



**CAMBRIDGESHIRE
& PETERBOROUGH**
COMBINED AUTHORITY

COMBINED AUTHORITY BOARD

Date: Wednesday, 30 November 2022

Democratic Services

Edwina Adefehinti
Interim 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
PE29 3TN
[Venue Address]**

AGENDA

Open to Public and Press

Part 1 - Governance items

- | | | |
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| 1.1 | Announcements, Apologies for Absence and Declarations of Interest | |
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1.4 Petitions

1.5 Public Questions

Arrangements for asking a public question can be viewed here

- [Public Questions - Cambridgeshire & Peterborough Combined Authority \(cambridgeshirepeterborough-ca.gov.uk\)](https://cambridgeshirepeterborough-ca.gov.uk/public-questions)

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By recommendation to the Combined Authority

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Part 10 - Exempt Matters

10.1 Exclusion of Public and Press

To resolve to exclude the public and press from the meeting on the following grounds:

Discussion of information that is exempt from publication under Part 1 of Schedule 12A of the Local Government Act 1972, as amended, in that it would not be in the public interest for this information to be disclosed (information relating to an individual; information which is likely to reveal the identity of an individual; information relating to the financial or business affairs of any particular person, including the authority holding that information).

The public interest in maintaining this exemption must be deemed to outweigh the public interest in its disclosure.

10.2 University of Peterborough - Proposal to offer a loan to R&D Company 2 Delivering the University Phase 2 Building (exempt report - circulated separately)

10.3 Transition Arrangement: Resignation of Officer (exempt report -circulated separately)

**10.4 Exempt minutes of the Extraordinary meeting of the
Combined Authority Board on 20 May 2022 (exempt report -
circulated separately)**

**10.5 Exempt minutes of the Combined Authority Board meeting on
31 August 2022 (exempt report - circulated separately)**

COVID-19

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

The Combined Authority Board comprises the following members:

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

Mayor Dr Nik Johnson

Alex Plant

Councillor Anna Bailey

Councillor Chris Boden

Councillor Sarah Conboy

Councillor Wayne Fitzgerald

Councillor Lucy Nethsingha

Councillor Anna Smith

Councillor Bridget Smith

Councillor Edna Murphy (Non-voting Member)

Darryl Preston (Non-voting Member)

Jan Thomas (Non-voting Member)

Clerk Name:	Richenda Greenhill
Clerk Telephone:	01223 699171
Clerk Email:	Richenda.Greenhill@cambridgeshire.gov.uk



**CAMBRIDGESHIRE
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COMBINED AUTHORITY

Agenda Item No: 1.2

Combined Authority Board and Committee Membership Update: November 2022

To: Cambridgeshire and Peterborough Combined Authority Board

Meeting Date: 30 November 2022

Public report: Yes

Lead Member: Councillor Edna Murphy, Lead Member for Governance

From: Edwina Adefehinti, Chief Officer - Legal and Governance & Monitoring Officer (Interim)

Key decision: No

Recommendations: The Combined Authority Board is recommended to:

- a) Note the appointment by Cambridge City Council of Cllr Anna Smith as its Board member on the Combined Authority Board for the remainder of the municipal year 2022/2023.
- b) Note the appointment by Cambridge City Council of Cllr Lewis Herbert as the substitute member on the Combined Authority Board for the remainder of the municipal year 2022/23.
- c) Note the appointment by Cambridge City Council of Cllr Simon Smith as one of its members for the Overview and Scrutiny Committee for the remainder of the municipal year 2022/23.
- d) Note the appointment by Cambridge City Council of Cllr Jenny Gawthrope-Wood as its substitute member on the Overview and Scrutiny Committee for the remainder of the municipal year 2022/23.
- e) Ratify the appointment by South Cambridgeshire District Council of Cllr Peter Sandford as the substitute member on the Housing

and Communities Committee for the remainder of the municipal year 2022/23.

- f) Ratify the appointment by South Cambridgeshire District Council of Cllr Bridget Smith as the member for Housing and Communities Committee for the remainder of the municipal year 2022/23.
- g) Ratify the nomination of Cllr Bridget Smith by Cllr Anna Smith acting in the place of the Mayor as the Chair for Housing and Communities Committee for the remainder of the municipal year 2022/23.

Voting arrangements:

- a-b) Appointment is made by the constituent council
- c-d) Note only
- e-f) Simple majority of members present and voting

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

1. Purpose

- 1.1 The report advises the Board of amendments to the membership of the Combined Authority Board, the membership of the Overview and Scrutiny Committee and the membership of the Housing and Communities Committees.

