT document at Appendix A given the size of the document.

1. Purpose

1.1	The primary purpose of this report is to prevent the DRAFT Single Assurance Framework (SAF) document to the Audit & Governance Committee for it to consider. It is standard practice for Assurance Frameworks to be considered by a Combined Authority's Audit Committee for endorsement prior to it being presented for approval to its Board.
1.2	The Committee is asked to consider the DRAFT Single Assurance Framework (SAF) and to: <ul style="list-style-type: none"> <input type="checkbox"/> Put questions to Officers on its content <input type="checkbox"/> Provide feedback on its content to be reported to the Combined Authority Board <input type="checkbox"/> Consider endorsing the SAF before it is considered by the Combined Authority Board
1.3	In considering the SAF the Committee is asked to give particular attention to the levels of assurance that the SAF proposes to deliver given that the Board will look to the Committee for guidance as to whether the SAF will deliver the required protections and drive standards of development and decision-making as they relate to Programmes and Projects.
1.4	The terms of reference for this Committee also set out one of its key functions as: <i>'review and assess the economy, efficiency and effectiveness with which resources have been used in discharging the authority's functions.'</i>
1.5	This is a referral to best value and value for money (VfM) considerations. The Committee should therefore also consider how the SAF will seek to ensure appropriate VfM considerations are considered within the initiation, development and approval of Programmes and Projects.
1.6	The Committee should also consider if the SAF provides appropriate safeguards to ensure Combined Authority resources are directed onto the development and delivery of Programmes and Projects that will deliver the strategic objectives of the organisation.
1.7	The Committee is also requested to provide feedback on the DRAFT terms of reference for the proposed Investment Committee (Member Committee) and supporting Investment Panel (Technical Officer Panel).
1.8	The Investment Committee and Investment Panel are proposed key components in the application of the Single Assurance Framework.

2. Single Assurance Framework

What is the Single Assurance Framework?

2.1	To provide Board with feedback it is important that the Committee understands the purpose of the SAF. The SAF is a set of systems, processes and protocols designed to provide the Combined Authority with a consistent approach for appraisal, assurance, risk management and performance throughout the lifecycle of projects and programmes. The SAF sets out key processes for ensuring accountability, probity, transparency and legal compliance and for ensuring value for money is achieved across its investments.
2.2	The SAF seeks to set out the framework and processes the Combined Authority will utilise to provide confidence to itself, to Government, to stakeholders and to partners that it has robust systems in place to best enable its projects and programmes to realise the benefits they seek to deliver.
2.3	The SAF will set out in simplest terms the following: <ul style="list-style-type: none"> <input type="checkbox"/> how an idea is turned into a project <input type="checkbox"/> how a project is developed through business cases <input type="checkbox"/> how the business case will provide assurance to the Combined Authority <input type="checkbox"/> how business cases are approved <input type="checkbox"/> how assurance is provided throughout the full lifecycle of a project
2.4	The SAF will apply to the lifecycle of all Programmes and Projects that place a financial liability on the Combined Authority.

Why do we need an Assurance Framework?

2.5	It is a requirement for the Combined Authority to have an Assurance Framework. The existing Assurance Framework meets the requirements set out by the National Local Growth guidelines, these guidelines set out Government's requirement for Mayoral Combined Authorities to develop their own Local Assurance Framework and to ensure they are reviewed and updated annually.
2.6	The National Local Growth guidelines have now been replaced by the English Devolution Accountability Framework, often referred to as EDAF. EDAF is part of the broader Local Government Accountability Framework and now sets the standard for approval of Assurance Frameworks by Government.
2.7	The Combined Authority needs an Assurance Framework to set out how it meets best value requirements by ensuring that it spends public money in the most effective and efficient way, meeting its Aims and Objectives.
2.8	How the Combined Authority approaches monitoring and evaluation is also a government requirement as well as being necessary at a strategic level to help inform the political stages of the decision-making process. Monitoring and Evaluation arrangements are referred to in the Assurance Framework.

Why have we developed a new Assurance Framework?

2.9	The Independent Governance Review undertaken in 2022 identified the Assurance Framework and associated process, standards and ways of working as a key area that required improvement. The perspective provided by Constituent Authorities and partners to the Governance Review was that the current approach lacked consistency, HMT Green Book alignment and did not sufficiently drive and ensure that projects developed had a clear golden thread between their outcomes and the CPCA strategic objectives.
2.10	The Assessment of the Combined Authority by the Interim Chief Executive in October 2022 supported the Governance Review views and led to the initial improvement plan, Board agreed that once initial improvements had been made to the Governance Framework then a new Assurance Framework should be developed.
2.11	Phase 2 of the Improvement Plan sets out a clear objective to develop a new Single Assurance Framework that reflects agreed organisational values, drives standards and future proofs the organisation.
2.12	Regular reporting on the development of the SAF have come to this Committee through the Improvement Framework report, these considerations have previously covered the reasoning behind developing the SAF and the approach to be taken to its development.
2.13	The development of the SAF is seen as a way of demonstrating to Government that the Combined Authority has responded to concerns raised through the Best Value Notice and wider improvement requirements by ensuring it demonstrates early compliance with EDAF.
2.14	Furthermore the SAF will seek to demonstrate to Government that the Combined Authority has, through partnership working, developed robust processes and procedures to deliver improved consideration of programmes and projects with robust assurance, project appraisal and value for money processes applied consistently and proportionally.
2.15	The SAF aims to demonstrate to Government that it is committed to the delivery of good governance and accountability through the stewardship of public funds, striving to ensure that decision-making is effective, proportionate, open to test and challenge and taken to deliver benefits to the region in alignment with its agreed strategic objectives.
2.16	The Board asked that the SAF also seeks to future proof the Combined Authority, this relates to ensuring that it is able to effectively support devolution aims. The Combined Authority is committed to achieving future devolution for the region that will benefit its residents and regional business. The Combined Authority recognises that in providing areas with more power and funding flexibility it becomes even more essential to strengthen governance and accountability arrangements to ensure that they are used appropriately to support regional and national priorities.

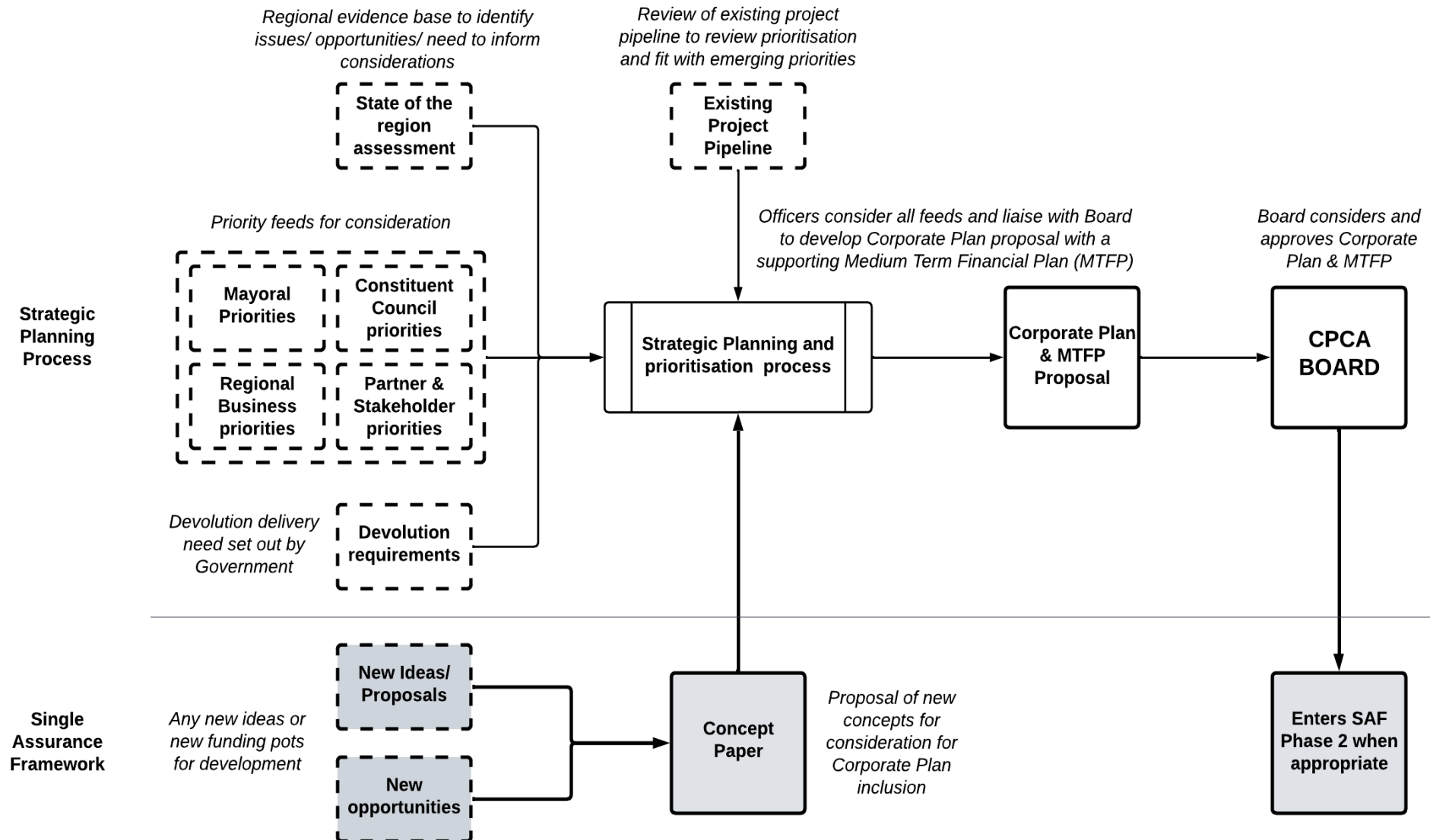
2.17	The SAF, alongside the new approach to governance approved by Board in January, seek to deliver the strengthened governance and accountability arrangements that have become a necessary requirement in devolution discussions.
<u>The English Devolution Accountability Framework</u>	
2.18	The English Devolution Accountability Framework (EDAF) was published by Government in March 2023. The first edition of EDAF sets out how mayoral combined authorities (MCAs) will be scrutinised and held to account by the UK Government, local politicians and business leaders, and by the residents and voters of their area.
2.19	<p>The English Devolution Accountability Framework is structured around the 3 key forms of accountability:</p> <ul style="list-style-type: none"> <input type="checkbox"/> local scrutiny and checks and balances <input type="checkbox"/> accountability to the public <input type="checkbox"/> accountability to the UK government
2.20	The SAF will seek to contribute to the overall accountability arrangements of the Combined Authority and the 3 key forms of accountability, particularly accountability to government. Having a single approach through the assurance framework aligns with Government objectives to streamline devolved funding, reducing inefficiency and bureaucracy, and giving institutions with devolved powers the flexibility they need to deliver for their local economies.
2.21	<p>EDAF sets out an overall framework for assuring funds from Government to the Combined Authority, this includes assurance for individual funding streams as well as devolution deal funding. Annex A of EDAF sets out the requirements for Assurance Frameworks based around a requirement to outline decision-making processes and demonstrate commitment to transparent and accountable decision making. This includes:</p> <ul style="list-style-type: none"> <input type="checkbox"/> confirming accountable body arrangements <input type="checkbox"/> confirming the use of resources are subject to required checks and balances <input type="checkbox"/> confirming key roles and responsibilities in decision-making <input type="checkbox"/> ensure appropriate arrangements to deliver transparent decision-making
2.22	Assurance Frameworks are required to be cleared by Government before they can be applied, EDAF is the framework that Assurance Frameworks must now be cleared against when be assessed by Government.
2.23	The SAF is significantly different in content to the existing Local Growth Assurance Framework of the Combined Authority and therefore must be submitted to Government for clearance once Board has approved it. This process requires the submission of the SAF to Department for Levelling Up, Housing & Communities (DLUHC) to be assess against EDAF requirements by their Local Growth Assurance Unit.
2.24	This process requires Director level clearance of the SAF by DLUHC and also by the Department for Transport and the Department for Education to ensure compliance regarding transport and skills/ AEB specific requirements.

3. Proposal

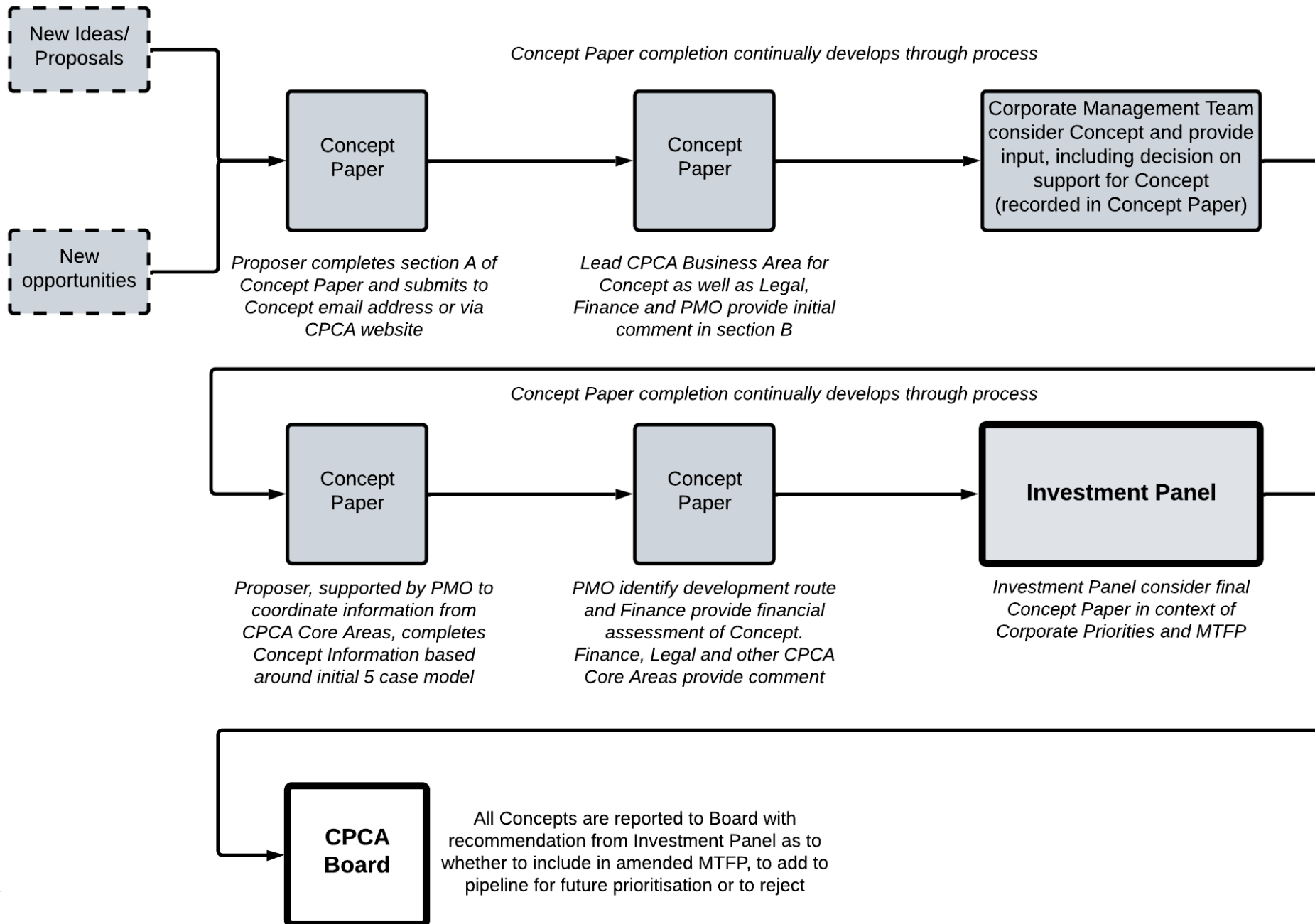
3.1	The proposal is for Board to approve submission of the Single Assurance Framework to DLUHC for Government clearance at its meeting on the 20 September, with any changes required through the clearance process to be reported to the 29 November Board meeting.
3.2	The proposal is that once cleared the Single Assurance Framework will replace the existing Local Growth Assurance Framework as the Assurance Framework of the Cambridgeshire & Peterborough Combined Authority from an agreed implementation date.
3.3	An Implementation Plan for the SAF will be presented to Board on 29 November for consideration which will include confirmation of the date for implementation of the SAF. It is anticipated that the implementation of the SAF will take place in January 2024.

3.4	In line with the purpose set out in section 1 of this report the Audit & Governance Committee is asked to consider the Single Assurance Framework prior to Board to provide comment and endorsement to assist Board consideration.
<u>The Proposed Single Assurance Framework</u>	
3.5	<p>The Single Assurance Framework (SAF) sets out the following:</p> <ul style="list-style-type: none"> <input type="checkbox"/> How the Combined Authority has responded to and complied with the English Devolution Accountability Framework (EDAF) (2023) <input type="checkbox"/> Compliance with National Local Growth Assurance Framework requirements (2021) <input type="checkbox"/> The respective roles and responsibilities of the Combined Authority Mayor, the Mayoral Combined Authority (MCA) and other elements of the decision-making structure <input type="checkbox"/> The key processes for ensuring accountability, probity, transparency, legal compliance, and value for money <input type="checkbox"/> How potential investments will be assured, appraised, prioritised, approved and delivered <input type="checkbox"/> How the progress and impacts of these investments will be monitored and evaluated
3.6	<p>The SAF contains the following sections:</p> <ol style="list-style-type: none"> 1. Introduction – Purpose of the SAF and initial acknowledgement of EDAF 2. Cambridgeshire & Peterborough – Details of the Mayoral Combined Authority 3. Governance, Accountability and Transparent Decision-Making – Details the governance arrangements of the CPCA and how CPCA adheres to the overall Local Government Accountability Framework 4. English Devolution Accountability Framework – How the SAF adheres to EDAF requirements 5. Single Assurance Framework Project Lifecycle Process – The framework to be applied to the lifecycle of programmes and projects 6. Delivery, Monitoring and Evaluation – Overview of performance and monitoring requirements 7. Annex Section – sets out additional and specific information regarding requirements for Transport Projects, the Adult Education Programme and in reference to the Greater South EAST Net Zero Hub 8. SAF Appendices – Overview of SAF Templates
3.7	<p>The key new content within the SAF approach is the SAF phases that are set out in section 5, these are as follows:</p> <ul style="list-style-type: none"> <input type="checkbox"/> SAF Phase 1 – Concept to Pipeline Approval (Initiation Phase) <input type="checkbox"/> SAF Phase 2 – Business Case requirements (Development Phase) <input type="checkbox"/> SAF Phase 3 - Approvals
3.8	<p>Prior to the these phases, 5.3 of the SAF sets out the entry points to the framework, these are via:</p> <ul style="list-style-type: none"> <input type="checkbox"/> The Corporate Plan; or <input type="checkbox"/> In-Year proposals
3.9	SAF Phase 1 is the first step towards developing a business case. This is where ideas, proposals or ambitions are developed into concepts for consideration. All proposals are required to complete a Concept Paper which must go through Concept consideration before they can progress to the project development phase.
3.10	A Concept Paper is the Combined Authority's specially designed entrance document, it acts as a Project Initiation Document (PID) with continuous developing information as it goes through phase 1 to eventually include specific key information to better enable consideration of that concept and importantly to provide consistency within the process.
3.11	SAF Phase 1 for in-year proposals includes CPCA Corporate Management Team engagement and technical officer engagement and consideration through a new body named the Investment Panel. The Investment Panel consists of key officers including CMT representation who consider Concept papers for in-year proposals in order to determine prioritisation, provide test and challenge, recommend required business case development route and consider concepts for recommendation to Board.

CORPORATE PLAN ENTRY POINT

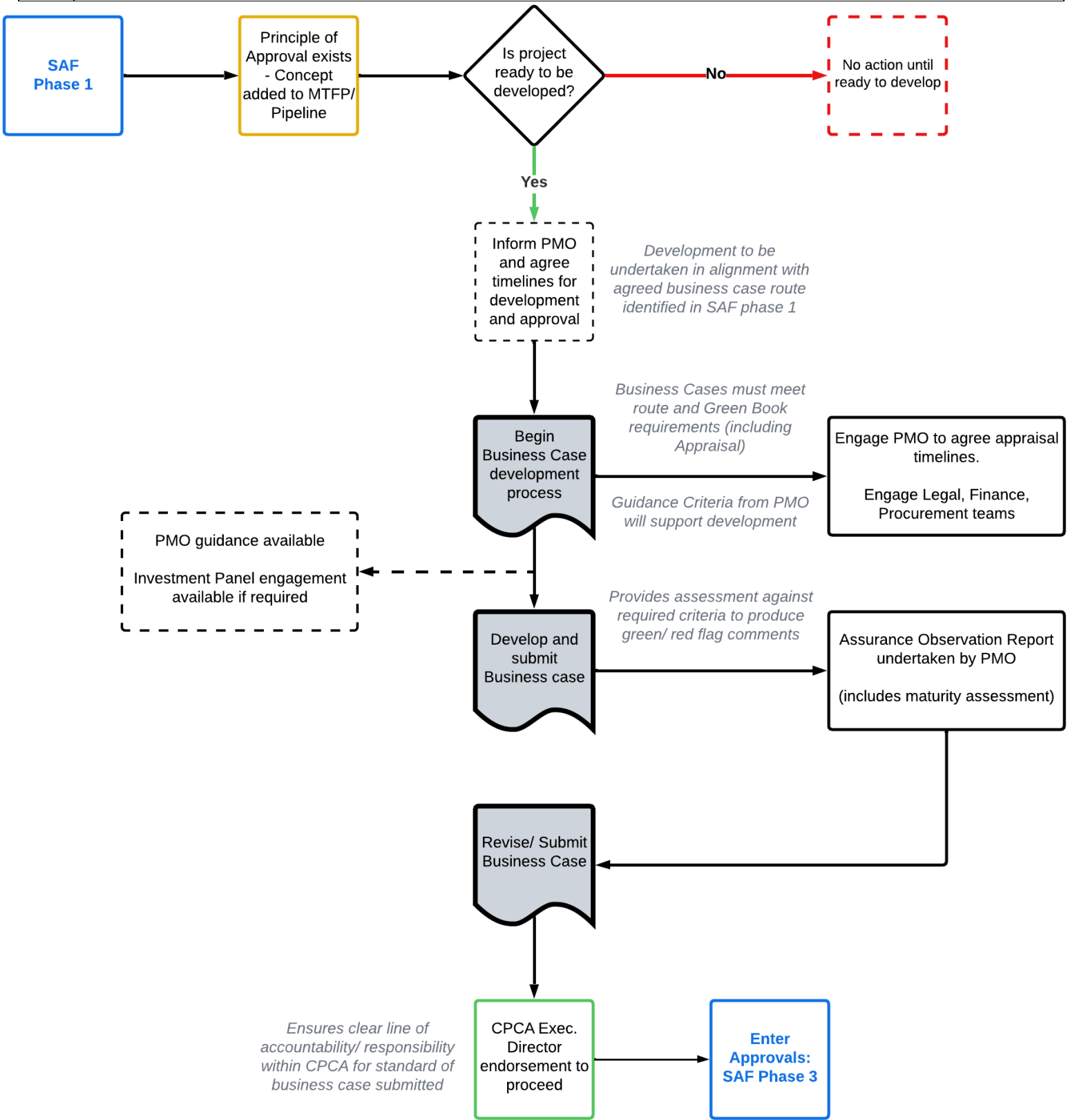


IN YEAR ENTRY POINT



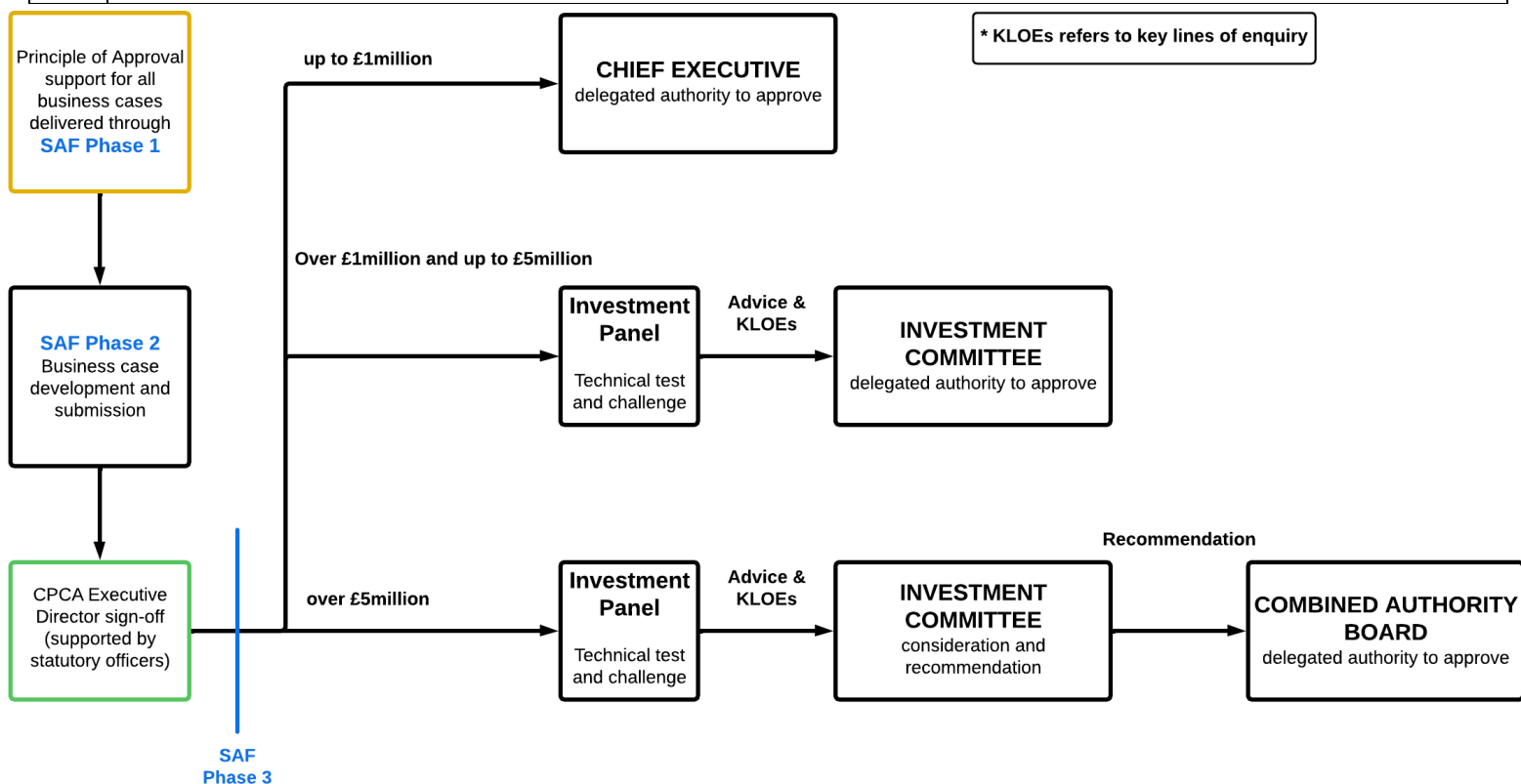
3.13	The DRAFT terms of reference for the Investment Panel are set out in Appendix B, this includes its full proposed role which is larger than its role within SAF Phase 1.
3.14	<p>The intention for in-year proposals is that a quarterly report be presented to the Combined Authority Board from the Investment Panel that details all Concepts received each quarter (with links to each Concept Paper), the paper will include recommendations from the Investment Panel for each Concept that will be either:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Recommend Concept is added to MTFP (can therefore be developed at appropriate time) <input type="checkbox"/> Recommend be added to Pipeline (can then be considered for addition to MTFP when funding becomes available and/or becomes a priority and then is developed) <input type="checkbox"/> Recommend business case is developed and added to Pipeline (can then be ready for delivery when funding becomes available and/or becomes a priority) <input type="checkbox"/> Recommend Concept is rejected
3.15	The SAF Phase 1 operates for both entry points under the Principle of Approval . The Principle of Approval requires all projects that progress into the business case development stage to have been approved as a Concept or as a Corporate Plan deliverable before a business case is developed, this ensures that all items on the CPCA pipeline for development have political support from the Board to progress.
3.16	Ensuring delivery of the Principle of Approval was an absolute requirement for the SAF set by the Board.
3.17	SAF Phase 2 is the development phase. This is the phase where the relevant business case(s) is/are developed, and where out of Business Area assurance activity takes place prior to the business case progressing onto the approvals stage.
3.18	The business case is developed/ managed by the sponsoring Business Area, ensuring that its content, meets the required standard defined within the Combined Authority guidance in addition to meeting the requirements of the SAF, HMTs five case model Green Book compliance and meeting Combined Authority specific requirements on GVA. It also should seek alignment to Policy Aims and Objectives, whilst meeting any funding requirements and/or other milestone dates/requirements.
3.19	For clarity HMTs Green Book sets out requirements regarding content for each business case and how that should be developed in alignment with Combined Authority strategic objectives. The specific criteria detail is not included within the SAF document in order to allow it to apply to revisions by HMT to the Green Book without having to amend the SAF document itself.
3.20	The lead Business Area is responsible for ensuring that they, any partners, or the sponsor meet deadlines, engage the appropriate subject matter experts and technical appraisers and adhere to required formats when developing a business case.
3.22	CPCA templates must be used for business case development to allow the application of standards and proportionality. The business case templates and criteria are designed to ensure necessary compliance, drive standards of project development and better enable delivery. They are important as projects will only deliver intended benefits if they have been developed appropriately, proportionately and to a high standard with appropriate scoping, planning and costs justified from the outset. . These Business Cases will require detailed evidence on the options, designs, delivery and outcomes of the project, along with strategic fit and value for money information to enable informed decision making.
3.23	At the end of the development process the PMO will undertake an Assurance Observations Report that will inform the business case author and relevant CPCA Executive Director on whether the business case is ready for submission to approval.
3.24	The Assurance Observations Report provides a maturity assessment of a business case against HMTs Green Book and CPCA standards, it will also highlight red flags were it believes information is not mature enough or where it believes standards have not been met. It is be produced by SAF experts from within the PMO.
3.25	The business case author will note the Assurance Observation Report and decide if they need to make improvements to the business case to address any red flags or if they wish to submit the business case to the relevant CPCA Executive Director for progression into SAF Phase 3.
3.26	The relevant CPCA Executive Director (identified in SAF Phase 1) is required to approve whether a business case can progress to SAF Phase 3 (approvals) or whether it needs further work, they will consider the Assurance Observations Report as guidance to see if the author ignored red flags or the business case was

	advanced without being sufficiently mature, which would could increase the risk of approving the business case.
3.27	This approach ensures that there is a directly responsible and accountable CPCA member of the Corporate Management Team for each business case that is progressed to SAF Phase 3. SAF Phase 2 operates as follows:



3.28	SAF Phase 3 is the business case approvals phase, this focuses on approval of the business case that has been developed following the principle of approval provided at the beginning of the process by the Combined Authority Board.
3.29	The required approval route is dependent upon the level of financial approval that is required. The Combined Authority has the following business case approval delegations:

	<input type="checkbox"/> £1 million and under: Chief Executive approval <input type="checkbox"/> Over £1million and up to £5 million: Investment Committee approval <input type="checkbox"/> Over £5million: Combined Authority Board approval
3.30	These approval routes are supported by the Investment Panel which is a Technical Officer group who provide technical test and challenge of business case proposals over £1million in value and make recommendations to the Investment Committee and Combined Authority Board.
3.31	<p>The Investment Panel review all business case proposals for approval over £1 million. They do this by:</p> <ul style="list-style-type: none"> <input type="checkbox"/> reviewing a proposal from a basis of HMTs five case model in order to ensure that it has been developed to an appropriate standard, holding the relevant CPCA Executive Director to account <input type="checkbox"/> highlight key lines of enquiry to identify the key issues, key questions and key areas of concern within a business case proposal. This will determine what the key lines of enquiry should be for the Investment Committee to consider from a technical perspective <input type="checkbox"/> provide observations and recommendations to the Investment Committee on business case approvals. The Investment Panel will draw conclusions on the level of risk that it believes applies to approving a proposal and make observations and recommendations on that level of risk and how it can be improved
3.32	The Investment Committee will take on board the advice provided by the Investment Panel in coming to a decision on approval for business cases between £1 million and £5 million. Business cases over £5 million must be approved by the Combined Authority Board, to support the Board the Investment Committee will consider such approvals first and make a recommendation on approval to the Board.
	SAF Phase 3 will therefore operate as follows:



3.33	The engagement with other MCAs in the development of the SAF highlighted the key role that an Investment Committee/Board can play in the application of the Assurance Framework and in developing specific Member investment skillsets. Officers in particular at West Midlands, North of Tyne and Liverpool City Region Combined Authorities highlighted the benefits having an Investment Committee has had within their own arrangements.
3.34	Engagement with MCAs and with DLUHC also highlighted the positive light in which Government views such arrangements in bringing additional robustness in decision-making and the application of the SAF, as well as the skillset that they can bring to a Combined Authority setting.
3.35	<p>The key functions of the Investment Committee include:</p> <ul style="list-style-type: none"> <input type="checkbox"/> To consider investment proposals and to make appropriate challenges to these proposals <input type="checkbox"/> To oversee and monitor investments

	<div><div><div><div><div></div><div>To add conditions to any Funding Decision that falls within its Delegated Authority and to make recommendations for conditions to CPCA Board</div></div><div><div></div><div>To consider change requests within the delegation of the Investment Committee</div></div><div><div></div><div>To approve the monitoring and evaluation criteria related to any Funding Decision and to have the ability to delegate oversight of this function where appropriate</div></div><div><div></div><div>Where oversight of monitoring and evaluation applies to the Investment Committee, to consider whether a formal review of a project or program is required and to consider this review itself (in consultation with the Overview & Scrutiny Committee) or highlight the matter to Overview & Scrutiny Committee for potential project review</div></div></div></div></div>						
3.36	Board had stipulated that the SAF must not deliver additional Committees within the Governance Framework of the combined Authority, to avoid this and to make better use of a specialist Committee approach the existing Shareholder Board is proposed to be expanded into the Investment Committee.						
3.37	The DRAFT terms of reference for the Investment Committee and the Investment Panel, with which it will work in close alignment, are attached at Appendices B and C.						
3.38	The statutory officers and Leaders Strategy Meeting were consulted on this proposal during development and gave a positive steer to develop the SAF with an Investment Committee being created by expanding the remit of the Shareholder Board.						
3.39	The DRAFT Single Assurance Framework is attached at Appendix A .						
<u>Delivering Assurance</u>							
3.40	The SAF seeks to deliver ever increasing levels of assurance as approval values increase, it does this through the proportionate application and assessment of criteria to set standards in each phase of the SAF process.						
3.41	This increasing level of assurance is best demonstrated through the following diagram that sets out the documentation needed to inform decision-making for each approval route:						
<table><tr><td><div><div><div><div><div></div><div>Cambridgeshire & Peterborough Chief Executive</div></div><div><div>Initiation</div><div><ul style="list-style-type: none">• Concept Paper• CMT & Investment Panel assessment• Report to Combined Authority Board• Principle of Approval</div><div><div>Development</div><div><ul style="list-style-type: none">• Business Case• Business Case Appraisal• Assurance Observation Report• S73 Officer VfM sign-off• Executive Director sign-off</div></div></div></div></div></div></td><td><div><div><div><div><div></div><div>Cambridgeshire & Peterborough Investment Committee (+ Investment Panel)</div></div><div><div>Initiation</div><div><ul style="list-style-type: none">• Concept Paper• CMT & Investment Panel assessment• Report to Combined Authority Board• Principle of Approval</div><div><div>Development</div><div><ul style="list-style-type: none">• Business Case• Business Case Appraisal• Assurance Observation Report• S73 Officer VfM sign-off• Executive Director sign-off</div></div><div><div>Approvals</div><div><ul style="list-style-type: none">• Investment Panel technical challenge and advice• Investment Committee consideration and recommendation• Investment Committee Cover Report</div></div></div></div></div></div></td><td><div><div><div><div><div></div><div>Cambridgeshire & Peterborough Combined Authority Board</div></div><div><div>Initiation</div><div><ul style="list-style-type: none">• Concept Paper• CMT & Investment Panel assessment• Report to Combined Authority Board• Principle of Approval</div><div><div>Development</div><div><ul style="list-style-type: none">• Business Case• Business Case Appraisal• Assurance Observation Report• S73 Officer VfM sign-off• Executive Director sign-off</div></div><div><div>Approvals</div><div><ul style="list-style-type: none">• Investment Panel technical challenge and advice• Investment Committee consideration and recommendation• CPCA Board Cover Report</div></div></div></div></div></div></td></tr><tr><td><div>up to £1m</div></td><td><div>£1m -£5m</div></td><td><div>> £5 million</div></td></tr></table>		<div><div><div><div><div></div><div>Cambridgeshire & Peterborough Chief Executive</div></div><div><div>Initiation</div><div><ul style="list-style-type: none">• Concept Paper• CMT & Investment Panel assessment• Report to Combined Authority Board• Principle of Approval</div><div><div>Development</div><div><ul style="list-style-type: none">• Business Case• Business Case Appraisal• Assurance Observation Report• S73 Officer VfM sign-off• Executive Director sign-off</div></div></div></div></div></div>	<div><div><div><div><div></div><div>Cambridgeshire & Peterborough Investment Committee (+ Investment Panel)</div></div><div><div>Initiation</div><div><ul style="list-style-type: none">• Concept Paper• CMT & Investment Panel assessment• Report to Combined Authority Board• Principle of Approval</div><div><div>Development</div><div><ul style="list-style-type: none">• Business Case• Business Case Appraisal• Assurance Observation Report• S73 Officer VfM sign-off• Executive Director sign-off</div></div><div><div>Approvals</div><div><ul style="list-style-type: none">• Investment Panel technical challenge and advice• Investment Committee consideration and recommendation• Investment Committee Cover Report</div></div></div></div></div></div>	<div><div><div><div><div></div><div>Cambridgeshire & Peterborough Combined Authority Board</div></div><div><div>Initiation</div><div><ul style="list-style-type: none">• Concept Paper• CMT & Investment Panel assessment• Report to Combined Authority Board• Principle of Approval</div><div><div>Development</div><div><ul style="list-style-type: none">• Business Case• Business Case Appraisal• Assurance Observation Report• S73 Officer VfM sign-off• Executive Director sign-off</div></div><div><div>Approvals</div><div><ul style="list-style-type: none">• Investment Panel technical challenge and advice• Investment Committee consideration and recommendation• CPCA Board Cover Report</div></div></div></div></div></div>	<div>up to £1m</div>	<div>£1m -£5m</div>	<div>> £5 million</div>
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<div>up to £1m</div>	<div>£1m -£5m</div>	<div>> £5 million</div>					

3.42	<p>Driving these levels of documentation, which have criteria and process behind each of them, in support of delivering assurance are:</p> <ul style="list-style-type: none"> <input type="checkbox"/> appropriate front end initiation process through concept development that drives strategic fit <input type="checkbox"/> proportionate business case development process that meets national and Combined Authority standards of best practice development (including alignment with HMTs Green Book) <input type="checkbox"/> appropriate use of expertise within Business Areas to help develop required business cases <input type="checkbox"/> an upskilled PMO offer to provide support and guidance throughout the SAF (this will be set out in more detail to Board in the SAF Implementation Plan that will be considered on 29 November) <input type="checkbox"/> use of out of Business Area/second line of defence assurance principles and processes to assess the maturity of business cases and undertake proportionate appraisal <input type="checkbox"/> Technical Officer support through an Investment Panel to focus Investment Committee and Board considerations and inform the decision-making process.
3.43	<p>The approvals process in particular, where decision-makers need to be appropriately informed, is supported through delivery of the following elements of assurance prior to entering the approvals phase:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Front end Concept development process that seeks Corporate Management Team support, ensures Combined Authority core area involvement from an early stage, and delivers technical officer assessment via Investment Panel consideration and recommendation on Concept progression. <input type="checkbox"/> Delivers a Principle of Approval by ensuring the Combined Authority Board provides an approval for a concept to enter the business case development phase either through inclusion within the Corporate Plan or via approval of in-year concept proposals <input type="checkbox"/> Delivers business cases that must be developed in alignment with HMTs Green Book and Combined Authority standards regarding strategic fit that drive value for money considerations and quality of content within business cases <input type="checkbox"/> Delivers second line of defence appraisal of business cases in line with HMTs Green Book <input type="checkbox"/> Delivers an objective Assurance Observation report from the PMO on all business cases to inform Executive Directors in progressing them to the approvals phase and assuming responsibility for their content
3.44	<p>This approach is designed to enable:</p> <ul style="list-style-type: none"> <input type="checkbox"/> decision-makers at all levels to base their decisions upon objective, evidence-based out of Business Area findings and recommendations which in turn should drive better informed decision-making <input type="checkbox"/> increased Executive Director ownership and accountability <input type="checkbox"/> increased Statutory Officer involvement and accountability <input type="checkbox"/> increased levels of assurance and appraisal support and guidance <input type="checkbox"/> approvals based on proportionate financial delegation i.e. a request of £100,000 will not be scrutinised to the same level of a request for £5 million. <input type="checkbox"/> the time taken to reach an approval decision being reflective of the level of financial ask.
3.45	<p>Having an Investment Committee within approval arrangements and with a key SAF overview role can add to the levels of assurance by providing the following benefits:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Development of a focused skillset within membership to apply to the consideration of business cases <input type="checkbox"/> Creation of a skilled committee that can undertake a wider Member role in considering change requests, providing SAF oversight, providing detailed project delivery oversight and driving Member led monitoring and evaluation <input type="checkbox"/> Creation of more direct ways of working with the Technical Officer Group (TOG) who undertake technical assurance of business cases. Where the Thematic Committees approve business cases the TOG will have to report advice to 3 Committees which is a less efficient and effective use of time
3.46	<p>An Investment Committee would take on the approval delegation that was provided to Thematic Committees through the new governance arrangements of the combined Authority, approved by Board in March 2023. This will enable Thematic Committees to focus more on the development and implementation of strategy (approved by the Board) and operational delivery and oversight, rather than approval of business cases.</p>
<u>Delivering Risk Management</u>	
3.47	<p>The development of business cases must in alignment with HJMTs Green Book which sets out arrangements for the assessment of risk and how it is considered.</p>

3.48	In addition the SAF and the new Risk Management Framework of the Combined Authority have been developed in close alignment in order to ensure that there is a consistent, streamlined and joined up approach to risk.
3.49	All Programmes and Projects must adhere to the Risk Management Framework which sets out the Combined Authority approach, governance and process for risk management.
3.50	The Risk Management Framework is based upon the principles within HMTs Orange Book (2020) and includes our Corporate Risk Appetite, Escalation procedure, Roles & responsibilities, The various levels of risk management at a Corporate, Service/Programme and Project level, and our processes and tools within our risk procedure document

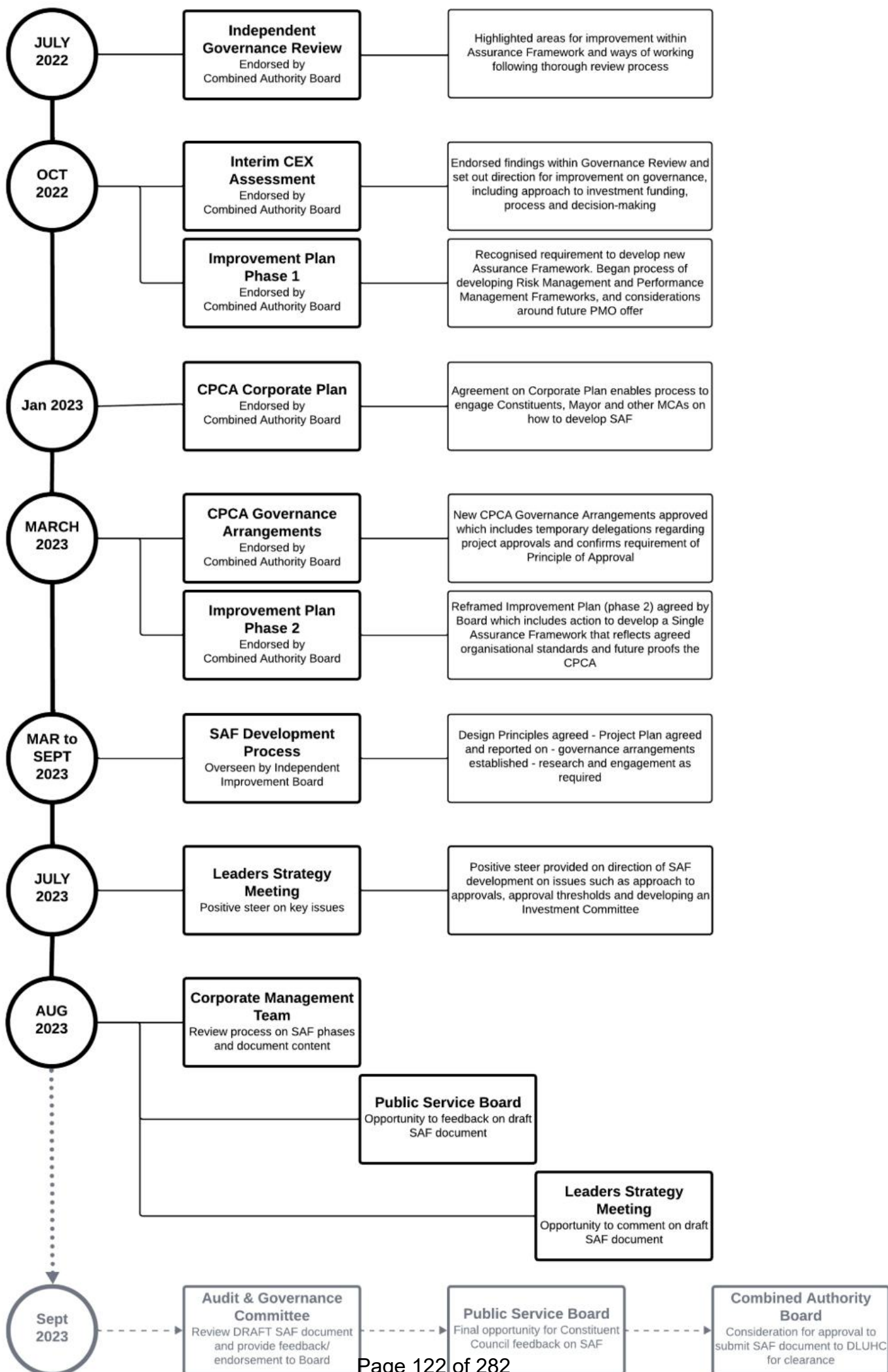
Delivering Value for Money

3.51	Value for Money (VfM) is balanced judgement about finding the best way to use public resources to deliver policy objectives. Comparing the social VfM of alternative options requires use of the Green Book methodology, in particular the five case model, as well as its associated analytical tools.
3.52	The SAF drives the application of HMTs Green Book and appropriate requirements and considerations in relation to Value for Money which includes the application of a Benefit Cost Ratio (BCR). BCR is a metric used by the Treasury to determine whether a scheme provides good value for money, the higher the BCR figure the better the value for money. Treasury advice is to seek a minimum BCR of 2 for a project.
3.53	In order to provide additional assurance regarding value for money the SAF applies a tolerance to all business cases that impacts the approvals route. Any business case that does not present a proposal with a high value for money score via Benefit Cost Ratio (BCR) (or Net Present Public Value - NPPV) will be required to seek business case approval via the Combined Authority Board.
3.54	There may be cases when the best value way of delivering a project to achieve strategic objectives leads to a BCR lower than the Treasury advice of 2 or higher, or which is not as strong as the BCR of alternatives which do not align as well with the Authority's strategic objectives set out in key policies. Treasury Green Book allows projects with a BCR below 2 to be delivered as long as SMART objectives are linked to strategic objectives of the Combined Authority.
3.55	In such cases it must be the Combined Authority Board who make a judgement on whether the achievement of those strategic objectives is worth the cost to the Combined Authority. This also allows the Board to consider projects where there are questions regarding best value assessment which leads to a less than favourable value for money judgement.
3.56	For appraisal to be effective, objectives must be SMART. The SMART objectives in the strategic dimension of the business case directly drive the rest of the process in the application of the Green Book. Only options that deliver these SMART objectives can be considered VfM, therefore VfM is not just about a Benefit Cost Ratio (BCR).
3.57	The application of HMTs Green Book ensures that objectives are set based around guidance and evidence in relation to Specific – Measurable – Achievable – Realistic – Time based principles that will identify those options that perform well against these measures.
3.58	For full details of content the Committee should refer to the DRAFT Single Assurance Framework document.

4. Background

The Journey to Audit & Governance Committee

4.1	The development of the Single Assurance Framework has been significant, the main development phase of the SAF has taken place alongside the development of supporting guidance. This has all been done through a process of significant engagement as requested by the Combined Authority Board.
4.2	The key development/ decision points can be summarised as follows: <i>Please see next page</i>



The Engagement Process

4.3 The governance arrangements that were put in place for development of the SAF were done so to ensure opportunities for significant engagement, input and comparison existed to contribute to the framework and to allow opportunities for coproduction on phase elements and supporting templates.

4.4 The governance arrangements put in place were as follows:

Project Manager	Responsible for undertaking development activity to develop approach and authoring the SAF document
Development Group	Officer support group to Project Manager to assist with SAF development process as directed
Workstream Sponsor	Provided oversight of development to ensure Corporate Management Team link and hold Project Manager to account on progress
Internal Working Group	Representatives from each CPCA Business Area to be engaged by Project Manager on key SAF content and to test and challenge developing approaches
Partner Working Group	Representatives from each Constituent Council appointed by their Chief Executives to be engaged by Project Manager on key SAF content and to test and challenge developing approaches. Additional role of working group membership to report back to key officers and Leaders within their own Councils
Public Service Board Lead	Chief Executive of Fenland Council provided key support, steer, advice and guidance on developing SAF content and challenge to ensure partnership engagement process was sufficient
M10 Assurance Group	Specialist officers from across the 10 Mayoral Combined Authorities to share issues, best practice and discuss responding to EDAF.
Improvement Group	Chaired by Executive Director for Resources & Performance, oversight group to ensure all improvement workstreams on track and to provide forum to air issues and seek solutions

4.5 There have been numerous meetings of the Partner Working Group and significant engagement between the Project Manager and membership outside of the meetings. There have also been 4 direct meetings between the Project Manager and individual Constituent Authorities as part of the engagement process as well as meetings with several Council Monitoring Officers.

4.6 A total of 5 Internal Working Group meetings also contributed to the development of the SAF and provided an opportunity to engage Combined Authority business areas on the reasoning and detail behind this improvement workstream.

4.7 Regular reporting on progress in developing the SAF was also provided through the monthly Improvement Framework update and Highlight Report to:

- ☐ This Audit & Governance Committee
- ☐ The Overview & Scrutiny Committee
- ☐ Combined Authority Board
- ☐ Independent Improvement Board

4.8 Engagement has also taken place with the Public Service Board to engage Constituent Council Chief Executives, the CPCA Corporate Management Team and Leaders Strategy Meeting as and when appropriate to support the development process.

Next Steps

4.9 The next steps for taking forward the Single Assurance Framework can be broken down into 5 key stages, they are as follows:

- ☐ Approval of SAF document for submission to DLUHC

	<input type="checkbox"/> DLUHC clearance process <input type="checkbox"/> Approval of SAF implementation plan <input type="checkbox"/> Implementation <input type="checkbox"/> Review
4.10	Approval of SAF document for submission to DLUHC has several steps beginning with consideration of the DRAFT SAF document by this Audit & Governance Committee. The Committee is asked to consider the DRAFT SAF document in line with the ask, advice and content set out within this report and to agree feedback and consider endorsement to provide to Combined Authority Board.
4.11	A standing invitation has been offered to all Constituent Council Leaders and Chief Executives to discuss the SAF document, its implications and receive feedback to ensure all Leaders are fully briefed before the meeting of Combined Authority Board. The Public Service Board meeting on 13 September will provide a final opportunity for Constituent Authority Chief Executives to be briefed on the report and DRAFT SAF document that will be presented to Board.
4.12	Board will consider the DRAFT SAF document and any feedback from this Audit & Governance Committee on the 20 September where Board will be asked to approve the SAF document for submission to DLUHC for clearance.
4.13	DLUHC clearance process has already begun through soft engagement between the Project Manager and the Local Growth & Assurance Unit within DLUHC as the DRAFT SAF has been developed, arrangements have been put in place for the submission of the SAF to DLUHC following its consideration by Board. This has included email exchanges with the EDAF Policy Team within DLUHC.
4.14	If Board approve the document for submission then DLUHC will oversee consideration against EDAF requirements, this involves getting Director level approval from within DLUHC, Department for Transport and Department for Education.
4.15	Discussions with the Local Growth & Assurance Unit have indicated that the clearance process will take an estimated 4 weeks and no longer than 6 weeks.
4.16	If Board do not approve the document for submission to DLUHC then informal engagement will take place to seek informal clearance of the SAF prior to Board reconsidering approval at the November meeting of Board.
4.17	Approval of SAF implementation plan involves the development of an implementation plan for the SAF that will include proposals of when and how the SAF will be introduced and replace the existing National Local Growth Assurance Framework. That plan will set out templates, guidance documents, training and development and detail the required constitutional changes needed to implement the SAF.
4.18	Board will also be presented with proposals for resourcing of the PMO within the Combined Authority in alignment with delivering the SAF, this will cover the specialist skillset and support offer required to provide to the phases within the SAF to support the delivery of SAF requirements. This will be presented to Board on 29 November either as part of the Implementation Plan or as a separate report.
4.19	Implementation will involve delivering the agreed implementation plan.
4.20	Review refers to the ongoing review process for the SAF. Annual review of the SAF by this Audit & Governance Committee will be a constitutional requirement and key function of the Committee. Following input from the Public Service Board it was agreed that the SAF, its implementation and its impact should be reviewed every 6 months for the first 18 months of its implementation. It has not yet been determined who and how this implementation plan will be undertaken.
Alternative Options	
4.21	Comparison work was undertaken with all Mayoral Combined Authorities to understand their Assurance Framework and ways of working and how they planned to respond to EDAF requirements. This involved consideration of end approval approaches that would have replaced the Principle of Approval with an approval at the end of business case development.

4.22	This type of approach was deemed not to fit with the asks of the Combined Authority Board who wanted to ensure certain safeguards would be provided by ensuring resources were applied to development of projects that had both senior management and Board political approval.
4.23	Such an approach was also considered to not provide the level of assurance that the SAF proposal could potentially deliver.
4.24	Additionally alternative officer and member delegations regarding approval were considered but deemed not to fit the scale of the Combined Authority.
4.25	The development also considered not having an Investment Committee and spreading its responsibilities across the existing Thematic Committees. This option was not deemed preferable as it would impact ability of Thematics to focus on its core roles as well as not deliver the benefits of having an Investment Committee that are set out in this report.

5. Appendices

5.1	Appendix A – DRAFT Single Assurance Framework document
5.2	Appendix B – DRAFT Investment Panel terms of reference
5.3	Appendix C – Draft Investment Committee terms of reference

6. Implications

Financial Implications

5.1	There are no direct spend or budgetary implications as a result of the recommendations within this report. The assurance frameworks and delegated approval structures detailed within this report are considered to be appropriately designed to ensure the Combined Authority deliver value for money against all its investments and that the financial controls and checks required to deliver those investments are robust.
5.2	Any financial implications regarding the implementation of the Single Assurance Framework and the future resourcing of the Programme Management Office will be presented to Board on 29 November 2023.

Legal Implications

6.1	It is a statutory requirement that the Combined Authority has an assurance framework in place. There are also statutory duties on the Authority in relation to best value and securing the best use of public money in terms of projects and spending. Failure to have a robust assurance framework in place would result in action by the Authority's internal and external auditors and would affect the value for money judgement provided on an annual basis.
6.2	It is a requirement that any significant change to the assurance framework must be submitted to and cleared by Government, this must be done against requirements set out in the English Devolution Accountability Framework.

Public Health Implications

7.1	There are no specific public health implications arising out of this report.
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Environmental & Climate Change Implications

8.1	There are no specific environmental and climate change implications arising out of this report.
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Other Significant Implications

9.1	Replacement of the National Local Growth Assurance Framework that is currently in operation with the Single Assurance Framework will require constitutional amendments, these will be presented to Board on 29 November 2023.
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Background Papers

10.1	English Devolution Accountability Framework: English Devolution Accountability Framework - GOV.UK (www.gov.uk)
10.2	CPCA Review of Governance 2022: Document.ashx (cmis.uk.com)
10.3	CPCA Interim CEX Assessment 2022: Document.ashx (cmis.uk.com)
10.4	CPCA Improvement Plan Phase 2: Document.ashx (cmis.uk.com)
10.5	CPCA Local Assurance Framework: Local-Assurance-Framework (cambridgeshirepeterborough-ca.gov.uk)



**CAMBRIDGESHIRE
& PETERBOROUGH**
COMBINED AUTHORITY

Single Assurance Framework

Cambridgeshire & Peterborough
Combined Authority

DRAFT

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1 Introduction

Cambridgeshire & Peterborough Combined Authority is committed to the delivery of good governance and accountability in everything that it does, striving to ensure that decision-making is effective, proportionate, open to test and challenge and taken to deliver benefits to the region in alignment with its agreed strategic objectives.

Having an effective, clear and implemented Assurance Framework is key to successful delivery of the Combined Authority's overall Accountability Framework.

HM Treasury define Assurance Frameworks as 'An objective examination of evidence for the purpose of providing an independent assessment on governance, risk management, and control processes for the organisation.'

This document is the Assurance Framework for Cambridgeshire & Peterborough Combined Authority.

The aim of this document is to set out how the Combined Authority (CPCA) will spend or invest public money responsibly, both openly and transparently, and achieve Value for Money (VFM). It provides a proportionate and consistent approach to the application and approval of all funding opportunities and the initiation, development and delivery of projects, programmes and activity that places a financial liability onto the WMCA that is not classed as Business as Usual (BAU).

The document sets out the robust assurance, project appraisal and value for money processes that the Combined Authority has put in place for programme and project development and delivery in alignment with the requirements set out in the English Devolution Accountability Framework (EDAF) and has been approved by the Department of Levelling Up, Communities and Housing (DLUHC).

1.1 The Purpose of the Single Assurance Framework - The Single Assurance Framework (SAF) is a set of systems, processes and protocols designed to provide an evidence base and independent assessment of the governance, risk management, and funding processes of a funding or grant application. It enables the Combined Authority to monitor, measure and scrutinise how well Policy Aims are being met and risks managed. It also implements processes to ensure an adequate response if risks or performance go into exception.

1.1.1 The Single Assurance Framework (SAF) sets out the following:

- ☐ How the Combined Authority has responded to and complied with the English Devolution Accountability Framework (EDAF) (2023)
- ☐ Compliance with National Local Growth Assurance Framework requirements (2021)
- ☐ The respective roles and responsibilities of the Combined Authority Mayor, the Mayoral Combined Authority (MCA) and other elements of the decision-making structure
- ☐ The key processes for ensuring accountability, probity, transparency, legal compliance, and value for money
- ☐ How potential investments will be assured, appraised, prioritised, approved and delivered
- ☐ How the progress and impacts of these investments will be monitored and evaluated

1.1.2 The SAF has been developed in compliance with the English Devolution Accountability Framework. It applies to all existing and new funding, and projects that place a financial liability onto the Combined Authority. It provides consistency of approach, standards, assurance, appraisal and decision making. It allows for proportionality within the development of business cases.

1.1.3 The SAF operates alongside the following Combined Authority governance and key policy documents:

- ☐ The CPCA Constitution [[CA Board Constitution March 2023 \(cambridgeshirepeterborough-ca.gov.uk\)](#)]
- ☐ The CPCA Corporate Plan [[insert link](#)]
- ☐ The Performance Management Framework [[insert link once considered for approval by Board on 20 September](#)]

- ☐ The Risk Management Framework [\[insert link once considered for approval by Board on 20 September\]](#)
- ☐ Cambridgeshire & Peterborough Devolution Deal [Cambridgeshire-and-Peterborough-CA-Devolution-Deal \(cambridgeshirepeterborough-ca.gov.uk\)](#)
- ☐ CPCA Order 2017 [\[The Combined Authorities \(Borrowing\) Regulations 2018 \(legislation.gov.uk\)\]](#)
- ☐ CPCA Industrial Strategy [\[Local Industrial Strategy \(cambridgeshirepeterborough-ca.gov.uk\)\]](#)
- ☐ Mayor's Ambitions [\[insert link\]](#)
- ☐ CPCA Monitoring & Evaluation Framework [\[insert link\]](#)
- ☐ CPCA Medium Term Financial Plan [\[insert link\]](#)

- 1.1.4 The CPCA operates in line with the Local Government Accountability Framework and the English Devolution Accountability Framework. It also operates according to:
- ☐ Local Government Financial Framework, as set out in the DLUHC Local Government System Statement. [\[Annual local government finance settlements | Local Government Association\]](#)
 - ☐ HM Treasury Guide to developing the project business case [\[Guide to developing the Project Business Case \(publishing.service.gov.uk\)\]](#)
 - ☐ HM Treasury Guide to Assuring and Appraising Projects: Green Book [\[The Green Book \(2022\) - GOV.UK \(www.gov.uk\)\]](#)
 - ☐ Orange Book (Strategic Risk) [\[Orange Book - GOV.UK \(www.gov.uk\)\]](#)
 - ☐ Magenta Book (Evaluation) [\[The Magenta Book - GOV.UK \(www.gov.uk\)\]](#)
- 1.1.5 The Assurance Framework provides assurance to the Departmental Accounting Officer by explaining how funding is granted or devolved to the Combined Authority is allocated, and that there are robust local systems in place which ensure resources are spent with regularity, propriety and value for money.
- 1.1.6 Within the Combined Authority, the SAF is a valuable tool that enables the CPCA to develop and deliver successful programmes and projects, and explain the clear rationale through concept papers and business cases on how its strategic objectives will be delivered.
- 1.1.7 The Assurance Framework will be reviewed at least annually by the CPCA Audit & Governance Committee to ensure that it is kept up to date, reflecting changes in the Combined Authority's operating environment and changes to Government policy. Where are potential changes and updates result in a potential divergence from the approved Assurance Framework, adjustments will be discussed and agreed with DLUHC.
- 1.2 English Devolution Accountability Framework -** This Single Assurance Framework has been developed in alignment with the first edition of the English Devolution Accountability Framework (EDAF) (2023). EDAF sets out how Mayoral Combined Authorities (MCAs) will be scrutinised and held to account by government, local politicians and business leaders, and by residents and voters within the Cambridgeshire & Peterborough region.
- 1.2.1 The Combined Authority meets all requirements set out in EDAF and seeks to align itself with emerging EDAF content such as the Scrutiny Protocol.
- 1.2.2 The Combined Authority recognises that in providing areas with more power and funding flexibility through devolution it becomes even more essential to strengthen governance and accountability arrangements to ensure that they are used appropriately to support regional and national priorities. Further details on its compliance with EDAF are set out in section 4.

2 The Cambridgeshire and Peterborough Region

2.1 The Mayoral Combined Authority - The Cambridgeshire & Peterborough Combined Authority (CPCA) is a Mayoral Combined Authority and is an accountable public body established under Section 103 of the Local Democracy, Economic Development and Construction Act 2009.

- 2.1.1 CPCA was created in 2017 through the Cambridgeshire and Peterborough Combined Authority Order 2017 [[The Cambridgeshire and Peterborough Combined Authority Order 2017 \(legislation.gov.uk\)](#)] in order to further the sustainable and inclusive growth of the economy of Cambridgeshire and Peterborough.
- 2.1.2 The functions of the Combined Authority are set out in the Order referred to above.
- 2.1.3 As and when the Government officially devolves further powers to the Combined Authority, in order to deliver against its policy agenda, this will be reflected in revisions to the SAF at the appropriate review period.
- 2.1.4 The Combined Authority is its own accountable body for funding received from government through the 2017 Devolution Deal and provides the accountable body role for the Business Board and the Greater South East Local Energy Hub and employs the officers that support them.

2.2 Regional and Local Leadership - The Combined Authority Board is the principle decision-maker and provides leadership of the Combined Authority.

- 2.2.1 The regionally elected Mayor of the Combined Authority is the Chair of the Combined Authority Board. The leadership of the Combined Authority disseminates from the Mayor and the seven constituent authorities, who have full voting rights.
- 2.2.2 The seven constituent authorities are represented on the Combined Authority Board through their elected Council Leader and are as follows:



- 2.2.3 The Business Board is represented on the Combined Authority Board and also has full voting rights. The Business Board determines who to nominate as its Combined Authority Board representative for consideration, this role is normally filled by the Chair of the Business Board.
- 2.2.4 The Combined Authority Board works closely with other key public sector partners who are represented on the Board in a non-voting capacity as non-constituent members, representation is provided by the

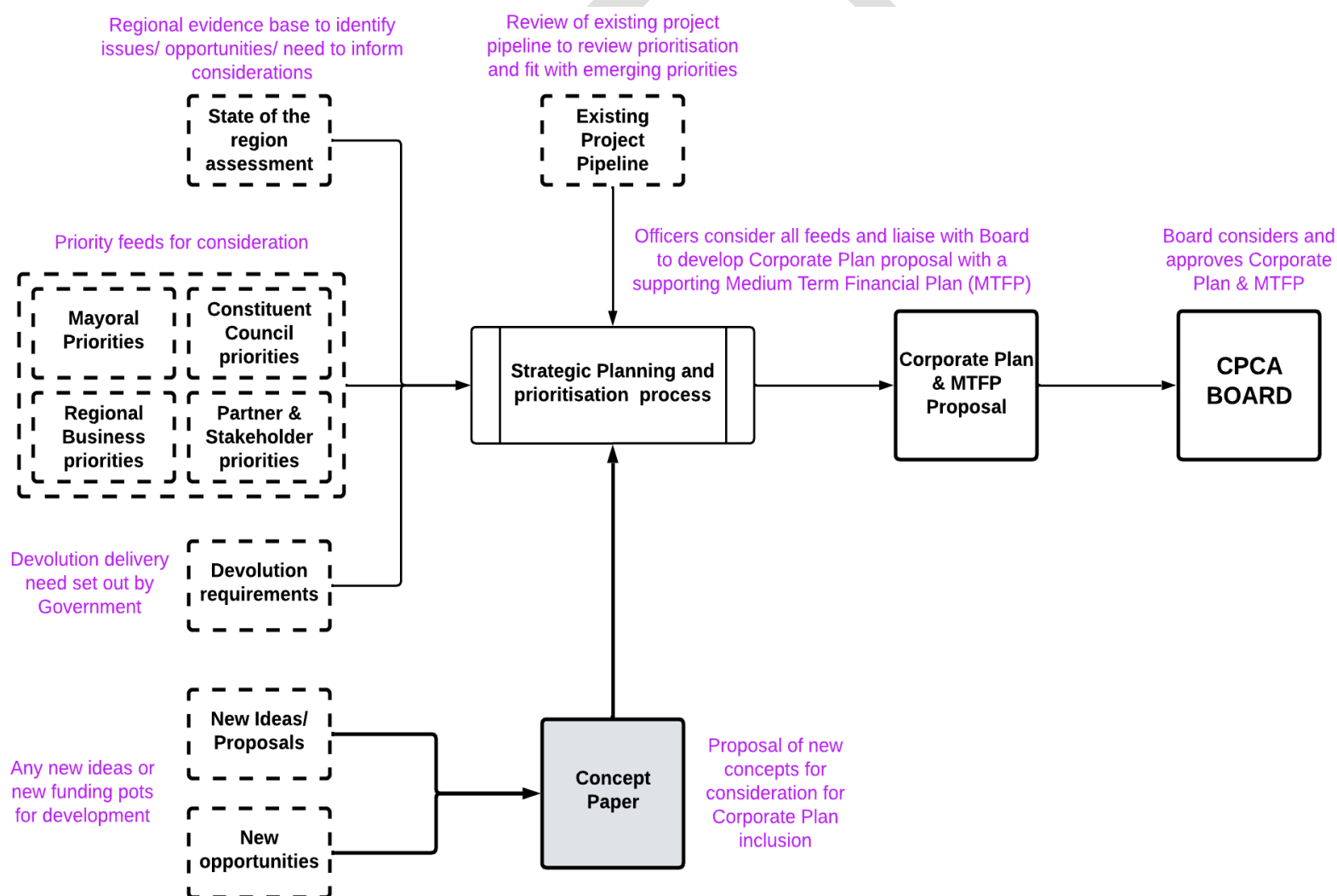
Police & Crime Commissioner for Cambridgeshire, Cambridgeshire & Peterborough Fire Authority and the Cambridgeshire & Peterborough Integrated Care System.

2.3 The Strategic Framework - The Combined Authority has a robust process in place to develop its strategic objectives that aligns with its long term vision. The devolution deal 2017 set out powers and funding afforded by devolution, and our performance target of doubling the size of the economy and creating more good jobs. The Corporate Strategy builds upon this and identifies the four strategic priority areas and sets out performance management baselines for each, these priority areas are the golden thread that is to be driven through programmes and projects.

2.3.1 The SAF phases set out in section 5 ensure that investment decisions align with the Combined Authority strategic objectives set out in the Corporate Plan.

2.3.2 The strategic framework ensures that the strategic objectives reflect priorities identified by Government policy agenda through devolution requirements, Constituent Council agendas, Mayoral agenda and a regional evidence base. It also ensures that the strategic planning process is evidence based through a state of the region assessment and considers the existing project pipeline to ensure focus is on the appropriate priorities for the region.

Illustration A - Overview of Strategic Planning Process



3 Governance, Accountability & Decision-Making

- 3.1 Introduction** - As a local authority the Combined Authority is subject to the requirements of the Local Government Accountability Framework. It adheres to this framework and is supported by its governance framework, internal and external audit arrangements, existing assurance framework and annual reporting of its accounts and the Annual Governance Statement.
- 3.1.1 The Combined Authority recognises and supports the English Devolution Accountability Framework and commits to building a culture of effective scrutiny and accountability through adherence to the framework.
 - 3.1.2 In compliance with the English Devolution Accountability Framework the Combined Authority has put in place this Assurance Framework to ensure appropriate safeguards and standards are in place in the development and delivery of projects and ensure appropriate stewardship of devolved funds.
 - 3.1.3 The Combined Authority meets all the requirements set out in Chapter 7 of the Localism Act 2011 and has a robust Member-Officer Protocol in support of its Code of Conduct arrangements. All Members are expected to demonstrate the Nolan Principles of behaviour.
 - 3.1.4 Members of the Combined Authority are expected to act in the interests of the Cambridgeshire and Peterborough area as a whole when making investment decisions. A variety of controls are in place to ensure that decisions are appropriate and free from bias and/or the perception of bias.
 - 3.1.5 The Combined Authority is the accountable body for the Business Board and the Greater South East Local Energy Hub.
- 3.2 The Mayor** - The CPCA Mayor has a manifesto of commitments on which they were directly elected by the electorate across Cambridgeshire and Peterborough constituent areas. The Mayor executes certain powers and functions that are devolved to CPCA by the UK Government, to deliver their manifesto commitments and to enact functions reserved for the Mayor as detailed in the Combined Authority Constitution.
- 3.2.1 The Mayor is the Chair of the Combined Authority and the Combined Authority Board. The Mayor provides leadership in terms of proposing a Mayoral budget as part of the Board in agreeing revenue and capital budgets for the Combined Authority and ensuring the appropriate use of these budgets.
 - 3.2.3 The Mayor has general powers as set out in Chapter 3 of the Constitution, this includes the power to pay a grant to Cambridgeshire County Council and Peterborough City Council to meet expenditure incurred by them as highways authorities.
 - 3.2.4 Elections for the position of Mayor of the Combined Authority are held every 4 years.
- 3.3 The Combined Authority Board** - The Combined Authority Board is the legal and accountable body for funding devolved to the CPCA. It is responsible for a range of functions including transport, skills and economic development.
- 3.3.1 The Combined Authority Board exercises all its powers and functions in accordance with the law and the Combined Authority Constitution, it agrees all strategy and frameworks and agrees all delegated responsibilities to conduct its business.
 - 3.3.2 The Constituent Authority Leaders represent the views of their Constituent Authority at the Combined Authority Board, ensuring that they take a regional strategic perspective to decision-making and put the needs and opportunities to the region at the forefront of all decisions taken.
 - 3.3.3 The Combined Authority, through its Board, has set very clear roles and responsibilities within its governance framework when it comes to decision-making in regard to strategy and budgets. This power

sits with the Combined Authority Board and is supported through the following roles and responsibilities across its governance framework:

Strategic Role	Body
Set the strategic objectives, vision and Corporate Plan	CPCA Board
Approve strategy, key policy and frameworks	CPCA Board
Set the budgetary framework and the Medium Term Financial Plan	CPCA Board
Develop strategy, framework and policy proposals	Thematic Committees
Implement Board approved strategy	Thematic Committees
Deliver operational and delivery oversight and provide operational decision-making	Thematic Committees
Undertakes strategic level scrutiny	Overview & Scrutiny Committee
Undertakes Mayor and Board accountability	Overview & Scrutiny Committee
Provides oversight and assurance of standards and the Constitution	Audit & Governance Committee
Provides oversight and assurance of governance, assurance and supporting frameworks	Audit & Governance Committee

- 3.3.4 Chapter 7 of the Combined Authority Constitution details the Committees that sit within its Governance Framework which have either decision-making powers or are advisory. Those that have decision-making powers or have been delegated decision-making powers have terms of reference which can be found in the Constitution or via the relevant Committee page on the website [\[CMIS > Committees\]](#)
- 3.3.5 The Combined Authority operates under the principle of approval in Investment decision-making. This ensures that concepts are approved by the Board for inclusion in the Corporate Plan and Medium Term Financial Plan before the relevant business case is developed.
- 3.3.6 The principle of approval ensures Board drives delivery of the golden thread of its agreed strategic objectives and the requirements set out in devolution agreements into the development of programmes and projects.
- 3.3.7 **Recruitment of Members of the Board** – The majority of Members of the Combined Authority Board are appointed by the Constituent Authority, whilst some members are representatives of co-opted partners/ authorities. The Chair of the Business Board is designated as a member of the Board within the CPCA 2017 Order which established the Combined Authority and is therefore able to vote. Constituent Authority appointed Members must be elected members of their appointing authority and must be replaced by elected members of the same Constituent Authority if they are no longer elected members.
- 3.3.8 Co-opted Member status confers no legal status and no entitlement to vote, it is an informal arrangement to promote a strategic approach to joint working on significant regional policy issues.
- 3.3.9 Members of other Committees of CPCA are nominated by their Constituent Authority and appointed to Committees by the Combined Authority Board.
- 3.3.10 **Induction** - New members of the Combined Authority Board will be supported through induction training that will cover the senior management structure and their roles, the governance structures including the

SAF, how the Combined Authority is funded, its risks, the role of the Mayor and its annual aims and objectives.

- 3.3.11 **Code of Conduct** - The Code of Conduct for members is set out in Annex 1 of the Combined Authority Constitution and reminds Members that they act on behalf of the whole region's interest not just their particular are of the region. The Nolan Principles of Public Life provide a framework for the members and the officers of the CPCA.
- 3.3.12 **Diversity** - The Combined Authority Board is comprised of elected representatives appointed to the Board by the Constituent Authorities, Chair of the Business Board and members representing co-opted Partners/ Authorities and so the composition of the Board is outside of the control of the Combined Authority.
- 3.3.13 **Remuneration** - CPCA does not pay any allowances to the Combined Authority Board Membership other than to the Mayor whose allowance is agreed by the Board following the recommendation and a report from the Independent Remuneration Panel.
- 3.3.14 Remuneration considerations for the Business Board and Committees of the Combined Authority are considered in line with the English Devolution Accountability Framework and are agreed by Board following the recommendation and a report from the Independent Remuneration Panel.
- 3.4 Audit Committee Arrangements** - The Combined Authority has established an Audit & Governance Committee (A&G) in accordance with the requirements of the Combined Authorities (Overview and Scrutiny, Access to Information and Audit) Regulations 2017 and in alignment with the English Devolution Accountability Framework.
- 3.4.1 The Combined Authority has delegated to the Audit & Governance Committee the following powers:
- ☐ review and scrutinise the combined authority's financial affairs;
 - ☐ review and assess the combined authority's risk management, internal control and corporate governance arrangements;
 - ☐ review and assess the economy, efficiency and effectiveness with which resources have been used in discharging the combined authority's functions; and
 - ☐ make reports and recommendations to the Combined Authority in relation to reviews conducted under paragraphs (a) (b) and (c);
 - ☐ Implement the obligation to ensure high standards of conduct amongst Members.
- 3.4.2 The Terms of Reference for the Audit & Governance Committee are available in Chapter 13 of the Constitution and set out its role in regards to:
- ☐ Approval of the annual statement of accounts
 - ☐ Corporate Governance Arrangements
 - ☐ Assurance Framework
 - ☐ Risk and Performance Management Arrangements
 - ☐ Anti-fraud, whistleblowing and complaints
 - ☐ Internal Audit
 - ☐ External Audit
 - ☐ Financial Reporting
- 3.4.3 The Chair of the Audit & Governance Committee is an independent person who is not an elected member, appointed through a recruitment process and confirmed by the Combined Authority Board. Rule 13.5.2 of the Constitution set out in Chapter 13 sets out the independent designation requirement of the Committee Chair.
- 3.4.4 The membership of the Committee are nominated by the Constituent Authorities that form the Combined Authority and appointed by the Combined Authority Board.

- 3.5 Overview and Scrutiny Arrangements** - The Combined Authority has established an Overview and Scrutiny Committee (OSC) in accordance with the requirements of the Combined Authorities (Overview

and Scrutiny, Access to Information and Audit) Regulations 2017 and in alignment with the English Devolution Accountability Framework.

- 3.5.1 The Overview and Scrutiny Committee has the power to:
- ☐ review or scrutinise decisions made, or other action taken, in connection with the discharge of any functions which are the responsibility of the Mayor and/or the Combined Authority
 - ☐ make reports or recommendations to the Mayor and/or the Combined Authority on matters that affect the Combined Authority area or the inhabitants of the area
 - ☐ make reports or recommendations to the Mayor and/or the Combined Authority with respect to the discharge of any functions which are the responsibility of the Mayor and/or the Combined Authority.
 - ☐ Where a decision has been made by the Mayor, the Combined Authority, or an Officer and was not treated as being a key decision and a relevant overview and scrutiny committee is of the opinion that the decision should have been treated as a key decision, that overview and scrutiny committee may require the decision maker to submit a report to the Combined Authority within such reasonable period as the committee may specify
- 3.5.2 The Terms of Reference for the Overview and Scrutiny Committee are available in Chapter 14 of the Constitution and set out its core roles in regards to:
- ☐ Strategic Performance Review of Corporate Plan KPIs
 - ☐ Holding Mayor and Portfolio Holders to account for the delivery of priority area objectives set out in the Corporate Plan and Directorate Plans
 - ☐ Holding Mayor to account for delivery of Mayoral Priorities
 - ☐ Pre-Scrutiny of Board decision-making (*utilising extended Forward Plan to identify upcoming decisions to examine in advance of decision being developed and taken*)
 - ☐ Utilising Call-In power if decisions have not been taken in accordance with the new principles of decision-making set out in the Constitution
 - ☐ Policy review when approached to undertake or if gap/ issue identified through performance review and decision-making accountability
 - ☐ Focused meetings on cross- cutting matters and/or issues of significant concern
 - ☐ Focused budget scrutiny on MTFP alignment/ delivery and consultation (*although this could be undertaken by commissioned deep dive review*)
- 3.5.3 The membership of the Committee are nominated by the Constituent Authorities that form the Combined Authority and appointed by the Combined Authority Board.
- 3.5.4 The Audit & Governance Committee and the Overview & Scrutiny Committee are key parts of the overall accountability framework of the Combined Authority, ensuring key elements of the English Devolution Accountability Framework are complied with.
- 3.6 The Investment Committee** - The Combined Authority has established an Investment Committee that is Chaired by the Portfolio Lead Member for Economic Growth, the Committee has the delegated authority to make investment decisions in relation to proposals which are above the level of financial delegation to officers which is set at £1million and below the level of £5million above which all decisions are made by the Combined Authority Board.
- 3.6.1 The Committee has delegated authority to take decisions in relation to funding proposals and change requests as set out in its Terms of Reference. The Terms of Reference can be found on the Combined Authority website in the Committee section [\[CMIS > Committees\]](#) (*Note: These terms of reference will be uploaded to the website once they are approved by Board*)
- 3.6.2 The Terms of Reference for the Investment Committee which include the full details of its functions are set out in *Chapter ?? [to be added once Investment Committee ToR confirmed by Combined Authority Board]* of the Constitution, the Committees core roles are:
- ☐ in accordance with the Single Assurance Framework and the Constitution of the Combined Authority, make investment decisions and/or make recommendations to the Board on investment decisions

- ☐ play a key part in the overall assurance arrangements of the Combined Authority through the delivery of its functions.
- ☐ advise and make decisions in line with delegated authority on behalf of the Mayor and the Combined Authority Board in the exercise of responsibilities for the Combined Authority's functions as corporate shareholder of a company or group of companies and in their role in representing the Combined Authority as a Shareholder Representative at meetings of a company
- ☐ provide the necessary oversight, from a shareholder's perspective, that the parameters, policies, and boundaries that the Combined Authority has established are being adhered to; Including a regular review of whether the Subsidiary provides the most effective vehicle to deliver the outcomes the Combined Authority requires and whether there are viable alternative models which might offer a more effective means of delivering its priorities

3.7 The Business Board - The Business Board acted as the Local Enterprise Partnership for the region. It has been integrated into the Combined Authority Governance Arrangements as a strategic business advisory and partnership body that represents the business voice for the region, providing:

- ☐ strategic business advice to the Combined Authority Board, Mayor, Committees and officers across all policy areas
- ☐ advice on the development and shaping of economic strategy and day to day oversight of progress on implementation, on behalf of the Combined Authority Board who decide on and own the strategy
- ☐ represents business across the region

3.7.1 The membership requirements and appointment process along with the terms of reference for the business Board are set out in Chapter 15 of the Combined Authority Constitution.

3.7.2 The Mayor and the Portfolio Leads for Skills & Employment, and for Investment & Economic Growth are Business Board members as set out in the Constitution. They are non-voting members of the Business Board.

3.7.3 The Business Board itself appoints up to 2 co-opted members to sit on each Thematic Committee as co-opted members of those Committees where they represent the Business Board and seek to ensure alignment between discussions and the Economic Strategy.

3.7.4 The membership of the Business Board and the Chair, Vice-Chair and membership roles and responsibilities are reviewed as appropriate to ensure they reflect the requirements of the Combined Authority and represent the business voice of the region.

3.7.5 The Chair of the Business Board is a voting member of the Combined Authority Board.

3.8 Other Committees - The Combined Authority also has three Thematic Committees, these are:

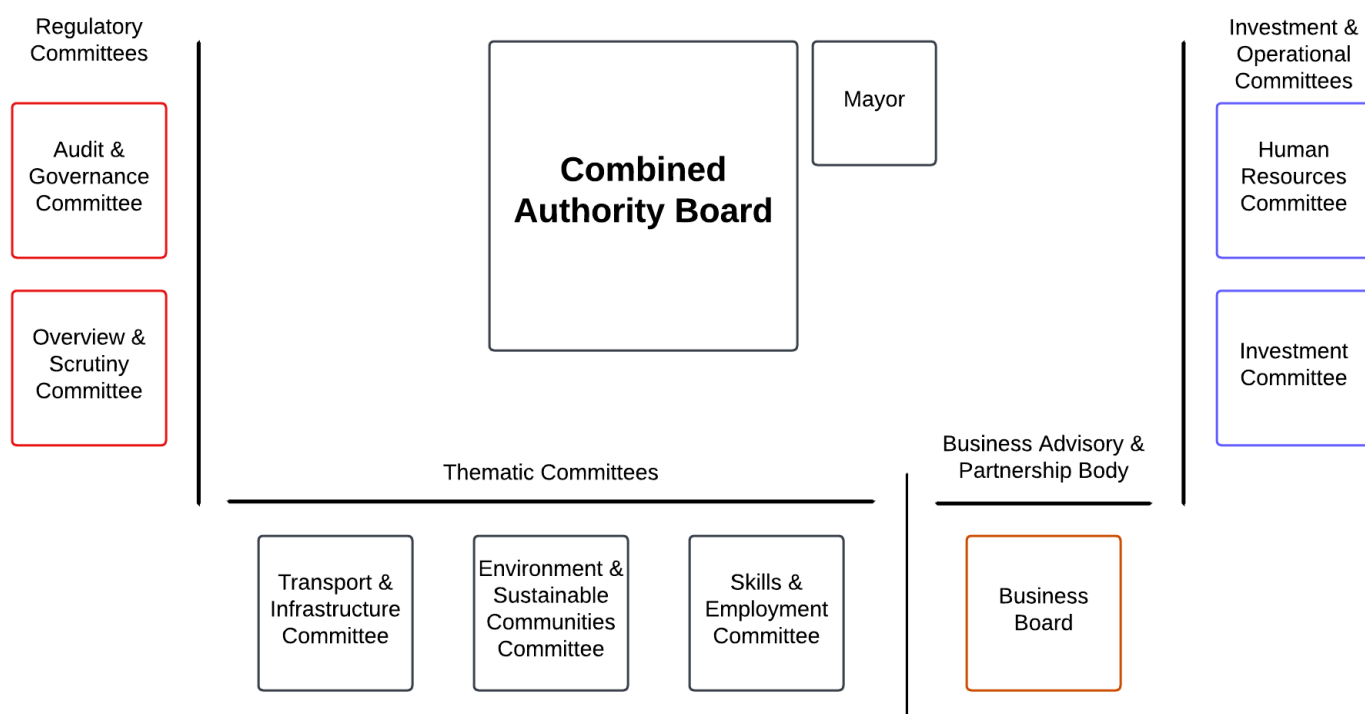
- ☐ Transport & Infrastructure Committee
- ☐ Skills & Employment Committee
- ☐ Environment & Sustainable Communities Committee

3.8.1 These Thematic Committees take decisions within the strategic and budgetary framework agreed by the Combined Authority Board. The Terms of Reference for these Committees can be viewed by clicking on the relevant Committee in the Committee section of the Combined Authority website [\[CMIS > Committees\]](#)

3.8.2 These Committees alongside those identified above create the following governance arrangements for the Combined Authority:

Please see next page:

Illustration B – Combined Authority Governance Arrangements



3.9 Statutory Officers

- 3.9.1 **Head of Paid Service** - It is the role of the Head of Paid Service, also referred to as the Chief Executive, to ensure that all of the Combined Authority functions are properly co-ordinated as well as organising staff and appointing appropriate management.
- 3.9.2 At the Combined Authority the Chief Executive fulfils the role of the Head of Paid Service. The Head of Paid Service discharges the functions in relation to the Combined Authority as set out in section 4, Local Government and Housing Act 1989 and acts as the principal advisor to the Business Board.
- 3.9.3 The duties and responsibilities of the post include but are no limited to:
- ☐ the statutory responsibilities of the Head of Paid Service to manage the budgets and funding allocations available to the Combined Authority, in partnership with the s73 officer
 - ☐ leading the Corporate Management Team to deliver the strategic direction for the Combined Authority as outlined by the Combined Authority Board
 - ☐ co-ordinate strategy, development and delivery ensuring a joined-up partnership approach to deliver the aspirations of the Combined Authority
 - ☐ ensure to champion the delivery of the strategic priorities of the Combined Authority and its Corporate Plan and put in place the resources necessary to achieve the efficient and effective implementation of CPCA's programmes and policies across all services and the effective deployment of the authority's resources to those ends
 - ☐ advise the Combined Authority, its Board meetings on all matters of general policy and all other matters upon which his or her advice is necessary, with the right of attendance at all Board meetings and other meetings as appropriate
 - ☐ advising the elected Mayor on the delivery of strategic priorities
 - ☐ represent the Combined Authority at local, regional and national level in partnership with the Mayor
 - ☐ act on advice given by the Monitoring Officer on any situations that could put the Combined Authority in jeopardy of unlawfulness or maladministration
 - ☐ Exercise the power of general competence
 - ☐ Exercise urgency powers to make decisions in emergency situations.
 - ☐ to exercise any function of the Authority which is not expressly:-
 1. reserved to the Authority
 2. within the terms of reference of any committee of the Authority; or

3. otherwise delegated to another Director under this Scheme, provided always that in relation to economic development loans, this delegated authority is subject to the conditions set out below .
4. To make final decisions in redundancy matters in accordance with all government guidance and statute.