2. Background

- 2.1 In accordance with the Cambridgeshire and Peterborough Combined Authority Order 2017, each constituent council must appoint one of its elected members and a substitute member to the Combined Authority Board. The Combined Authority has been advised that Cambridge City Council has appointed Councillor Cllr Anna Smith as its representative for the remainder of the 2022/23 municipal year and Cllr Lewis Herbert as the substitute member.
- 2.2 The revised membership is set out in the table below:

Nominating body	Member	Substitute Member
Cambridge City Council	Cllr Anna Smith	Cllr Lewis Herbert
Cambridgeshire County Council	Cllr Lucy Nethsingha	Cllr Elisa Meschini
East Cambridgeshire District Council	Cllr Anna Bailey	Cllr Joshua Schumann
Fenland District Council	Cllr Chris Boden	Cllr Jan French
Huntingdonshire District Council	Cllr Sarah Conboy	Cllr Tom Sanderson
Peterborough City Council	Cllr Wayne Fitzgerald	Cllr Steve Allen
South Cambridgeshire District Council	Cllr Bridget Smith	Cllr John Williams

- 2.3 Cambridge City Council has advised that it has appointed Cllr Simon Smith as one of its members on the Overview and Scrutiny Committee and Cllr Jenny Gawthroe-Wood as its substitute member.
- 2.4 South Cambridgeshire District Council has advised that it has appointed Cllr Peter Sandford as its substitute member on the Housing and Communities Committee.
- 2.5 South Cambridgeshire District Council has advised that it has appointed Cllr Bridget Smith as its member on the Housing and Communities Committee.
- 2.6 The Monitoring Officer has delegated authority to accept changes to membership of committees notified by Board members during the municipal year to ensure there is a full

complement of members or substitute members at committee meetings.

- 2.7 Deputy Mayor Cllr Anna Smith, acting in place of the Mayor, has nominated Cllr Bridget Smith as the Chair of the Housing and Communities Committee for the remainder of the municipal year 2022/23.

Significant Implications

3. Financial Implications

- 3.1 In accordance with the Cambridgeshire and Peterborough Combined Authority Order 2017 no remuneration is to be payable by the Combined Authority to its members or substitute members.

4. Legal Implications

- 4.1 The Monitoring Officer has delegated authority to accept changes to membership of committees notified by Board members during the municipal year to ensure there is a full complement of members or substitute members at committee meetings. The new appointment shall take effect after the nomination has been approved by the Monitoring Officer.

5. Public Health Implications

- 5.1 None

6. Environmental and Climate Change Implications

- 6.1 Neutral

7. Other Significant Implications

- 7.1 None



**CAMBRIDGESHIRE
& PETERBOROUGH**
COMBINED AUTHORITY

Cambridgeshire and Peterborough Combined Authority: Minutes

Date: Wednesday 19 October 2022

Time: 10.30am – 1.42pm

Venue: Sand Martin House, Bittern Way, Peterborough PE2 8TY

Voting Members
present: Mayor Dr Nik Johnson (Chair)

Councillor C Boden – Fenland District Council
Councillor W Fitzgerald – Peterborough City Council,
Councillor S Conboy – Huntingdonshire District Council,
Councillor L Herbert (Statutory Deputy Mayor) – Cambridge City Council
(to 12.38pm)
Councillor L Nethsingha (Non-Statutory Deputy Mayor) – Cambridgeshire
County Council
A Plant – Chair of the Business Board
Councillor J Schumann – East Cambridgeshire District Council (to
12.13pm)
Councillor B Smith – South Cambridgeshire District Council

Non-Voting
Co-opted
Members present: Councillor E Murphy – Fire Authority
D Preston – Police and Crime Commissioner (to 1.17pm)

Governance Items

260. Announcements, apologies for absence and declarations of interest

Apologies for absence were received from Councillor A Bailey, East Cambridgeshire District Council, substituted by Councillor J Schumann, and Jan Thomas, non-voting co-opted member representing the Integrated Care Partnership.

Councillor C Boden declared an interest in Item 4.1: Emerging Bus Strategy, as a Cambridgeshire County Council appointed Trustee of FACT. Councillor Boden did not speak in the debate on any matter relating to FACT and did not take part in the vote.

Mayor Dr Nik Johnson declared a disclosable pecuniary interest in Item 9.1: Independent Remuneration Panel Report. The Mayor left the meeting room for the duration of the discussion and the vote.