- 3.9.4 **Section 73 Officer** - At the Combined Authority the Executive Director of Resources and Performance fulfils the role of Section 73 Officer in accordance with the Local Government Act 1985, to administer the financial affairs of the Combined Authority and Business Board.
- 3.9.5 The Section 73 Officer is responsible for providing the final sign off for funding decisions. The Section 73 Officer will provide a letter of assurance to government by 28th February each year regarding the appropriate administration of government funds for which the Cambridgeshire and Peterborough Combined Authority are responsible.
- 3.9.6 In order to provide an independent secretariat to the Business Board the Combined Authority's Section 73 Officer delegates responsibilities in relation to the Business Board to their deputy, referred to as the Business Board Section 73.
- 3.9.7 The responsibilities of the Executive Director of Resources and Performance reflect those documented in the CIPFA published document 'the roles of the Chief Finance Officer in Local Government' which details 5 key principles:
1. The Chief Financial Officer in a local authority is a key member of the leadership team, helping it to develop and implement strategy and to resource and deliver the authority's Policy Aims sustainably and in the public interest.
 2. The CFO in a local authority must be actively involved in, and able to bring influence to bear on, all material business decisions to ensure immediate and longer-term implications, opportunities and risks are fully considered, and alignment with the authority's overall financial strategy.
 3. The CFO in a local authority must lead the promotion and delivery by the whole authority of good financial management so that public money is safeguarded at all times and used appropriately, economically, efficiently, and effectively.
 4. The CFO in a local authority must lead and direct a finance function that is resourced to be fit for purpose.
 5. The CFO in a local authority must be professionally qualified and suitably experienced.
- 3.9.8 The Executive Director of Resources and Performance is a member of the Combined Authority Corporate Management Team and has oversight of and an ability to influence all major decisions of the Combined Authority.
- 3.9.9 The Executive Director of Resources and Performance has ensured that the Combined Authority has robust systems of internal controls and appropriate separation of duties to ensure the legality and probity of financial transactions.
- 3.9.10 These processes are set out in the Combined Authority Constitution in the Financial Regulations (Chapter 8) and the Contract Standing Orders (Chapter 9), other policies such as the Money Laundering Policy and the Anti-Fraud and Corruption Policy are also included in the Constitution on detailed on the Transparency pages of the Combined Authority website [\[Document Library - Cambridgeshire & Peterborough Combined Authority \(cambridgeshirepeterborough-ca.gov.uk\)\]](https://cambridgeshirepeterborough-ca.gov.uk)
- 3.9.11 **Monitoring Officer** - At the Combined Authority the Chief Legal & Governance Officer has been appointed as the Combined Authority Monitoring Officer and discharges the functions in relation to CPCA as set out in section 5 of the Local Government and Housing Act 1989.
- 3.9.12 The Monitoring Officer fulfils their role in accordance with the Local Government Act 1972 to administer the legal duties of the Combined Authority and Business Board.
- 3.9.13 The responsibilities of the Monitoring Officer regarding the Assurance Framework are:

- ☐ Providing advice on, and maintaining an up-to-date version of the Constitution and ensuring that it is widely available for consultation by members, employees, and the public
- ☐ After consulting with the Head of Paid Service and Chief Finance Officer, report to the Combined Authority if they consider that any proposal, decision, or omission would give rise to unlawfulness or maladministration or if any decision or omission has given rise to unlawfulness or maladministration. Such a report will have the effect of stopping the proposed decisions being implemented until the report has been formally considered by the Combined Authority Board
- ☐ Ensuring that decisions, together with the reasons for those decisions and relevant officer reports and background papers are made publicly available as soon as possible
- ☐ Advising whether decisions are within budget and policy framework and whether any decisions or proposed decision constitutes a key decision
- ☐ Providing advice on the scope of powers and authority to take decisions, maladministration, financial impropriety, probity and budget and policy framework issues to the Mayor, members and officers, and generally support and advise members and officers in their roles

3.9.14 Contributing to the promotion and maintenance of high standards of conduct, the Combined Authority has delegated to the Monitoring Officer powers to deal with matters of conduct and ethical standards in accordance with the requirements of the Localism Act 2011:

- ☐ Discharging the functions under any enactment (whenever passed) of a Monitoring Officer, proper officer, or responsible officer, concerning the Authority's legal affairs and arrangements, including compliance with the law.

3.9.15 The Monitoring Officer and their legal team review all reports to ensure that legal implications are correctly identified before they are presented to the Combined Authority Board and its Committees.

3.10 Processes and Procedures

3.10.1 **Whistleblowing** - The Combined Authority has a Whistleblowing Policy to enable and encourage employees to raise concerns about wrongdoing by the Combined Authority, the Mayor's Office and/or contractors without fear of reprisal or detriment. The Whistleblowing Policy can be found on the Combined Authority website at [\[Whistleblowing-Policy-2021.pdf \(cambridgeshirepeterborough-ca.gov.uk\)\]](#)

3.10.2 **Complaints Process** - A procedure is in place to ensure that any complaints relating to the arrangements, processes or decision making associated with a project is dealt with fairly and effectively. The process can be found in the Combined Authority Constitution [\[CA Board Constitution March 2023 \(cambridgeshirepeterborough-ca.gov.uk\)\]](#)

3.10.3 **Equality, Diversity and Inclusion Policy** - The Combined Authority has an Equality, Diversity and Inclusion Policy that applies to all employees and anyone who works with the Combined Authority. The policy outlines the Combined Authority commitment through the employment lifecycle to equality, diversity and inclusion and sets out this is put into practice. The policy can be accessed via the website [\[Document Library - Cambridgeshire & Peterborough Combined Authority \(cambridgeshirepeterborough-ca.gov.uk\)\]](#)

3.10.4 **Gifts and Hospitality**- A Gifts and Hospitality policy and a procedure is in place to ensure that no CPCA Member or officer receives remuneration or expenses in relation to its activities, other than their salary and in accordance with policy. It specifies that no gifts or hospitality shall be accepted by Members or Officers other than insignificant and appropriate gifts and hospitality during their day-to-day business. The Gifts and Hospitality Protocol is in the Combined Authority Constitution at Chapter 19 [\[CA Board Constitution March 2023 \(cambridgeshirepeterborough-ca.gov.uk\)\]](#)

3.10.5 **Registration and Declaration of Interests** - Combined Authority Board and Committee Members are required to make a declaration of any interest they have in an item of business at Meetings of the Board. Officers are required to declare any interests they have in contracts. The completed registration of Members' interest forms are accessible via the Combined Authority website at [\[The Publication Scheme - Cambridgeshire & Peterborough Combined Authority \(cambridgeshirepeterborough-ca.gov.uk\)\]](#)

3.10.6 In addition, elected Local Authority members will have completed their Local Authority's Register of Interest. Where Members have a prejudicial interest in an item of business the Combined Authority Code

of Conduct requires that they should leave the meeting while the item is considered. The Code of Conduct can be found in Annex 1 of the Combined Authority Constitution.

- 3.10.7 **Freedom of Information** - The Combined Authority is subject to the Freedom of Information Act 2000 and the Environmental Information Regulations 2004. As Accountable Body for the Business Board, the Combined Authority will also fulfil these functions on behalf of the Business Board.
- 3.10.8 The Combined Authority will hold records and will be the focal point for statutory information requests. Applicants are made aware of their right to access information through the Combined Authority, which will deal with the request in accordance with the relevant legislation. As set out in this section, the Combined Authority aims to publish as much information as possible so that Freedom of Information requests are less necessary. A publication scheme is on the website and answers to previous requests are also published on the website at [\[Freedom Of Information Requests | The Combined Authority \(cambridgeshirepeterborough-ca.gov.uk\)\]](#)
- 3.10.9 **Transparency Code** - The Combined Authority is subject to a robust transparency and local engagement regime. The Combined Authority's Constitution includes how agendas, minutes and papers will be made available to the public and when.
- 3.10.10 The combined Authority is subject to and complies with the Transparency Code applied to all Local Authorities. The Transparency webpages of the Combined Authority can be accessed at [\[Governance and Transparency Library | CPCA | The Combined Authority \(cambridgeshirepeterborough-ca.gov.uk\)\]](#)
- 3.10.11 A Mayoral update is distributed to stakeholders throughout Cambridgeshire and Peterborough informing them of current and planned Combined Authority activity and how they can get involved. CPCA has a continuous communications strategy, including using social media to provide the public and stakeholders with updates on activity. Stakeholders and the public can contact the CPCA via the website [\[Contact us - Cambridgeshire & Peterborough Combined Authority \(cambridgeshirepeterborough-ca.gov.uk\)\]](#) and by responding to social media posts.
- 3.10.12 A Calendar of events is available on the Combined Authority website detailing the dates of all key meetings. Where there is a requirement as a condition of funding, the Combined Authority will ensure that Government (and other funders) branding is used in any publicity material.
- 3.10.13 **Treatment of Risk** - A key role of the SAF is to ensure that risk is identified, monitored and managed appropriately, in accordance with HM Treasury Orange Book, both at a strategic level (the risks facing the Combined Authority as an organisation) and at a programme and project level.
- 3.10.14 A revised Risk Management Framework has been developed to provide visibility of risk at strategic, operational, and Programme levels and to ensure consistency across Combined Authority Business Areas in how risks are identified, managed, monitored, and escalated.
- 3.10.15 **English Devolution Accountability Arrangements** - The English Devolution Accountability Framework has been taken into account in the development of the SAF and more widely in the Combined Authority through the Governance Framework and the Accountability Framework. Section 4 of this document refers specifically to EDAF.
- 3.10.16 The Combined Authority has developed an Accountability Framework to support devolution that seeks to ensure that CPCA complies with all EDAF requirements and creates a sustained culture of scrutiny and accountability. This includes application of the Scrutiny Protocol within EDAF once it has been agreed and published by the Department for Levelling Up, Housing and Communities.
- 3.10.17 **Decision-Making Principles** - The Combined Authority has adopted decision-making principles to ensure that all decision-making is taken in alignment with key considerations. These principles can be found in Chapter 6 of the Constitution.

- 3.10.18 **Publishing Meeting Minutes** - The schedule of meetings for the calendar year is published on the Combined Authority website. The notice of meetings, the agenda and the accompanying papers for formal Board and Committee Meetings are published five clear working days in the advance of the meeting.
- 3.10.19 The Combined Authority includes its Forward Plan in the Agenda of the Board and Overview and Scrutiny Committee Meetings.
- 3.10.20 Where papers contain commercially sensitive information or are subject to one of the exemptions under the Local Government act 1972 Schedule 12A or the Freedom of Information Act 2000, they are categorised as a private item and are not published. The Monitoring Officer will give advice regarding whether the item should be classified as private, but Members have to make a decision to go into private session unless a confidential item has been declared confidential by the Government in which case it must be taken in private.
- 3.10.21 Decisions of meetings are published within five working days, in practice this is normally three working days of the meeting, and draft minutes of meetings are published as soon as is possible after the meetings on the Combined Authority website. All Combined Authority Board minutes are signed at the next suitable meeting.
- 3.10.22 **Publishing Decisions** - In the interests of increasing transparency and accountability the Combined Authority has committed to publish a Forward Plan of key decisions that will be taken by the Combined Authority at least 28 days before the decision is made, and up to 6 months in advance, to enable members of the public the opportunity to view and comment upon them.

4 The English Devolution Accountability Framework

- 4.1 Introduction** - The Single Assurance Frameworks must demonstrate robust assurance, project appraisal and value for money processes that satisfy the requirements set out in the English Devolution Accountability Framework.
- 4.1.2 As set out in 2.1.4 and 3.3 the Combined Authority is the accountable body for funding received from Government through devolution.
- 4.1.3 The Combined Authority is a local authority for the purposes of the Local Government Act 1972 (and the Local Democracy, Economic Development and Construction Act 2009) and is the Accountable Body for public expenditure that supports the CPCA Vision and Corporate Plan, facilitating collective decision making between constituent council partners.
- 4.1.4 As set out in 3.8 the Combined Authority has appointed statutory officers and the Section 73 Officer will ensure that resources are used legally and appropriately and that they will be subject to the usual checks and balances by making sure there is a sound system in place for financial management. The Monitoring Officer will ensure that all legal responsibilities are adhered to by the Combined Authority.
- 4.1.5 The Audit Committee arrangements for the Combined Authority are set out in 3.3 and the Overview & Scrutiny arrangements are set out in 3.4.
- 4.1.6 Section 3 sets out the detail of the governance framework arrangements along with details of accountability and decision-making arrangements that enable and support the effective engagement of constituent authorities, local partners and the public to help inform key decisions, budget proposals and strategy development.
- 4.1.7 Section 3 also sets out the roles and responsibilities within decision-making at the Combined Authority.
- 4.1.8 The arrangements for the accountability for devolved skills funding are set out in Annex B in 7.2
- 4.1.9 The arrangements for the accountability for the Greater South East Net Zero Hub are set out in Annex C in 7.3
- 4.1.10 The Single Assurance Framework is a significant part of the overall Accountability Framework for the Combined Authority.
- 4.2 Ensuring Value for Money** - The Combined Authority has appropriate arrangements to independently verify its accounts through external audit to ensure it is compliant with the Local Audit & Accountability Act 2014. These arrangements are supported through the Audit & Governance Committee that will review and scrutinise the Combined Authority financial affairs (including consideration of any devolved funds), ensure appropriate corporate governance and risk management and assess whether it is delivering value for money.
- 4.2.1 These arrangements are further supported through this Single Assurance Framework which sets out the framework for the Combined Authority in making value for money judgements of potential investments and projects. All business cases seeking approval are assessed through the Single Assurance Framework process and are evaluated against HMTs 5-case business model set out in HMTs Green Book [\[The Green Book \(publishing.service.gov.uk\)\]](https://www.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/671411/hmts-green-book-2020.pdf)
- 4.2.2 Arrangements regarding Value for Money for Department for Transport projects and WebTAG compliance are set out in Annex A in 7.1

- 4.3 Enabling the Business Voice** - The Combined Authority already has a Business Board that is integrated into its governance arrangements. The recent changes to the governance framework involved recasting the role of the Business Board to transition from being an executive programme board to one that provides:
- ☐ strategic business advice to CPCA's Board, Mayor, Committees and officers across all policy areas, representing the business voice of the region on a wide range of thematic areas
 - ☐ advice on the development and shaping of economic strategy and day to day oversight of progress on implementation, on behalf of the CPCA Board who decide on and own the strategy
 - ☐ a business voice for Cambridgeshire and Peterborough
- 4.3.1 Arrangements for the Business Board are set out in 3.7 and in more detail in the Combined Authority Constitution.
- 4.4 Local Scrutiny and Checks & Balances** - The Combined Authority has significant arrangements in place to maintain standards in public life. In addition to meeting all requirements set out in Chapter 7 of the Localism Act 2011 the Combined Authority has recently strengthened its Code of Conduct arrangements through the introduction of a Member/ Officer Protocol and introduced new organisational values and behaviours that the Mayor and Councillors have agreed to demonstrate and promote in their behaviours.
- 4.4.1 The Combined Authority meets the requirements set out in the Local Audit and Accountability Act 2014 and has recently taken steps to improve the content of its Annual Governance Statement having consulted other MCAs to identify best practice and opportunities for improvement.
- 4.4.2 Training and development is provided to the Audit & Governance Committee and the Overview & Scrutiny Committee to support them in the application of their core roles.
- 4.4.3 The arrangements for the Audit & Governance Committee and the Overview & Scrutiny Committee are set out in sections 3.3 and 3.4.
- 4.4.4 The Combined Authority approach to Overview & Scrutiny builds upon the statutory guidance for Overview and Scrutiny, guidance from the Centre for Governance & Scrutiny, best practice from other MCAs and includes adaptations specifically tailored for the Cambridgeshire & Peterborough scrutiny approach.
- 4.5 Accountability to Government** - This Single Assurance Framework sets out the Combined Authority approach to ensuring appropriate safeguards and standards are in place in the development and delivery of programmes and projects and to ensure the appropriate stewardship of devolved funding.
- 4.6 Accountability to the Public** - The governance framework of the Combined Authority has been designed with clear roles and responsibilities to enable transparency and understanding of Board and Committee activity. Multiple levels of accountability exist to enable and support strategic objective setting accountability, performance accountability, decision-making accountability and operational delivery and oversight
- 4.6.1 Section 3 sets out details on governance, accountability and decision-making, with further detail set out in the Combined Authority Constitution.
- 4.6.2 The Combined Authority has an active social media presence and engagement with the local press in order to promote its activity, the meeting of its Board and Committees and opportunities for public involvement in those process.
- 4.6.3 The Combined Authority invites the public to put questions to the Mayor, its Board and Committees via public question time arrangements, additionally it invites questions to the Mayor via Mayoral question Time arrangements as part of its Overview & Scrutiny approach.
- 4.6.4 In order to ensure positive engagement and communication between the Combined Authority and Constituent Authorities, and to strengthen public accountability through Constituent Council elected

members, the Combined Authority will inform Constituent Authorities when a project that will be delivered in their constituency area is progressed into SAF Phase 2 (development phase) and when it enters SAF phase 3 (approvals phase). This will ensure Constituent Council awareness of project development and approval decisions.

- 4.7 Commitment to continual enhancement of Accountability Arrangements** - The Combined Authority will set out how it will further strengthen its accountability arrangements for future devolved funding and powers in direct engagement with the Department for Levelling Up, Housing and Communities.

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5 The Single Assurance Framework: Project Lifecycle Process

- 5.1 Introduction** - The Single Assurance Framework sets out the framework to be applied throughout the lifecycle of programmes and projects, it sets out a set of systems, processes and protocols designed to provide the Combined Authority with a consistent approach for appraisal, assurance, risk management and performance.
- 5.1.2 The SAF sets out key processes for ensuring accountability, probity, transparency and legal compliance and for ensuring value for money is achieved across its investments.
- 5.1.3 The SAF will be applied across the lifecycle of all projects and programmes that will incur a financial liability on the Combined Authority.
- 5.1.4 The SAF is designed to be used as guidance to project developers and sponsors to understand the processes associated with the application and the route to approval of all external funding opportunities.
- 5.1.5 Where financial liability is placed onto the Combined Authority, the SAF is applicable throughout all stages of the project or programme lifecycle: initiation, development, approvals and delivery.
- 5.1.6 The SAF provides consistency of approach for Assurance, independent appraisal, and informed decision-making across all funding pots. Furthermore, it allows proportionality to be applied for the development of business cases via defined development routes. The SAF does not apply to projects or programmes that are defined as corporate, continuous improvement or Business as Usual (BAU) activity.
- 5.1.7 The SAF works to the following definition of programmes and projects:

A SAF Programme/ Project - Projects and Programmes which follow the SAF are focused on achieving positive outcomes for the local community. They are typically funded by external sources such as devolution deals and bid applications/grant awards from Central Government, for example the Investment Programme, where the CPCA is the accountable body. The SAF is applied flexibly and proportionately, dependent upon the level of risk associated with a Project or Programme. The SAF enables an independent assessment and appraisal of an investment opportunity. Programmes and Projects following the SAF route should aim to ensure a strong strategic fit to the CPCA Corporate Plan has been made.

SAF does not apply to Corporate Projects.

A Corporate Project - A corporate project is created to address an internal business need, benefitting the organisation, for example, a change to the operating systems of the organisation. Risk Management should be considered with risks reviewed as part of activity. Once a corporate project is completed, it may become 'Business as Usual' (BAU). A Corporate project can go through the PMO (if required) where support can also be sourced from specialists in Finance, Projects, Digital & Data and Human Resources where applicable who will review and support the strengthening of the business case and the identified benefits including whether the resources, both financial and people, are in place to deliver.

- 5.1.8 The SAF has been developed to a key set of design principles agreed by the Combined Authority Board, these are:
- ☐ ensure that significant financial and governance protections exist for the stewardship of public funds
 - ☐ deliver improvement that will lead to high standards of project development, approval, delivery and oversight
 - ☐ deliver consistency, controls and clarity that are embedded to deliver confidence in the Combined Authority, its decision-making and its ability to deliver

- ☐ enable the management of political and reputational risk
- ☐ Provide appropriate and proportionate levels assurance
- ☐ Ensure alignment to HMTs Green Book
- ☐ Deliver appropriate approval delegations
- ☐ Create clear and consistent golden thread from the Corporate Plan to project development

- 5.1.9 The SAF sets out the rising scale of assurance that is required against a increasing scale of value in business case approvals, alongside appropriate processes for risk profiling of a project, guidance on business case development and the documentation required for approval consideration.
- 5.1.10 Out of Business Area second line of defence assurance and appraisal is incorporated into the SAF alongside guidance, templates and criteria to ensure a consistency of approach, development and consideration through the lifecycle. This guidance is available via the Combined Authority website.
- 5.1.11 The Combined Authority ensures that all funding decisions are based on impartial advice.
- 5.1.12 This section details the SAF processes and procedures that are in place to ensure robust decision-making on investments with funds devolved to the Combined Authority.

5.2 Value for Money - As an investor of public funds, the Combined Authority has a responsibility to ensure that its decisions deliver best value for the taxpayer, and therefore all investment opportunities and Business Cases must include an assessment of Value for Money.

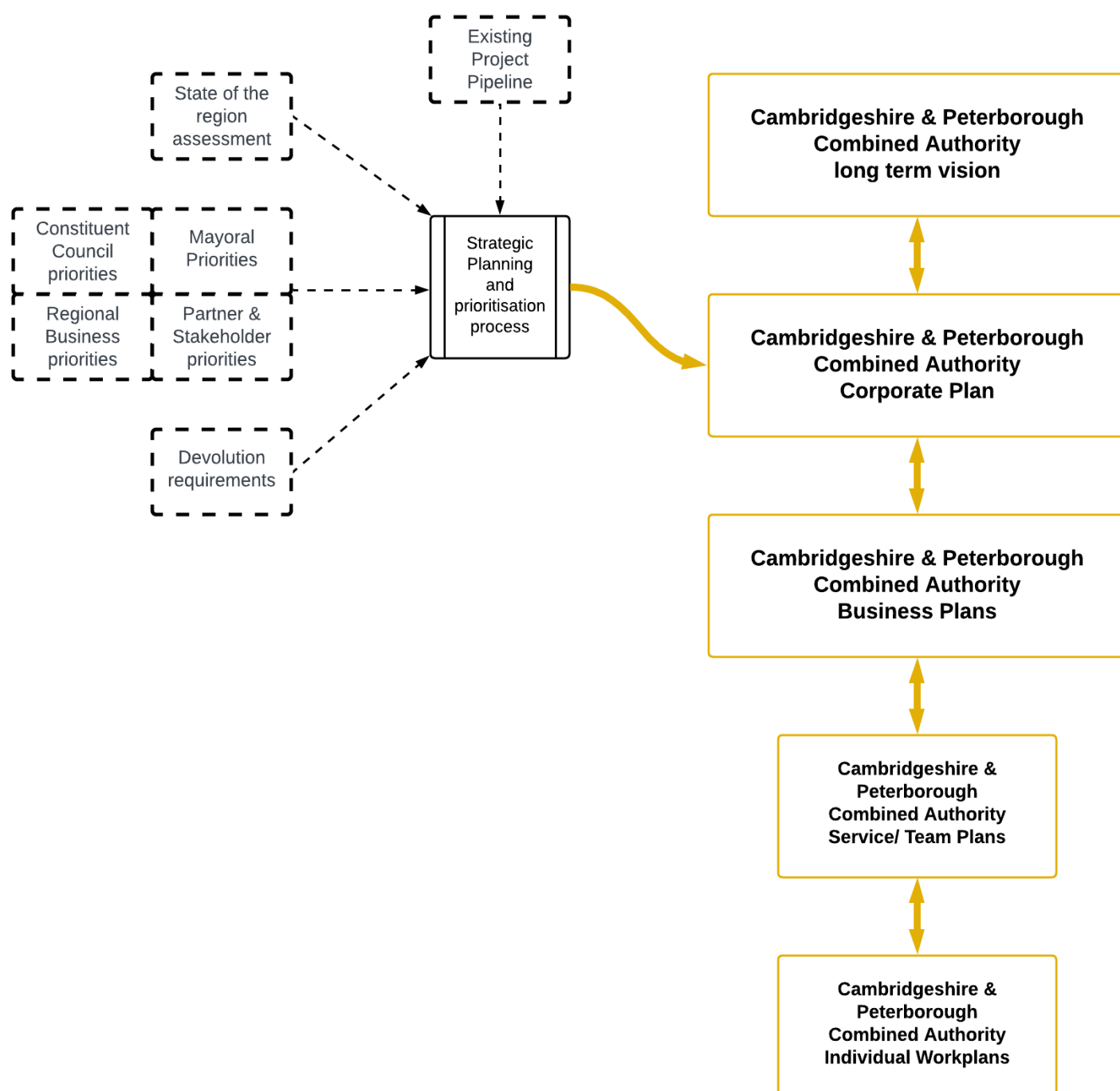
- 5.2.1 The Assurance Framework has been developed in line with HMTs Green Book guidelines, which require project managers to build in Value for Money processes throughout the development and approval stages. In addition, the Combined Authority requires all Business Cases be developed in line with HMTs Five Case Model.
- 5.2.2 The range of toolkits (HMT Green Book, DfT TAG, DLUHC, Appraisal Guidance etc) are used to demonstrate the economic, social and environmental benefits and cost over an appropriate appraisal period in order to assess the VFM of a scheme.
- 5.2.3 The delivery, and costs, of outputs must be quantified within all applications for funding. Assessing Value for Money will be done in accordance with Government guidance.
- 5.2.4 The Executive Director responsible for project development must document that they are satisfied with the Value for Money assessments within a business case, similarly the Section 73 Officer is required to sign off each Value for Money statement.
- 5.2.5 A key objective of the Single Assurance Framework is to support the Combined Authority in making judgements about the Value for Money (VFM) of potential investment and projects etc. All business cases seeking approval are assessed through the SAF process are evaluated against the HM Treasury's 5-case business model highlighted within The Green Book (2022).
- 5.2.6 For transport infrastructure schemes, the Combined Authority will ensure that modelling and appraisal is sufficiently robust and fit for purpose for the scheme under consideration, and that modelling, and appraisal meets the guidance set out in TAG.
- 5.2.7 Details of VFM arrangements for transport schemes are set out in the Transport Annex of this framework.

5.3 Single Assurance Framework Entry Points - There are 2 entry points into the SAF, they are through:

- ☐ The Corporate Plan
- ☐ In Year proposals

- 5.3.1 The development of concepts, and external funding opportunities are Business Area led and coordinated and managed with support from the Combined Authority Programme Management Office (PMO). Constituent Authority and other partners can submit proposals (referred to as concepts) via the Combined Authority website and through the relevant Combined Authority Business Area.
- 5.3.2 **The Corporate Plan** - The Combined Authority Corporate Plan is developed through an extensive strategic planning process, these robust processes that are in place to develop the strategic objectives (that aligns with the long term vision) are referenced in section 2.3.
- 5.3.3 The Corporate Plan sets out the 'golden thread' from the strategic objectives and Mayoral priorities, through its overarching strategies, organisational objectives and Business Area Plans to programme and project activity directed through annual business plan activity.

Illustration C: Cambridgeshire & Peterborough Combined Authority Golden Thread



- 5.3.4 The purpose of the Corporate Plan is to:
- ☐ articulate the Combined Authority priorities so that partners and stakeholders understand the key areas of focus
 - ☐ provide a strategic context for the Combined Authority as an organisation so its plans and operational activity are aligned to the overall vision and priorities agreed by its Board
 - ☐ enable oversight and review of performance against priorities. To support this the Corporate Plan seeks to demonstrate how deliverables contribute towards delivering the overarching Combined Authority policy aims
- 5.3.5 It is possible for items to be drawn down from the Corporate Plan for business case development that may require the approach of issuing a call/ expression of interest prior to business case development.
- 5.3.6 **In Year Proposals** - Constituent Authorities, Partners and the Combined Authority can submit in-year Concept proposals that are not included within the existing Corporate Plan. These in-year proposals require the completion of a Concept Paper in alignment with the requirements set out in Phase 1 of the SAF.
- 5.3.7 **New Funding Opportunities** - It is possible that in-year there may be further unexpected funding opportunities that need to be pursued because of new or changes to existing Government initiatives and priorities or where there is a need to address emerging priorities. Initially, these opportunities will be discussed at the Corporate Management Team and may involve engagement with the Regional Public Service Board which contains all of the Constituent Council Chief Executives, or the various informal officer governance groups that exist containing key Constituent Council Officers.
- 5.3.8 Where such opportunities arise the proposer will complete a Concept paper in line with phase 1 of the SAF. Where necessary and appropriate, processes will be expedited to ensure that funding can be accessed quickly.
- 5.3.9 **Open Calls/ Expressions of Interest** - In certain circumstances, the Combined Authority may ask applicants to complete an Expression of Interest or make an Open Call for proposals as to how to deliver a particular objective, prior to completion of an Outline Business case.
- 5.3.10 The purpose of the Open Call proposal/ Expression of Interest would be to confirm that the proposal is consistent with the strategic context set out in the Combined Authority Vision and the strategic objectives set out in the Corporate Plan, outline the rationale for intervention, set out the primary benefits associated with the intervention and identify a proposed preferred option with costs based on an appraisal of the available options.
- 5.3.11 **Business Case Development Fund** - The Combined Authority propose to have a Business Case Development Fund for the development of early stage projects which have the potential to contribute to the Combined Authority stated objectives. Proposals for the Business Case Development Fund will be invited to complete a bespoke application form, with the Investment Committee making decisions on the allocation of funding.

5.4 SAF Phase 1: Concept to Pipeline Approval (the Initiation Phase)

Phase 1 of the SAF is the first step towards developing a business case. This is where ideas, proposals or ambitions are developed into concepts for consideration. All proposals are required to complete a Concept Paper which must go through Concept consideration before they can progress to the project development phase.

- 5.4.1 A Concept Paper is the Combined Authority's specially designed entrance document, it acts as a Project Initiation Document (PID) with continuous developing information as it goes through phase 1 to eventually include specific key information to better enable consideration of that concept.

5.4.2 The Concept Paper provides a consistent entry point into the Single Assurance Framework that intends to provide the required information to enable early assessment, prioritisation and consideration by the Corporate Management Team, the Investment Panel and by the Combined Authority Board.

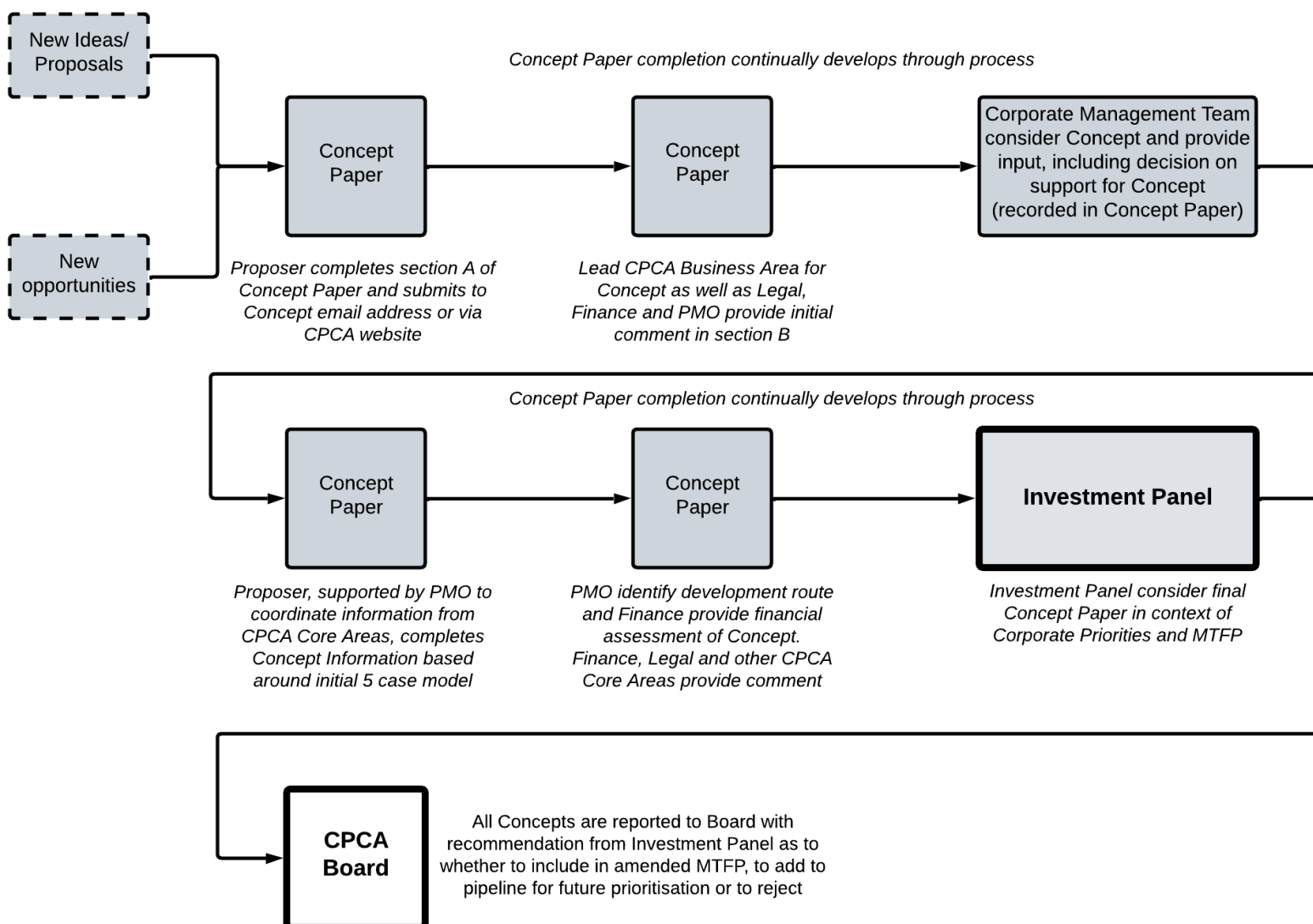
5.4.3 The Concept Paper has 3 sections, they are:

- A. Concept submission information and initial assessment
- B. Strategic Fit assessment
- C. Concept initiation information and assessment

5.4.4 Items that have gone through the strategic planning process and have been identified for inclusion within the Corporate Plan are added to the pipeline, they can be drawn down for business case development in line with the annual business plans and funding availability.

5.4.5 For in-year proposals the Concept Paper process operates as follows:

Illustration D: In-Year Concept Proposal Process



5.4.6 The information required for Concept Paper section A is deliberately not onerous in order to support submission of Concepts from partners, it requires key information to be provided that includes a stand-alone summary of the concept which includes a brief description, the need for intervention/ case for change, the outputs (including when, how and who will deliver them), and the associated benefits.

5.4.7 Part A also includes proposer strategic fit submission and initial equalities, finance and risk detail.

- 5.4.8 The process for the Concept ensures that section A of the Concept Paper engages core areas of the Combined Authority to enable subject matter expert engagement from an early stage from the relevant CPCA Business Area, Legal and Finance.
- 5.4.9 Once completed Section B of the Concept Paper is considered within the Combined Authority by the Corporate Management Team.
- 5.4.10 Section C of the Concept Paper is completed for concepts that proceed past CMT consideration, this section is completed by Proposer with support of PMO who engage core areas of the Combined Authority to assist completion.
- 5.4.11 Section C involves a more detailed financial assessment to assess affordability of whether the project can be developed to delivery, whether it should be added to the pipeline for now until funding comes forward, or whether the business case is funded for development and sits on the pipeline ready for delivery when funding becomes available. This recommendation along with addition governance & assurance and SMART information is considered by the Investment Panel along with PMO advice on the required business case development route.
- 5.4.12 The Investment Panel will consider Concepts within context of Corporate Priorities and the Medium Term Financial Plan (MTFP) in order to make recommendations to the Combined Authority Board. It should be noted that all Concepts received will be reported to Board including those that were not supported past section B stage by the Corporate Management Team.
- 5.4.13 The Combined Authority Board will then consider the Investment Panel recommendations and make a decision on what should be approved to be included in the MTFP for development, be added to the pipeline for future development or should be rejected. This process provides an opportunity for Board to challenge the decision not to progress certain Concepts past section B and recommend that they are developed into full Concepts if they disagree with the decision taken by the Corporate Management Team.
- 5.4.14 **The Principle of Approval** - Key to the end of SAF Phase 1 is the principle of approval which applies to both SAF entry points. The principle of approval refers to the Combined Authority provided approval of concepts and the Corporate Plan in order for item to enter the business case development phase.
- 5.4.15 This ensures that all items on the Combined Authority pipeline or in the Corporate Plan have both political support through the Board principle of approval, and Investment Panel support when they enter the business case development phase.
- 5.4.16 The Combined Authority Pipeline records all project activity where projects are in a stage of development and delivery. The pipeline will set out details of the project along with the stage it is at, whether external funding is being bid for or being offered by the sponsoring Government department.
- 5.4.17 The Corporate Management Team will receive a monthly Pipeline review report from the PMO for review and to hold the relevant Executive Director to account for progress during SAF Phase 1. This also provides opportunity for the Corporate Management Team to advise on who the lead CPCA Business Area is where business case development crosses several Business Areas.

5.5 SAF Phase 2: Business Case Development

The development phase comes after phase 1. This is the phase where the relevant business case(s) is/are developed, and where out of Business Area assurance activity takes place prior to the business case progressing onto the approvals stage.

- 5.5.1 This stage needs to be repeated whenever a business case is developed and requires approval. Support and guidance through this stage is provided by the PMO who include assurance and appraisal expertise.

- 5.5.2 The business case is developed (or managed where development is led outside the Combined Authority) by the sponsoring Business Area, ensuring that its content, meets the required standard defined within the Combined Authority guidance in addition to meeting the requirements of the SAF, HMTs five case model Green Book compliance and meeting Combined Authority specific requirements on GVA. It also should seek alignment to Policy Aims and Objectives, whilst meeting any funding requirements and/or other milestone dates/requirements.
- 5.5.3 Where the delivery partners are external to the Combined Authority, they will be supported through the process by the lead Business Area within the Combined Authority. The delivery partner will use the appropriate business case guidance and templates provided, Subject Matter Experts (SMEs) and technical appraisers, using the appropriate templates. The SMEs to be engaged in the development stage include the PMO for Assurance and Appraisal, Finance, Legal and Procurement who should all input into the business case, and it's review prior to approval.
- 5.5.4 The lead Business Area is responsible for ensuring they, any partners, or the sponsor meet deadlines, engage the appropriate subject matter experts and technical appraisers and adhere to required formats when developing a business case.
- 5.5.5 The PMO team can provide advice on the requirements of the SAF if needed, at the start of and during the Business Case development stage. Sponsors must ensure their business case is developed and is aligned with any external development and assurance requirements (driven by Government Departments), with the aim to eliminate duplication of effort. Where projects are funded through multiple funding streams, the proportionate SAF approach will be agreed by the appropriate delegated authority and implemented.
- 5.5.6 Early engagement with the PMO will ensure required assurance and appraisal is undertaken and ensure that any recommendations can be addressed and business cases updated within the timescales agreed.
- 5.5.7 **Business Cases** - The business case templates and criteria are designed to ensure necessary compliance, drive standards of project development and better enable delivery. They are important as projects will only deliver intended benefits if they have been developed appropriately, proportionately and to a high standard with appropriate scoping, planning and costs justified from the outset. . These Business Cases will require detailed evidence on the options, designs, delivery and outcomes of the project, along with strategic fit and value for money information to enable informed decision making.
- 5.5.8 Business case development expertise can be provided by the PMO or procured externally to ensure HMTs five case model is adhered to, all business cases must be prepared using CPCA templates and according to the following elements:

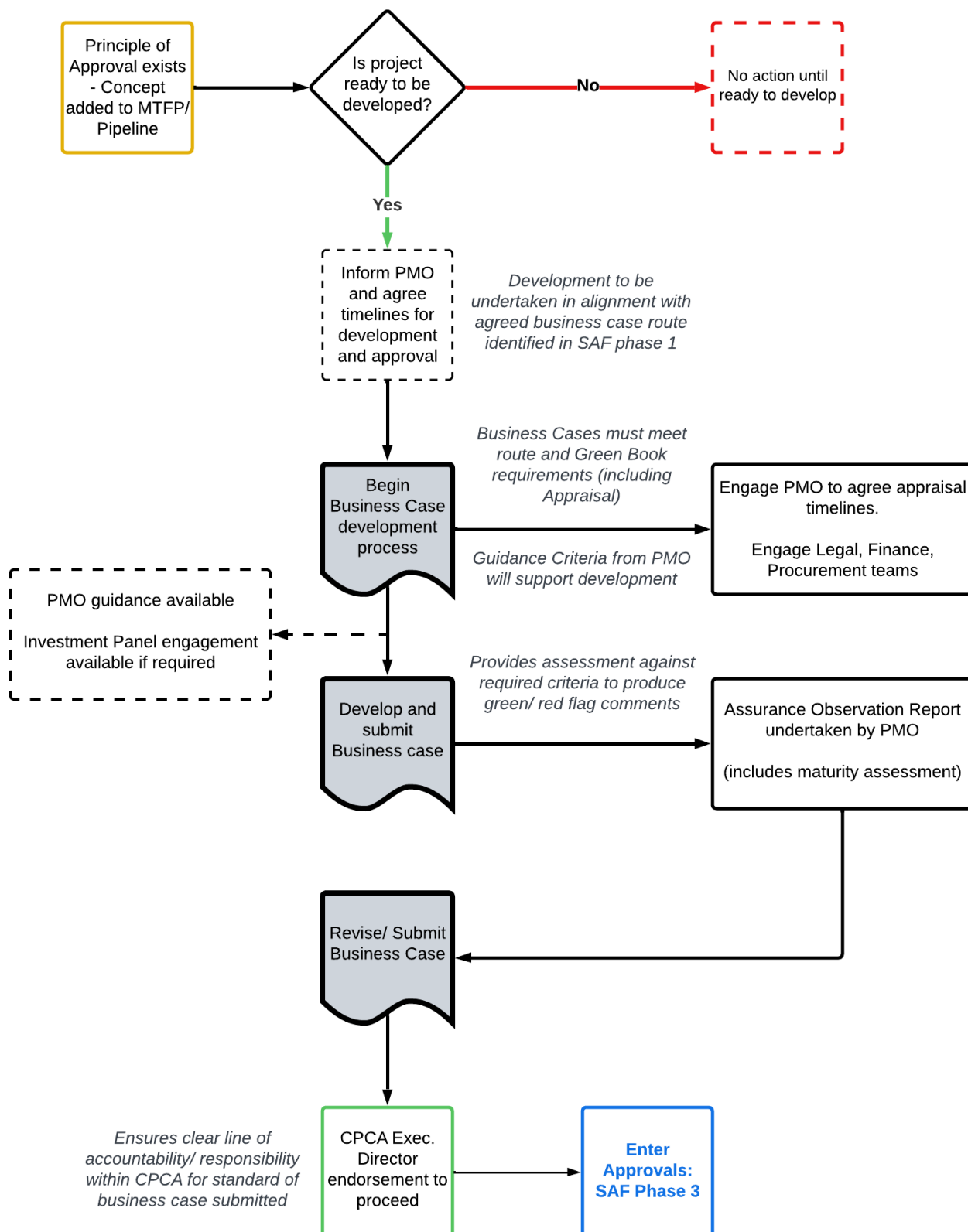
Five Case Model		Description
Strategic Case	The strategic case sets out the rationale for the proposal; it makes the case for change at a strategic level. It should set out the background to the proposal and explain the objective that is to be achieved.	
Economic Case	The economic case is the essential core of the business case and should be prepared according to Treasury's Green Book guidance. This section of the business case assesses the economic costs and benefits of the proposal to society as a whole, and spans the entire period covered by the proposal.	
Commercial Case	The commercial case is concerned with issues of commercial feasibility and sets out to answer the question "can the proposed solution be effectively delivered through a workable commercial deal or deals?" The first question, therefore, is what procurement does the proposal require, is it crucial to delivery and what is the procurement strategy?	
Financial Case	The financial case is concerned with issues of affordability, and sources of budget funding. It covers the lifespan of the scheme and all attributable costs. The case needs to demonstrate that funding has been secured and that it falls within appropriate spending and settlement limits.	

Management Case	The management case is concerned with the deliverability of the proposal and is sometimes referred to as programme management or project management case. The management case must clearly set out management responsibilities, governance and reporting arrangements, if it does not then the business case is not yet complete. The Senior Responsible Owner should be identified.
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5.5.9

The business case development process operates as follows:

Illustration E: Business Case Development Process



- 5.5.10 The increasing levels of assurance required to assist approval of a business case are set out in the Approvals: SAF phase 3 section.
- 5.5.11 Business cases will be appraised in line with external requirements and in line with HMT Green Book guidelines covering the assessment of costs, benefits, risks and alternative ways to deliver objectives, and the Combined Authority strategic objectives. It will also cover appraisal of social value.
- 5.5.12 The key appraisal steps are as follows:
- ☐ Preparing the strategic case which includes the strategic assessment and making the case for change, quantifies the present situation and Business as Usual (the BAU) and identifies the SMART objectives. This rationale is the vital first step in defining what is to be appraised. Delivery of the SMART objectives must drive the rest of the process across all dimensions of the Five Case Model as explained throughout the Green Book guidance
 - ☐ Longlist analysis using the options framework filter considers how best to achieve the SMART objectives. Alternative options are viewed through the lens of public service provision to avoid bias towards preconceived solutions that have not been rigorously tested. A wide range of possibilities are considered, and a viable shortlist is selected including a preferred way forward. These are carried forward for further detailed appraisal. This process is where all complex issues are taken into account and is the key to development of optimum Value for Money proposals likely to deliver reasonably close to expectations
 - ☐ Shortlist appraisal follows and is at the heart of detailed appraisal, where expected costs and benefits are estimated, and trade-offs are considered. This analysis is intimately interconnected to the, Strategic, Commercial, Financial, and Management dimensions of the five case model, none of which can be developed or appraised in isolation. The use of Social Cost Benefit Analysis (CBA) or Social Cost Effectiveness Analysis (CEA) are the means by which cost, and benefit trade-offs, are considered
 - ☐ Identification of the preferred option is based on the detailed analysis at the shortlist appraisal stage. It involves determining which option provides the best balance of costs, benefits, risks and unmonetisable factors thus optimising value for money
 - ☐ Monitoring is the collection of data, both during and after implementation to improve current and future decision making
 - ☐ Evaluation is the systematic assessment of an intervention's design, implementation and outcomes. Both monitoring and evaluation should be considered before, during and after implementation
- 5.5.13 A proportionate approach is taken to the overall level of appraisal to reflect the financial ask.

5.6 SAF Phase 3: Approvals

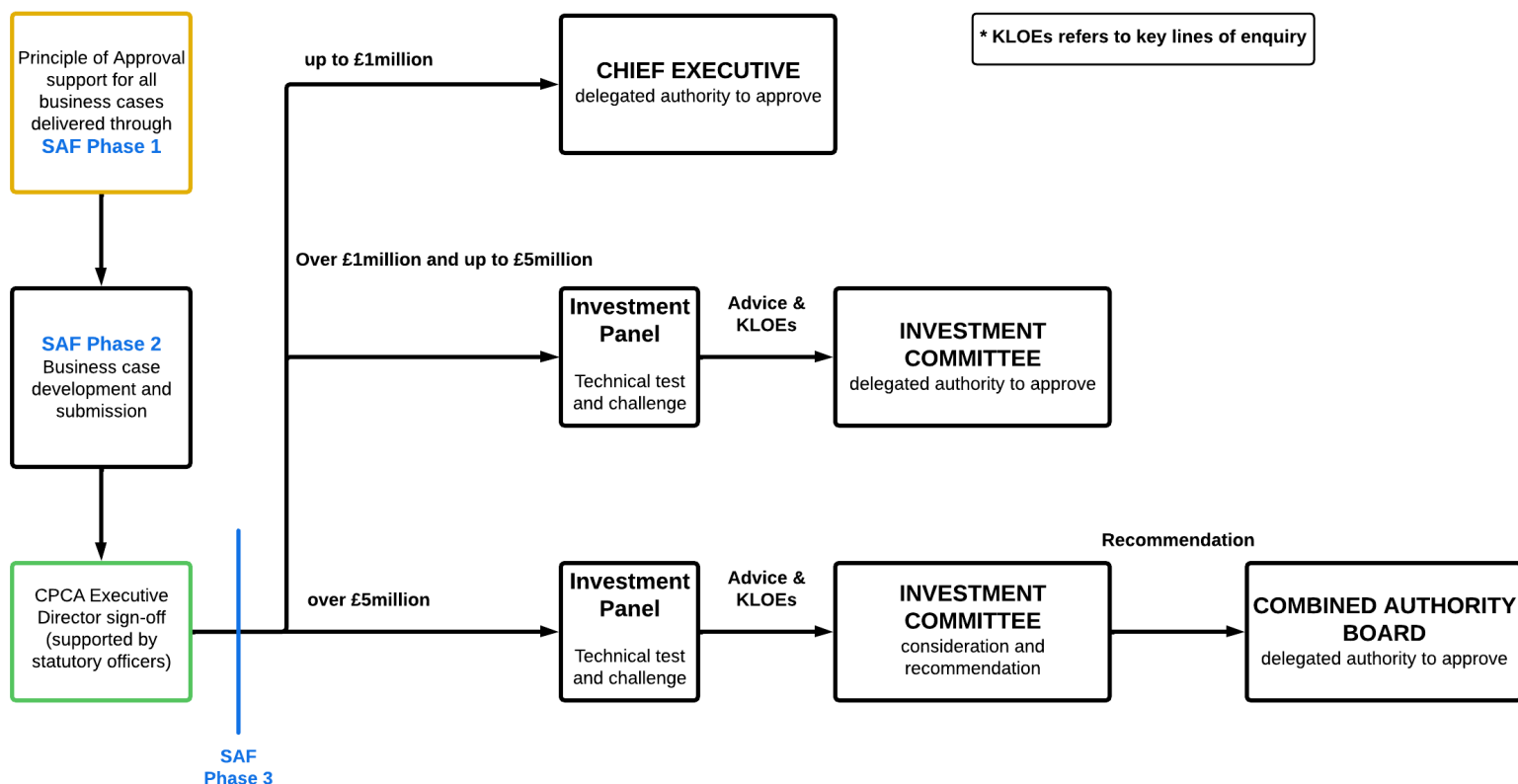
Phase 3 of the SAF is the business case approvals phase, this focuses on approval of the business case that has been developed following the principle of approval provided at the beginning of the process by the Combined Authority Board.

- 5.6.1 The approvals phase has been designed to ensure an ever increasing level of assurance can be provided to the Combined Authority relevant to the level of financial commitment. To support this and achieve better informed decision-making the SAF has been developed to enable:
- ☐ appropriate front end initiation process through concept development that drives strategic fit
 - ☐ proportionate business case development process that meets national and Combined Authority standards of best practice development
 - ☐ appropriate use of expertise within Business Areas to help develop required business cases
 - ☐ an upskilled PMO offer to provide support and guidance throughout the SAF
 - ☐ Use of out of Business Area/second line of defence assurance principles and processes to assess the maturity of business cases and undertake proportionate appraisal
 - ☐ Technical Officer support through an Investment Panel to focus Investment Committee and Board considerations and inform the decision-making process.

- 5.6.2 The approvals process is therefore supported through delivery of the following elements of assurance prior to entering the approvals phase:
1. Front end Concept development process that seeks Corporate Management Team support, ensures Combined Authority core area involvement from an early stage, and delivers technical officer assessment via Investment Panel consideration and recommendation on Concept progression.
 2. Delivers a Principle of Approval by ensuring the Combined Authority Board provides an approval for a concept to enter the business case development phase either through inclusion within the Corporate Plan or via approval of in-year concept proposals
 3. Delivers business cases that must be developed in alignment with HMTs Green Book and Combined Authority standards regarding strategic fit that drive value for money considerations and quality of content within business cases
 4. Delivers second line of defence appraisal of business cases in line with HMTs Green Book
 5. Delivers an objective Assurance Observation report from the PMO on all business cases to inform Executive Directors in progressing them to the approvals phase and assuming responsibility for their content
- 5.6.3 This approach is designed to enable:
- ☐ decision-makers at all levels to base their decisions upon objective, evidence-based out of Business Area findings and recommendations- in turn driving better decision-making
 - ☐ increased Executive Director ownership and accountability
 - ☐ increased Statutory Officer involvement and accountability
 - ☐ increased levels of assurance and appraisal support and guidance
 - ☐ approvals based on proportionate financial delegation i.e., a request of £100,000 will not be scrutinised to the same level of a request for £5 million.
 - ☐ the time taken to reach an approval decision being reflective of the level of financial ask.
- 5.6.4 The business case approvals phase begins following successful progression through the SAF phase 2 development phase, which requires an Executive Director decision to progress the business case into approvals.
- 5.6.5 **Approval Routes** - The required approval route is dependent upon the level of financial approval that is required. The Combined Authority has the following business case approval delegations:
- ☐ £1 million and under: Chief Executive approval
 - ☐ Over £1million and up to £5 million: Investment Committee approval
 - ☐ Over £5million: Combined Authority Board approval
- 5.6.6 These approval routes are supported by the Investment Panel which is a Technical Officer group who provide technical test and challenge of business case proposals over £1million in value and make recommendations to the Investment Committee and Combined Authority Board.
- 5.6.7 The Investment Panel review all business case proposals for approval over £1 million. They do this by:
- ☐ reviewing a proposal from a basis of HMTs five case model in order to ensure that it has been developed to an appropriate standard
 - ☐ highlight key lines of enquiry to identify the key issues, key questions and key areas of concern within a business case proposal. This will determine what the key lines of enquiry should be for the Investment Committee to consider from a technical perspective
 - ☐ provide observations and recommendations to the Investment Committee on business case approvals. The Investment Panel will draw conclusions on the level of risk that it believes applies to approving a proposal and make observations and recommendations on that level of risk and how it can be improved
- 5.6.8 Investment Panel members will be expected to not only push the key lines of enquiry relevant to producing a quality business case but also in ensuring that agreed priorities of the CPCA have been adequately addressed.

- 5.6.9 The Investment Committee will take on board the advice provided by the Investment Panel in coming to a decision on approval for business cases between £1 million and £5 million. Business cases over £5 million must be approved by the Combined Authority Board, to support the Board the Investment Committee will consider such approvals first and make a recommendation on approval to the Board.
- 5.6.10 In order to provide additional assurance regarding value for money a tolerance applies to all business cases that impacts the approvals route. Any business case that does not present a proposal with a high value for money score via Benefit Cost Ratio (BCR) or Net Present Public Value (NPPV) will be required to seek business case approval via the Combined Authority Board.
- 5.6.11 The purpose of this tolerance is to ensure that the Combined Authority Board has the final say on approvals for projects where there is not a high value for money score, allowing them to consider if non-monetised benefits that impact the strategic objective deliverables outweigh the value for money score and therefore should be approved.
- 5.6.12 In such circumstances the Combined Authority Board would receive a recommendation to assist them in their deliberations in line with the approval delegations, therefore a recommendation would come from:
- ☐ Chief Executive for all approvals up to £1 million
 - ☐ Investment Committee with Investment Panel technical advice for all approvals over £1 million
- 5.6.13 These approval processes also involve an option of escalated progression to support decision-makers if they have any concerns regarding a business case approval that has a significant reputational and/or political risk. In such circumstances approvals can be escalated to the Combined Authority Board for final approval in line with the approval requirements set out in 5.6.

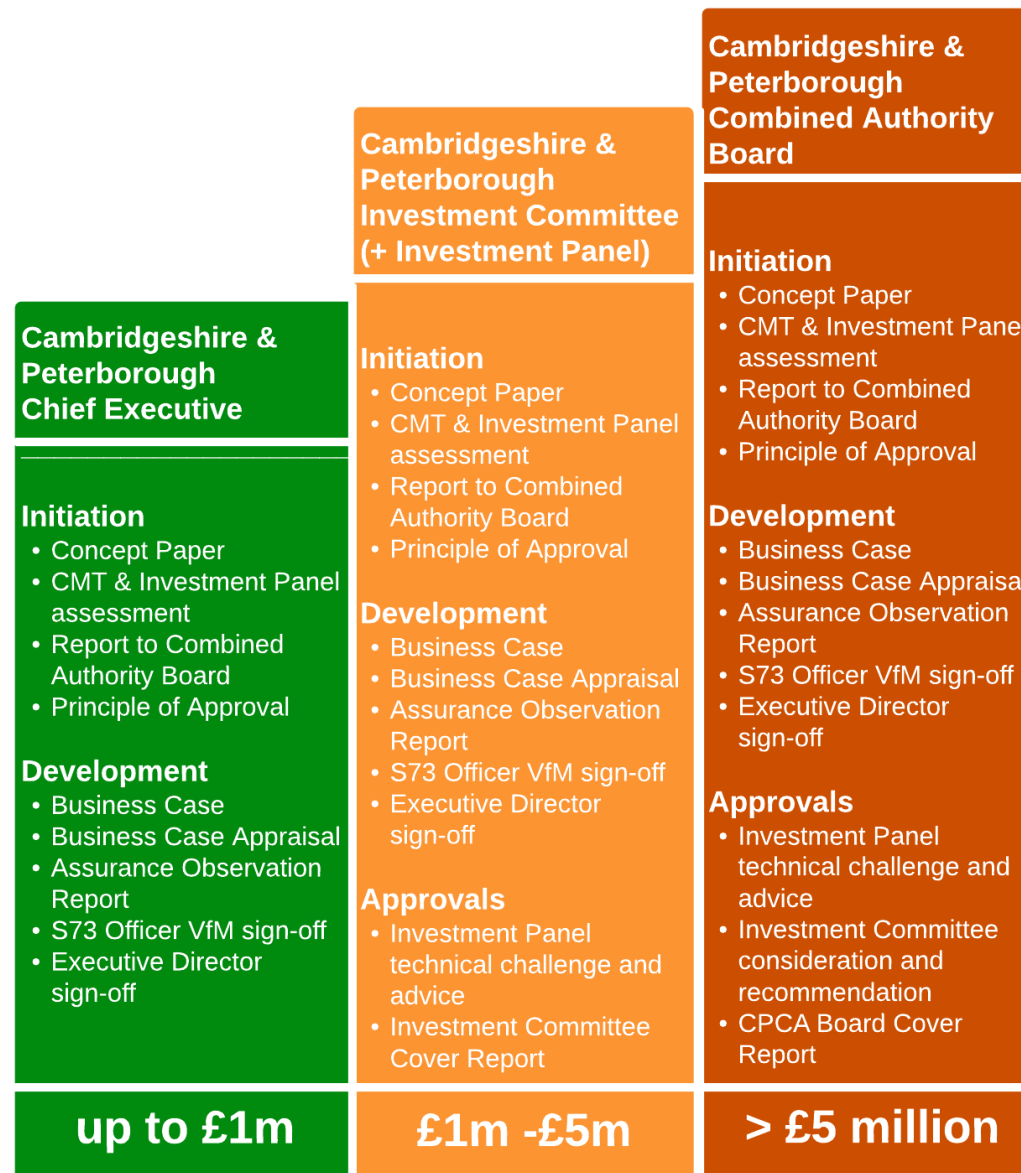
Illustration F: Approval Process



The required SAF documentation

The process illustrates that the level of approval required is determined by the level of financial commitment, the following diagram provides an overview of the documentation that is needed depending on the approval route that needs to be taken:

Illustration G: Increasing scale of Assurance



5.6.15 **Approvals up to £1million** - As set out above approvals up to £1million are approved by the Chief Executives delegated authority. Business cases are progressed to the Chief Executive for approval via a sign-off by the relevant CPCA Executive Director, who approves the business case as complete and takes on responsibility for its progression through the approvals phase.

5.6.16 **Approvals over £1million and up to £5million** - As set out above approvals over £1million and up to £5million in value are initially reviewed by the Investment Panel in order to deliver a technical assessment, test and challenge of the proposal. The

Investment Panel will provide the Investment Committee with a summary on each business case proposal, noting observations to consider, including the strengths and weaknesses of a proposal, observations on the level of investment risk, key lines of enquiry to follow up on and providing any recommendations for improvement or to mitigate risks. This may lead to additional conditions to be added to funding agreements, conditions for withdrawal of support, additions to M&E plans.

The Investment Committee will then consider and make a decision as they have the delegated authority to approve.

5.6.17 **Approvals over £5million** - For approval over £5million the process is as above in 5.6.16 with the Investment Committee making a recommendation to the Combined Authority Board on approval rather than taking the decision. The Combined Authority Board who have the delegated authority to approve will then take the approval decision.

5.7 Subsidy Control - The Combined Authority will ensure that all projects meet Subsidy Control law. Formerly termed as State Aid is at present primarily governed by the United Kingdom's commitments as set out Chapter 3 of Title XI of Part 2 of the Trade and Co-operation Agreement between the European Union and the European Atomic Energy Community and the United Kingdom as given effect by the European Union (Future Relationship) Act 2020, including commitments on subsidies arising from the UK's membership of the World Trade Organisation (including but not limited to the Agreement on Subsidies and Countervailing Measures, the Agreement on Trade-Related Investment Measures, the General Agreement on Trade in Services and the Agreement on Agriculture).

5.8 Management of Contracts

Following Approval, the Legal Team will send out a Funding Offer Letter, which includes the following: Project Name, Applicant, Maximum Funding Contribution (£), with details regarding when payment was to be issued. (Usually connected to milestones), what is Eligible Expenditure, Commencement and Completion dates.

Contracts are managed within the individual Combined Authority Business Areas to provide a link to the outputs and outcomes of the projects/programmes.

6 Delivery, Monitoring and Evaluation

6.1 Release of Funding - The Combined Authority S73 Officer must sign off Funding Offer letters and must certify that funding can be released under the appropriate conditions.

6.1.1 Funding claims submitted to the Combined Authority are checked against the approved project baseline information, which is included within the original funding agreement/contract. Payments will be released quarterly in arrears unless otherwise agreed.

6.1.2 A mechanism for 'claw-back' provision is to be included within the funding agreements/contract to ensure funding is spent only on the specified scheme and linked to delivery of outputs and outcomes. Payment milestones are agreed between the project manager and the Combined Authority based upon the complexity, cost and timescales of the scheme. This forms part of the programme management role of the Combined Authority.

6.2 Performance Reporting - The Combined Authority Performance Management Framework (2023) works in close alignment with the Single Assurance Framework (SAF), to ensure that there is a consistent, streamlined and joined-up approach to performance. The Framework sets out our performance management approach, governance and processes.

6.2.1 The Department for Levelling Up Housing & Communities' English Devolution Accountability Framework (EDAF), published in March 2023, provides guidance on how Mayoral Combined Authorities should be accountable to local scrutiny, the public and the UK government. Our Performance Management Framework supports us to comply with the standards in the EDAF, and how the Combined Authority is seeking to go beyond the spirit of EDAF in delivering good governance and strong measures of accountability.

6.2.2 The document includes how we are accountable to:

- ☐ Local Scrutiny – through corporate performance reporting, thematic committee reporting, directorate business plan reporting and project reporting
- ☐ The Public – through Committee Meetings, Mayoral Question Time, Social and Digital Media, Performance Dashboard, Engagement with Partners and State of the Region Review
- ☐ UK Government – through reporting to various UK Government Departments including Department for Levelling Up, Housing and Communities, Department for Education and Department for transport.

6.2.3 The Combined Authority is committed to implementing an organisation-wide performance management culture and driving and embedding a culture of continuous improvement.

6.2.4 The SAF has been developed to simplify and support process including performance reporting, this is reflected in reporting requirements. Where the Combined Authority is the lead funder, reporting on development and delivery must be done through the Combined Authority reporting mechanisms and requirements.

6.2.5 Where the Combined Authority is a part funder the Combined Authority will utilise the primary performance reporting process for the project, i.e. the performance reporting produced by a Constituent Authority where they are lead funder. Such arrangements will be developed and agreed as part of the business case.

6.3 Risk Management - The Combined Authority Performance Management Framework (2023) forms a part of the Single Assurance Framework (SAF), to ensure that there is a consistent, streamlined and joined-up approach to risk. The Framework sets out our Risk Management approach, governance and processes.

- 6.3.1 The Risk Management Framework has been based upon the principles of the HMT Orange Book (2020), these are governance, integration, collaboration, processes, and continual improvement. The objective of the framework has been to adapt these principles to the Combined Authority's ways of working, ensuring compliance with our Single Assurance Framework.
- 6.3.2 The Orange Book states that, in successful organisations, risk management enhances strategic planning and prioritisation, assists in achieving objectives and strengthens the ability to be agile to respond to the challenges faced. Therefore, if we are serious about meeting our objectives successfully, improving service delivery and achieving value for money, risk management must be an essential and integral part of planning and decision-making.
- 6.3.3 The document includes:
- ☐ Our Corporate Risk Appetite
 - ☐ Escalation procedure
 - ☐ Roles & responsibilities
 - ☐ The various levels of risk management at a Corporate, Service/Programme and Project level
 - ☐ Our processes and tools within our risk procedure document
- 6.3.4 The CPCA is committed to implementing an organisation-wide risk management culture that exemplifies high levels of risk maturity and best practice in the identification, evaluation and effective management of risk in respect of current activities and new opportunities.

6.4 Change Requests and Funding Clawback - Change Control is the process through which all requests to change the approved baseline of a project, programme or portfolio are captured, evaluated, and then approved, rejected or deferred. A Change Request Form is required when the tolerances that were set out in the approved Business Case are or will be breached. These include changes to Time, Cost and Scope.

- 6.4.1 All early warnings and project change requests must be clearly documented, with evidence of approvals and notifications saved where applicable and recorded.
- 6.4.2 Approval routes should always be led by the delegation amount; therefore, Change Requests do not need to be approved by the 'original approver'. The reason for this is that for example, there is a Change Request for a minor time extension and no additional funds have been requested. Although the original OBC was approved by Combined Authority Board, there is no need for Board to be sighted on a 'minor' change as this could delay project progress and cause further time delays whilst awaiting the bi-monthly Board meeting.
- 6.4.3 Where approved business cases include change tolerances, the process for reporting on changes within these tolerances and above them is set out in the Combined Authority Change Management Procedure.
- 6.4.4 Where business cases do not include change tolerances, changes below the Combined Authority defined operational tolerances (as defined in the Change Management Procedure) will be dealt with as if they were included within the approved business case change tolerance. Where they are above the Combined Authority defined operational tolerances (as defined in the Change Management Procedure) they will be considered for approval by the Investment Committee (i.e. in the same way as above business case accepted change tolerances).
- 6.4.4 When a change request requires an increase in funds outside of the MTFP allocation, this change request will need to follow the appropriate Committee and or Board approval.
- 6.4.5 Early Warning Notifications should be reported to the Investment Panel at the earliest opportunity.
- 6.4.6 Change tolerances detailed within the approved business case can be taken through the appropriate project governance arrangements as set out in the approved business case and must be reported to the Investment Panel at the earliest opportunity.

6.4.7 Change tolerances above those detailed within the approved business case and/or above the tolerance levels set out in the Change Management Procedure must be considered for approval by the Investment Committee.

6.4.8 Funding clawback and recovery processes for under-performing projects is clearly addressed in the funding agreement/contract.

6.5 Monitoring and Evaluation - The Combined Authority Monitoring and Evaluation Framework has been developed in accordance with HMTs Magenta (Guidance for Evaluation) and Green (Guidance on Appraisal and Evaluation) Books. The overall approach to monitoring and evaluation is underpinned by the following key principles:

- ☐ Reporting requirements are locally defined and reported to the Corporate Management Team in a consistent fashion
- ☐ Evaluation is meaningful and proportionate
- ☐ Data is collected once and used many times to inform other critical documents, such as the Annual Business Planning process
- ☐ Baseline information is consistent across key initiatives
- ☐ Monitoring and evaluation is a core part of all activities
- ☐ Lessons learned are used to inform future projects and programmes, especially in the strategic planning process to determine the Corporate Plan.

6.5.1 All projects that go through the SAF, will have an effective monitoring and evaluation plan in place which will form a key part of the business case. This will help assess the effectiveness and impact of investing public funds, and the identification of best practice and lessons learnt that can inform decisions about future delivery.

6.5.2 The monitoring plan will guide the collection of data from individual projects and will be designed to ensure that it meets the requirements of both the Combined Authority and the Government. This framework aims to ensure that these commitments are delivered by setting out the approach, principles, role and responsibilities for the monitoring and evaluation of projects and programmes both in the Devolution Deal and within any wider Combined Authority activity.

6.5.3 The Monitoring plans will be proportionate and in line with the latest government department guidance where relevant. For example, all transport schemes (over £5m) will follow Monitoring and Evaluation Guidance for Local Authority Major Schemes. The draft plans are created by the project manager and then consulted upon with the Project Management Office (who own the M&E Framework and ensure consistency and quality of plans). Plans are then signed off as per the governing arrangements for that specific project.

6.5.4 The Combined Authority has a varied level of evaluation depending on the nature of each project as per the Monitoring & Evaluation Framework, this will depend on the following questions:

- ☐ A1) Is the project funded through Investment (Gainshare) funding (in the CPCAs' case the core agreement with central government to devolve £20m per year over 30 years) or Transforming Cities Funding. If so, it is subject to the agreed independent national evaluation framework processes.
- ☐ A2) Is the project funded through other streams and identified as being 'key' in terms of the expected benefits to be achieved. If so, it is subject to a full independent evaluation commissioned by the CPCA locally.
- ☐ B) Is the project identified as one where significant learning is available that would help to inform future policy making either locally or nationally. This will include projects that are innovative or considered 'pilots'. If so evaluation work in this case would either be commissioned independently or carried out locally within the public sector.
- ☐ C) Other projects not included above would be subject to minimal 'self-evaluation' based on submitted business cases. The funding partner may be responsible for this.

6.6 Importance of Monitoring and Evaluation - The Combined Authority is committed to effective monitoring and evaluation so that it is able to:

- ❑ **Provide local accountability to the public** by demonstrating the impact of locally devolved funding and the associated benefits being achieved.
- ❑ **Provide accountability to Government** and comply with external scrutiny requirements i.e. to satisfy conditions of the Devolution Deal. Specifically, the Monitoring and Evaluation Framework will be used to demonstrate local progress and delivery to senior government officials and Ministers who are ultimately accountable to parliament for devolved funds.
- ❑ **Understand the effectiveness of policies or investments and** to justify reinvestment or modify or seek alternative policy. The Monitoring and Evaluation Framework provides a feedback loop for the Authority and relevant stakeholders. This includes performance measurement on the impact of outcomes from specific funding programmes which the Combined Authority is the Accountable Body.
- ❑ **Develop an evidence base for input into future business cases and for developing future funding submissions.** The Monitoring and Evaluation Framework will collect, collate and analyse data which can be utilised for future work and especially in relation to economic impact of particular interventions creating 'benchmarks'.

6.6.1 Lessons learnt from evaluation will be report to the Combined Authority Board and across the governance framework as required.

7 Annex Sections

7.1 Transport Projects

Transport business cases will be produced in a format and structure which is appropriate to the individual scheme, but should then be used as the basis from which to complete the appropriate Board templates or additional documentation checklists.

- 7.1.1 The SAF ensures a flexible and proportionate approach, enabling transport business cases to retain the benefits of local assurance in terms of speed of decision making.
- 7.1.2 For transport infrastructure schemes, the Combined Authority will ensure that modelling and appraisal is sufficiently robust and fit for purpose for the scheme under consideration, and that modelling, and appraisal meets the guidance set out in TAG.
- 7.1.3 Furthermore, the Combined Authority will ensure value for money and transparency of transport scheme through the following:
- ❑ Transport Project Business Case assessments will be based on forecasts which are consistent with the definitive version of NTEM (DfT's planning dataset). We will also consider alternative planning assumptions, which are in line with our devolution ambition, as sensitivity tests in coming to a decision about whether to approve a scheme.
 - ❑ The appraisal and modelling will initially be scrutinised by our external Highways Authority delivery partner planning lead to ensure it has been developed in accordance with the TAG. Independent Value for Money (VFM) Assessment and Business Case Assurance, for all Growth Deal funded schemes and Single Pot Transport projects with a project value greater than £5m will be carried out by our contracted business case assurance contractor. Single Pot funded transport projects with a value below £5m will be considered on a case-by-case basis and in cases of strategic impact or project complexity, an independent value for money statement will be undertaken on a proportionate and appropriate basis.
 - ❑ Options development will utilise previous studies and reports as well as stakeholder engagement. This approach will enable a broad range of possible measures to be established for consideration when establishing the long list.
 - ❑ The sifting from long list to short will be based on the criteria used in the Department for Transport Early Assessment Sifting Tool (EAST). At the sifting stage discarding of options will be based on whether those options meet the
 - i) resolution of the issue;
 - ii) achieve the strategic and local objectives
 - iii) and is deliverable and technically sound.
 - ❑ A scoring mechanism will be used, usually during a workshop environment, where options are appraised and assigned a negative or positive score. This facilitates an initial ranking of options and unfeasible options will be removed. Further engagement with stakeholders will then be undertaken to facilitate further sifting from the initial long list to a shorter list.
 - ❑ The short-listed options will then be considered at a technical level and a recommendation provided within the Business Case and supporting papers presented to the Combined Authority Board who are empowered to make funding decisions.
 - ❑ The Combined Authority will endeavour to always maximise value for money with public funds. This will not always be the same as selecting the shortlisted option with the highest BCR, as there may be unmonetisable benefits and risks that outweigh the lower ratio of monetisable benefits and costs, for example higher contract or delivery risks. The appraisal of unmonetisable benefits should be carried out in accordance with the Green Book and DfT's TAG guidance. The rationale on which a decision is made will be recorded through a combination of the papers presenting the options to the decision maker, and any minutes recording the discussion of the meeting at which the decision was made.
 - ❑ The Combined Authority acknowledges that there may be cases when the best value way of delivering a project in order to achieve its strategic objectives may have a BCR which is not as strong as the BCR of alternatives which do not align as clearly with the Authority's strategic objectives set out in key policies including the Local Transport Plan. Despite this, it is then for the

Combined Authority Board to make a judgement on whether the achievement of those strategic objectives is worth the cost to the Combined Authority.

- The Combined Authority's S73 Officer will sign off all Value for Money statements undertaken whether in the form of a business case or an independent assessment. Decisions will be taken appropriate to scheme phase and greater scrutiny and emphasis on VfM will be undertaken as schemes progress through the process, with greater scrutiny of FBC VfM.
- Business case publication is notified up to 3 months in advance within the Forward Plan as a minimum, published on the Combined Authority website and then published as part of submission for decision approval at the Business Board and subsequent Combined Authority Board, before a decision to approve funding is made so that external comment is possible. Opinions expressed by the public and stakeholders are made available to relevant members or boards of either Business or Combined Authority Boards when decisions are being taken. The Forward Plan is formally approved at each monthly meeting of the Combined Authority Board.

7.2 Adult Education Budget Programme

All investment decisions made in relation to this funding are undertaken having given full consideration to

- a) statutory duties relating to adult education and training which have been transferred to the mayoral combined authorities under Statutory Instruments
- b) statutory entitlements to education and training of adults living in devolved areas, and policy entitlements where relevant
- c) statutory and non-statutory guidance.

- 7.2.1 The Employment and Skills Strategy (2021) sets out the strategic vision and priorities for all skills funding and programmes. There is an implementation plan that provides clear direction of how devolved funds should be commissioned. The Local Skills Improvement Plan has adopted the CA's Employment and Skills Strategy and builds on this vision. Both the LSIP and Employment and Skills Strategy take into account national skills priorities.
- 7.2.2 The Combined Authority produces an Annual Assurance Report on the delivery of its Adult Education Budget functions in line with wider monitoring and evaluation requirements and the English Devolution Accountability Framework. This is reported to Department for Education in January each year.
- 7.2.3 The Combined Authority will also submit its annual assurance letter following consideration by the Skills & Employment Committee.
- 7.2.4 The CA publishes its Funding Performance Rules (also known as the Rules) specific for each academic year, these set out the statutory entitlements to education and training for adults (aged 19+) living in the devolved area of Cambridgeshire and Peterborough, including additional policy entitlements – such as fully funded ESOL courses and uplifts to funding for Essential Skills qualifications. The Rules for academic year 2023/24 can be found [here](#). The CA regularly consults with its key stakeholders, including providers and learners, in order to best inform policy direction and decision making.
- 7.2.5 The Skills Team continues to work closely with the Cambridgeshire Chamber of Commerce to help drive the work of the LSIP in our region, which has included extensive stakeholder engagement and research to identify the skills needs and growth priorities in Cambridgeshire and Peterborough. The report has been published and can be found at [Cambridgeshire-and-Peterborough-Local-Skills-Improvement-Plan-and-Annexes.pdf \(cambridgeshirechamber.co.uk\)](#)
- 7.2.6 Naturally, the work of the LSIPs will feed into the CAs strategic skills focus. The Skills Team published its Employment and Skills Strategy in October 2022, a brief overview of the strategy can be found [here](#), with the full version identifying skills priorities can be found [here](#).
- 7.2.7 Further, the DfE is inviting applications from local FE providers for the LSIF (local skills improvement fund) [Applying for stage 2 of the local skills improvement fund - GOV.UK \(www.gov.uk\)](#), the LSIF is funding that will enable FE providers in our area to respond collectively to the priorities in the LSIP.

- 7.2.8 In addition, there is a direct link between LSIPs and Accountability Agreements (and annual accountability statements), information can be found here [Accountability agreements for 2023 to 2024 \(publishing.service.gov.uk\)](https://publishing.service.gov.uk). Currently, these are agreements held between the ESFA and their funded providers. It would be useful for the CA to set out intentions to review plans produced by shared providers in our area as they set out how each provider intends to contribute to priorities outlined in regional LSIPs.
- 7.2.9 The Adult Education Budget reporting will be included within the Combined Authority monitoring and evaluation submissions as required under the devolution agreement. The Combined Authority has already submitted our policies for adult education as part of the readiness conditions and they were published as part of the commissioning process.
- 7.2.10 The Combined Authority's Monitoring and Evaluation Framework will be used for the Adult Education Budget activity including the use of logic models. The first formal annual evaluation was undertaken and completed in January 2021. It meets the national requirements as set out in the National Local Growth Assurance Framework, together with locally determined requirements so that it can be used to inform and shape the criteria for future funding awards. This formal evaluation is undertaken on an annual basis.
- 7.2.11 The Combined Authority is responsible for gaining assurance over use of funds over all training providers and colleges on the Adult Education Budget and Free Courses for Jobs funding streams, it does so predominantly through a program of funding audits carried out on a risk-based approach by independent audit firms. Wider assurance also includes internal controls such as performance management and monitoring and quality assurance reviews.

7.3 Greater South East Net Zero Hub

The Greater South East Net Zero Hub (GSENZH) Operating Strategy has been approved by the GSENZH Board, the Department of Energy Security & Net Zero (DESNZ) and the Cambridgeshire and Peterborough Combined Authority (CPCA), which is the Accountable Body for the Hub.

- 7.3.1 The GSENZH approach to prioritisation and the detailing of its strategic fit requirements are set out in the GSENZH Operating Strategy.
- 7.3.2 The Accountable Body Agreement for the GSENZH Board is agreed and amended at the Combined Authority Board.
- 7.3.3 Accountable Body reporting arrangements are set out in the GSENZH Operating Strategy and include:
- ☐ Monthly CPCA Highlight Report - PMO Reporting (escalating risks)
 - ☐ Monthly PMO/finance meeting
 - ☐ Attendance at Place & Connectivity Management Board
 - ☐ Line management reporting up to SRO (Director of Place & Connectivity)
 - ☐ Papers and update reports CPCA Board (as required)
 - ☐ Monthly meeting with lead member for Environment & Sustainable Communities
 - ☐ Reports to CPCA Committees (as required) – Performance and Risk Committee, Overview & Scrutiny Committee, Audit & Governance Committee, Executive Team
 - ☐ Evaluation & audit (as required)
- 7.3.4 As part of the BEIS evaluation process, BEIS facilitated a steering committee/group which allowed for discussions and agreement around some standardisation across the evaluations being undertaken across Net Zero Hubs and the respective consulting firms. Several important guiding agreements/standardisations emerged from the group, including a focus on;
- ☐ A Benefit Cost Ratio (BCR) that will reflect at least carbon savings values and a social multiplier on the benefits side, and Hub costs (core Hub expenditure) on the costs side.
- 7.3.5 In an attempt to reflect the Hubs' activities related to raising awareness and knowledge sharing; a 20% "social (benefits) multiplier" was suggested as part of the BEIS facilitated steering group as a way to reflect the estimated rate of return from public spending on knowledge investments. The 20% is a conservative value and is based on a 2022 discussion paper by the Centre for Economic Performance; "Knowledge

spillovers from clean and emerging technologies in the UK” which provides upper and lower bounds of spillovers from “clean” innovations.

As a result, a social benefits multiplier is applied to all investment in projects that are deemed “replicable, scalable, and innovative”, as recorded in the Hub project tracker.

- 7.3.6 A cost benefit analysis (CBA) is used to evaluate the discounted costs and benefits associated in the Hub’s project pipeline in order to help determine whether the Hub has delivered value for money. This is reflected as a Carbon Benefit to Hub Costs Ratio (CHCR).

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8 Appendices

8.1 SAF Templates

8.1.1 Concept Paper

The Concept Paper is a high-level planning document that will be completed and approved during SAF Phase 1 to gather outline information which validates the strategic fit of the intended intervention such as alignment to the Combined Authority Corporate Plan, Objectives and Aims, potential risks and target benefits. The document will also be used to agree the Business Case development route and provide assurance that key stakeholders at the Combined Authority have been sighted on the proposal from the outset (Finance, Legal, Procurement, Executive Director, Corporate Management Team and Investment Panel).

8.1.2 Business Justification Case (BJC)

The BJC is a single stage business case that is available for schemes that require less development. To use a BJC, projects must not be novel or contentious so options analysis is reduced, where firm fixed prices are available, they should be evidenced from historical delivery. A specific procurement phase is not required as pre-competes procurement arrangement can be utilised.

8.1.3 Programme Business Case (PBC)

The PBC is produced when a strategically linked series of projects requires authorisation to progress. A programme is a series of planned measures, related events and co-ordinated activity in pursuit of an organisations long term goals. The PBC will outline the programme projects dossier including the indicative timeline, costs and the overarching management strategies.

8.1.4 Project Case (PC)

The PC is produced for projects seeking lower level of spend and follow on from a previously approved Programme Business Case. There should be clear alignment to the PBC within the Project Case in terms of how the outputs contribute to the Programme benefits and outcomes.

8.1.5 Strategic Outline Case (SOC)

The SOC or the Strategic Outline Business Case provides the strategic rationale for the intervention and identifies the critical success factors. The preferred option is derived via an options analysis to demonstrate how optimum VfM and social value will be achieved. Stakeholders will understand the robustness of the proposal and the future direction of travel including an updated whole life cost estimation.

8.1.6 Outline Business Case (OBC)

The OBC determines VfM and prepares for the potential procurement by ascertaining affordability, the procurement proposal and funding requirement. At the conclusion of the OBC stage consent should be able to be established for the procurement phase of the project to go ahead or not.

8.1.7 Full Business Case (FBC)

The FBC enables the procurement of the VfM solution, contracting the appropriate deal and planning for successful delivery. At the conclusion of the FBC all dimensions of the five-case model will have been completed and be fully matured including a finalisation of all management arrangements. Key to this is firm fixed and accurate costs, Monitoring & Evaluation arrangements and delivery capability.



INVESTMENT PANEL

Cambridgeshire & Peterborough Combined Authority
Officer Group

Purpose	<p>The purpose of the Investment Panel is to provide support to the Investment Committee and the Combined Authority Board in order to:</p> <ul style="list-style-type: none"> <input type="checkbox"/> drive prioritisation considerations and make concept proposals to the Combined Authority Board <input type="checkbox"/> drive the level of expertise and HMT's 5 case element criteria considerations within business cases and approval considerations <input type="checkbox"/> strengthen delivery of the Single Assurance Framework principles and project lifecycle <input type="checkbox"/> better support Members in their Project and Programme approval roles <input type="checkbox"/> provide technical test and challenge of business case proposals over £1million in value and make recommendations to the Investment Committee and Combined Authority Board <input type="checkbox"/> provide performance and risk management through: <ul style="list-style-type: none"> • reviewing performance, escalating matters of concern as appropriate • reviewing risk, escalating matters of concern as appropriate • making recommendations to programme/ project managers as required <input type="checkbox"/> commission external advisors where considered appropriate to advise on technical assessment of business cases <input type="checkbox"/> support the Investment Committee in its management of project performance, risk management and monitoring & evaluation responsibilities <input type="checkbox"/> support the Investment Committee in the application of the Change Management procedure
Membership:	<ul style="list-style-type: none"> <input type="checkbox"/> Executive Director of Resources & Performance (or deputy) <input type="checkbox"/> Head of Policy and Executive Support <input type="checkbox"/> Assistant Director Finance <input type="checkbox"/> Monitoring Officer (or deputy) <input type="checkbox"/> Head of Project Management Office <input type="checkbox"/> Assistant Director Transport (please advise on CPCA equivalent) <input type="checkbox"/> Assistant Director Economy (please advise on CPCA equivalent) <p><i>Ability to co-opt membership from Constituent Authorities to assist with specific considerations</i></p> <p><i>A skills gap analysis shall be carried out on a 6 monthly basis to ensure the Panel has the skillset required to best undertake its functions.</i></p>
Chair:	Executive Director of Resources and Performance
Vice Chair:	Head of Policy and Executive Support
Voting:	By majority
Frequency:	Monthly (additional meetings to be arranged as required)
Functions:	Functions in support of the Single Assurance Framework:



	<ul style="list-style-type: none"><input type="checkbox"/> To consider Concept papers for in-year proposals in order to determine prioritisation, provide test and challenge and consider concepts for recommendation to Board (<i>noting that all Concepts received will be presented to Board</i>)<input type="checkbox"/> <i>Insert Change Management role once confirmed</i><input type="checkbox"/> To undertake quarterly reviews of the Combined Authority's project portfolio and make recommendations to the Investment Committee on re/prioritisation of projects to ensure effective, timely, and efficient use of available resources.<input type="checkbox"/> To provide advice and guidance as requested to business cases in development<input type="checkbox"/> To provide advice and guidance to the Chief Executive as requested in the exercise of their delegated authority of approving business cases up to a value of £1million<input type="checkbox"/> To provide technical test and challenge of business case proposals for approval against HMT's 5 case model and provide a technical assessment and recommendation to the Investment Committee in the exercise of their delegated authority of approving business cases over £1million and up to £5million<input type="checkbox"/> To provide technical test and challenge of business case proposals for approval against HMT's 5 case model and provide a technical assessment and recommendation to the Investment Committee and Combined Authority Board in the exercise of their delegated authority of approving business cases over £5million. <p>Functions in support of Shareholder Responsibilities:</p> <ul style="list-style-type: none"><input type="checkbox"/> Undertaking due diligence on the various Subsidiary Companies to ensure liabilities are known and accounted for within the authority.<input type="checkbox"/> deciding whether a particular Subsidiary needs to be under the oversight of a specific service area.
Role in considering business cases:	<p>The role of Investment Panel Members in support of their Assurance Framework functions requires Officers to:</p> <ul style="list-style-type: none"><input type="checkbox"/> Review a proposal from a basis of HMT's five case model and other fund specific guidance in order to ensure that it has been developed to an appropriate standard.<input type="checkbox"/> Highlight key lines of enquiry - identify the key issues, key questions and key areas of concern within a business case proposal in order to determine what the key lines of enquiry should be for the Investment Committee from a technical perspective.<input type="checkbox"/> Investment Panel members will be expected to not only interrogate the key lines of enquiry relevant to producing a quality business case but also to ensure that agreed priorities of the CPCA have been adequately addressed.<input type="checkbox"/> Provide observations and recommendations to the Investment Committee - The Investment Panel will draw conclusions on the level of risk that it believes applies to a proposal and make observations and recommendations on that level of risk and how it can be improved.



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INVESTMENT COMMITTEE

Cambridgeshire & Peterborough Combined Authority

The Investment Committee has 2 distinct roles, they are:

1. In relation to the application of the Single Assurance Framework
2. In relation to companies and other legal entities which are wholly or partly owned or controlled by the Combined Authority

Purpose	<p>The Investment Committee shall:</p> <ol style="list-style-type: none">A. in accordance with the Single Assurance Framework and the Constitution of the Combined Authority, make investment decisions and/or make recommendations to the Board on investment decisionsB. play a key part in the overall assurance arrangements of the Combined Authority through the delivery of its functions.C. advise and make decisions in line with delegated authority on behalf of the Mayor and the Combined Authority Board in the exercise of responsibilities for the Combined Authority's functions as corporate shareholder of a company or group of companies and in their role in representing the Combined Authority as a Shareholder Representative at meetings of a companyD. provide the necessary oversight, from a shareholder's perspective, that the parameters, policies, and boundaries that the Combined Authority has established are being adhered to; Including a regular review of whether the Subsidiary provides the most effective vehicle to deliver the outcomes the Combined Authority requires and whether there are viable alternative models which might offer a more effective means of delivering its priorities
Accountable to:	The Combined Authority Board
Membership:	<p>Deputy Mayor and Lead Member for Investment & Economic Growth (<i>Amend dependent on outcome of Lead Member discussions</i>)</p> <p>Representative from each Constituent Authority (x7)</p> <p>Business Board Chair</p> <p>Business Board representatives (x2)</p> <p>Ability to co-opt membership of Subject Matter Experts to assist in the undertaking of its key functions (up to 3 Co-optees)</p> <p>The Combined Authority Statutory Officers would be expected to attend all meetings in support of the Shareholder Responsibilities of the Committee</p>
Chair:	The Combined Authority Board Lead Member for Investment & Growth will Chair the Investment Committee
Vice Chair:	The Vice-Chair will be appointed from the membership of the Investment Committee
Voting:	Only the members of the Committee will be entitled to vote at meetings (not co-opted Members), the Chair does not exercise a casting vote.



	<p>Any matters that are to be decided by the Committee are to be decided by consensus of the Committee where possible. Where consensus is not possible the provisions of the Constitution shall apply as follows:</p> <ul style="list-style-type: none"><input type="checkbox"/> Each Member of the Committee is to have one vote and no Member including the Chair is to have a casting vote<input type="checkbox"/> Co-opted Members cannot vote<input type="checkbox"/> Any matter put to a vote will be decided on a show of hands. A decision will require a minimum of 4 voting members present and voting<input type="checkbox"/> Any tied vote will be deemed to have been unsuccessful
Quorum:	No business shall be transacted unless representatives of four Constituent Authorities or more are present at a meeting
Servicing:	The Committee will be serviced by CPCA's Governance Team
Frequency:	Minimum of 4 meetings per year
Supported by:	The Committee will be supported by the Investment Panel <i>[add link to Investment Panel terms of reference]</i>
Decision-Making:	<p>The Investment Committee may make decisions in line with its delegated authority and functions.</p> <p>The Mayor or nominee of the mayor may make decisions concerning companies in which the Combined Authority is or proposed to become shareholder either:</p> <ul style="list-style-type: none">a) in a CA Board meeting orb) in a meeting of the Shareholder Board <p>Unless the Mayor or Member is a Director in the Company under discussion</p>
Delegated Authority:	<p>In relation to any scheme being considered under the Combined Authority Assurance Framework the Investment Committee can:</p> <ul style="list-style-type: none"><input type="checkbox"/> make a decision to progress the scheme in accordance with the scheme's bespoke approval pathway and approval route, noting the Committee has the delegated authority to approve funding decisions (business cases) of a value of over £1million and up to £5million.<input type="checkbox"/> Make a recommendation to progress a scheme in accordance with the scheme's bespoke approval pathway and approval route, noting that funding decisions (business cases) of a value of over £5million shall be considered by the Investment Committee for a recommendation to be made to the Combined Authority Board for consideration and approval. <p>The Investment Committee can:</p> <ul style="list-style-type: none"><input type="checkbox"/> advise the Combined Authority in relation to any function of the Combined Authority relating to:<ul style="list-style-type: none">• economic development• economic and transport led regeneration<input type="checkbox"/> liaise with the Transport & Infrastructure Committee to promote the strategic alignment of regional transport funding investment<input type="checkbox"/> respond to any report or recommendation from an Overview & Scrutiny Committee



	<p>The Investment Committee has delegated authority to make decisions on behalf of the Combined Authority for each Subsidiary as follows:</p> <ul style="list-style-type: none"><input type="checkbox"/> Oversight of any decisions that can only be made by the shareholder, (whether as “reserved matters” under the Shareholder Agreement and Articles of Association or pursuant to the relevant legislation applicable to that Subsidiary) such as :<ul style="list-style-type: none">○ Approval of Shareholder Agreement with each Subsidiary○ Approval of annual Business Plan and deviations from Business Plan.○ Approval of key appointments (including appointment, removal and or replacement of Directors of the Subsidiary) and ensuring that the Authority appointments to the board of a Subsidiary comply with the Authority’s Constitution○ Borrowing money, granting security and giving of guarantees○ Issuing Legal proceedings outside of ordinary business○ Altering in any respect the articles of association of a Subsidiary or any other governing document○ Altering the rights attached to any of the shares in a Subsidiary○ Approving the registration of any person as a shareholder or member of a Subsidiary○ Ensuring that subsidiaries or the subsidiaries interests are not competing against or conflicting with, other subsidiaries or their interests○ Entering contracts that have a material effect on business of the CA, are outside of the business plan or significant in relation to the size of the business and/or the business plan.○ Establishing proper arrangements to manage potential conflicts of interest in respect of Officers and/or members appointed to the board of a Subsidiary○ Approval of pay and pension arrangements in respect of key employees of the Subsidiary and to ensure that decisions made to make any termination payments are in line with the law and the Subsidiary’s controlling documents.○ Varying ownership and the amount of a Subsidiary’s issued share capital and winding up of Subsidiary○ Altering the name of any Subsidiary
Functions:	<p>The Investment Committee has the following key functions in support of the Single Assurance Framework:</p> <ul style="list-style-type: none"><input type="checkbox"/> to consider investment proposals and to make appropriate challenges to these proposals<input type="checkbox"/> to oversee and monitor all investments made through the Combined Authority Investment Programme<input type="checkbox"/> to add conditions to any funding decision that falls within its delegated authority and to make recommendations of conditions to the Combined Authority Board (<i>In all cases minimum conditions should specify the Availability Period, Conditions to Drawdown of Funds, Conditions for withdrawal of support and terms of clawback, start date and completion date for the Project or Programme, but shall also include any specific conditions that the Board deem appropriate on a case by case basis</i>)<input type="checkbox"/> to instruct the Combined Authority to oversee preparation of funding agreements on its behalf and as appropriate and to delegate this duty,



provided always that the Combined Authority make no material deviation from the conditions added to the funding decision

- ☐ to approve the monitoring and evaluation criteria related to any funding decision and to have the ability to delegate oversight of this function where appropriate
- ☐ where oversight of monitoring and evaluation applies to the Investment Committee, to consider whether a formal review of a project or program is required and to consider this review itself or instruct the Investment Panel to do so on its behalf
- ☐ to instruct Funding Recipients to issue the necessary information for the Combined Authority to advise the Investment Committee as to the rationale behind any material delay or change in a project or program
- ☐ on completion of a review, where reasonable, to instruct Funding Recipients to complete a Change Request via the Combined Authority process
- ☐ to monitor the Combined Authority project pipeline and make recommendations to the Combined Authority Board on prioritisation and re-prioritisation to support active management of the Combined Authority's Investments.

The Investment Committee will consider applications for support from the Business Case Development Fund (*amend/delete depending on outcome of decision on fund*)

The Investment Committee will play a key role in the Change Management process in alignment with the Combined Authority Change Management procedures.

The Investment Committee has the following key functions in support of the Performance Management Framework:

- ☐ to review the Major Projects performance dashboard
- ☐ to review project performance

The Investment Committee will seek to ensure that all major projects are developed & delivered in line with the CPCA Risk Management Framework

The Investment Committee has the following key functions in regard to its shareholder responsibilities:

- ☐ monitoring performance and information from each Subsidiary, in particular on financial and other risks and escalating such risks within the Authority as appropriate
- ☐ exercising decisions relating to the authority's role as shareholder, member, owner, lender, or other position of significant control over the Subsidiary, where those decisions have been delegated to the Investment Committee
- ☐ making reports and recommendations to the Combined Authority Board on areas outside of the Investment Committee delegated authority
- ☐ agreeing and entering into a Shareholder Agreement with each of the Authority's Subsidiaries
- ☐ providing an articulation of what success looks like in terms of delivery models to meet objectives such as achieving social outcomes and/or a return on investment
- ☐ agreeing a mechanism to communicate the shareholder's views to the Subsidiary by effecting systematic engagement between the Chair/CEO and



	<p>shareholder roles (where in place) to assure effective performance against strategy and governance</p> <ul style="list-style-type: none"><input type="checkbox"/> providing a holistic review of risk to the authority offered by all active Subsidiaries.<input type="checkbox"/> considering and advising on the duties and, if any, the training needs of potential Directors to allow them to competently assume their role.<input type="checkbox"/> making representations to the Directors on the Business Plans of the Subsidiary Companies or other organisations set out in this report.<input type="checkbox"/> Receiving reports from the Directors, where appropriate, on the progress and conduct of business in accordance with the approved Business Plan.<input type="checkbox"/> reporting to the Combined Authority Board on the performance of the Subsidiary Companies.<input type="checkbox"/> in the case of forming a new Subsidiary, the Investment Committee will first scrutinise the business case for forming the Subsidiary to clarify the service components to be delivered, outcomes sought and options for how these may be delivered and undergo an effective comparison of alternative delivery models to ensure that the objectives, timescales, and drivers of forming the Subsidiary is the optimum approach and an advisory paper will be submitted to Board for a decision.<input type="checkbox"/> it is expected that each Subsidiary will enter into a form of agreement with the Authority (whether as owner, controller or lender) setting out the basis of the relationship between them (each a "Shareholder Agreement").<input type="checkbox"/> a detailed description of the Investment Committee's role in relation to each Subsidiary will be set out in the relevant Shareholder Agreement.
Review:	To be reviewed on an annual basis by the Investment Committee and Board.



Cambridgeshire & Peterborough Combined Authority

Internal Audit Progress Report

8 September 2023

This report is solely for the use of the persons to whom it is addressed.

To the fullest extent permitted by law, RSM UK Risk Assurance Services LLP will accept no responsibility or liability in respect of this report to any other party.

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1 Key messages

The internal audit plan for 2023/24 was approved by the Audit and Governance Committee at the June 2023 meeting. We also have two reports from the 2022/23 internal audit plan. 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.

This report provides an update on progress against the 2023/24 plan and summarises the results of our work to date. It also provides an update on the remaining 2022/23 reports.

2022/23 Internal Audit Delivery



Since the last meeting we have issued one further report in final (**Affordable Housing Grant Programme 4.22/23**).

One report (**Core Control Framework – Treasury Management and Accounts Payable**) remains in draft and we are working with management to finalise this report and agree the action plan. Full details are shown in **Appendix A** below.

[\[To note\]](#)



2023/24 Planning and Delivery

The internal audit plan for 2023/24 was agreed at the June 2023 Audit and Governance Committee meeting. We have agreed most of the fieldwork dates and assignment plans for the audits in the plan.

We have issued one final report for 2023/24 (**Budget Setting and Budgetary Control 1.23/24**).

Fieldwork dates have been agreed for the majority of the remaining reviews and we have issued a number of draft assignment planning sheets which are under management consideration. The reviews for 2023/24 are included in our schedule below in **Appendix B**.

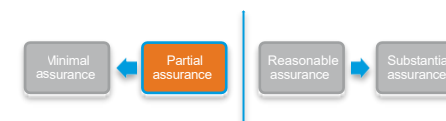
[\[To note\]](#)

2 Reports

2.1 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
Affordable Housing Grant Programme 4.22/23	Partial Assurance	0	3	0
<p>We found that the controls in place in relation to the receipt of formal applications, assessment of eligibility, submission of business cases, authorisation of the grants and Governance reporting of the grants were found to be well designed and complied with. However, we found control weaknesses regarding compliance with the control framework for which we have agreed three medium priority management actions.</p> <p>Specifically, these weaknesses were in regard to an absence of evidence for the recording and retention of due diligence checks on developers, an absence of recorded approval for claim forms and an inconsistency in the receipt of progress reports from developers as well as documentation of site visits retained.</p> <p>We also found that the CPCA Procedure for Grant Applications and Approvals document that outlines the main criteria and process for grant approval did not have a date when it was next due for review and there was no evidence it had been through a formal approval process. Clearly in view of there not being any more anticipated applications, we identified the finding as a medium priority control weakness at the time of the review but have not agreed a management action and findings have been reported for information.</p>				





Assignment

Opinion issued

Actions agreed

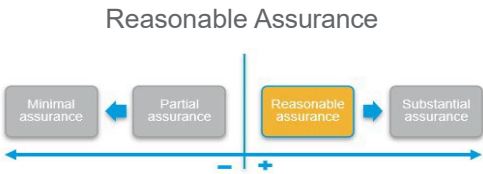
L M H

Budget Setting and Budgetary Control 1.23/24

Our review found that overall, controls were well designed and complied with in practice. We did note from a positive perspective that there was significant challenge and scrutiny surrounding the formation and performance of various budgets in the 2022/23 financial year across the CA and that material variance forms were being utilised as intended. We also noted that both virements had been formally approved by CAB and that figures reported throughout the CA reconciled back to source data. In addition, meeting forums reviewed evidenced that there was established budgetary control reporting and oversight over the 2022/23 budget.


However, we did identify areas of control weakness for which management actions have been agreed. Specifically, these weaknesses related to an absence of comprehensive guidance documentation to staff on the expected budget setting and budgetary control processes, and a full formally structured training programme for those involved in the 2023/24 budget processes. Records of this training also been to be held. Furthermore, the 2023/24 budget had only just been uploaded to Agresso at the time of the audit review (June 2023) leading to an absence of financial reporting for 2023/24.

There was also an inconsistency in approach and documentation of key discussion between Finance Leads and Budget Holders during the budget setting process. Furthermore, a risk-based approach to review budgetary performance to facilitate effective planning for forthcoming financial years had not been applied (to ensure Directorates with high spend were prioritised). A significant amount of slippage was reported for periods of 2022/23, albeit the Finance team and wider organisation has started to get a grip on and address the slippage. For a number of these areas we agreed low priority management actions to enhance the control framework. We also shared a questionnaire with staff where we have noted several areas for the CA to consider when enhancing existing processes in place.




4 1 0

Appendix A – Progress against the remaining internal audits 2022/23

Assignment	Timing / Status / Opinion issued	Actions agreed			Target AGC	Actual AGC
		L	M	H		
Affordable Housing Grant Programme		0	3	0	July 2023	September 2023
Core Control Framework	Draft report issued 16 May 2023				July 2023	-

Appendix B – Progress against the internal audit plan 2023/24

Assignment and Executive Lead	Status / Opinion issued	Actions agreed			Target AGC / Fieldwork start date	Actual AGC
		L	M	H		
Budget Setting and Budgetary Control		4	1	0	September 2023	September 2023
Key Financial Controls	Scope agreed				11 September 2023	
Risk Management	Scope agreed				25 September 2023	
Governance - Improvement Plan	Scope agreed				25 September 2023	
Business Continuity Planning	Scope agreed				23 October 2023	
Project Planning and Delivery – Improvement Plan	Scope agreed				30 October 2023	
Strategic Planning	Scoping in progress				21 November 2023	
HR Digital Processes	Scoping in progress				01 December 2023	
Subsidiary Company Governance	Scoping in progress				13 December 2023	
IT Audit	Scoping in progress				05 February 2024	



Appendix C – Other matters

Changes to the audit plan

We have agreed a number of changes in the plan in terms of fieldwork timeframes. These include:

- Key Financial Controls audit fieldwork being pushed back from August to September 2023.
- Risk Management audit fieldwork being pushed back from 11 to 25 September 2023.
- Business Continuity Planning audit fieldwork being push back from July to October 2023.
- HR Digital Processes has been pushed back from September to December 2023
- Governance (Improvement Plan) has been brought forward from October to September 2023.
- Subsidiary Companies has been brought forward from January 2024 to December 2023.

Quality assurance and continual improvement

To ensure that RSM remains compliant with the IIA standards and the financial services recommendations for Internal Audit we have a dedicated internal Quality Assurance Team who undertake a programme of reviews to ensure the quality of our audit assignments. This is applicable to all Heads of Internal Audit, where a sample of their clients will be reviewed. Any findings from these reviews being used to inform the training needs of our audit teams. The Quality Assurance Team is made up of; the Head of the Quality Assurance Department (FCA qualified) and an Associate Director (FCCA qualified), with support from other team members across the department. This is in addition to any feedback we receive from our post assignment surveys, client feedback, appraisal processes and training needs assessments.

Post assignment surveys

We are committed to delivering an excellent client experience every time we work with you. Your feedback helps us to improve the quality of the service we deliver to you. Currently, following the completion of each product we deliver we attach a brief survey for the client lead to complete. We would like to give you the opportunity to consider how frequently you receive these feedback requests; and whether the current format works. Options available are:

- After each review (current option).
- Monthly / quarterly / annual feedback request.
- Executive lead only, or executive lead and key team members.



For more information contact

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+44 1908 687915

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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 & 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 UK 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 UK 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.

We have no responsibility to update this report for events and circumstances occurring after the date of this report.

RSM UK Risk Assurance Services LLP is a limited liability partnership registered in England and Wales no. OC389499 at 6th floor, 25 Farringdon Street, London EC4A 4AB.



Audit and Governance Committee		Agenda Item
08 September 2023		10
Title:	Update Procurement Review	
Report of:	Chantel Allott, Procurement and Contracting Manager	
Lead Member:	Edna Murphy (Lead Member for Governance)	
Public Report:	Yes	
Key Decision:	No	
Voting Arrangements:	N/A	

Recommendations:

A	To note the guidance document attached within appendix A (which will be reported to Board on 20 September) and invite comments from this committee
B	To note the Internal Audit of procurement is scheduled for Quarter 4 2023-24
C	To note there may be a paper returning to this committee should there be any significant changes once the impact of the Procurement Bill is known and that updates on procurement will be provided to the committee annually thereafter

Strategic Objective(s):

The proposals within this report fit under the following strategic objective(s):

	Achieving Best Value and High Performance
--	---

1. Purpose

1.1	This paper seeks to provide the committee with an update of the various workstreams within the procurement improvement work
-----	---

2. Proposal

2.1	The recommendations brought to this committee in June to recommend to the CA Board to approve the high-level action plan and recruitment of additional posts within the procurement team and in July to recommend to the CA Board to approve the changes made to the Contract Procedure Rules (CPR's) within the constitution, as well as the implementation of the Procurement Strategy and Policy documents, were all approved by the CA Board in July
2.2	In June 2023, a report was brought to this committee with the PwC recommendations advising that based on the Authority's spend, 8-FTE were required. A paper was brought to this committee to recommend to the CA Board to approve an additional 3-FTE posts outside of the 2-FTE posts already in the Authority's structure. 3 out the 5 posts have been recruited to, with one role on-going to replace

	the interim role currently in place. A decision has been made to put 1 x procurement officer role on hold until a later date, to allow the team to adjust, settle and embed themselves into the organisation. A review on how the structure is working within the wider organisation will take place before recruiting into the last remaining officer post.
2.3	Once the procurement officer role is in post to replace the interim currently in place, attention will be turned to the recruitment of the Contracts Manager post.
2.4	Training resource has been sourced by the Project Management Office to roll out to the entire organisation which will be compulsory for all staff members to complete. In addition, once the procurement guidance document is approved and procurement templates have been updated, the procurement team will be rolling out training to all teams on the new processes and how to use templates going forward.
2.5	Work has been undertaken for a corporate performance dashboard, which includes an initial KPI for the procurement department, which is to reduce the number of waivers submitted. As the new policies and processes are embedded into the organisation additional KPIs will be set linking back to the Procurement Strategy and Policy documents which will be continuously monitored. The structure and KPIs are being based on the operating model 2. (Hub and Spoke) within the PwC Report, with 1-FTE assigned to each directorate, acting as a Business Partner.
2.6	The approved Internal Audit programme for 2023-24 includes a review of procurement. To enable time for the new policies and processes being used across the organisation to embed and the performance of these to be monitored the review is scheduled for Quarter 4.
2.7	It is anticipated that the Procurement Bill passing through Parliament will become law in the Spring of 2024. Once this is in place an analysis will be undertaken of any changes required by the new legislation and a report brought back to the Audit & Governance Committee. Thereafter it is proposed that reports be brought back annually to the committee to update on progress with embedding the improvements to procurement.

3. Background

3.1	The CPCA received a best value notice dated 24/01/2023 following concerns raised within the Authority in respect of procurement of services by the Authority. The CPCA commissioned PwC to undertake an external review of the procurement service. PwC were asked to comment on the Combined Authority's Procurement strategy, policies, operations and compliance and how this reflected best practice and Best Value and to provide recommendations for improvement to the Combined Authority, taking into account the likely requirements of the Procurement Bill currently passing through Parliament. This report was taken to A&G in June to recommend to the CA to approve the implementation of the high-level action plan. Following on from this, changes were made to the Contract procedure rule (CPRs) within the constitution, as well the implementation of a Procurement Strategy and Policy document. This report was taken to A&G in July to recommend to the CA Board to approve.
3.2	An external agency was commissioned to review the CPRs within the constitution to simplify them and set out our legal obligations under the current legislation as well as the impending Procurement Bill currently passing through Parliament. They were also asked to review our current Procurement Policy for practicality and usability, as well as incorporate procurement's strategic objectives following the procurement review.

4. Appendices

4.1	Appendix A – Procurement Guidance Document
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5. Implications

Financial Implications

5.1	There are no specific financial implications from this proposal, which is an update. The Committee should note that specific funding to undertake the procurement action plan has been included within the Improvement Programme budget and that the improved procurement that will stem from the action plan should drive improved Value for Money and Best Value for the Combined Authority in the future.
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Legal Implications

6.1	<p>This report needs to be seen in the context of the legal and constitutional nature of the CPCA itself. Under Section 3 of the Local Government Act 1999 (as amended by s137 of the Local Government & Public Involvement in Health Act 2007), the CPCA is under a general duty to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.</p> <p>6.2 Chapter 13 Rule 13.2.1 of the CPCA constitution empowers this committee to review and assess the economy, efficiency and effectiveness with which resources have been used in discharging the authority's functions.</p>
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Public Health Implications

7.1	None directly
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Environmental & Climate Change Implications

8.1	None directly
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Other Significant Implications

9.1	None
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Background Papers

10.1	None
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**CAMBRIDGESHIRE
& PETERBOROUGH**
COMBINED AUTHORITY

CAMBRIDGESHIRE & PETERBOROUGH COMBINED AUTHORITY

PROCUREMENT GUIDANCE DOCUMENT

PART 1 - OVERVIEW

1 Background

1.1 Introduction to CPCA

- 1.1.1 The Cambridgeshire and Peterborough Combined Authority is a mayoral authority and as a body governed by public law as defined in [Regulation 2\(1\)](#) the Public Contracts Regulations 2015 (as amended) and are therefore required to carry out their procurements in accordance with that Legislation.
- 1.1.2 The Authority, in addition to complying with its statutory obligations, is committed to delivering against best practice, government policy guidance and in response to feedback provided by any third-party individual or organisation.

1.2 Document purpose

- 1.2.1 The Authority has created this document to take into account the recommendations from a recent procurement review.
- 1.2.2 The document has created to supplement the updated CPCA Contract Procedure Rules, Procurement Strategy and Procurement Policy, whilst also adopting best practice.
- 1.2.3 The document sets out the activities across the whole life cycle of a contract with the aim of supporting officers to deliver both compliant and effective procurements.

1.3 Document Structure

- 1.3.1 The document is split into X parts
 - (a) Part 1 – Background
 - (b) Part 2 – Procurement Instruction Document
 - (c) Part 3 – Procurement planning
 - (d) Part 4 – Procurement Design
 - (e) Part 5 – Procurement Administration

1.4 Document Use

- 1.4.1 This document must be used alongside the other procurement documents detailed in 1.2 above, the wider constitution and other relevant policies.
- 1.4.2 It has been designed to provide detailed guidance for officers and members throughout the contracting life span.
- 1.4.3 Any deviation from the processes in this document MUST be approved by the Procurement & Contracts Manager and/ or Legal and the relevant Director.

PART 2 - PID

2 Procurement Instruction Document

2.1.1 Document Purpose

- (a) The role of this document is to ensure officers have considered a variety of factors, and carried out certain activities, along with evidencing that the procurement has the required funding approved and delegated authority to award.
- (b) No procurement may proceed until this document has been properly completed with the required level of detail and signed off by the Procurement & Contracts Manager.
- (c) The following summarise the sections of the form, along with guidance on what is required along with the level of detail expected.
- (d) Officers are required to ensure that the information provided is both accurate and sufficiently detailed; a lack of detail or any ambiguity in the completed document may result in the procurement launch being delayed.
- (e) Officers may complete this form themselves and submit or use it to support the planning of their procurement; specifically, working with procurement to complete each element and through those discussions, deciding how best to determine and describe their requirements and then design the procurement
- (f) The completed **Procurement Instruction Document** will be used to classify the procurement and to determine whether the requirement should use an existing arrangement and/ or whether the project must be monitored through the **Procurement Gateway Process**.
- (g) The completed **Procurement Instruction Document** will also be used to determine the level of support that will be required from the Procurement team and if the responsible Officer requires any specific training before they proceed with the procurement.

2.1.2 Project scope

- (a) Officers need to set out whether the procurement is for good (supply), Services or Works; or mixed. This to be in line with the PCRs **Regulation 2** and in consideration of the relevant CPV codes.
- (b) Officers need to provide an overview of the project including its; aims and objectives, timescales, roles, and responsibilities, and any unique or otherwise distinguishing consideration that could influence how a procurement is designed or the contract is delivered.

2.1.3 Contract Duration

- (a) Officers are required to explicitly detail the length of the contract to be awarded. This must include details of any initial contract duration, and any options to extend
- (b) Officers must justify the reason for the proposed duration and explain the rules under which the contract can be extended; the duration and extensions reasons must provide genuine benefits to the Authority and not be as a means to circumvent the need to reprocure.
- (c) Where officers are proposing a total duration in excess of 5 years, they must justify this decision by explaining
 - (i) how they will ensure the contract delivers value for money,

- (ii) how they will ensure that the contract is delivering against best practice;
 - (iii) how they ensure a culture of continuous improvement; and
 - (iv) the benefits that this approach provides to the Authority
- (d) In the event that the reason for the contract duration or the justifications for the proposed extensions are not considered acceptable, Officer may be required to revisit or reduce the proposed contract duration.

2.1.4 Specifications (Regulation 42)

- (a) Officers need to detail whether their requirements are based on an; input, output, or outcome-based specification; along with detailing any deviations/ changes in approach and to which elements the alternative approach applies.
- (b) Officers need to explain why that approach has been adopted, along with details of the anticipated benefits and/ or concerns relating to that approach; with particular reference to any deviations that have been included.
- (c) In additions, officers need to include details of whether the specification has considered and/ or incorporated input from
 - (i) previous lessons learned (contract specific or general),
 - (ii) market engagement,
 - (iii) external technical advisors, or
 - (iv) other factors or parties

along with why something has or has not been adopted.

This all with the aim of ensuring it meets the authority's needs whilst also delivering Best Value.

2.1.5 Policy Considerations

- (a) Officers, need to detail, how through the procurement process, they will deliver against both the overarching procurement objectives as set out at section 9.5 of the CPRs, and the social value commitments as set out in the authority's Procurement Policy.

2.1.6 Use of Lots (Regulation 46)

- (a) In structuring the requirements, officers are required to evidence that they have considered whether the opportunity is suitable for SMEs to deliver, or if, through the use of Lots, it could become SME accessible; and then document the reason for the resulting decision.
- (b) Officers should note that the procurement does not need to be a framework agreement for the requirement to be split into Lots

2.1.7 Variant Bids (Regulation 45)

- (a) Officers, need to consider whether there may be a benefit in allowing bidders to submit variant bids.
- (b) Officers need to evidence that they have considered this option, and where permitted, how they will fairly evaluate the variant bid in the context of the broader evaluation methodology.

- (c) Any inclusion of a variant bid option will be subject to approval by Procurement.

2.1.8 Preliminary Market Engagement (Regulation 40)

- (a) Officers are encouraged to carry out market engagement to inform both the technical requirements and the procedure.
- (b) Officers must document why they have or have not run an event
- (c) Where officers have run an event, officer must detail
 - (i) How the event was published
 - (ii) when the event was,
 - (iii) who attended (individual names and companies)
 - (iv) summarise the key discussions, and
 - (v) what information has been carried through to the specification
- (d) this may be by way of an attachment to the form.

2.1.9 Project budget calculations (Regulation 5)

- (a) Officers must, through the competition of this section, demonstrate that their proposed contract is affordable; the following information must be provided as a minimum
 - (i) Estimated contract value – considering scope and duration (including extensions)
 - (ii) Details of how that value was calculated (including input from external experts)
 - (iii) Available (approved) budget – along with date and evidence of approval
 - (iv) Impact of the procurement coming in above this estimate

2.1.10 Evidence of Delegated Authority

- (a) Officers are required, were stipulated by the constitution, to document and evidence that the proposed contract has been through the required approvals process pre procurement and also detail, where relevant, if the outcome of the procurement needs to be reported on before the contract can be awarded.
- (b) This to include a summary of the approval, the date and a link to the decision

2.1.11 Risk Assessments

- (a) Officers must detail any risk assessments that have been carried out; risks to be considered include
 - (i) Time constraints
 - (ii) Budget constraints
 - (iii) Internal resourcing constraints
 - (iv) Funding obligations
 - (v) Seasonal impacts (construction, education)

- (vi) Stakeholder considerations
- (vii) Social or Environmental considerations
- (b) For each assessment, officers must detail how the identified risks will be mitigated or managed; where this is not possible, officers must detail who, on behalf of the Authority, has accepted those risks and agreed the contract is to be procured (and ultimately, awarded).
- (c) The following risks have their own sections and as such do not need to be included here
 - (i) Prior Involvement
 - (ii) TUPE
 - (iii) Conflicts of Interest
 - (iv) Programme/ critical dates

2.1.12 Prior Involvement of Candidate or Tenders (Regulations 41)

- (a) Officers are required, under the PCRs, to treat Candidates and Tenderers equally and to ensure fair competition
- (b) Officers are therefore required to evidence that they have considered whether the prior involvement of candidates or tenders could impact the competition; specifically, where a contract is being renewed, where there has been a Preliminary Market Engagement event, or where any other supplier has had some input into the design of the contract specification.
- (c) In any of these cases, Officers must detail what the prior involvement was and then detail/ evidence that they have taken appropriate measures to ensure that competition is not distorted.

2.1.13 TUPE (Regulation 18 & 41)

- (a) Where a procurement includes TUPE, officers must detail what impact this has on the procurement; specifically, timescales, cost risks etc.
- (b) Officer must summarise input from HR and Legal on the risks to the procurement.
- (c) Officers must detail all measures taken to manage the identified risk including
 - (i) Provision of incumbent provider(s)
 - (ii) Collation and sharing of TUPE information
 - (iii) Inclusion of contract clause to manage post selection resource cost changes
- (d) Officers must detail how they propose to continue to manage any TUPE associated risks throughout the procurement and award period.

2.1.14 Conflicts of Interest (Regulation 24)

- (a) Officers are required to identify any potential conflicts-of-interest that may arise throughout the procurement and award process.
- (b) Officers are required to complete an initial conflict of interest assessment pre - procurement launch and attach it to the **Procurement Instruction Document**

2.1.15 Programme Considerations

- (a) Officers are required to provide the following information as a minimum
 - (i) Date any current/ existing contract expires
 - (ii) Details of any mobilisation requirements (including TUPE) – detailing activities and key dates
 - (iii) Details of any internal or external approval requirement needed before contract signature/ go live.
 - (iv) Details of time allocated to administer the selected procurement process including contingency (Regulation 47)
 - (v) Detail of any planned leave of key officers
- (b) In addition, and as a contingency, Officer's need to detail whether, where applicable, the current contract has an option to extend, details of what that option permits and whether there is approval to apply the extension if needed. Alternatively, the officer needs to demonstrate that, in the event of an unavoidable delay, how they might otherwise ensure an essential service is provided.

2.1.16 Legal Considerations

- (a) Officers must detail who in legal they have consulted with and the form of contract to be used to award the contract.
- (b) Officers should include detail of any deviations from the Authorities/ Industry standard forms, specifically, changes to
 - (i) Insurance levels
 - (ii) Liabilities
 - (iii) Termination, step in rights or performance obligations
 - (iv) Variations or Extensions
- (c) In the event that a detailed contract cannot be created, Officers, with input from Legal, must detail why and what the proposed approach is to agreeing a contract with potential suppliers.

2.1.17 Route To Market

- (a) Officer may propose how they would choose to procure the required contract and include an explanation as to why this is their preference; the options being
 - (i) To use an existing corporate contract
 - (ii) To use a CCS framework
 - (iii) To use another accessible Framework (subject to approval by procurement), or
 - (iv) Run an advertised procurement (Open, Restricted, Competitive Procedure with Negotiation (CPN))
- (b) Officers, where proposing the CPN, must detail what they would be seeking to negotiate (e.g., certain terms within a draft contract).
- (c) However, the final decision as to how a contract is procured will be for procurement and legal to agree.

2.1.18 Urgent Decisions

- (a) In the event of an urgent decision (potentially including a direct award) officer should speak to procurement before completing any forms and drafting any procurement documents so as to ensure the correct process is being adopted.

2.1.19 Further Guidance

- (a) Officers are advised to review the sections below before completing their Procurement Instruction Document or creating and procurement specific documentation.

PART 3 – PROCUREMENT PLANNING

3 Procurement Categorisation

3.1 Category 1 – Public Contracts - Definitions

3.1.1 Goods

- (a) *Regulation 2 - contracts which have as their object the purchase, lease, rental or hire-purchase, with or without an option to buy, of products, whether or not the contract also includes, as an incidental matter, siting and installation operations; e.g.; tangible items*

- (i) Stationery, furniture, uniforms
- (ii) vehicles

3.1.2 Service

- (a) *Regulation 2 - contracts which have as their object the provision of services other than those referred to in the definition of “public works contracts”; e.g., labour. Under the broad heading of services, the authority has distinguished some sub-categories, the purpose of which is to distinguish threshold for advertisement and forms of contract.*

- (i) **General labour** - Cleaning, transport, security
- (ii) **Consultancy services** – these tend to involve advice and a desire to rely on the consultants’ advice and by extension, their Professional Indemnity Insurance (PI) examples include - construction consultants, HR services, financial services, cultural services.

3.1.3 Licences

- (a) These are an anomaly. Depending on what they are for, and how they are supported, they may be considered as either goods or services.

3.1.4 ICT – goods & services

- (a) In some instances, the Authority may wish to buy goods and services from a single supplier for efficiencies and maintenance purposes. For ICT, this includes the following

- (i) IT equipment and consumables (even if it includes installation)
- (ii) **IT Advisor services** – the Authority has distinguished this service from other consultancy services due to the complexity of the requirement and risk to the authority if the services were to become unavailable.

3.1.5 Works

- (a) The term works tends to refer to construction and is defined under Regulation 2 as *contracts which have as their object any of the following:—*

- (i) *the execution, or both the design and execution, of works related to one of the activities listed in [Schedule 2](#);*
- (ii) *the execution, or both the design and execution, of a work;*
- (iii) *the realisation, by whatever means, of a work corresponding to the requirements specified by the contracting authority exercising a decisive influence on the type or design of the work;*

- (b) Officers should note that
 - (i) Not all construction activities amount to “works”, and
 - (ii) if the requirement is limited to just the design, then this is a service rather than works.
- (c) As a basic rule of thumb, construction includes both the provision of materials (goods) and the provision of labour (services); and if the majority of the costs is good/ materials then the contract is likely to be classified as works, whereas if the majority of the costs is labour, then the contract is likely to be services. E.g.;
 - (i) Installing a new heating system is works (the boiler and pipe work being expensive) whereas servicing a boiler is services – labour intensive (with just a few parts)
 - (ii) *A definitive list is included in [Schedule 2](#); and is based on CPV (Common Procurement Vocabulary)*

3.1.6 Excluded/ Exempted Contracts - Regulation 10

- (a) Some services do not require the Authority to run a procurement; examples include legal services associated with court proceeding, financial services associated with loans, employment contracts etc.
- (b) Before any such contract is awarded, officers must liaise with legal and procurement to firstly ensure that the requirement is indeed exempt and also to add the contract to the contract register (transparency requirement)

3.2 Category 2 - Concession Contracts

3.2.1 Concessions contracts are a discrete form of contract and are governed by the [Concession Contracts Regulations 2016](#)

- (a) Concessions are defined as –
 - (i) *a contract for pecuniary interest concluded in writing and entrusting the execution of works to one or more economic operators, the consideration for which consists either solely in the right to exploit the works that are the subject of the contract or in that right together with payment; and*
 - (ii) *involve real exposure to the vagaries of the market, such that any potential estimated loss incurred by the concessionaire shall not be merely nominal or negligible.*
- (b) Examples include
 - (i) Bus contracts where the whole of the service cost is paid by service users with minimal subsidy from the Authority
 - (ii) Providing a café service in a council building where their costs are paid by customers using the café (and potentially supported by lower rent payments)

3.3 Category 3 – Light Touch Contracts

3.3.1 Light touch Contracts are defined within Regulations 74-76 of the Public Contracts Regulations and [Schedule 3](#); these include the purchase of the following service

- (a) Legal Service – general legal advice
- (b) Education Services – training, courses

- (c) Social Care
- (d) Cultural services
- 3.3.2 Officers should liaise with procurement if they think that their contract falls within the definition of Light Touch

3.4 Category 4 – Utilities Contracts - Definitions

- 3.4.1 Utilities Contracts are those that include the provisions of
 - (a) Gas & Heat
 - (b) Electricity
 - (c) Water
 - (d) Transport Services (including Bus routes, railways, tramways)
 - (e) Ports & Airport
 - (f) Postal Services
 - (g) Extraction of Oil and Gas
- 3.4.2 The Authority does not generally get involved in the procurement of utilities, an exception being transport contracts.
- 3.4.3 However, not all bus contracts will be utility contracts (or concessions) and as such, officers must liaise with procurement to understand which category/ regulations the procurement needs to be administered under.

4 Procurement Obligations

4.1 Overview

- 4.1.1 Officers need to be mindful that to achieve the optimal and an effective outcome from a procurement (Best Value) there needs to be considerable thought and upfront planning.
- 4.1.2 Every procurement is unique and although this document sets out a number of standard stages and activities, they all need to be tailored to the specific needs of the contract being procured.
- 4.1.3 The rest of this section details a number of considerations (decisions) that need to be addressed as part of the planning stage
- 4.1.4 The outcome of these decisions will determine which routes to market are permitted and most likely to achieve the contract requirements.

4.2 Applicable Legislation

- 4.2.1 The Authority is required to operate under a legislative and policy framework which includes the following:
 - (a) The Local Government Act 1972
 - (b) Public Contract Regulations 2015 (PCR2015) as amended from time to time including by The Public Procurement (Agreement on Government Procurement) (Thresholds) (Amendment) Regulations 2021
 - (c) Concession Contracts Regulation 2016
 - (d) Bribery Act 2010
 - (e) Equalities Act 2010
 - (f) Localism Act 2011
 - (g) Social Value Act 2012
 - (h) Modern Slavery Act 2015
 - (i) General Data Protection Regulation 2018
 - (j) Transparency Code 2015
 - (k) Public Procurement Policy Notes
- 4.2.2 In addition to the above legislation, the Authority must also comply with its own Contract Procedure Rules, Procurement Strategy, Procurement Policy, and the guidance within this document.

4.3 Procurement Policy Notes (PPNs)

- 4.3.1 The Authority, as a non-central body, is not mandated to adopt all or any of the Procurement Policy Notes (PPNs).
- 4.3.2 However, as part of our commitment to delivering Best Practice, the Authority has decided to adopt the following PPNs and as such, ALL procurements must be designed in accordance with this guidance. (Further advice is available from procurement if Officers are unsure how to embed these commitments within their contracts.)
 - (a) PPN 03/23 – Standard Selection Questionnaire (SQ)

- (b) PPN 02/23 - Tackling Modern Slavery in Government Supply Chains
- (c) PPN 01/23 – Requirements to Publish on Contracts Finder
- (d) PPN 03/22 – Updated guidance on Data Protection legislation
- (e) PPN 10/21 – Thresholds and Inclusion of VAT
- (f) PPN 04/21 – Managing Conflicts of Interest
- (g) PPN 05/21 – National Procurement Policy Statement (NPPS)
- 4.3.3 With regards the following PPNs, the Authority has decided to adopt the aims and principles but not the exact means of achieving them
 - (a) PPN 06/23 – Commercial Playbooks
 - (b) PPN 06/21 – Taking Account of Carbon reduction plans
 - (c) PPN 11/20 – reserving below threshold procurements
 - (d) PPN 06/20 – taking account of social value in the procurement of public contracts
 - (e) PPN 01/18 – Supply chain visibility
 - (f) PPN 01/17 – Transparency Principles
- 4.3.4 ALL PPNs and relevant guidance on the aims and how to include them in a procurement can be accessed [here](#).
- 4.3.5 How the above should be applied/ considered is detailed in the relevant parts of this document.

4.4 CPCA Aims and Objectives

- 4.4.1 The procurement of any contract has the potential to deliver a broader set of benefits than conventionally included within the contract requirements/ specification.
- 4.4.2 Officers, in addition to complying with current public procurement legislation and the above PPNs, must also ensure that the procurement design, documents and process consider, and where appropriate, are aligned to the CPCA broader aims and objectives; including
 - (a) The Procurement Policy
 - (b) CPCA Growth Strategy
 - (c) Business Plan
 - (d) Digital Skills Strategy
 - (e) Skills Strategy
 - (f) Growth Ambition Strategy
 - (g) Local Economic Recovery Strategy
 - (h) Local Transport Plan
 - (i) Cambridgeshire & Peterborough Independent Economic Review – CPIER

- 4.4.3 In the event that the inclusion of the above may add cost or create procurement risk, the decision as to what to adopt and how must be discussed with procurement and the relevant director.
- 4.4.4 The decision of what to include from the above, how, and why, (including any decision not to align with the above) must be documented in the Project Instruction Document.

4.5 Funding Obligations

- 4.5.1 Officers must also ensure that where a project is being funded by a grant or other central government funding, that any obligations (social, environmental, or economical) included within the funding conditions
- 4.5.2 The requirements and how they have been adopted within the procurement design must be documented in the *Procurement Instruction Document*.

5 Estimating Contract Values & Thresholds

5.1 Overview

- 5.1.1 The estimated value of the contract is used to inform a variety of decisions, including
- (a) Whether the available budget is likely to be sufficient to deliver the requirements,
 - (b) Whether the opportunity needs to be advertised,
 - (c) How it should be advertised,
 - (d) What level of turnover interested bidders must be able to demonstrate with regards their capacity to bid, and
 - (e) later in the life of the contract, the value by which the contract can lawfully be varied.
- 5.2.1 Officers therefore need to accurately calculate and document how they have calculated a contract's value, detailing what they have and have not included in their calculation, in line with the following;

5.2 Calculating Contract Values

- 5.2.1 The estimated value of a contract is based on either;
- (i) the money to be paid by the Authority to the successful tenderer ([Regulation 6](#) PCRs) or
 - (ii) the value to the market ([Regulation 9](#) CCRs) of the contract.
- 5.2.2 A contract value should be calculated as follows:
- (i) **A lump sum contract** – this is a one-off, capital project, only used by one project/team where the contract value is the total budget available (including any contingency).
 - (ii) **A periodic contract** – this is where there is an annual, regular, potentially on-going requirement, by the authority – the contract value is the potential annual spend (across the whole Authority) multiplied by the number of years the contract is to run (including any extensions and any contingency for potential deviations from expected levels of requirement).
 - (iii) **A concession contract** – this is a term contract over a number of years whereby the revenue is paid based on usage levels, and usually by the service users, without any guarantee of full recompense or profit.
- 5.2.3 On high-value high-risk contracts, officers should consider whether a Should-cost-model (SCM) should be calculated, in according with the Commercial Playbook, to verify that the budget and estimated costs are realistic, and any bids received affordable.
- 5.2.4 The value of any contract is the TOTAL maximum, potential or reasonably foreseeable spend over the whole duration of the contract (including extensions) for a given requirement. Officers need to be able to justify this value and must not artificially inflate this value “just in case”
- 5.2.5 This “value” is the value that will be used within the advert for the opportunity (or inform the range to be included in the advert) and as such needs to be a “correct” as possible.
- 5.2.6 The Authority MUST NOT disaggregate or sub-divide like or similar requirements for the sole purpose of preventing the requirement to administer an above threshold procedure.

- 5.2.7 Where the estimated contract value is genuinely below these current thresholds, officers are still required to demonstrate that the procurement is delivering value for money but the nature of the procurement process may be defined by the authority and needs to be proportionate to the value, effort and market interest in consideration to the nature of the purchase.

5.3 Procurement Thresholds

- 5.3.1 Where the estimated contract value exceeds the thresholds below, officers will be required to procure the contract competitively either through the use of an appropriate Framework or through the administration of an above threshold route to market as detailed in section 7 below,

5.3.2 Above Threshold - PPN 10/21 - New Threshold Levels from 1 January 2022

(a) The Public Contracts Regulations (Inclusive of VAT)

- (i) Supplies & Services - £213,477
- (ii) Works - £5,336,937
- (iii) Light Touch Regime for Services - £663,540

(b) The Utilities Contracts Regulations (Inclusive of VAT)

- (i) Supplies and Services - £426,955
- (ii) Works - £5,336,937

(c) The Concession Contracts Regulations (Inclusive of VAT)

- (i) Services or works - £5,336,937

5.3.3 Below Thresholds

- (a) The Authority is permitted to set their own rules as to when they will advertise an opportunity/ contract to the open market.
- (b) The table below sets the values at which officer will be required to seek quotes or advertise the opportunity on Contracts Finder.

Category/ Sector	Level 1 - Single Quote	Level 2 - Request for Quotes	Level 3a & b Simple Tender (advertised)
Goods (G)	£0 to £9,999	£10,000 to £29,999	£30,000 to Goods £GPA (3a)
Services (S)	£0 to £29,999	£30,000 to £49,999	£50,000 to Services £GPA (3a)
Consultancy Services	£0 to £49,999	£50,000 to £GPA	
Licences	£0 to £199,999		
ICT G & Services	£0 to £199,999		
Works	£0 to £99,999	£100,000 to £499,999	£500,000 to Works £GPA (3b)

Light Touch	£0 to £99,999	£100,000 to £299,999	£300,000 to Light Touch £GPA (3a)
Concession (ALL)	£0 to £99,999	£100,000 to £499,999	£500,000 to £GPA(3a)
Utilities	£0 to £99,999	£100,000 to £500,000	£500,000 to £GPA(3a)
Frameworks & DPS	In accordance with Framework Rules (direct award up to £199,999 (where permitted) with further competition above £200,000)		

- (c) In the event that there is a limited market, urgency or some other reason where there is not time to run a process, (above or below threshold) officers should speak to procurement to consider if there are any alternative means by which to deliver their requirements.
- (d) Furthermore, the above values are the minimum requirements for each category, officers are permitted to carry out an advertised process at any value where it is considered potentially beneficial to do so (being mindful of the increased time and cost of process compared to any saving that the competition may produce)

PART 4 – PROCUREMENT DESIGN

6 Below Threshold - Routes to Market (Regs 105-112) (PCRs15)

6.1 Overview

- 6.1.1 The method of procuring a contract will depend on the value of the contract, the nature of the requirements, available timescales, and contract complexity and risk factors.
- 6.1.2 Details of the various routes to market are set out below.

6.2 Licences

- 6.2.1 These are an anomaly. Depending on what they are for, and how they are supported, they may be considered as either goods or services.
- 6.2.2 For the purpose of purchasing them on behalf of the Authority, officers should liaise with procurement to discuss their requirement and then in accordance with section 3 and the value of the licence for 3 years, (assuming it is required for that long), will need to liaise with legal to agree the licence terms.
- 6.2.3 In the event that the value exceeds the threshold for Goods & Services (section 7 below), officer will need to liaise with procurement to ascertain if a procurement is required or whether the required licence is a monopoly e.g., Microsoft.

6.3 Single Quote (Level 1)

- 6.3.1 Generally, Officers may only use this route where the contract value has been calculated to be both Below Threshold and permitted by the Authority's Contract Procedure Rules
- 6.3.2 This route does not require an advert/ notice.
- 6.3.3 Officers must collate a written specification, obtain an appropriate form of contract from legal and then use this information as a basis for identifying a supplier who has the appropriate experience, capability, and capacity to deliver the scope, value, and risk, within the required timescales; and ideally local.
- 6.3.4 Officers must then obtain a formal offer in writing from the identified Supplier to ensure that the proposal both meets the Authority's requirements and demonstrates Value for Money
- 6.3.5 In the event that the proposal is either above budget and/ or would benefit from some technical changes, the Officer may seek to negotiate an improved offering from the supplier. In the event where this is necessary or desirable, it must be agreed with and overseen by Procurement.
- 6.3.6 Officers should allow 2 to 4 weeks for this route to market
- 6.3.7 In the event that there are no known suitable suppliers, then the requirement must be tendered,

6.4 Request for Quotes (Level 2)

- 6.4.1 As with the above, Officers may only use this route where the contract value has been calculated to be both Below Threshold and permitted by the Authority's Contract Procedure Rules
- 6.4.2 This route does not require an advert/ notice.

- 6.4.3 As with the Singles Quote process, a specification and contract must be collated, along with an award criteria/ evaluation methodology which may involve evaluating only the price, or both quality and price.
- 6.4.4 Officer must identify at least three suppliers to invite to submit a quote and at least one should be local. In the event that there are no or not enough known suitable suppliers, then the requirement must be tendered as a Level 3 process,
- 6.4.5 In the event that all proposals are above budget, the Officer may refine the technical requirements and invite all suppliers who submitted an initial response to refine and resubmit. In the event where this is necessary, it must be agreed with and overseen by Procurement.
- 6.4.6 Officers should allow 4 to 6 weeks for this route to market

6.5 Simple Tender (Level 3a - Goods & Services) (Regulations 105 to 112) (PCRs15)

- 6.5.1 Officers may only use this route where the contract value has been calculated to be both Below Threshold and permitted by the Authority's Contract Procedure Rules (including where there are no known suppliers such that Level 1 and 2 cannot be used).
- 6.5.2 Again, a specification and contract must be collated, along with Due Diligence and an Evaluation Methodology which will be assessed as a single stage/ activity. Due Diligence should consider the experience, capability, and capacity of the supplier to deliver the contract (Backward Looking), and the Evaluation Methodology should assess both quality and price (Forward Looking), and these requirements and scoring considerations must be shared with all suppliers equally.
- 6.5.3 An advert/ below threshold tender notice must be placed on **Contracts Finder** (CF), all documents must be attached electronically, suppliers must be provided with a reasonable amount of time to write and submit their tender and all compliant tenders must be evaluated.
- 6.5.4 Officers should allow 6 to 10 weeks for this route to market

6.6 Simple Tender (Level 3b – Works) (Regulations 105 to 112) (PCRs15)

- 6.6.1 Officers must follow the above process with one optional difference. The Due Diligence included in Level 3a may be substituted for the use of the Standard Selection Questionnaire (SSQ) or PAS91 Construction PQQ (Reg. 111) AND this may be included as a separate selection stage following which only the successful suppliers will be permitted to submit a tender for evaluation.
- 6.6.2 Officers should allow approximately 12 to 14 weeks

7 Above Threshold - Routes to Market (Regs 26-30 inc.) (PCRs15)

7.1 Open Tender (Regulation 27)

- 7.1.1 This is the default route to market for Above Threshold, advertised procurements
- 7.1.2 This route to market does NOT allow any form of negotiation at any stage (during the procurement, after identifying the preferred bidder or post contract signature)
- 7.1.3 Officers must collate **a comprehensive suite of documents** for issue to suppliers via the e-tendering portal.
- 7.1.4 An advert/ notice must be placed on both *Find a Tender Services* (FTS) and *Contracts Finder* (CF), and all documents must be attached electronically.
- 7.1.5 These documents must include both the SSQ (Conditions of Participation) and the Evaluation Methodology (Award Criteria – Questions and Scoring for both quality and price). The procurement documentation must clearly detail the sequence for which these two documents will be assessed; e.g., SSQ first and then only those tenders where the supplier has passed the SSQ requirements or tender first and then only the SSQ of the preferred supplier.
- 7.1.6 Once the evaluation process is complete, the Authority will identify the preferred supplier; specifically, the bidder with the highest score
- 7.1.7 The Authority is then required to formally notify all bidders of the outcome of this process; this includes for the
 - (a) Winning bidder - Their scores and the reason for those scores for EVERY question and in consideration of each of the bullet points of the question
 - (b) Losing Bidder – their scores and the reason for those scores AND the winning bidder scores and the reason for those scores; specifically, **the characteristics and relative advantages of the successful** for EVERY question and in consideration of each of the bullet points of the question
- 7.1.8 Officers should allow approximately 14 weeks for this process (including a standstill period)
- 7.1.9 Officers are required to publish an award notice on Contracts Finder/ Find a Tender based on value once the contract has been signed.

7.2 Restricted Tender (Regulation 28)

- 7.2.1 This route to market is a two-stage process for Above Threshold procurements, and is to be used where the market has been assessed to be saturated (based on market research or officer expertise)
- 7.2.2 This route to market does NOT allow any form of negotiation at any stage (during the procurement, after identifying the preferred bidder or post contract signature)
- 7.2.3 Officers must collate **a comprehensive suite of documents** for issue to suppliers via the e-tendering portal.
- 7.2.4 An advert/ notice must be placed on both *Find a Tender Services* (FTS) and *Contracts Finder* (CF), and all documents must be attached electronically.
- 7.2.5 These documents must include both the
 - (i) SSQ (Conditions of Participation) and instructions
 - (ii) the Evaluation Methodology (Award Criteria – Questions and Scoring for both quality and price) and instructions.

- 7.2.6 All documents must be issued together and at the same time as the Advert
- 7.2.7 The completion of these documents by the bidders and their evaluation will take part in two stages
- (i) Bidders must complete and submit their response to the SQ, the Authority then evaluate this in accordance with the instructions, and based on the scores, select those bidders to progress on to tender stage (detail of how many having been set out in the instructions).
 - (i) Selected Bidders then complete the tender stage documents and submit their response in accordance with the instructions. The Authority then evaluate these responses against the award matrix to identify the bidder with the highest score.
- 7.2.8 Once the evaluation process is complete, the Authority will identify the preferred supplier; specifically, the bidder with the highest score
- 7.2.9 The Authority is then required to formally notify all bidders of the outcome of this process; this includes for the
- (i) Winning bidder - Their scores and the reason for those scores for EVERY question and in consideration of each of the bullet points of the question
 - (ii) Losing Bidder – their scores and the reason for those scores AND the winning bidder scores and the reason for those scores; specifically, ***the characteristics and relative advantages of the successful*** for EVERY question and in consideration of each of the bullet points of the question
- 7.2.10 Officers should allow approximately 22 weeks for this process (including a standstill period)
- 7.2.11 Officers are required to publish an award notice on Contracts Finder/ Find a Tender based on value once the contract has been signed.

7.3 Competitive Procedure with Negotiations (*Regulation 29*)

- 7.3.1 Officers may only use a CPN in the following situations
- (i) *the needs of the contracting authority cannot be met without adaptation of readily available solutions;*
 - (ii) *they include design or innovative solutions;*
 - (iii) *the contract cannot be awarded without prior negotiation because of specific circumstances related to the nature, the complexity, or the legal and financial make-up or because of risks attaching to them;*
 - (iv) *the technical specifications cannot be established with sufficient precision by the contracting authority with reference to a standard, European Technical Assessment, common technical specification, or technical reference;*
- 7.3.2 Officers must justify to procurement why they wish to use this procedure and the specific benefits they are seeking to achieve; this to then be agreed by procurement. A failure to development of the specification or the contract (including failing to run a market engagement event) will not be an accepted reason.
- 7.3.3 An advert/ notice must be placed on both ***Find a Tender Services*** (FTS) and ***Contracts Finder*** (CF), and all documents must be attached electronically.
- 7.3.4 From a practical perspective, this route to market builds on the Restricted Procedure in that the SQ/ selection stage is the same and the initial tenders and how they are evaluated is also the same; however, there are the following distinctions

- (i) The specification and/ or the contract may include some elements that would benefit from market input to finalise, and these are to be developed during the negotiation stage of the procedure
- (ii) The procurement documents must identify all “Minimum Requirements” (non-negotiable elements) as well as setting out clearly the purpose of the negotiations and what is to be negotiated. The Award criteria is also non-negotiable.
- (iii) The procurement documents must also set out whether the Authority reserves the right to accept initial tenders (having the effect of this process being the same as the Restricted Procedure) and/ or transparently detail how the Authority will decide whether to negotiate or not.
- (iv) The authority may also, in the instruction document, include an option to down select the number of bidders to participate in negotiations following the evaluation of initial tenders ([Regulation 65](#)).
- (v) The process for the negotiations and how they are to be managed must be clearly explained in the procurement documents, including how the Authority will decide to end the negotiation stage and request final tenders (Best and Final Offers)
- (vi) Once the Authority has decided to request final tenders, they must update the procurement documents to reflect the discussions and decisions made during negotiations (being mindful of confidential information of individual bidders and that the Minimum Requirement must NOT be changed, nor can the award criteria))
- (vii) Once the Authority has requested final tenders, the procedure revert to a Restricted Procedure in that it does NOT allow for any further negotiation at any stage (during the procurement, after identifying the preferred bidder or post contract signature)

7.3.5 The final evaluation and identification of a preferred supplier follows that set out above for the Restricted Procedure.

7.3.6 Officers should allow a minimum of 6 to 12 months for this process.

7.3.7 Officers are required to publish an award notice on Contracts Finder/ Find a Tender based on value once the contract has been signed.

7.4 Competitive Dialogue ([Regulation 30](#))

7.4.1 This is a multi-stage, advertised process.

7.4.2 It includes the ability to discuss and define any unknown requirements.

7.4.3 Suppliers are shortlisted to tender following a supplier qualification process (SQ), and then invited to participate in a number of rounds of dialogue based on the predefined scoring criteria.

7.4.4 This is used where there is only a high-level outcome specification, and it is unclear as to (or part of it) is to be achieved.

7.4.5 This route is complex and takes a substantial amount of time and so will only be available where specified by procurement

7.4.6 Officers should allow a minimum of 9 to 18 months for this process.

7.5 Frameworks ([Regulation 33](#)) ([PCRs15](#))

- 7.5.1 A Framework Agreement is an arrangement with one or more suppliers (a closed (approved) list) to provide the requirements on an as required basis with no fixed commitment.
- (a) The Framework has a maximum duration of four years and subsequent awards can be made either by a direct award based on the framework prices or through further competition and evaluation – depending on what has been specified in the Framework Agreement.
 - (b) Suppliers are appointed to the Framework following a full tendering exercise that has assessed both quality and price.
 - (c) The Framework Agreement signed by successful Suppliers sets out the rules of participation in the Framework, specifically, terms and conditions, details of how any call-off contract will be awarded, the rules of participation in the competitions, what within the call of contracts can be modified as part of a further competition, maximum prices rates) scope of call-off contracts, and other general behaviours/ requirements of a supplier under the Agreement. It does not guarantee any level of commitment or any exclusivity.
 - (d) When selecting a Framework to use for a specific requirement, all and only those suppliers that are party to the selected Framework Agreement may be considered/ invited to participate in a further competition. You cannot “pick” which supplier to invite or mix and match across multiple frameworks to create a list of suppliers to invite to submit a tender.
 - (e) Contracts awarded under the Framework Agreement must be priced using the rates as follows
 - (i) Direct Awards – must be based on the framework rates as submitted in response to the procurement process.
 - (ii) Further Competition – can either be priced using the framework rates as submitted or offer a reduced rate. However, the pricing cannot exceed these rates.
 - (f) Contracts awarded under the framework can run past the framework end date where clearly permitted by the Framework Agreement.
 - (g) A framework can be established through the use of any of the above procedures, depending on potential market interest

7.5.2 New Framework Agreements

- (a) The Authority is allowed to establish their own Framework Agreements.
- (b) A contract notice is required to advertise the opportunity/ the new Framework Agreement where the total potential spend exceeds the published thresholds.
- (c) An advert/ notice must be placed on both [Find a Tender Services](#) (FTS) and [Contracts Finder](#) (CF), and all documents must be attached electronically.
- (d) Officers would be required to provide a comprehensive specification and provide some indicative quantities; along with detailing how many suppliers are to be appointed to the framework and the overarching Framework Agreement duration.
- (e) In addition, officers would need to detail how they intend to award contracts under the Framework Agreement (direct award or mini competition) so as to ensure equal treatment.
- (f) Once established, the framework can only be used in accordance with how it has been set up.

- (g) A Contract Award Notice is required at the point that the authority establishes a new Framework Agreement.
- (h) Officers should allow approximately 22 weeks for this process (including a standstill period)

7.5.3 Existing Framework Agreements

- (a) Officers should consider using a pre-existing Framework or where available; subject to it meeting the following requirements.
- (b) Before a Framework can be used, Procurement must assess whether it is accessible (excluding for CCS let arrangements) and carry out an assessment to ensure the required contract specification is in-scope of the framework specification, that the permissible contractual options are suitable for the proposed contract, and that the pricing model/ rates offer Value for Money.
- (c) Where a Framework is used, it must be in accordance with the Framework rules.
- (d) Officers should use the framework procurement templates and evaluation methodology where available and adapt them to meet the contract requirements.
- (e) Officers may, where permitted by the Framework Agreement, issue an Expression of Interest to all suppliers on the framework to identify which will respond to the opportunity. This may include, in some cases, some qualification requirements, again where expressly permitted by the Framework Agreement.
- (f) This route to market does not allow for a discrete SSQ assessment (Officers can NOT ask any backward-looking questions relating to experience or past performance). If Officers are concerned that the suppliers on the Framework Agreement do not have the required experience or expertise, they should not use that Framework Agreement.
- (g) Where the Framework allows for Direct Award, if the framework sets a value cap for the option this must be complied with, where no value cap is stated, officers must seek approval from procurement to direct award a contract in excess of £200,000
- (h) No advert/ notice is required for this route to market; however, officers are required to publish an award notice on Contracts Finder/ Find a Tender based on value.
- (i) Officers should allow a minimum of 8 to 14 weeks (including a standstill period) for this process
- (j) Officers should allow a minimum of 8 to 14 weeks (including a standstill period) for this process

7.5.4 Commonly Used (approved) Frameworks

- (a) Crown Commercial Services Frameworks
- (b) Eastern Shires Purchasing Organisation Frameworks
- (c) Homes England Frameworks
- (d) Highways England Frameworks
- (e) National LGPS Frameworks

7.6 Dynamic Purchasing Systems (DPS) (Regulation 34) (PCRs15)

- 7.6.1 A Dynamic Purchasing System is a modern day approved list for a specific scope of requirements with one or more suppliers. It must be set up and used as follows

- (a) This list refreshes at set intervals during the life of the DPS and as such is an open (approved) list.
- (b) The PCRs do not set an explicit maximum duration for running a DPS, but officers need to be pragmatic with the fact that its size will continue to grow with every refresh such that it could become unmanageable and include obsolete suppliers.
- (c) Suppliers are appointed to the DPS following SQ process and against a DPS agreement; as such, although their experience and expertise may have been assessed, they have not been assessed for either quality or price.
- (d) The DPS agreement sets out the rules of participation in the DPS, specifically, for what and when they need to notify the Authority of changes e.g., financial, legal structure etc., the rules of participation in the competitions, contract terms and conditions, how responses to competitions will be evaluated and any other information that Bidders must comply with when submitting a response. It does not guarantee any level of commitment or any exclusivity.
- (e) When selecting a DPS to use for a specific requirement, all and only those suppliers that are party to the DPS Agreement may be considered/ invited to participate in a competition. You cannot “pick” which supplier to invite or mix and match across multiple DPSs to create a list of suppliers to invite to submit a tender.
- (f) Competitions run under a DPS must be electronically managed.
- (g) Contracts awarded under a DPS must be by way of a competition which evaluates both quality and price and must be evaluated against the scoring matrix as published with the procurement documents when the DPS was launched.
- (h) Contracts awarded under the DPS can run past the DPS end date where clearly permitted by the DPS Agreement.
- (i) A DPS is fundamental administered as a split Restricted Procedure procurement;
 - (i) stage 1 the SQ admits them to the DPS, and
 - (ii) stage two the tender – selects the supplier to be awarded the contract
- (j) There is no mandatory requirement to apply a standstill period; however, it is best practice and as such, a 10-day standstill period is to be adopted.
- (k) There is no requirement to publish an award notice when suppliers are admitted onto the DPS, but the Authority is required to publish a Contract Award Notice when a contract is awarded under a DPS

7.6.2 New Dynamic Purchasing Systems (DPS)

- (a) The Authority is allowed to establish their own DPS
- (b) A contract notice is required to advertise the opportunity/ the new DPS where the total potential spend exceeds the published thresholds.
- (c) An advert/ notice must be placed on both [Find a Tender Services](#) (FTS) and [Contracts Finder](#) (CF), and all documents must be attached electronically.
- (d) Officers would be required to provide a comprehensive specification and provide some indicative quantities; along with detailing how suppliers are to be appointed to the DPS, the overarching DPS Agreement duration and the award criteria for future competitions.
- (e) Once established, the DPS can only be used in accordance with how it has been set up.

- (f) Officers should allow in excess of 8 weeks to establish a new DPS and then a further 6 weeks minimum to carry out a competition under the DPS and a further 2 weeks for a standstill period.
- (g) Officers must publish a Contract Award Notice once a contract has been signed

7.6.3 Existing Dynamic Purchasing Systems (DPS)

- (a) Officers should consider using a pre-existing DPS or where available; subject to it meeting the following requirements.
- (b) Before a Framework can be used, Procurement must assess whether it is accessible (excluding for CCS let arrangements) and carry out an assessment to ensure the required contract specification is in-scope of the framework specification, that the permissible contractual options are suitable for the proposed contract, and that the pricing model/ rates offer Value for Money.
- (c) Where a DPS is used, it must be in accordance with the DPS rules.
- (d) As Bidders have been admitted onto the DPS by way of their SQ submission, it is not permissible to ask any further SQ/ backward looking questions at award stage; if officers are concerned as to the suitability/ experience of the suppliers on the DPS they should not use that DPS.
- (e) Officers should use the DPS procurement templates and adapt them to meet the contract requirements and use the evaluation methodology as published
- (f) Officers should allow 6 weeks minimum to carry out a competition under the DPS and a further 2 weeks for a standstill period.
- (g) Officers must publish a Contract Award Notice once a contract has been signed

7.7 Direct Awards (Negotiated Procedure without prior publication - Regulation 32) (PCRs15)

- 7.7.1 *As the purpose of the PCRs is to ensure effective competition, the use of a direct award above threshold is restricted to where it is absolutely necessary*
- 7.7.2 Grounds for Direct Award include
 - (a) ***where no tenders, no suitable tenders, no requests to participate or no suitable requests to participate have been submitted in response to an open procedure or a restricted procedure, provided that the initial conditions of the contract are not substantially altered***
 - (b) ***where the works, supplies or services can be supplied only by a particular economic operator for any of the following reasons:—***
 - (i) *the aim of the procurement is the creation or acquisition of a unique work of art or artistic performance,*
 - (ii) *competition is absent for technical reasons,*
 - (iii) *the protection of exclusive rights, including intellectual property rights, but only, in the case of paragraphs (ii) and (iii), where no reasonable alternative or substitute exists and the absence of competition is not the result of an artificial narrowing down of the parameters of the procurement;*
 - (c) ***insofar as is strictly necessary where, for reasons of extreme urgency brought about by events unforeseeable by the contracting authority, the time limits for the open or***

restricted procedures or competitive procedures with negotiation cannot be complied with.

- 7.7.3 In the case of (b)(ii) above, officers will be required to publish an Expression of Interest using a PIN to evidence that competition is absent (there is only one supplier) before a direct award on such grounds will be agreed
- 7.7.4 In the event of (c) above, the urgency must not have come about through poor planning. In the event that the authority has known of the requirement for more than 4 weeks, it is unlikely that the officer will be given approval to award a contract under this route to market and will need to either identify a suitable framework or run a compliant competitive process (e.g. an accelerated Open Procedure with a 15 day tender period in accordance with Regulation 27(5) and a 10 day standstill period.
- 7.7.5 In any of the above cases, where the Authority agrees to allow a direct award under one of the above grounds, the Authority will publish a Voluntary Ex Anti Transparency (VEAT) Notices and apply a standstill period before being able to enter into a contract with any supplier. Following award/ contract execution, the Officer will also be required to publish a Contract Award Notice.
- 7.7.6 Officers should allow at least 2 weeks for the publication of the VEAT notice in addition to the time needed to collate the specification and contract and execute it.

7.8 Light Touch Procurement (*Regulations 74-76*)(*PCRs15*)

- 7.8.1 Light Touch procurements are subject to a slightly more flexible set of rules and a higher threshold before a Contract Notice is required.
- 7.8.2 Where a contract value is above threshold set out above, the Authority must publish an advert/ notice on *Find a Tender Services* (FTS) and *Contracts Finder* (CF), and all documents must be attached electronically.
- (a) The Contract Notice/ call for competition must including details of the
- (i) conditions for participation,
 - (ii) time limits for contacting the contracting authority, and
 - (iii) the award procedure to be applied.
- (b) Officers need to set out the procurement procedure comprehensively and transparently, they may either adopt any of the Part 2 PCR Procedures adopt a slightly modified version of one of those procedures or design their own.
- (c) In all of the above options, the Officer must clearly set out in the procurement document the selection and award procedures, and any scope for negotiation or dialogue, and how the preferred bidder will be identified.
- (d) In designing the award criteria, officers may take into account any of the following
- (i) the need to ensure quality, continuity, accessibility, affordability, availability and comprehensiveness of the services;
 - (ii) the specific needs of different categories of users, including disadvantaged and vulnerable groups;
 - (iii) the involvement and empowerment of users; and
 - (iv) innovation

- (e) Also, unlike other procedures, there may be occasions for which these requirements may be changed during the procedure; subject to the change not having discriminatory effects on any of the Bidders.
- (f) Furthermore, there is no mandatory requirement to apply a standstill period to a contract to be let under the Light Touch Regime; however, in accordance with best practice, the Authority has taken the decision that a standstill period will be applied in all but the most exceptional circumstances.
- (g) In all of the above option, the approach and any decision to amend it mid procurement will require the approval of the Procurement & Contracts Manager.
- (h) Officers should allow between 8 and 26 weeks, and a further 2 weeks for a standstill period, depending on the design of the procedure.
- (i) Officers must publish a Contract Award Notice once a contract has been signed

7.9 Concession Contract Procurements (CCRs16)

- 7.9.1 The procurement of Concession Contracts is governed by a different piece of legislation; specifically, [The Concession Contracts Regulations 2016 \(legislation.gov.uk\)](https://www.legislation.gov.uk)
- 7.9.2 The Threshold at which the CCRs applies is substantially higher for services than the PCR and there is no equivalent to the requirements of Regulations 105 to 112 in the CCRs; (No mandated requirement to advertise on Contracts Finder)
- 7.9.3 The CCRs do not include prescriptive procedures as with the PCR however it is still built on the general principles of requiring the Authority to *“treat economic operators equally and without discrimination whilst also acting in a transparent and proportionate manner”*.
- 7.9.4 As with LTR procurements, officers can simply adopt one of the PCR Part 2 Procedures and/ or adopt and tweak which ever procedure will most likely deliver the best outcome and achieve Best Value.
- 7.9.5 Officers will still be required to publish Contract Notices and Contract Award Notices on [Find a Tender Services](#) (FTS) (Although it is not mandatory to publish any notices on [Contracts Finder](#) (CF) the Authority has taken the decision to do so voluntarily as best practice) and all documents must be attached electronically
- 7.9.6 Where an officer believes their contract amounts to a concession contract (as per the definition provided at 3.2 above), they must engage with procurement and legal to discuss their requirements and agree how the procurement should be designed/ administered in consideration of the above and the specifics of the CCRs

7.10 Utilities Contracts Regulations (UCRs16)

- 7.10.1 The procurement of Utilities Contracts is governed by a different piece of legislation; specifically, [The Utilities Contracts Regulations 2016 \(legislation.gov.uk\)](https://www.legislation.gov.uk)
- 7.10.2 The Threshold at which the UCRs apply vary with regards to goods and services and there is no equivalent to the requirements of Regulations 105 to 112 in the UCRs. (No mandated requirement to advertise on Contracts Finder)
- 7.10.3 The UCRs are also built on the general principles of requiring the Authority to *“treat economic operators equally and without discrimination whilst also acting in a transparent and proportionate manner”*.
- 7.10.4 The UCRs, much like the PCR include a number of prescribed procurement procedures which in the main, can be matched to those found in the PCR. However, there are some differences/ flexibilities in the UCR version of the procedures that need to be accommodated/ complied with. These include

- (i) There is no need to justify the use of a negotiated procedure
 - (ii) The Negotiated Procedure with prior call for competition has more flexibility than its PCR counterpart.
 - (iii) There are no Prior Information Notices
- 7.10.5 Officers will still be required to publish Contract Notices and Contract Award Notices on [*Find a Tender Services*](#) (FTS) (Although it is not mandatory to publish any notices on [*Contracts Finder*](#) (CF) the Authority has taken the decision to do so voluntarily as best practice) and all documents must be attached electronically
- 7.10.6 Where an officer believes their contract amounts to a Utilities contract (as per the definition provided at 3.4 above), they must engage with procurement and legal to discuss their requirements and agree how the procurement should be designed/ administered in consideration of the above. It is worth noting that the Authority may choose to apply the PCRs and their more rigorous procedures and low thresholds if deemed beneficial to the Authority.

8 Evaluation Methodologies

8.1 General Principles

- 8.1.1 In designing an evaluation methodology, Offices must have regard to the following recommended approaches whilst also seeking to deliver value for money
- 8.1.2 The Award Criteria must (In accordance with [Regulation 67](#))(PCRs)
 - (i) relate to the subject-matter of the contract,
 - (ii) be sufficiently clear, measurable, and specific,
 - (iii) not break the rules on technical specifications,
 - (iv) be proportionate as a means of assessing tenders, having regard to the nature, complexity, social value considerations and the estimated cost of the contract.
- 8.1.3 All questions asked at award stage must be forward looking and seek relevant technical and/ or social value information from suppliers on how they will deliver this contract in consideration of the Specification and Contract.
- 8.1.4 All Pricing information requested must either relate to a lumpsum/ fixed prices or a schedule of rates; for the latter, an evaluation model must be created and shared with suppliers to assist them with competitively tendering.
- 8.1.5 Where the evaluation methodology includes legal considerations such as proposed amendments, assumption, or qualifications; Legal must be part of both the question and scoring matrix design.
- 8.1.6 The relative importance of each of the technical and Social Value questions along with the price/ costs must be clearly identifiable within the Award Criteria; usually as a percentage of the whole (out of 100).
- 8.1.7 In addition, the Authority must also provide suppliers with a clear and relevant scoring matrix for each question or potentially, groups of questions. It is important that the language and requirements in the scoring matrices link back to the question(s) and the relevant parts of the Specification. Only criteria clearly detailed within the scoring matrices will be able to be considered during evaluation.
- 8.1.8 Once the Authority has invited tenders, questions and scoring matrices must not be amended.
- 8.1.9 All evaluators must be "Suitably Qualified and Experience Persons (SQEP) for the question they are evaluating
- 8.1.10 Evaluators will evaluate each of their allocated question individually.
- 8.1.11 Evaluators do not need to evaluate all questions but the MUST evaluate all responses to a specific question
- 8.1.12 Where the process includes multiple stages, this process will be applied consistently for all stages so as to ensure a fair, consistent, and transparent process.
- 8.1.13 In the event that there is an inconsistency or an obvious error in the tender response, the Authority reserves the right to clarify this with the supplier in accordance with this document.
- 8.1.14 The Authority will evaluate pricing/ cost submissions in accordance with the methodology set out in the Instruction Documents and independently from the quality evaluation process.

- 8.1.15 In the event that the submission includes an arithmetical error that can be rectified without the provision of any additional or different information, the Authority reserves the right to make the correction.
- 8.1.16 Where, as part of the evaluation process, the price is considered to be 'Abnormally Low', the Authority must notify the supplier and give them an opportunity to demonstrate they are able to deliver the contract for the price/ that the rates are sustainable. Where the explanation is unsatisfactory, the Authority reserves the right to disregard the tender.

8.2 Single Quotes

- 8.2.1 Where it is permitted by the CPRs and these rules to obtain a single quote, Officers are required to identify a local supplier and they need to identify a means by which to check that it offers value for money against at least two of the following
- (a) A comparison of the cost against the budget
 - (b) A comparison of the rates received against industry standards where such rates exist
 - (c) A comparison of the costs/ rates received against a Framework Agreement that could be used
 - (d) Another means of demonstrating value for money in agreement with procurement and finance
- 8.2.2 In the event that there are no local suppliers, or the quote exceeds the budget and/ or there are no other means than the budget to demonstrate value for money, the Procurement and Contracting Manager may, in consultation with finance, may require that a quotes process be used instead. Any such decision is to be recorded on the contract register.
- 8.2.3 In the event that the value of the contract exceeds £25k, officers must publish a Contract Award Notice on Contracts Finder once the contract is signed

8.3 Request for Quotes

- 8.3.1 Where it is permitted by the CPRs and these rules to obtain quotes; officers are required to obtain three, one of which as a minimum, should be from a local supplier.
- 8.3.2 Officers may either evaluate these on a
- (a) price only basis (up to £100k), or
 - (b) quality and price basis.
- 8.3.3 Where evaluating on a quality/ price basis,
- (a) Officers may apply a split in the region of 80:20 to 20:80 and
 - (b) Officer should include up between 2 and 4 method statement questions depending on value and complexity of the requirement. This may or may not include a question on social value, depending on the scope of the contract.
 - (c) A scoring matrix must also be created that is aligned to those questions and with a focus on ensuring Best Value.
 - (d) The evaluation of the quotes must be by at least 2 evaluators and their scores must be moderated so as to ensure that the scoring criteria has been applied correctly.
- 8.3.1 In the event that the value of the contract exceeds £25k, officers must publish a Contract Award Notice on Contracts Finder once the contract is signed

8.4 Simple Tenders – Goods & Services

- 8.4.1 Where it is permitted by the CPRs and these rules to carry out a simple tender for Good & Services (3a), officers must collate a suite of procurement documents in accordance with Part 4.
- 8.4.2 Officers are required to evaluate these on a quality: price, Most Economical and Advantageous Tender basis
 - (a) Officers may apply a split in the region of 70:30 to 30:70 and
 - (b) Officer should include up between 3 and 5 method statement questions depending on value and complexity of the requirement.
 - (c) Officers must include a question on social value (environmental, Skills, Carbon, local business focused), depending on the scope of the contract.
 - (d) A scoring matrix must also be created that is aligned to those questions (based on the Authority's standard approach, and with a focus on ensuring Best Value.
 - (e) The evaluation of the simple tenders must be by at least 3 evaluators and their scores must be moderated so as to ensure that the scoring criteria has been applied correctly.
- 8.4.3 Officers are required to complete a tender report and make a recommendation for award in that tender report.
- 8.4.4 In the event that the value of the contract exceeds £25k, officers must publish a Contract Award Notice on Contracts Finder once the contract is signed

8.5 Simple Tenders Works

- 8.5.1 Where it is permitted by the CPRs and these rules to carry out a simple tender for works (3b), officers must collate a suite of procurement documents in accordance with Part 4.
- 8.5.2 Officers may utilise a two-stage process and down select the number of bidders to be invited to tender.
- 8.5.3 At Selection Stage – Offices are required to use the Standard SQ Parts 1 & 2 along with the financial and insurance questions from Part 3 and at least two project specific questions
 - (a) The Project Specific questions should require the bidder to submit case studies that demonstrate that they have the required skills and expertise, as well as having previously delivered similar requirements.
 - (b) The case studies should share the 100% score between them as appropriate for the nature of the questions and their importance against the specification.
 - (c) A scoring matrix must also be created that is aligned to those questions (based on the Authority's standard approach, and with a focus on providing confidence in the bidders' ability to deliver the contract.
- 8.5.4 At Award Stage - Officers are required to evaluate these on a quality: price, Most Economical and Advantageous Tender basis
 - (a) Officers may apply a split in the region of 70:30 to 30:70 and
 - (b) Officer should include up between 3 and 5 method statement questions depending on value and complexity of the requirement.
 - (c) Officers must include a question on social value (environmental, Skills, Carbon, local business focused), depending on the scope of the contract.
 - (d) A scoring matrix must also be created that is aligned to those questions (based on the Authority's standard approach, and with a focus on ensuring Best Value.

- 8.5.5 The evaluation of the simple tenders at both selection and award stage must be by at least 3 evaluators and their scores must be moderated so as to ensure that the scoring criteria has been applied correctly.
- 8.5.6 Officers are required to complete a tender report that details any decision to down select post selection and also detail who the preferred Bidder is and a recommendation for award.
- 8.5.7 In the event that the value of the contract exceeds £25k, officers must publish a Contract Award Notice on Contracts Finder once the contract is signed

8.6 Direct Award under a Framework

- 8.6.1 Where it is permitted by the CPRs, these rules and the selected Framework Agreement to make a direct award, the Officer must comply, and evidence compliance with the referenced rules by way of a tender report detailing the following;
 - (a) Where in the Framework it states that Direct award is permitted and the rules for applying a direct award
 - (b) A copy of the desk-top exercise carried out by the Officer including the criteria that were applied in identifying the preferred bidders
 - (c) Details of the rates to be paid under the framework for the direct award and how this delivers value for money (e.g., the supplier selected was the cheapest on the framework, or they were the cheapest of those who demonstrated the required expertise and have availability at the required time)
- 8.6.2 In the event that the value of the contract exceeds £25k, officers must publish a Contract Award Notice on Contracts Finder once the contract is signed

8.7 Mini Competition under a Framework

- 8.7.1 Where it is decided to use an existing Framework Agreement (CPCA owned or otherwise), officers are required to conduct the further competition as follows
 - (a) Create a set of questions and a pricing model aligned to what is permitted under the framework agreement
 - (b) Where permitted by the framework, officers should seek to utilise a quality/ price split of 60:40 (the reason for the split favouring quality being that the price element is capped by the framework rates)
 - (c) Officer should include up between 3 and 5 method statement questions depending on value and complexity of the requirement.
 - (d) Officers must include a question on social value (environmental, Skills, Carbon, local business focused), if permitted by the Framework Agreement and depending on the scope of the contract.
 - (e) A scoring matrix must also be created that is aligned to those questions and in accordance with what is permitted under the framework
 - (f) The evaluation of the further competition tenders must be by at least 3 evaluators and their scores must be moderated so as to ensure that the scoring criteria has been applied correctly.
- 8.7.2 Officers are required to complete a tender report and make a recommendation for award in that tender report.
- 8.7.3 In the event that the value of the contract exceeds £25k, officers must publish a Contract Award Notice on Contracts Finder once the contract is signed. In addition, where the

contract value exceeds the thresholds set out in section 5 above, officers should also apply a voluntary standstill period and publish a Contract Award Notice on FTS

8.8 Direct Award Reg 32

- 8.8.1 As with a direct award below the threshold for the nature of the requirements, officers are still required to evidence that the proposed contract delivers Best Value.
- 8.8.2 The means for demonstrating this will depend on the nature of the requirements, the reason for the direct award, the proposed value of the contract and the timescales for delivering the requirements; officers are therefore required to liaise with procurement, legal and finance and this is to then be agreed prior to agreeing the award.
- 8.8.3 Officers, when negotiating with a supplier under Regulation 32, should still aim to include some form of Social Value in line with PPN 06/20 and the associated guidance. In the event that this is not practical, Officers must seek approval from procurement not to include this requirement.
- 8.8.4 The means of selecting the supplier, how the proposal was assessed for Best Value, the inclusion of social value or not, and the justification for the direct award must all be documented in a tender report and approved in accordance with the contract value before the mandated VEAT notice and subsequent Contract Award Notice are published.

8.9 Above Threshold Procedures

- 8.9.1 For all above threshold procurement, officers must collate a comprehensive suite of procurement documents in accordance with Part 5.
- 8.9.2 Officers may utilise any of the routes to market set out in this Part, as permitted under the relevant legislation.
- 8.9.3 For an Open Procedure**
 - (a) SQ - Offices are required to use the Standard SQ Parts 1 & 2 along with the financial, insurance and references questions from Part 3 as a minimum (Section 10.4.1 below). There is no requirement to include Project Specific questions or case study requirements (section 10.4.2 below)
 - (b) Award Stage - Officers are required to evaluate on the basis of Most Economical and Advantageous Tender with a split between quality: price,
 - (i) Officers may apply a split in the region of 70:30 to 30:70 and
 - (ii) Officer should include up between 3 and 8 method statement questions depending on value and complexity of the requirement.
 - (iii) Officer may (as this is an Open Procedure) include a question on past experience and this can be scored or on a pass/ fail basis. (Officers should speak to procurement on how best to include such a requirement so as to ensure Best Value and effective competition)
 - (iv) Officers must include a question on social value (environmental, Skills, Carbon, local business focused), depending on the scope of the contract.
 - (v) A scoring matrix must also be created that is aligned to those questions (based on the Authority's standard approach, and with a focus on ensuring Best Value. (Where an experience-based question is being included, this may need a different scoring matrix, more aligned with the SQ standard matrix) (Officers may also need to use/ create a different scoring matrix for the social value question, depending on its structure and content – advice should be sought from procurement)

8.9.4 Multi-Staged Process (RP, CPN, CD)

- (a) At Selection Stage – Offices are required to use the Standard SQ Parts 1 & 2 along with the financial and insurance questions from Part 3 and at least two project specific questions
- (i) The Project Specific questions should require the bidder to submit case studies that demonstrate that they have the required skills and expertise, as well as having previously delivered similar requirements.
 - (ii) The case studies should share the 100% score between them as appropriate for the nature of the questions and their importance against the specification.
 - (iii) A scoring matrix must also be created that is aligned to those questions (based on the Authority's standard approach, and with a focus on providing confidence in the bidders' ability to deliver the contract.
- (b) At Award Stage - Officers are required to evaluate these on a quality: price, Most Economical and Advantageous Tender basis
- (i) Officers may apply a split in the region of 70:30 to 30:70 and
 - (ii) Officer should include up between 3 and 8 method statement questions depending on value and complexity of the requirement.
 - (iii) Officers must include a question on social value (environmental, Skills, Carbon, local business focused), depending on the scope of the contract.
 - (iv) A scoring matrix must also be created that is aligned to those questions (based on the Authority's standard approach, and with a focus on ensuring Best Value. (Officers may need to use/ create a different scoring matrix for the social value question, depending on its structure and content – advice should be sought from procurement)
- 8.9.5 The evaluation of an above threshold procurement, at both selection and award stage, must be by at least 3 evaluators (potentially up to 5) and their scores must be moderated so as to ensure that the scoring criteria has been applied correctly.
- 8.9.6 Officers are required to complete a tender report that details any decision to down select post SQ stage and also, where permitted, post initial tenders/ between dialogue meetings) and also detail who the preferred Bidder is and a recommendation for award.
- 8.9.7 Before a contract can be signed,
- (a) Officers must issue a [Regulation 86](#) notice (outcome/ standstill letter) to all bidders (successful and unsuccessful) at the same time (further detail on what is required is set out in section 10 below), and
 - (b) Officers must apply a mandatory standstill period of 10 days ending at midnight on the final day (which cannot end on a weekend).
- 8.9.8 Officers must publish a Contract Award Notice on both Contracts Finder and Find a Tender once the contract(s) is signed.

9 Rules on Drafting Questions & Scoring Matrices

9.1 General Guidance

9.1.1 Officers are to consider carefully what questions they ask bidders to answer.

9.1.2 The questions asked must be in accordance with the following

- (i) SQ – backward looking – ***“what has the company done in the past that demonstrates they have the capability to deliver this contract’s requirements?”***
- (ii) Award – forward looking – ***“how will you deliver this contract going forward?”***

9.2 Selection Questions

9.2.1 The SQ questions are/ can be used to

- (i) Check the bidder has an appropriate track record ([Reg 57](#)); AND
- (ii) that they have the capability and capacity; AND
- (iii) (potentially) to select which bidders to shortlist to invite to tender

Post selection, the responses to the SQ fall away

9.2.2 The questions should focus on the parts of the specification which are the most risky, complex, or are critical to the delivery of a high-quality/ on-time contract

9.2.3 They should seek to provide confidence that the suppliers shortlisted can all deliver the contract

9.2.4 They should not be something you want to interrogate at award stage.

9.3 Technical Questions

9.3.1 The Award Questions

- (i) Need to relate to the subject matter of the contract; AND
- (ii) Need to work seamlessly with the specification and the contract; AND
- (iii) Will be used to Identify the preferred bidder; AND
- (iv) Will become contractual and used to manage the delivery of the contract

9.3.2 The number of questions asked should be asked based on the following

(a) The value of the contract

(b) The complexity of the contract

(c) The form of specification

- (i) **Input Specifications** – very prescriptive detail on what is required, maybe 2 to 3 questions, should focus on getting assurance bidders can deliver and on time.
- (ii) **Output Specification** – sets out the output to be achieved, maybe 3 to 5 questions, should focus on how, when, who will deliver that output, to the required quality and on time.

- (iii) **Outcome Specification** – sets out the purpose of the contract, maybe 5-8 questions, should focus on what, how, when why and who will deliver that outcome, along with the quality, timescales, and budget.
- 9.3.3 Officers should, in designing their questions, consider (clearly identify in the question) which parts of the specification and/ or contract the bidder needs to address in their response
- 9.3.4 Officers should start by setting the scene to each question and then
 - (i) Ensure they are actually asking a question/ seeking specific information (rather than simply making a statement)
 - (ii) Ensure that the wording of the question does not allow bidders to simply answer yes or no
 - (iii) Avoid using double negative
 - (iv) Avoiding using convoluted or complicated terminologies, acronyms or other shorthand that could create confusion or difference in interpretation.
 - (v) Not ask for information that only an incumbent could provide
 - (vi) Only ask for information that is irrelevant to contract delivery
- 9.3.5 Where a question includes multiple bullet points that need to be responded to, officers need to decide and make clear whether the weighting of the question applies as a whole or whether each of the individual bullet points in the question have a discrete weighting's within the overall.
- 9.3.6 Officers should also make clear if they want the response submitted in a particular format, sequence, or other presentation requirements. (NB, if it isn't in the question or the scoring matrix then you can consider it!)

9.4 Social Value Questions

- 9.4.1 As with drafting technical questions, the need to relate to the subject matter of the contract and Bidders need to understand what is expected from them
- 9.4.2 Officers may include their own specific social value requirements within the specifications such as
 - (a) Net Zero compliance
 - (b) Real Living Wage Employer by the Living Wage Foundation,
 - (c) Apprenticeships
 - (d) Skills and development
 OR
- 9.4.3 Officers may choose to select questions from the Social Value Model (PPN 06/20) [PPN 06/20 Social Value Model](#)
 - (a) Where officer select themes/ questions from the model, they may include the questions verbatim or use them as an idea and tailor them to their contract. Equally, they may use the scoring matrix as issued, or modify it to meet their requirements. [Social Value Model scoring matrix](#) and guidance
 - (b) Where officers are using themes and the principles of the Social Value Model but modified, this must be made very clear and bidders may “assume” that they can pick an answer from their library of Social Value Model, model answers

9.4.4 Definitions:

- (a) “Net Zero” above means a policy and all the practical measures taken by a potential bidder in a procurement by which this bidder ensures and achieves zero balance between the amount of greenhouse gas produced and the amount removed from the atmosphere in its operations.
- (b) “Real Living Wage” is the hourly rate payable by organisations to their employees and contractors as this is set by the Living Wage Foundation, which corresponds to the hourly rate working people need to afford a minimum ‘decent’ standard of living.

9.5 Commercial Questions - written

- 9.5.1 In some cases, in addition to the evaluation of price/ cost, officers may also wish to ask for written explanations/ assurance that the price/ completed cost model etc. are both realistic and sustainable.
- 9.5.2 In creating such a question, officers need to identify what they consider to be their key risk or concerns and then create a question that through links back to the commercial model/ price that would allow the bidder to address those risk/ concerns and provide confidence that if awarded the contract, they won't come back asking for more money or the contract will fail.
- 9.5.3 Officers should involve finance in the drafting of any such questions and ensure that those who will be involved in the evaluation of the commercial element (price and this question) are suitably qualified to evaluate the answer). This quest cannot be evaluated by the technical team or with reference to the technical responses.
- 9.5.4 As with the technical questions, the question needs to relate to the technical and legal requirements and need a bespoke scoring matrix that picks up on the risks and considerations that the question seeks to address and the level of confidence that the response provides.

9.6 Legal Questions

- 9.6.1 In most procurements (Open and Restricted) Bidders are simply required to accept the terms and conditions as issued (as there is no scope to negotiate make changes post issue of the procurement documents)
- 9.6.2 It is accepted that in CPNs and CD procedures that one of the most common elements to be finalised during such discussions is the contract/ legal obligations and is often linked to resolving a number of assumptions and qualifications.
- 9.6.3 Where the contract is open to amendment, officers need clearly set out what information they require from bidders and how they are going to consider/ accept or score such information.
- 9.6.4 As with any evaluation, officer need to ensure that
 - (a) all bidders are treated equally,
 - (b) the question/ evaluation is focused on the needs of the contract and risk; and
 - (c) that the approach is transparent and applied as stated.
- 9.6.5 Any questions or evaluation of legal consideration must be discussed and agreed with legal and will require legal to evaluate the response to ensure accurate evaluation and fair treatment.

9.7 Page count/ word restrictions

- 9.7.1 Officers will also need to consider how many words/ pages they will allow bidders in which to respond to the required questions (too many and you get a lot of waffle, too few

and you get high-level basic details only); as such response restrictions should be proportionate to

- (i) The number of points in the question to be answered
- (ii) How much of the specification they need to address/ develop/ explain in answering the question
- (iii) The form of specification being used and the level of detail that is required to make the specification when read with the responses, performance manageable.
- (iv) The amount of time it will take bidders to respond, evaluators to evaluate and the authority to moderate; along with the available timescales
- (v) Whether the response needs; a programme, CVs, flow charts, policies, or other evidence to provide assurance that the supplier isn't just "talking the talk when they can't walk the walk".

9.8 Financial Evaluation

- 9.8.1 Depending on the nature of the contract, the financial evaluation may be based on a lump sum, an annual cost, a schedule of rates, service user costs
- 9.8.2 Where a lump sum or annual cost are the logical outcome of bidders completing the pricing document (often an excel document) then it is this value that should be evaluated
- 9.8.3 Where the pricing document requires bidder to provide rates; be that for requirements that will be paid for by the authority or the service users, those rates need to be translated into a value that can be evaluated.
 - (a) A value for "evaluation purposes only" ideally should be based on an indicative set of usage levels provided by the authority and based on historic information. The reason for this usage data being provided by the authority (for evaluation purposes only) is to ensure a level playing field and to prevent bidders from trying to "game" the evaluation process by low-balling prices of activities that are used less and loading prices that will be used often. It also aids in levelling the playing field where there is an incumbent.
 - (b) Due to the complexity of some contracts, it may be necessary to use an external consultant to create this pricing model for evaluation purposes and where relevant, the model should consider the guidance included in the Commercial Playbooks around SCMs.
 - (c) Once created, officers should try to "break" or manipulate the model before using it so as to satisfy themselves that it is not "gameable"
- 9.8.4 Once there is a value that can be evaluated the officer needs to discuss with procurement the optimal way to evaluate that price.
- 9.8.5 The most commonly used approach is the calculation of a relative score, other options include the Price per Quality Point, or a banding system

9.8.6 Relative Pricing

- (a) This mechanism works as follows
 - (i) The lowest priced bid score the maximum score available
 - (ii) The rest of the bidders are score relative to the lowest bid as follows
 - (iii) $\frac{\text{Lowest Price}}{\text{Bidder's Price}} \times \text{price weighting} = \text{bidder's price score}$

- (b) This approach can cause bidders to price lower than they might otherwise as it creates a perception that there is a “race to the bottom”

9.8.7 Price Banding

- (a) This mechanism works as follows
- (i) The procurement document includes a table whereby for a range of values, the bidder can calculate their price score out of a possible 30% as follows

Over £1,000,000	fail
750,000 – 999,999	10%
500,000 – 749,999	20%
250,000 – 499,999	30%
250,000 or less	Abnormally low/ fail

9.8.8 Maximum Price

- (a) Sometimes the aim of the procurement is to maximise service delivery against a budget, in such cases, it may be preferable not to use a relative price of a price banding that favours the lowest price. In such cases, the above table should be reversed and those that use the whole budget score highest.

9.8.9 Price per Quality Point (PCP)

9.8.10 This approach seeks to reward bidders for providing a quality offering and is calculated as follows

- (a) The quality part of the evaluation uses the whole 100% of the score.
- (b) The quality responses are scored as per any quality questions, weighted, and then totalled
- (c) The bidder’s price is then divided by their quality score; such that, the higher the quality score, the lower the PCP
- (d) The Bidder with the lowest PCP wins.
- (e) An obvious concern with this method is that bidders could unnecessarily “gold plate” their offering. Officers can, to protect against this risk, include a maximum cost that bidders can submit. This must be made very clear along with the consequences of submitting a price above this maximum (e.g., exclusion from the procurement)
- (f) This evaluation methodology is the required methodology for a Competitive Dialogue; but should be considered for any procurement where there is a high emphasis on quality needed.

9.8.11 Officers should discuss all of the above with procurement before finalising their evaluation methodology as the method of evaluating price can impact whether the outcome of the procurement actually provides Best Value.

PART 5 - PROCUREMENT ADMINISTRATION

10 Procurement Documentation Requirements

10.1 Instruction Document (ITT) (Regulation 54-56)(PCRs2015)

- 10.1.1 Every procurement that is Level 2 or above must include an instruction document.
- 10.1.2 Officers are to use the Authority's templates and tailor it to the contract's specific requirements.
- 10.1.3 This document must clearly set out the process (and Procedural Requirements) to be followed, including
 - (a) Background information – who the authority is, what they are seeking to achieve and any other relevant information
 - (b) An overview of the technical requirements, funding obligations or pertinent contractual obligations e.g.; insurances
 - (c) Details of which procurement procedure has been adopted, the detailed procurement process (including where relevant, details of all stages), and indicative timescales
 - (d) Details of all documents being made available to Bidders to allow them to submit a response
 - (e) Details of how bidders are to submit clarifications and communicate with the authority
 - (f) Evaluation Methodology
 - (i) SQ - Where there is a discrete selection stage – details of what is required, how the submitted information will be evaluated and how bidders will be selected to participate in the next stage of the procurement
 - (ii) Award - details of what is required from bidders (quality & price), how the submitted information will be evaluated and how the preferred bidders will be identified
 - (g) Multi-stage procurements only
 - (i) The purpose of the multi-stage approach
 - (ii) Details of whether initial tenders can be accepted
 - (iii) Details of Minimum Requirements and the Award Criteria
 - (iv) Details of how the Authority will decide to proceed to negotiation/ dialogue
 - (v) Details of how bidders will be down selected between stages (Regulation 63)
 - (vi) Detail of how the negotiation meeting/ dialogue meetings will be administered and information shared
 - (vii) Details of how the Authority will determine that the negotiation stage is complete
 - (h) Details of the Standstill process
 - (i) Pre-Award Supplier Assurance/ Due Diligence

- (j) Conditions of Tendering – all of the do's and don'ts of participating in the procurement process.
- (k) Form of Tender, anti-collusion certificate etc
- 10.1.4 Where the procurement requires supplier assurance, the elements to be revisited must be clearly documented in both the SSQ and the Instruction document. Equally, the impacts of any adverse changes must also be clearly stated; e.g., a supplier may be eliminated if they fail the SSQ or there are major concerns identified at award stage and those concerns cannot be mitigated with PCG or a Bond.
- 10.1.5 Where the process is multi-staged, this document must be updated as the procurement progresses.

10.2 Due Diligence Assessment

- 10.2.1 Where a selection stage is not permitted (Levels 1, 2 & 3a), the Authority may still assess a basic level of supplier capacity and capability, this to generally include turnover, Profit Margins, and relevant ratios
- 10.2.2 Officers must liaise with Procurement and Finance to identify the most appropriate and thus required assessments in consideration of the contract value, any risks identified above and the potential impact of contract failure during delivery.
- 10.2.3 This assessment should then result in a simple pass or fail.

10.3 Standard Selection Questionnaire (SSQ Parts 1 & 2)(Regulation 57)(PCRs)

- 10.3.1 Where a procurement is following either a Level 3b or Level 4 procurement, the Authority may set Conditions of Participation
- 10.3.2 The Authority must use the central government issued questionnaire as the foundation for this assessment. An unacceptable response to this questionnaire may result in the supplier being excluded
- 10.3.3 This part of the template includes the mandatory questions and is built into the e-tendering portal for bidders to respond to on-line.
- 10.3.4 The Authority must provide scoring guidance (what amounts to a pass or a fail) against each of the SSQ on the portal, to ensure transparency and fair competition.
- 10.3.5 In exceptional circumstances the SQ may be submitted as a word document for Bidders to download, complete and return; but only where agreed by the Procurement and Contracting Manager.

10.4 Standard Selection Questionnaire (SSQ Part 3)(Regulation 58)(PCRs)

- 10.4.1 Where an Open Procedure is being followed, officers need to consider which of the following should also be assessed on a purely pass/ fail basis; specifically
 - (a) suitability to pursue a professional activity;
 - (i) Qualifications & Accreditations
 - (b) economic and financial standing;
 - (i) turnover & ratios & P&L
 - (ii) Insurance
 - (c) technical and professional ability.

- (i) References – Pass/ Fail
- (d) Other – Based on PPN Guidance
 - (i) Data Protection – Commitment - Pass/ Fail
 - (ii) Health & Safety – Commitment - Pass/ Fail
 - (iii) Carbon Reduction – Commitment - Pass/ Fail
 - (iv) Skills & Apprenticeships – Commitment - Pass/ Fail
 - (v) Tackling Modern Slavery - Commitment - Pass/ Fail
- 10.4.2 Where a Level 3b or a Level 4 Restricted, CPN or CD procedure is being used and the authority wishes to select the most skilled and experienced supplier/ down select before award stage ([Regulation 63](#)), officers may in addition to the optional questions detailed in 7.4.1 above, may include additional/ project specific questions as follows
 - (i) Technical Questions that test how the supplier has deliver all or specific parts of the technical requirements, as included in the specification, previously (Backward looking)
 - (ii) Organisation Capacity, skills, and experience (generally)
- (b) Questions asked at SQ stage must be backward looking – “what has the organisation done in the past?”, it should not include questions about individual staff or performance commitments
- (c) Officers should note that where something is assessed at SQ stage, it should not also be assessed at award stage.
- (d) Furthermore, the response to the SQ questions do not generally become part of the final contract; where this is the case, Officers should not ask questions at SQ where they would wish to include the commitment in the contract
- 10.4.3 Officers are required to include details of how the responses to these questions will be evaluated. The scoring matrix should be based on the authority’s standard approach but tailored to meet the specific requirements of the questions being asked.

10.5 Technical Specification (Regulation 42)

- 10.5.1 Specifications are not a legal document but are often the most legally significant document
 - (a) *“Technical specifications shall afford equal access of economic operators to the procurement procedure and shall not have the effect of creating unjustified obstacles to the opening up of public procurement to competition.”*
 - (b) Specifications should be based on Performance and Functionality
 - (c) Ultimately the specification document will become a schedule of the contract and will be one of the mechanisms through which officers will manage the resultant contract.
 - (d) The specification should not be drafted in isolation to the other procurement documents and should be input into by all affected stakeholders and where possible, a sample of service users. In particular, its content feeds into
 - (i) Procurement strategy
 - (ii) Selection requirements
 - (iii) Award requirements (questions and scoring matrix)

- (iv) Form of contract and specific contract obligations
 - (v) Key Performance Indicators
 - (e) Where a requirement is particularly technical, officers need to determine whether they have the technical experience and expertise to draft the specification or whether they need to instruct an external specialist to draft the document for/ with them.
 - (f) Furthermore, officers should consider whether to carry out a market engagement event to feed into the specification or if there is any other research that they could carry out to ensure that the specification is both appropriate and competitive.
 - (g) Where officers seek input from an external technical expert (individual or organisation) or engage with the market to ask questions or review the proposed specification, officer must ensure that they consider any potential (or perceived) conflict of interest (Reg 24) or unfair advantage (Reg 40 and 18) and take all reasonable steps to manage those risks
- 10.5.2 There are three types on specification commonly used, these are set out below.
- (a) **Input-based specification** – are traditional form of specification; substantial, exacting and very prescriptive in what, how, when
 - (i) Will need to include precise details regarding (for example):
 - What is wanted (product, model, colour, size, etc.)
 - How the contract is to be performed
 - By when and even by who
 - (b) **Output-based Specification** - the output is described but not how to achieve it, and
 - (i) Will need to include details regarding
 - What is wanted (e.g., a hospital with many beds, a block of flats each with a footprint of X)
 - Minimum standards
 - Timescales
 - Budget
 - (c) **Outcome-based specification** – defines the purpose of the project or contract, and
 - (i) Will need to include details regarding
 - the function or performance that a solution must fulfil for the end-users
 - quantify the desired outcomes (if possible)
- 10.5.3 Examples of these approaches is included below regarding the requirement to build a bridge.
- (i) An **Input specification** would talk about the materials that would be used, their depth and consistency, the volume of asphalt required, the British Standards regulations for these materials and the methods of preparing the surfaces along with a detailed bill of quantities, plans and schedule.
 - (ii) An **Output specification** would describe what you want –a bridge that has a hard surface, which is 2m wide and has a warranty of workmanship and materials.

- (iii) **An Outcome specification**, on the other hand, would simply explain why you are commissioning this project in the first place. You want to provide the shortest and most convenient means of pedestrian access from the main road to the entrance of an office block which would allow 500 pedestrians to use it simultaneously between the hours of 06:00 to 19:00 on working days.
- 10.5.4 It is possible to have a specification that is “broadly” based on one approach, but with elements of the others; however, unusual “restrictions” or levels of “discretion” can actually make it very difficult for bidders to provide a compliant solutions.
- 10.5.5 Officers need to be careful, with regards any approach to creating a specification, that they do not
- (a) Include a requirement that is so prescriptive that it is anti-competitive
- (b) Specify a requirement based on brand, serial number etc unless they include the option to offer “equivalency”
- 10.5.6 Where a specification does include a product brand/ model number and bidders are invited to submit an equivalence, it is the responsibility of the Bidder to demonstrate how their proposed solution is equivalent and this should be clearly set out in the Instruction document in the conditions of tendering section.
- 10.5.7 In addition to the specification approach, it is important that the document is structured in a clear and logical order and that where possible, the requirements are explicit rather than implied (especially in an open and restricted procedure where there is no scope to negotiate/ develop the specification throughout the procedure).
- 10.5.8 The Specification should also include (and link back to the contract) specific sections on
- (i) **Quality Assurance Standards and environmental management standards** (Regulation 62 (PCRs))
- ISO accreditations
 - Quality Control
 - Cyber Security
 - Business Continuity Plans
 - Performance requirements – including KPIs, service levels and service credits (where relevant)
- (ii) **Economic, Innovation-Related, Environmental, Social or Employment-Related Consideration** (Regulation 70 (PCRs))
- Social Value - (Social Value Act 2012)
 - Policies and commitments
- (iii) **Subcontracting** and reliance on the capacity of others (Regulations 63 & 71 (PCRs))
- Sub-contracting and supply chain management expectations
- (iv) **Contract Management**
- Roles & Responsibilities – Bidder v Authority
 - Delays and remedies
 - Reporting/ Contract Management

- (v) **Termination assistance/ exit planning** – including TUPE

10.5.9 Specification Risks

- (a) Bidders decide whether to participate in the procurement based on the content of the specification document, a poor document may reduce effective competition
 - (b) Ambiguous, poorly written specifications can result in
 - (i) may result in significant number of clarifications and extensions to the procurement timeline
 - (ii) bidders submitting very different solutions which cannot then be evaluated on a like for like basis
 - (iii) may require alteration post award which creates a procurement risk
- 10.5.10 Officers are encouraged to engage with procurement and legal as soon as possible so as to ensure that all essential considerations are included within the specification document.

10.6 Award Questions Response Document

10.6.1 Overview

- (a) Officers are required to populate the procurement response template with their questions.
- (b) It is important that the evaluation methodology and the response requirements are very clear, and that bidders understand what is expected from them
- (c) The aim is that by putting everything in one place and requiring them to complete our template that bidders do not accidentally miss answering a question or submit in a format that make it difficult for evaluators to evaluate.
- (d) Officers should also consider, where using different scoring matrices for different questions/ question types, whether to include the relevant scoring matrix after each question so as to remove any risk of ambiguity.
- (e) Officers are encouraged to engage with procurement before completing this document.

10.6.2 Most Economical & Advantageous Tenders (MEAT)

- (a) The default evaluation approach is to assess both quality and price; the split of the 100% score between the two considerations will depend on the route to market, value, specification, and complexity. As such, it is essential that officers, when completing this template, clearly identify the split to be applied to the different categories of question, include as follows,
 - (i) In the event that there is a written commercial question, the weighting for this question should be within the price share of the split.
 - (ii) Likewise, social value questions, the weighting should be taken from the quality share of the split.
 - (iii) In the event that the legal requirements are evaluated, this needs to be clear and should generally be a pass/ fail assessment.

10.6.3 Quality

- (a) Officers need to clearly detail in the template, the weighting share of each question; this should be as a portion of the whole, e.g., if quality has a share of 60% then the total of all quality questions (including social value) must be 60%

10.6.4 Price

- (a) Officers need to summarise in this document what information they require for “price” and how it will be evaluated.
- (b) Ideally, the way in which the pricing information is requested, should align to how the price was calculated in section 5.2 above.
- (c) Where the pricing requirement is to be based on a schedule of rates, then a “pricing model” is required or where the use of the PCP is being considered, then how this is included in this document should be discussed with procurement with clear links to the explanation that will be included within the instruction document.

10.6.5 Social, Economic and Environmental

- (a) As with other quality questions, officers need to include details of the questions and the question weighting in this section.

10.7 Contract Document

- 10.7.1 This document must provide the supplier with all of the information needed to understand the performance obligations that they will need to adhere to. Some key considerations being
 - (a) Performance management considerations including KPI reporting, change management and termination
 - (b) Payment Obligations and Mechanism including prompt payment to the supply chain and managing indexation and/ or inflation risks
 - (c) Liabilities, insurance, collateral warranties, and Intellectual Property
 - (d) Details of Health & Safety and/ or environmental considerations
 - (e) Details of relevant public sector legislation (GDPR, FOI, EIR etc)
- 10.7.2 Where the procurement process allows for negotiations/ dialogue, the document may be published in draft with the non-negotiable requirements clearly identifiable as mandatory.
- 10.7.3 Officers should liaise with legal on the drafting of this document as soon as a draft specification is available as the two documents need to be consistent and coherent.

10.8 Clarification Record

- 10.8.1 Procurement will create a clarification log for all procurements
- 10.8.2 Officers will be required, working with procurement, to answer all of the clarification questions asked by bidders throughout the procurement process.
- 10.8.3 This document will be shared with evaluators and may also become part of the contract (or inform updates to procurement document/ the contract in a multistage procurement)

10.9 Form of Tender

- 10.9.1 The Authority must publish a Form of Tender that all suppliers must sign and return with their tender submission, and which must include as a minimum the following declarations:
 - (a) That they have complied with the rules of the procurement (Procedural requirements) and satisfied the conditions of participation

- (b) They have not acted in a way that would be assessed by the Authority as being unacceptable/ subject to either mandatory or discretionary exclusion e.g., bribery, corruption, fraud etc
 - (c) That they have the authority to submit a tender and that the price is fixed for the stated duration.
- 10.9.2 Where a procurement procedure is based on a two stage or multi-stage procedure, officers should ensure that it is clear in the instruction document at which point this must be completed and submitted by bidders.

10.10 Evaluation records

- 10.10.1 All evaluators are required to document their evaluation of every question for every bidder that they score.
- 10.10.2 These records must include
- (i) their name and date;
 - (ii) the question number and title;
 - (iii) all of the question sub-requirements;
 - (iv) comments against each limb of the relevant scoring matrix (ideally against each of the questions' sub-requirement);
 - (v) a score in accordance with the relevant scoring matrix; and
 - (vi) a summary of the reason for that score including, "what they did well and what they could do better"
- 10.10.3 Evaluators should make their notes digitally and these must be issued to procurement ahead of moderation and must NOT be deleted
- 10.10.4 Officers are also required, as part of their evaluation, to send any clarification requirements that they have through to procurement. Once all of the evaluators have submitted the questions and score sheet, procurement will then collate and issue these questions to the bidders and the response will be discussed at moderation. As with other clarifications, these may be included in the contract/ used to inform subsequent stages where applicable.

10.11 Moderation Records

- 10.11.1 The individual scores of each evaluator must be collated in a moderation spreadsheet
- 10.11.2 At moderation, the moderator must document
- (a) The individual evaluators' initial summaries,
 - (b) A chronology of the discussions for each question and each bidder;
 - (c) The consensus scores for each question for each bidder;
 - (d) And a reason (documented for each evaluator) why there have (if there have) been any changes to an evaluator's initial score
 - (e) Any clarification questions asked as a result of moderation and how that response has been considered.

10.12 SSQ Report

- 10.12.1 where applicable, the results of the qualitative selection and reduction of numbers pursuant to regulations 65 and 66, namely
- (i) the names of the selected candidates or tenderers and the reasons for their selection;
 - (ii) the names of the rejected candidates or tenderers and the reasons for their rejection;
- 10.12.2 Details of if a higher than “twice the estimated contract value” is used in the SQ assessment along with a justification for the increased threshold, such as reference to special risks.

10.13 SSQ Outcome Letters

- 10.13.1 Following the outcome of a selection stage, officers will be required to notify bidders of the outcome of their evaluation and moderation process.
- 10.13.2 Officers must notify all bidders at the same time
- 10.13.3 Although there is no automatic requirement to provide feedback as part of these letters, Bidders are entitled to request feedback under Regulation 55; specifically, “the reasons for the rejection of its request to participate” and this must be provided within 15 days of the request.
- 10.13.4 The Authority has therefore decided, that in accordance with best practice, that Officers should provide bidders with the following
- (i) Their scores, and
 - (ii) The reason for their score
- And thus, the reason for their rejection
- (b) As there are no “preferred” Tenderer at SQ stage, there is no requirement to provide them with the “characteristics and relative advantages of the successful tender”,

10.14 Initial Tender Outcome Letters

- 10.14.1 Although there is no formal requirement at this point around notifications, officers are encouraged to communicate with tenderers in a fair and transparent manner and in accordance with what was stated in the instruction document and in line with any decisions being made.
- 10.14.2 Where this letter is informing bidders that they have not been selected to participate in the next stage, then in accordance with Regulation 55, officers are required to notify *“any tenderer that has made an admissible tender of the conduct and progress of negotiations and dialogue with tenderers”*.
- 10.14.3 Officers must liaise with procurement as to what exactly should be included in the notification being mindful that the procurement is still live

10.15 Tender Outcome/ Standstill Letters

- 10.15.1 For all tendered procurements, officers must notify bidders of the outcome of their evaluation and moderation exercise.
- 10.15.2 Officers are recommended to apply a voluntary standstill period for all procurement with a value that is “above threshold” regardless of whether a standstill period is mandatory

- 10.15.3 Where a regulation 87 standstill period is applied (mandatory or voluntary) the authority has committed to providing an outcome letter/ Regulation 86 notification to all bidders. This decision has been taken in line with best practice, to aid bidders in using unsuccessful outcomes to improve future tenders and to protect the authority from the risk of a claim of ineffectiveness.

10.16 Tender Report / Regulation 84 Report (PCRs)(Level 3 and 4)

- 10.16.1 Officers are required to create a tender (evaluation and decisions) report; this should include as a minimum
- (a) Introduction and Background to the procurements
 - (b) Details of the contract value, duration, any lots, regional packages, or other relevant information
 - (c) Details of the procurement procedure (including when using an existing framework or DPS), the stages and where a CPN or CD, the justification for the use of that procedure along with minimum requirements or any other key information
 - (d) A justification for the use (or not) of Lots
 - (e) The evaluation methodology including the questions and scoring matrices
 - (f) Details of the evaluators and which questions they were evaluating
 - (g) Details of how many tenders were received along with any issues, non-compliances etc
 - (h) Details of any training provided to evaluators
 - (i) Details of any templates or other guidance issued to evaluators
 - (j) Details of any clarifications raised by evaluators or during moderation
 - (k) Details of any moderation templates, the process applied and the date of the meetings
 - (l) Details of any issues that arose during the evaluation or moderation process and how they were managed
 - (m) A summary of the moderation scores, weighted scores, and total
 - (n) Details of the commercial evaluation process and the scores (including calculations)
 - (o) Details of any abnormally low clarifications/ tenders rejected where found to be abnormally low
 - (p) A table summarising all technical and commercial scores
 - (q) The name of the successful tenderer and the reasons why its tender was selected
 - (r) Details of any learned
 - (s) Details of any governance in place/ required before the contract can be signed
 - (t) Appendices
 - (i) Appendix A – Award Criteria
 - (ii) Appendix B – Scoring Matrices

- (iii) Appendix C - Evaluator SQEP record
- (iv) Appendix D – Moderation Notes
- (v) Appendix E – Pricing Calculation
- (vi) Appendix F - Governance/ budget approval
- (vii) Appendix G – Conflict-of-Interest Register
- (viii) Appendix H – Details of any Prior Involvement Measure taken
- (ix) Appendix I – A copy of the SQ Report

10.17 Conflict of Interest Register

- 10.17.1 The Authority has an obligation to create and maintain a Conflict-of-Interest Register.
- 10.17.2 Officers are therefore required, at every stage of a procurement, to notify procurement where there is even a minor change in circumstances that could amount to or be perceived as amounting to a conflict-of-interest.
- 10.17.3 Regulation 24 details that
 - (a) *the concept of conflicts of interest shall at least cover any situation where relevant staff members have, directly or indirectly, a financial, economic, or other personal interest which might be perceived to compromise their impartiality and independence in the context of the procurement procedure.*
 - (i) *“relevant staff members” means staff members of the contracting authority, or of a procurement service provider acting on behalf of the contracting authority, who are involved in the conduct of the procurement procedure or may influence the outcome of that procedure*

10.18 Letters of Intent

- 10.18.1 Following the completion of a procurement process/ a standstill period, the officer may, where it is deemed necessary due to potential delays in executing a contract, seek to issue a letter of intent to the preferred bidder.
- 10.18.2 Any such letter of intent should be approved by legal, procurement and finance and in accordance with the Scheme of Delegation and the value of the letter.
- 10.18.3 This to be an exception process rather than the rule.

11 Notices

11.1 Prior Information Notice (*Regulation 48*)(PIN)

- 11.1.1 Officers can use a PIN in a number of different ways; including
- (a) **As a call for competition** ahead of a procurement using either a Restricted Procedure or a Competitive Procedure; subject to the following
 - (i) it refers specifically to the supplies, works or services that will be the subject-matter of the contract to be awarded;
 - (ii) it indicates that the contract will be awarded by restricted procedure or competitive procedure with negotiation without further publication of a call for competition and invites interested economic operators to express their interest;
 - (iii) it contains all the required information as per the link below
 - (iv) it has been sent for publication between 35 days and 12 months prior to the date on which an invitation is sent for the purposes of regulation 54(1) or (2).
 - (b) As a means to publicise a **Market Engagement Event**
 - (c) As a means to **shorten the time period for receipt of Tenders** as follows
 - (i) Open Procedure – reduced to 15 days
 - (ii) Restricted Procedure – Tender stage reduced to 10 days
 - (iii) CPN – Tender stage reduced to 10 days
 - (d) The above being reliant on the PIN having been published in accordance with the following
 - (i) the prior information notice included all the information required in regulation 48(2), insofar as that information was available at the time the prior information notice was published;
 - (ii) the prior information notice was submitted for publication between 35 days and 12 months before the date on which the contract notice was submitted.
- 11.1.2 A PIN may NOT be used for multiple purposes, e.g., a call for competition and to shorten the time for the submission of tenders. Advice should be sought from procurement is considering using a PIN as part of the procedure.
- (a) The notice needs to include specific information and as such officers must liaise with procurement to collate this information; further detail is available at [Information to be included in notices](#) (Part B or Part I for TLR)

11.2 Contract Notice – Find a Tender Service (*Regulation 49*)

- 11.2.1 A Contract Notice is used as **a call for competition** (advert for above threshold procurements) (value or benefit to the supplier)
- (a) As a call for competition is required for the following
 - (i) Open Procedure, Restricted Procedure, CPN or a CD
 - (ii) A Procedure to launch a Light Touch Regime Procurement
 - (iii) Establishing a Framework or a DPS

- (iv) A procurement launched in accordance with the Utilities Contracts Regulations 2016
 - (v) A procurement launched in accordance with the Concessions Contracts Regulations 2016
- (b) It is NOT required when
 - (i) The competition is being let under an established framework of DPS
 - (ii) The call for competition was via a PIN
 - (iii) The contract is being awarded under Regulation 32
 - (iv) The value of the procurement is below threshold
- 11.2.2 The notice needs to include specific information and as such officers must liaise with procurement to collate this information; further detail is available at [Information to be included in notices](#) (Part C or Part H for LTR or CCR)

11.3 Contract Award Notice – Find a Tender Service (Regulation 50)

- 11.3.1 A contract award notice tells the market **that you have awarded** an above threshold contract (value or benefit to the supplier)
 - (a) It is MANDATORY in the following situations
 - (i) A contract or Framework Agreement has been awarded following an Open Procedure, Restricted Procedure, CPN or a CD Procedure
 - (ii) An Award under Regulation 32
 - (iii) An award under a DPS
 - (iv) An award of a Utilities Contract
 - (v) An award of a Concessions Contract
 - (b) Is RECOMMENDED (and therefore **is required**) in the following situation
 - (i) A call-off under a framework agreement
 - (ii) An Award following a Light Touch procurement procedure
- 11.3.2 The notice needs to include specific information and as such officers must liaise with procurement to collate this information; further detail is available at [Information to be included in notices](#) (Part D or Part J for CCR or LTR))

11.4 Voluntary Ex Anti Transparency Notice (VEAT) – Find a Tender Service

- 11.4.1 Transparency Notices are to be used where a direct award has been made under Regulation 32. The notice must be published by Procurement and must be published for a period in excess of 10 days (a standstill period) before the contract can be signed.

11.5 Modification Notice – Find a Tender Service

- 11.5.1 Modification Notices are required where a change is made to a contract in accordance with [Regulation 72](#) as follows

- (a) 72(1)(b) – for additional works, services or supplies by the original contractor that have become necessary and were not included in the initial procurement, where a change of contractor—
 - (i) cannot be made for economic or technical reasons such as requirements of interchangeability or interoperability with existing equipment, services or installations procured under the initial procurement,
 - (ii) would cause significant inconvenience or substantial duplication of costs for the contracting authority, provided that any increase in price does not exceed 50% of the value of the original contract;
- (b) 72(1) (c) - where **all** of the following conditions are fulfilled:—
 - (i) the need for modification has been brought about by circumstances which a diligent contracting authority could not have foreseen;
 - (ii) the modification does not alter the overall nature of the contract;
 - (iii) any increase in price does not exceed 50% of the value of the original contract or framework agreement.
- (c) The notice needs to include specific information and as such officers must liaise with procurement to collate this information; further detail is available at [Information to be included in notices](#) (Part G)

11.6 Contract Notice – Contracts Finder (Regulation 106)

- 11.6.1 An contract notice (call for competition) must be placed on Contracts Finder where both of the following apply
 - (a) The value of the contract is in excess of £30k (including VAT) AND
 - (b) The Authority has, in some means, advertised the opportunity elsewhere (e.g., the authority's website, the authority's e-tending portal or any form of social media or written publication)
- 11.6.2 The information to be published on Contracts Finder shall include at least the following:—
 - (a) the internet address at which the procurement documents are accessible;
 - (b) the time by which any interested economic operator must respond if it wishes to be considered;
 - (c) how and to whom such an economic operator is to respond; and
 - (d) any other requirements for participating in the procurement.

11.7 Contract Award Notice – Contracts Finder (Regulation 108)

- 11.7.1 A contract award notice is required for EVERY contract award that has a value (or benefit to the supplier) that is over £30k (including VAT)
- 11.7.2 The following information to be published on Contracts Finder:—
 - (a) the name of the contractor;
 - (b) the date on which the contract was entered into;
 - (c) the value of the contract.

12 Procurement Process Management

12.1 E-tendering portal

- 12.1.1 Where an officer is using any a procedure, then it must be managed through the Authority's e-tendering portal.
- 12.1.2 The administration of the e-tendering portal will be by Procurement, with input from the project officer.
- 12.1.3 The e-tendering portal has been set up to allow the Authority to manage their procurements using a variety of procedures (in accordance with Current Public Procurement Legislation and the Authority's CPRs) and using different process methodologies (online questions or document exchange).
- 12.1.4 The procedure and how the portal will be used will depend on the value and scope of the procurement, how well developed the requirements are, the nature and format of the information to be issued and received in return, and the complexity of the requirements and whether there is a requirement for a multi-stage procedure to demonstrate Best Value.
- 12.1.5 The process methodology will depend on the nature of the purchase, the value, the stage and the complexity. E.g., SQ is usually managed through the use of online questions and evaluation whereas, construction award stage method statements questions are usually managed as "document exchange" and then evaluated offline. The decision as to which methodology will be used will be decide by procurement.
- 12.1.6 Overall, the e-tendering portal will support and evidence that the Authority is complying with its obligations; specifically, equal treatment, non-discrimination, and transparency.
- 12.1.7 On a practical level, the e-tendering portal will enable the Authority
 - (a) Manage the practical procurement activities
 - (b) Evidence process-compliance and equal treatment of bidders
 - (c) Ensure transparency, including but not limited to
 - (i) Advertise an opportunity
 - (ii) Share documents/ information equally
 - (iii) Communicate with Bidders
 - (iv) Receive and respond of clarification requests
 - (v) Publish award notices
 - (vi) Store contracts and related documentation.,

12.2 Communications (Regulation 22) (PCRs2015)

- 12.2.1 All communication with bidders must be through the e-tendering portal; the exception being where the procedure allowing for negotiation or dialogue meetings which can take place in person.
- 12.2.2 All communications must be shared with all bidders unless it is a clarification that the bidder has highlighted as being commercially sensitive and it is accepted by the authority that it is indeed commercially sensitive
- 12.2.3 A log of all communications/ clarifications must be collated and attached to the tender report

12.3 Preliminary Market Engagement (Regulation 40) (PCRs2015)

- 12.3.1 Where a Market Engagement Event is being held, it must be advertised on Contracts Finder and where appropriate (based on value) on Find a Tender Service as a Future Opportunity/ PIN
- 12.3.2 Where a Market Engagement Event is being held, it must be made accessible to all interested parties, allow parties sufficient time to plan/ arrange for the best person within their organisation to attend (e.g., a minimum of two weeks' notice)
- 12.3.3 Managed online or if in person, with an option to join online.
- 12.3.4 If there is a specific "Request for Information" that the event is seeking to understand, this may be shared in advance of the event and if possible, suppliers who cannot attend the event should be allowed to submit their input electronically through the e-tendering portal
- 12.3.5 Should be a structured event with slides
- 12.3.6 Have a note taker present to document all information shared, all questions asked, and all responses provided
- 12.3.7 Should have a register of attendance
- 12.3.8 Should result in an information pack that can be shared with all tenderers when the procurement is launched so as to aid in demonstrating equal treatment/ levelling the playing field
- 12.3.9 The information from the event and the learnings used to inform the specification and the delivery model should be attached to the Tender Report

12.4 Managing Conflicts of Interest (Regulation 24) (PCRs2015)

- 12.4.1 Officers are required to stay sensitive to the fact that the risk around Conflict-of-Interest is an evolving risk and work with procurement to constantly monitor and mitigate such risks.
- 12.4.2 In the event that a COI is identified, Officers must initially seek to remove the affected individual from participation in the procurement; where this is not possible due to technical reasons, they must discuss options with procurement to manage both the perceived and actual risk that it presents to the integrity of the procurement.
- 12.4.3 In the event that there are no other individuals that can evaluate alongside or instead of the conflicted person, the risk must be escalated to legal and alternative measures (such as bringing in additional, external evaluators to support the process)

12.5 Confidentiality (Regulation 21) (PCRs2015)

- 12.5.1 Officers are required, throughout the procurement process, to be mindful to the confidential nature of the content of the submissions, some of the questions that may be asked, and the outcome of the evaluation process before the formal announcement to the market.
- 12.5.2 Officers must therefore not discuss or share any of this information outside of those involved within the procurement exercise.
- 12.5.3 During the evaluation period, evaluators are also required to keep their individual evaluations and scores confidential until the moderation meeting.
- 12.5.4 In the event that an officer/ evaluators is unsure whether something is confidential, they should liaise with procurement and legal for advice.

12.6 Clarifications (Regulation 56(4))(PCRs2015)

- 12.6.1 Bidders are allowed, during the procurement procedure, to ask clarification questions where something is unclear or conflicting or missing. Officers are required to provide any such information requested by procurement promptly.
- 12.6.2 It is essential that officers answer any such questions accurately and as fully as possible and not to discriminate against a bidder by being less forthcoming for some bidders than they are for others.
- 12.6.3 Evaluators during the evaluation process may also ask clarification questions. Any such questions must be issued to procurement to review before being issued to the bidders.
- 12.6.4 Clarification questions are not an opportunity for bidders to change or supplement their response, only to clarify where something is unclear, conflicting, or clearly erroneous and can be resolved without the bidder needing to resubmit a response in full or in part.
- 12.6.5 A Register of all such clarifications will be maintained by procurement

12.7 Moderation

- 12.7.1 Once all evaluators have completed their individual evaluations, they must ALL meet to discuss and agree a consensus score and reason for each award criteria (individual questions).
- 12.7.2 The moderation meeting must be managed by an independent person (usually a member of the Procurement team) to ensure that the evaluation process and outcome is in accordance with the procedure and award criteria as detailed in the Instruction Document, and that all evaluators are active participants in the discussion such that the consensus score is represents the Authority's assessment of the submission.

12.8 Negotiations

- 12.8.1 Where the procurement is Above Threshold and the route to market/ procurement design has expressly allowed for negotiation/ dialogue, this will be carried out in accordance with process detailed within the Instruction Document.
- 12.8.2 The negotiation/ dialogue meetings may be managed virtually or in person and all suppliers will be given the same opportunity to discuss and potentially improve their proposal and/ or price in accordance with the process stated aims and objectives as detailed in the Instruction Document.

- 12.8.3 The Authority reserves the right to use any non-commercially sensitive information to update their specification and/ or the contract before re-issuing/ inviting re-submission of proposals by suppliers.

12.9 Assurance

- 12.9.1 Where a procurement process has taken longer than 6 months, the Authority will repeat either the Due Diligence or Selection/ Participation assessments relating to financial standing, and risk (in accordance with what was stated in the Instruction Document) to ensure the preferred bidder still meets the Authority's standards.
- 12.9.2 In the event that the supplier fails this assurance review, the Authority will disregard the supplier/ their tender and potentially award the contract to the second placed supplier, subject to them passing the same assurance checks.

12.10 Recommendations

- 12.10.1 Once the evaluation and moderation process is complete, the Authority will combine all of the final, weighted scores to both rank the suppliers and to identify which supplier(s) are the preferred supplier(s).

12.11 Supplier Notifications (*Regulation 86*) (*PCRs2015*)

- 12.11.1 As per the procurement documents section above, all tenderers must be notified at the same time following the completion of the procurement process

12.12 Standstill (*Regulation 87*) (*PCRs2015*)

- 12.12.1 As per the procurement documents section above, a standstill period is to be applied for all above threshold value contracts.

12.13 Contract Execution

- 12.13.1 Once the standstill period has ended, officers must liaise with legal to collate a contract to be signed.
- 12.13.2 Once the contract has been signed by the bidder and the authority a copy must be sent to procurement to be placed on the contract register.

12.14 Contract Award Notice

- 12.14.1 Once the contract is signed, a Contract award Notice must be placed on both Contracts Finder and where applicable (based on value) must also be placed on Find A Tender Service.

13 Contract Management

13.1 Procurement Pipeline

- 13.1.1 Officers are required to effectively plan for all procurements.
- 13.1.2 Officers must notify procurement and legal of potential procurements as follows
 - (a) Cyclical contracts – 12 months' notice
 - (b) Capital project – at the point that funding is approved; or at least 6 months' notice
 - (c) Funding Projects – at the point that the application for funding is submitted, but with at least 3 months' notice
- 13.1.3 The procurement pipeline must be reviewed and updated quarterly
- 13.1.4 The Pipeline will be published on the procurement pages to aid suppliers with planning for future opportunities.

13.2 Contracts Register

- 13.2.1 All contracts, once signed must be added to the Contract Register
- 13.2.2 The contract register will be published on the authority website to aid suppliers with planning for future opportunities
- 13.2.3 All quarterly (or otherwise) reports must be attached to the contract register to demonstrate appropriate management and to provide a clear audit trail of performance, issues, and resolutions
- 13.2.4 All contract modifications must be attached to the contract register
- 13.2.5 All performance related notifications must be attached to the contract register
- 13.2.6 All payment deductions that are made must be formally notified to the supplier and recorded on the contract register

13.3 Contract Storage

- 13.3.1 All contracts that are signed electronically are to be stored on the contract register
- 13.3.2 Contracts that require sealing must both be scanned and stored on the contract register and the originals then stored in a fireproof cabinet at the CPCA offices.

13.4 Document Retention (*Regulation 83*) (*PCRs2015*)

- 13.4.1 All procurement documents issued and received via the e-tendering portal, all evaluation notes, moderation records and related reports and recommendations must be added to the project on the e-tendering portal and all such documents will be stored indefinitely on the portal.
- 13.4.2 All executed contract documents, financial and performance reports, change notices or other relevant contract management documents must be stored on the contract register part of the e-tendering portal and will be stored indefinitely
- 13.4.3 Any other information not held on the portal will be in accordance with the Authority's retention policy.

13.5 Contract Review

- 13.5.1 Meeting must be held periodically (Annually/ quarterly/ monthly) in accordance with the contract and any additional measures that may have been introduced.

13.6 Performance Management

- 13.6.1 Contract performance against stated Key Performance Indicators must be monitored on a monthly/ quarterly basis (depending on what was detailed in the contract) and reported to the Audit & Governance Committee quarterly.
- 13.6.2 An annual report on contract performance against all current contracts must be collated as part of a commitment to continuous Improvement and this information must be reported/ the relevant information published annually as required by this document and ***Applicable Public Procurement Legislation***.
- 13.6.3 Where a performance failure is identified the following must be applied:
- (a) Legal are consulted as to permissible measures under the contract.
 - (b) Management meetings are held more frequently with the interval being based on the severity of the failure.
 - (c) A remedial plan is agreed and signed.
 - (d) Revised, intermediate performance targets are set out and monitored to ensure improvement and performance failure resolution within the agreed timescales.
- 13.6.4 Where the above measures do not deliver the required improvements within the required timescales, legal should be consulted to escalate the remedial requirements or initiate the termination of the contract.

13.7 Financial Management

- 13.7.1 The Authority is required to make payments against its contracts within at most, 30 days.
- 13.7.2 In addition, the Authority must monitor and ensure payments throughout the supply chain of all Authority contracts are being made in accordance with relevant legislation and best practice.
- 13.7.3 For each and all contracts, a register of payments made, late payments, additional payments over and above the original contract value and any deductions, must be collated and reported to the Audit & Governance Committee quarterly.
- 13.7.4 An annual report on payment performance against all current contracts must be reported/ the relevant information published annually as required by this document and ***Applicable Public Procurement Legislation***.
- 13.7.5 Where a payment is late, a supplier is entitled to claim statutory late payment interest unless otherwise documented in the contract
- 13.7.6 In addition, payments on construction contracts must comply with the form of contract used and where practical, should comply with the Construction Supply Chain Charter as far as reasonably possible to do so.

13.8 Social Value Reporting Management

- 13.8.1 Officers are required, in addition to other performance measures, to collate information at quarterly meetings on how the supplier has performed against the social value commitments made in the submission.
- 13.8.2 All such reports must be added to the contract register with other quarterly reports.

13.9 Contract Modifications (*Regulation 72*) (*PCRs*)

- 13.9.1 Where an Officer proposes to change (modify or extend) a contract that was subject to an Above Threshold competitive procedure, they must liaise with Procurement and Legal to complete the appropriate template and carry out a compliance and risk assessment as to whether the change is a permitted modification.
- 13.9.2 The completed template must then be approved as follows
 - (a) By Finance – to confirm that there is available budget
 - (b) By the Director – to confirm the additional requirement (time and/ or goods and service) are justified
 - (c) By Legal – where the authority for the contract was subject to a key decision and that the delegation allows for the additional spend.
- 13.9.3 Once the change/ modification is approved, it must be formally instructed in accordance with the terms of the contract and signed by both parties. A copy of this contract amendment must be added to the contract register and any change in value/ duration amended accordingly.
- 13.9.4** Any agreed changes must be reported by way of a Modification/ Change Notice in accordance with the ***Applicable Public Procurement Legislation***.

13.10 Contract Exit

- 13.10.1 For all cyclical requirements, a year before the contract is expected to expire, the Contract Manager must meet with the Project Officer and supplier and start planning both for the contract exit and procurement of the replacement contract.
- 13.10.2 Where the contract will require a mobilisation period, and/ or TUPE obligations, the Contract Manager must involve both HR and Legal in early discussions so as to ensure all legal obligations are managed accordingly.
- 13.10.3 A lessons learned activity should also be initiated at this point to enable and ensure continuous improvement.

13.11 Contract Termination (*Regulation 73*)(*PCRs2015*)

- 13.11.1 The Authority reserves the right to terminate a contract in any of the following situations
 - (a) Where an express clause has been included that allows termination for convenience
 - (b) Where the supplier's performance under the contract cannot be remedied or
 - (c) Where there has been a case of insolvency or other organisation failure,in which case the Officer should seek advice from Legal and Procurement to terminate the contract.

- 13.11.2 Any contract terminated for performance must be formally noted on the Contract Register and where applicable under the *Applicable Public Procurement Legislation* this information should be published.

13.12 Contract Termination *Other*

- 13.12.1 Officers must inform procurement and legal if for any reason they wish to terminate a contract
- 13.12.2 Potential reasons for termination include
- (i) Performance failures
 - (ii) Insolvency/ administration
 - (iii) Convenience (where expressly permitted in the contract)
- 13.12.3 Where a contract is terminated, the authority must assess if the reason for termination is one that must be reported to the cabinet office.
- 13.12.4 The reasons for the termination must be added to the contract register, along with the date and any relevant financial information.

13.13 Lessons Learned

- 13.13.1 At the close of the contract, or as part of the contract exit planning, a lessons learned activity should be carried out in accordance with the gateway process.
- 13.13.2 This information should be shared with officers involved in procurement activities to ensure ongoing process improvements and best practice

14 Approvals

14.1 Award a Contract

14.1.1 The following table sets out who can approve/ sign/ execute a contract and for what value.

Existing Delegated Authority	Works – executed as a Deed	
Monitoring Officer	Up to £500k + VAT	Up to £600k Inc. VAT
Key Decisions Process	Over to £500k exc. VAT	Over £600k inc. VAT
Existing Delegated Authority	Goods & Services – signed underhand	
Responsible Officer	Up to £25k exc. VAT	Up to £30k inc. VAT
Project Finance Officer	Up to £100k exc. VAT	Up to £120k inc. VAT
Project Director	Up to £250k exc. VAT	Up to £300k inc. VAT
Monitoring Officer	Up to £500k exc. VAT	Up to £600k inc. VAT
Key Decisions Process	Over to £500k exc. VAT	Over £600k inc. VAT

14.2 Waivers

14.2.1 Where an officer seeks to deviate from the requirements of this document a waiver must be completed and approved in accordance with the following rules

	Activity	Approval Requirements
Exemption from obtaining quotes (level 2)	Under £25k (exc. VAT) (Goods) The responsible officer must complete and sign the template	The completed (signed) form must then be approved by both Procurement and Legal
	Over £30k up to £100k (exc. VAT) (Services) The responsible officer must complete and sign the template and also have it approved by the Project Finance Officer	
	Over £100k (exc. VAT) up to £GPA threshold (Goods & Service) The responsible officer must complete and sign the template and also have it approved by the Project Finance Officer and the Project Director	

	Over £100k up to £500k (exc. VAT) (Works, Concessions, Utilities) The responsible officer must complete and sign the template and also have it approved by the Project Finance Officer, the Project Director, and the Monitoring Officer	
Exemption from advertisement (level 3)	Under £GPA threshold (Goods & Service) The responsible officer must complete and sign the template and also have it approved by the Project Finance Officer and the Project Director	The completed (signed) form must then be approved by both Procurement and Legal and where a Key Decision, the individual(s) with delegated authority.
	Over £300k up to £500k (exc. VAT) (Light Touch) The responsible officer must complete and sign the template and also have it approved by the Project Finance Officer, the Project Director, and the Monitoring Officer	
	Over £500k (exc. VAT) up to £GPA threshold (Works, Concessions, Utilities) Spend over this value is a Key Decision and so must be taken to Board for approval by the Project Director and Monitoring Officer	
Exemption from further competition under a framework	Over £200k up to £500k (exc. VAT) (ALL) The responsible officer must complete and sign the template and also have it approved by the Project Finance Officer, the Project Director, and the Monitoring Officer	The completed (signed) form must then be approved by both Procurement and Legal

- 14.2.2 Where a contract is awarded under a Waiver and is over £30k Inc. VAT, a Contract Award Notice must be published on Contracts Finder and the contract added to the contract Register

14.3 Exemptions

- 14.3.1 Where an officer deems that the proposed expenditure is exempt from these rules, the officer must complete a procurement exemption form regardless of value and/ or category/ sector. This must be approved by procurement and legal.

14.4 Modifications

- 14.4.1 All modification reports must be approved by the appropriate persons
- 14.4.2 Approval will be based firstly on whether the modification is expressly permitted by the contract and then the following
- (a) and was therefore approved as part of the overall approval, the relevant director can approve the modification

- (b) Whether the modification is expressly permitted by the contract, and there is available budget to cover the extension, but it was not part of the initial approval, the modification must be approved by the relevant director and finance
- (c) Whether the modification is expressly permitted by the contract, but there is no available budget to cover the extension, this must be referred to finance and based on the value of the required modification, escalated to whoever within the Scheme of Delegation, has the authority to approve the additional budget.
- (d) Where the modification is unplanned but has been assessed to be a lawful modification, approval is to be based on the revised total contract value and is subject to there being budget (approved or subject to approval) to cover the modification.
- (e) A copy of the approved modification report along with all required approvals (by email or signature) must be attached to the contract register and reported as appropriate.

Useful hyperlinks

15 General Links

- 15.1.1 [The Public Contracts Regulations 2015 \(legislation.gov.uk\)](https://www.legislation.gov.uk)
- 15.1.2 [The Utilities Contracts Regulations 2016 \(legislation.gov.uk\)](https://www.legislation.gov.uk)
- 15.1.3 [The Concession Contracts Regulations 2016 \(legislation.gov.uk\)](https://www.legislation.gov.uk)
- 15.1.4 [Procurement policy notes - GOV.UK \(www.gov.uk\)](https://www.gov.uk)
- 15.1.5 [National_Procurement_Policy_Statement.pdf \(publishing.service.gov.uk\)](https://publishing.service.gov.uk)
- 15.1.6 Procurement Instructions Document**
- 15.1.7 Procurement Gateway Process**
- 15.1.8 [Current Thresholds PPN](#)
- 15.1.9 [Standard Selection Questionnaire PPN](#)
- 15.1.10 [Contract Register](#)
- 15.1.11 [E-tendering Portal](#)

Appendices

16 Appendix 1 - Roles & Responsibilities

16.1 Procurement and Contracting Manager (directly or through delegation)

- 16.1.1 Responsibility for the Rules, guidance documents and procurement templates.
- 16.1.2 Design, implementation, and management of a Procurement Gateway Process.
- 16.1.3 Provision of Procurement Advice and assistance on all expenditure, including route to market and contract choice.
- 16.1.4 Overview and management of any frameworks and corporate contracts.
- 16.1.5 Oversee all exemptions to the PCRs and these rules.
- 16.1.6 Organising and running market engagement events.
- 16.1.7 Provision of advice on commercial structure and evaluation methodology.
- 16.1.8 Appointment of external legal support for complex procurements.
- 16.1.9 Management of the e-tendering portal.
- 16.1.10 Tender Moderation.
- 16.1.11 Signing off All Regulation 84 Tender Reports for process compliance.
- 16.1.12 All formal Procurement correspondence.
- 16.1.13 Collating/populating all Contract Documents and ensuring signature
- 16.1.14 Oversee contract monitoring and all contract variations.
- 16.1.15 Attendance at bi-annual contract management meetings.
- 16.1.16 Management and monitoring the Contract Register.
- 16.1.17 Forward Planning of cyclical requirements.
- 16.1.18 Chief Finance Officer (directly or through delegation)
- 16.1.19 Development and implementation of the Financial Regulations.
- 16.1.20 Approving budgets for procurement of contracts.
- 16.1.21 Signing of All Regulation 84 Tender Reports for budgetary compliance.

16.2 Procurement Contract Manager responsibilities

- 16.2.1 Notices
 - (a) Pipeline Notice – new – annually – only if annual spend is over £100m in relevant contracts
 - (b) Contracts Detail Notice (and Contract) - published within 30 days of contract signature
 - (c) Payment Compliance Notice – bi-annually

(d) Contract Change Notice – previously contract modification notice and only required for a Reg72(1)(b) and (c) modification – will be required for all modifications – there is significant concern how to manage this for construction and what actually amount to a modification

(e) Contract Termination Notice – new – if required

(f) Performance Information - annually

16.2.2 Collate

(a) monthly spend information

(b) quarterly performance information

(c) collate details of supplier that have failed the SQ assessment and report where required

(d) monthly monitor the excluded/ debarment list from central government

(e) details of any contract terminations and report where required

(f) Details of all subcontractors being used and monitor these against the excluded/ debarment list

16.2.3 Own the Conflict-of-Interest Register

(a) Create a general and project specific conflict of interest register

(b) Monthly/ procurement stage updates to the register

(c) Escalate any concerns to procurement manager/ legal

16.2.4 Contract Change Register

(a) Record all changes made to contracts for compliance with reporting and also Reg 72/ Schedule 8 rules

16.2.5 Activities

(a) Attend all contract management meetings for governance and reporting

(b) Weekly review of all registers to ensure up to date

(c) Provide support to procurement manager as deputy, portal management, attending meetings

16.3 Monitoring Officer (directly or through delegation)

16.3.1 General advice as required.

16.3.2 Lawfulness and governance of complex procurement decisions taken.

16.3.3 Provision of any legal document requirements and support managing external legal services.

16.3.4 Signing of All Regulation 84 Tender Reports for governance compliance.

16.3.5 Approval of all contract documents before signature.

16.3.6 Approval of all waivers to these rules.

16.3.7 Approval of any contracts awarded under Regulation 32.

16.3.8 Directors

- 16.3.9 Project approval and authority to proceed.
- 16.3.10 Signing of All Regulation 84 Tender Reports for Award Approval.

16.4 Project/ Contract Managers

- 16.4.1 To following the instructions of the Procurement and Contracting Manager and Monitoring Officer.
- 16.4.2 Development of Project Initiation Documents and Gateway reports.
- 16.4.3 Confirmation of Project Budget & Authorisation to Procure.
- 16.4.4 Creation of Contract Specification and Contract Management requirements.
- 16.4.5 Managing any technical enquiries during a procurement process.
- 16.4.6 Evaluation of tender returns.
- 16.4.7 Complete the tender report.
- 16.4.8 Manage the delivery of the contract in accordance with the specification, tender return and the contract management processes included in the contract.

16.5 All Officers Must:

- 16.5.1 Comply with the Combined Authority's Financial Regulations.
- 16.5.2 Declare any gifts or hospitality received either before, during or after the procurement to the Head of Procurement
- 16.5.3 Not disclose any confidential information to unauthorised persons.
- 16.5.4 Conduct the procurement process in a fair, open, and transparent manner.
- 16.5.5 Ensure the process delivers value for money.



Audit and Governance Committee		Agenda Item
08 September 2023		11
Title:	Review of Mayoral Combined Authority Audit & Governance Committee Arrangements	
Report of:	Nick Bell, Executive Director (Resources & Performance)	
Lead Member:	Edna Murphy (Lead Member for Governance)	
Public Report:	Yes	
Key Decision:	No	
Voting Arrangements:	N/A	

Recommendations:

A	To note and discuss the different arrangements for Audit & Governance Committees amongst Mayoral Combined Authorities and decide which, if any, should be considered for adoption by this Audit & Governance Committee.
B	To commission further work from Officers to understand the impact of adoption of any changes stemming from Recommendation (A) prior to making any recommendations for change to the Board.

Strategic Objective(s):

The proposals within this report fit under the following strategic objective:

	Achieving Best Value and High Performance
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1. Purpose

1.1	This paper provides the committee with an overview of some of the arrangements for Audit & Governance Committees by the other eight existing Mayoral Combined Authorities (excluding the Greater London Authority which is not considered a good comparator given its different scale and remit) and seeks views from the Committee as to what, if any, changes should be considered for this Committee.
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2. Proposal

2.1	At its meeting in June 2023 the Committee requested that a review of Audit & Governance arrangements in other Mayoral Combined Authorities (MCAs) was undertaken to provide the Committee with a basis to discuss whether there were arrangements being used by Audit and Governance Committees in the other MCAs that might be useful to be incorporated in Cambridgeshire & Peterborough.
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2.2	Officers requested information from eight MCAs (all other MCAs excluding the Greater London Authority, whose remit and scale is significantly different to other MCAs). Five of the MCAs responded directly and information was sought from the websites of the remaining three. The information has been collated and is attached as Appendix A to the report.
2.3	The information raises a number of potential areas for discussion by the Committee, as noted in the paragraphs below, although these questions are not meant to be exhaustive and the Committee may wish to consider other points as well.
2.4	In total the membership of the Audit Committees ranges from 6-12 members, with five of the eight committees having nine or more members. CPCA's Audit Committee currently has 8 members (one from each constituent council plus an independent Chair). This suggests that there is scope for a larger committee should the members consider that it would be beneficial to co-opt other members onto the committee. (The decision to co-opt an Independent Councillor, and the potential decision on the Agenda to co-opt another Independent Person, would raise the number of members of the Committee to 10. <i>Does the Committee have a view about the ideal size of the Committee?</i>)
2.5	All the Audit Committees have at least one Independent Person as a member. Two (Greater Manchester and Tees Valley) have more than two Independent Persons. <i>There is a report on the Agenda proposing the co-option of one more Independent Person, but what are the views of the Committee about increasing this number further?</i>
2.6	One Audit Committee (West Midlands) includes a co-opted member from the LEP. Some other CPCA Committees (including the Board and thematic committees) include co-opted members from the Business Board. <i>Does the Committee have a view about whether the co-option of a Business Board member should be considered?</i>
2.7	All other MCA Audit Committees have three or four scheduled meetings a year (albeit that some hold additional meetings where required). CPCA has six meetings of the Audit & Governance Committee scheduled for this Municipal Year. <i>Subject to the Best Value Notice being lifted, do members have a view about the ideal number of scheduled meetings in the next Municipal Year?</i>
2.8	Two of the other MCA Audit Committees (Greater Manchester and South Yorkshire) hold regular deep dives on key risks. Greater Manchester considers a range of strategic risks at full Audit committee whilst South Yorkshire focuses on transport related risks through a separate sub-committee. This committee has agreed to test out deep dives of specific risks, starting with key financial risks on this Agenda. <i>If it is considered that the deep dives are taking too much time out of the main agenda, what are members' views about asking a smaller sub-committee of Audit & Governance to undertake the deep dives and report back to the full committee?</i>
2.9	A number of the other Audit Committees have different names, including the words 'Risk', 'Standards' and/or 'Assurance'. Feedback from some of the MCAs is that they believe this helps staff, stakeholders and the public understand the full role of the committee. <i>Do members have any views about whether the current name of Audit & Governance Committee should be amended if it is considered that this would better reflect its responsibilities?</i>
2.10	Although not captured in Appendix A a number of the other MCA Audit committees reported that they have a pool of reserve members of the Committee who can be used to provide support when the workload on the committees are particularly high (eg when there is a major review of the constitution or a number of deep dives to be undertaken). <i>Do members have any views about whether we should consider developing a pool of reserve members to help with specific tasks?</i>
2.11	Finally, although not specifically asked of other MCAs, there could be benefit in arranging occasional virtual meetings between Chairs and Vice Chairs of MCA Audit Committees to share ideas and best practice. This already happens with Overview & Scrutiny Committees. <i>Would there be any appetite to explore this further?</i>

3. Background

3.1	As part of the Improvement Programme it is important that all of the key parts of the governance structure of the CPCA reviews itself against best practice. This report provides an opportunity to
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	consider what, if any, changes should be considered by comparing CPCA's Audit & Governance Committee arrangements against practice in other MCA Audit Committees.
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4. Appendices

4.1	<i>Appendix A – Details of arrangements in Mayoral Combined Authorities' Audit Committees</i>
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5. Implications

Financial Implications

5.1	There are no direct financial implications from the issues contained in the report.
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Legal Implications

6.1	The purpose of the Audit and Governance Committee is to give assurance as to the governance and sound financial management of the CPCA. The proposals and recommendations in this report should assist this committee in determining whether different arrangements that will strengthen the committee in fulfilling its role should be considered.
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Public Health Implications

7.1	None directly
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Environmental & Climate Change Implications

8.1	None directly
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Other Significant Implications

9.1	
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Background Papers

10.1	
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APPENDIX A

Mayoral Combined Authority Audit Committee arrangements

MCA	No of Members	Independent persons	Frequency per annum	Deep dives	Areas of focus	Other notes
South Yorkshire	6	2	4	Yes	Transport risks	Named Audit, Standards & Risk Committee. Deep dives through separate sub committee focussing on transport risks. Separate joint panel with Police.
Greater Manchester	9	4	4	Yes	3 deep dive sessions per year. Topics determined by Committee	Separate Standards Committee. Joint Audit Panel with Police
West Midlands	12	1 (+1 from LEP)	4	No	N/A	Named Audit, Risk & Assurance Committee
West Yorkshire	6	2	4	No	N/A	A&G is Board sub committee via setting up Order
Tees Valley	10	5	3	No	N/A	
Liverpool	7	1	4	No	N/A	Members of Committee drawn from voting members from the CA Board & O&S
North of Tyne	10	1	4	No	N/A	Named Audit & Standards Committee
West of England	12	1	4	No	N/A	



Audit and Governance Committee		Agenda Item
08 September 2023		12
Title:	Appointment of independent person	
Report of:	Edwina Adefehinti	
Lead Member:	Edna Murphy (Lead Member for Governance)	
Public Report:	Yes	
Key Decision:	No	
Voting Arrangements:	Simple majority	

Recommendations:

A	Comment on and agree to recommend to the CPCA Board that an additional independent person is appointed to sit on Audit Committee for a period of four years 1.1 which may be renewed up to a maximum of one further term (i.e. total maximum 8 years).
B	Recommend that the CPCA Board agrees to delegate to the Executive Director of Resources and Performance and the Monitoring Officer, in consultation with the Chair of the Audit and Governance Committee, authority to finalise the draft role description, skills, competencies and person specification attached as Appendix 1 and to approve the advert.
C	Recommend to the CPCA Board that the recruitment of the Independent Member be led by a panel consisting of the Chairman of the Audit and Governance Committee and three members of the three main political parties of the committee supported by the Executive Director of Resources and Performance and the Monitoring Officer. Nominations for members of the committee be provided.
D	Following the recruitment process, a report to formally appoint the Independent Person will be presented to a future CPCA Board meeting

Strategic Objective(s):

The proposals within this report fit under the following strategic objective(s):

5	Achieving Best Value and High Performance
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1. Purpose

1.1	The purpose of the report is to request that the Audit and Governance Committee consider and approve to appoint an additional independent person to the Audit and Governance Committee.
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1.2	<p>To suggest that the position of independent person be advertised on the Combined Authority's website, along with the website of each constituent authority, and publicised by way of press releases across the Combined Authority's area.</p> <p>To suggested that an appointment is made before the November meeting of the Audit and Governance Committee and endorsed at the November meeting of the Combined Authority scheduled for November.</p>
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2. Proposal

2.1	<p>To take a report to the CPCA Board endorse the appointment of an additional independent person to sit on the Audit and Governance Committee.</p> <p>A further report will be brought to this committee regarding the allowance that would be paid to the appointed independent person refollowing recommendations of the Independent remuneration panel and endorsement of the CPCA Board.</p>
2.2	<p>Following approval of the CPCA Board, the Executive Director of Resources and Performance and the Monitoring Officer, in consultation with the Chair of the Audit and Governance Committee will finalise the role description, skills, competencies and person specification. Following which an advertisement will be placed.</p> <p>The recruitment panel will convene and complete the recruitment, resulting in an appointment. The final stage would be that the Monitoring Officer will take are report to the CPCA Board to formally appoint the Independent Person.</p> <p>Audit Committees are a key component of corporate governance. They are a key source of assurance about the organisation's arrangements for managing risk, maintaining an effective control environment, and reporting on financial and non-financial performance. Independent persons with appropriate skills and experience supplement those of the elected members and improve the effectiveness of the Audit Committee.</p> <p>The Independent Person would not have a vote in the same way as constituent authority appointed members do at committee and will be there in an advisory consultative manner. Suitably qualified and experienced independent member(s) serving on Audit Committees can also bring specialist knowledge and insight to the workings and deliberations of the committee which, when partnered with elected members' knowledge of working practices and procedures, ensure:</p> <ul style="list-style-type: none"> • An effective independent assurance of the adequacy of the risk management framework. • Independent review of the Authority's financial and non-financial performance. • Independent challenge to and assurance over the Authority's internal control framework and wider governance processes. • Oversight of the financial reporting process.

3. Background

3.1	<p>There is a requirement in The Combined Authorities (Overview and Scrutiny Committees, Access to Information and Audit Committees) Order 2017 and the Constitution for the Audit & Governance Committee to have at least 1 member who is an independent person.</p> <p>The definition of an independent person is provided in the above Order :</p> <p>(a) Is not an existing member or co-opted member or officer of the combined authority;</p> <p>(b) Is not an existing member or co-opted member or officer of a constituent council or a parish council for any of the three constituent Authorities making up the Combined Authority</p> <p>(c) Is not a relative or close friend of a person within paragraph (a) or (b); and</p> <p>(d) Was not any anytime during the previous 5 years holding an appointment as follows - (i) A member, co-opted member or officer of the authority (CPCA); or (ii) A member, co-opted member or officer of a parish council for any of the seven constituent Authorities making up the Combined Authority</p> <p>In terms of making the appointment, the Order prescribes the requirement for the appointments to be made following the role being advertised in such a way as to bring the role to the attention of the public, applicants having made an application to fill the post and the appointment has been approved by the majority of the members of the combined authority. The process for selection and recruitment of the Independent Co-Opted member is the responsibility of the Audit Committee.</p>
3.2	<p>As members will be aware, this committee is chaired by an Independent Person whose term will come to an end in 2025. The CPCA Constitution prescribes that the Independent Member should be designated as Chair of the Audit and Governance Committee. Therefore, the request for an additional independent person is to ensure that there is planned succession, and that historic knowledge can be transferred to the additional independent person to ensure a smooth transition allowing sufficient time to familiarise themselves with the functions of this committee.</p>
3.3	<p>To assist in the recruitment a draft role profile is attached at appendix 1 setting out the responsibilities and duties of an independent person. This can be further refined prior to advertising the role to take account of comments made by Leaders. There are restrictions laid down in legislation on who may apply, and this will be included in the advertisement.</p>

4. Appendices

4.1	<i>Appendix 1- Draft Role Profile</i>
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5. Implications

Financial Implications

5.1	No financial implication presently but there may be financial implication on the appointment of the member(s)
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Legal Implications

6.1	The requirement to have an Audit Committee and to appoint at least one member as an independent person is set out in the Local Democracy, Economic Development and Construction Act 2009. The Combined Authorities (Overview and Scrutiny Committees Access to Information and Audit Committees) Order 2017 sets out the rules on how the decision should be made, the process for advertising the post and the restrictions related to the post. The appointment must be made by the Combined Authority Board.
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6.2	The purpose of this Committee is to give assurance as to the governance and sound financial management of the CPCA. This will likely be strengthened by including members who are independent from the Combined authority Board and scrutiny functions and who are suitably qualified with experience in the area of governance, audit, finance, regulation and compliance or risk management to provide specialist knowledge and insight.
6.3	Subject to adequate vetting procedures and adherence to the Person Specification, this initiative should augment the Audit Committee's independence, provide additional expertise, and provide an opportunity for the community to play an enhanced role in the governance of the CPCA.
Public Health Implications	
7.1	None directly
Environmental & Climate Change Implications	
8.1	None Directly
Other Significant Implications	
9.1	None Directly
Background Papers	
10.1	None

Appendix 1

ROLE PROFILE – INDEPENDENT PERSON OF THE AUDIT & GOVERNANCE COMMITTEE –CAMBRIDGESHIRE AND PETERBOROUGH COMBINED AUTHORITY

Responsibilities

1. Act as an independent member of the Audit & Governance Committee of the Cambridgeshire and Peterborough Combined Authority.
2. Assist the Committee in fulfilling its statutory duties to:
 - (a) review and scrutinise the authority's financial affairs,
 - (b) review and assess the authority's risk management, internal control and corporate governance arrangements,
 - (c) review and assess the economy, efficiency and effectiveness with which resources have been used in discharging the authority's functions, and
 - (d) make reports and recommendations to the combined authority in relation to reviews conducted under paragraphs (a), (b) and (c).
3. Assist the Committee in fulfilling its terms of reference once agreed.
4. Foster good working relationships and communication among all committee Members, between the committee and the Cambridgeshire and Peterborough Combined Authority, and the internal/external auditors.

Duties

1. Attend all formal meetings of the Committee, including any sub-committees for panels you are assigned to and any additional meetings, as required
2. Prepare for each meeting by reading the agenda papers and additional information to familiarise yourself with issues to be covered during the meeting. Prior to the meeting consider the questions you may wish to put to any attendees.
3. At the meetings you will need to listen carefully, ask questions in a way which is non judgemental, respect confidentiality and help to fulfil the role of the Committee
4. Attend training and development events as needed
5. Keep abreast of the key issues in relation to the responsibilities of the Combined Authority and matters within the terms of reference of the committee.
6. Contribute to achieving an open, accountable and transparent decision making process
7. Uphold the Cambridgeshire and Peterborough Combined Authority's constitution in respect of meetings of the Audit & Governance Committee.

Person Specification

Candidates will be assessed against the following knowledge/experience, competencies and personal qualities.

Knowledge and Experience

1. Knowledge and experience in matters of audit, risk management, and performance management, and corporate and financial governance and controls.
2. Held a decision making role in some previous (not necessarily management) employment.
3. Experience gained working in or within a large, or public sector, organisation or serving on a Committee or Board

Competencies:

4. **The ability to think strategically:** To have breadth of vision, to rise above detail, and to see problems and issues from a wider, forward-looking perspective and to make appropriate linkages
5. **The ability to make good judgements:** To take a balanced, open-minded and objective approach.
6. **The ability to challenge:** To be able to rigorously scrutinise and challenge constructively without becoming confrontational, using appropriate data, evidence and resources
7. **The ability to be analytical:** To interpret and question complex written material, including financial and statistical information and other data such as performance measures and identify the salient points
8. **The ability to communicate effectively:** To be able to communicate effectively both verbally and in writing and to interact positively with other members of the Committee, the Combined Authority and the public

Personal Qualities:

9. **Team working:** The ability to play an effective role in meetings through listening, persuading and showing respect for the views of others
10. **Self-confidence:** The skill to challenge accepted views constructively without becoming confrontational
11. **Enthusiasm and drive:** The ability to be proactive in seeking out learning and developmental opportunities to enhance knowledge and understanding (for example, on financial matters and statutory requirements)
12. **Respect for others:** The capacity to treat all people fairly and with respect, to value diversity and respond sensitively to difference
13. **Integrity:** The necessity to embrace high standards of conduct and ethics and be committed to upholding human rights and equality of opportunity for all

Other Requirements and Considerations:

14. Candidates must be able to attend meetings at varying locations throughout the Cambridgeshire and Peterborough area
15. Candidates should have the time, energy and commitment to prepare for and attend regular meetings. We suggest that they would need to allocate around one day per month to devote to this role
16. Candidates should have a willingness to learn
17. Candidates must be eligible for the role (*see eligibility criteria below*)

Disqualifications

You cannot be considered for appointment if you:

- (a) under 18 years of age
- (b) are a member, co-opted member or officer of the authority;
- (b) are a member, co-opted member or officer of a parish council for which the authority is the principal authority;
- (c) are a relative, or close friend, of a person within sub-paragraph (a) or (b); and
- (d) was at any time during the last 5 years
 - (i) a member, co-opted member or officer of the authority; or
 - (ii) a member, co-opted member or officer of a parish council for which the authority is the principal authority.



Audit & Governance Committee	Agenda Item
08 September 2023	13

Title:	Audit and Governance Work Programme
Report of:	Anne Gardiner, Governance Manager
Lead Member:	Edna Murphy – Lead Member Governance
Public Report:	Yes
Key Decision:	NA
Voting Arrangements:	Majority

Recommendations:

A	Note the draft work programme for the Audit and Governance Committee for the 2023/24 municipal year attached at Appendix 1
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1. Purpose

1.1	To provide the Committee with the draft work programme for Audit and Governance Committee, for the 23/24 municipal year.
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2. Proposal

2.1	The Committee to review the proposed work programme at Appendix 1 and provide any comments including suggestions of items for future meetings.
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3. Background

3.1	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.
3.2	A draft work programme which outlines when these decisions are taken for the current municipal year is attached at Appendix 1.

4. Appendices

4.1	Appendix 1 – Draft Work Programme 2023/24
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5. Implications

Financial Implications	
5.1	None
Legal Implications	
6.1	None
Public Health Implications	
7.1	None
Environmental & Climate Change Implications	
8.1	None
Other Significant Implications	
9.1	None
Background Papers	
10.1	None

AUDIT & GOVERNANCE COMMITTEE WORK PROGRAMME 2023/24

8th September @ Huntingdonshire District Council

Item:	Title:	Purpose:	Lead:
Standard Items:			
	<input type="checkbox"/> Minutes <input type="checkbox"/> Chair's Announcements <input type="checkbox"/> Work Programme		
Improvement Items:			
	Improvement Plan Highlight Report - CIVIL values embedded within organisation	Review and challenge to seek assurance of improvement progress	Angela Probert
Internal Control Items:			
	Risk Register	Review of register including two deep dives which will focus on explaining operational process issues including risk appetite. Risk training roll out	Chris Bolton/Nick Bell
	Single Assurance Framework		Jodie Townsend/ Nathan Bunting
Audit Items:			
	Internal Audit – Progress Report		
	Verbal update on the 21-22 audit, and the approach to the national audit backlog".		EY Mark Hodgeson
	Final 21-22 statement of accounts & annual governance statement		Nick Bell/Robert Emery/Edwina Adefehinti
Standards and Conduct Items:			
	Member Officer Protocol	Report providing the context and background to the member officer protocol agreed at the July meeting.	Edwina Adefehinti/Nick Bell
Other:			
	Update Procurement Review		Nick Bell/Chantel Allott
	Audit of A&G Committee of other CA's		Nick Bell
	Co-Opted Independent Councillor		Edwina Adefehinti
	Co-Opted Independent Person		Edwina Adefehinti

AUDIT & GOVERNANCE COMMITTEE WORK PROGRAMME 2023/24

17th November @ Huntingdonshire District Council

Item:	Title:	Purpose:	Lead:
Standard Items:			
	<div><input type="checkbox"/> Minutes</div> <div><input type="checkbox"/> Chair's Announcements</div> <div><input type="checkbox"/> Work Programme</div>		
Improvement Items:			
Internal Control Items:			
	2023-24 Treasury Management mid-year update		Ian Pantling
Audit Items:			
	Internal Audit – Progress Report		Dan Harris
	Review Performance Management Framework		Jules lent
	2021/22 Audit Results Report, Audit Opinion		EY – Mark Hodgson
	External Audit – Initial Audit Plan for 2022/23		EY – Mark Hodgson
	2021/22 Audit - Auditor's Annual Report		EY- Mark Hodgson
Standards and Conduct Items:			
	Whistleblowing Arrangements	Review of lessons learned from 2021/22 & 22/23 events and examination of current process to see if it is fit for purpose	Edwina Adefehinti
Other:			
	Treasury Management Strategies		

AUDIT & GOVERNANCE COMMITTEE WORK PROGRAMME 2023/24

12th January @ Huntingdonshire District Council

Item:	Title:	Purpose:	Lead:
Standard Items:			
	<input type="checkbox"/> Minutes <input type="checkbox"/> Chair's Announcements <input type="checkbox"/> Work Programme		

Improvement Items:			
Internal Control Items:			
	Internal Audit Action Tracker	To be reported to Committee on an annual basis	Nathan Bunting
	Corporate Risk Register		Chris Bolton
	Draft 2024-25 Financial Strategies to the January Committee		Ian Pantling
Audit Items:			
	Internal Audit – Progress Report		
Standards and Conduct Items:			
	Code of Conduct Annual Report	Committee requested they receive an annual report on complaints received.	
Other:			
	Information Governance Update	Reported to Committee Annually	Susan Hall

AUDIT & GOVERNANCE COMMITTEE WORK PROGRAMME 2023/24

9th February @ Huntingdonshire District Council (RESERVE)

Item:	Title:	Purpose:	Lead:
Standard Items:			
	<div><input type="checkbox"/> Minutes</div> <div><input type="checkbox"/> Chair’s Announcements</div> <div><input type="checkbox"/> Work Programme</div>		
Improvement Items:			
Internal Control Items:			
Audit Items:			
Standards and Conduct Items:			

Other:			

AUDIT & GOVERNANCE COMMITTEE WORK PROGRAMME 2023/24

8th March @ Huntingdonshire District Council

Item:	Title:	Purpose:	Lead:
Standard Items:			
	<div><input type="checkbox"/> Minutes</div> <div><input type="checkbox"/> Chair’s Announcements</div> <div><input type="checkbox"/> Work Programme</div>		
Improvement Items:			
Internal Control Items:			
	Internal Audit Action Tracker		Chris Bolton
	Assurance Framework		
Audit Items:			
	Internal Audit – Progress Report		
Standards and Conduct Items:			
Other:			
	Treasury Management Summary		
	Audit Committee Draft Annual Report		
	Shareholder Board Annual Report to A&G Committee		Edwina Adefehinti/Nick Bell/Mayor Johnson

AUDIT & GOVERNANCE COMMITTEE DEVELOPMENT PROGRAMME 2022/23 – 23/24

Date:	Item:	Provider:	Purpose:	Lead:
24 th March 2023	Risk Appetite Training	Internal Audit		Adam Lickorish, RSM

8 th June	A&G Committee Induction	Governance Team	Provide induction to the CA for new members	Anne Gardiner
9 th June PM	Financial Management and Role of the Committee	Arling Close (CPCA's treasury advisors)	To set out the role of the Committee in regard to financial management and provide training on key elements of role	Nick Bell/Robert Emery
13 th July	KPI Training	Policy & Executive Support Team		Jules Ient
TBC	Project Management Training	Chris Bolton		Chris Bolton
9 th October	Development Session – Subsidiary Companies	Robert Fox/Edwina Adefehinti		Robert Fox
4 th December	Development Session Topic Cyber Security	Adam Goldsmith		Susan Hall
9 th February	Development Session – Analysing the Draft Accounts	TBC		TBC
8 th September at close of meeting.	Private Meeting of Committee & Internal and External Auditors			Anne Gardiner