261 Combined Authority Board and Committee Membership Update

The Board was advised of a change to the substitute membership of the Combined Authority Board and to the Overview and Scrutiny Committee. It was noted that Huntingdonshire District Council's representation on the Combined Authority Board had been incorrectly stated on the published report and that a revised report had been published which corrected this.

It was resolved to:

- a) Note the appointment by Cambridge City Council of Councillor Anna Smith as its substitute member on the Combined Authority Board for the remainder of the municipal year 2022/2023.
- b) Note the appointment by Cambridgeshire County Council of Councillor Piers Coutts as the substitute member for the Audit and Governance Committee for the remainder of the municipal year 2022/23.

262. Minutes – 27 July 2022

The recording of the meeting on 27 July 2022 had been reviewed following a query from Councillor Boden in relation to a point of accuracy, and corrected. Councillor Boden confirmed that he was happy with the correction which had been made, and that any suspicion that the minutes could have been interfered with had been shown by the Chief Executive not to be the case.

The corrected minutes of the meeting on 27 July 2022 were approved as an accurate record and signed by the Mayor.

263. Minutes – 31 August 2022 and Action Log

A Member wished to raise a point of information on the exempt minutes of the meeting on 31 August 2022.

The meeting became inquorate before the exempt session was held, so the minutes of the meeting on 31 August 2022 were deferred to the next meeting for approval.

The Action Log was noted.

264. Petitions

One petition was received, titled 'Save the 904 Bus Service'. It did not contain the 500 signatures required to be presented at the meeting, but it had been circulated to Board members for information.

265. Public questions

A public question was received from Dr Dorothy Ball, a local resident. A copy of the question and response are attached at Appendix 1.

Improvement

266. Interim Chief Executive's Diagnosis: Improvement Framework

The Chief Executive's diagnosis report followed on from the initial improvement plan which had been endorsed unanimously by the Board in July and the subsequent self-assessment exercise. The diagnosis provided a fuller assessment around effectiveness and performance, and had been due for consideration at the September meeting until this was cancelled due to the period of national mourning following the death of Queen Elizabeth II.

The report set out the scale of change required by the Combined Authority; what the organisation would look like once this change had taken place; how the organisation should feel to key players; and the benefits which this change could bring to the area. The report was informed by an extensive assessment exercise and set out the improvement plan for the coming months. Early concerns around senior management capacity had been addressed through the appointment of two interim directors via the Chief Executive's delegated authority. Concerns around the capacity of the wider organisation were also being addressed and the current vacancy rate was 3%. A proportion of this related to the use of agency staff, but progress was being made on recruiting to some hard to fill posts. A staff survey had been conducted to establish a baseline measure in relation to staff welfare. A further survey would be carried out in three months to measure progress against this.

The initial focus of work would be on the six key areas for improvement set out at in paragraph 4.4 of the report whilst Appendix 2 set out in detail the actions to be delivered over the next three months. This was key to what the Board was committing to deliver on. An officer improvement group had been established and the Chief Executive would be actively involved in this. Each theme would be led by a member of the Executive Team (ET) to ensure ownership of this improvement within the CPCA's senior leadership, and at least one constituent council chief executive would act as senior sponsor for each of the six key themes. This work would be supported by the Project Management Office and a robust approach would be taken to what needed to be delivered, how it would be done, how this would be resourced and the outcomes delivered against the focus for improvement. This was identified as a key plan and key resources had been allocated to it. The CPCA must work as part of the system and add value. A progress report would be brought to each Board meeting.

Proposals around the voluntary establishment of an Independent Improvement Board had been crystallised and there had been extensive conversations with the Department for Levelling Up, Housing and Communities (DLUHC) and the Local Government Association (LGA) around the membership of that Board. Information around the composition of the Improvement Board had been circulated to Combined Authority Board members the previous evening and included external members as well as the Mayor and Councillor Murphy representing the Liberal Democrat group. There would be opportunities for other Members to get involved and that be welcomed, and officers would engage further with Members on this. The Chief Executive and the Programme

Director for Transformation would be meeting Lord Kerslake the following day to discuss his requirements and reports against the improvement plan would be submitted to the Improvement Board as well as to the Combined Authority Board.

Different iterations of the report had been taken previously to the Audit and Governance and Overview and Scrutiny Committees to inform and explore their role.

In discussion, individual Members:

- spoke of the significant improvements which they were already seeing, including a sense of vibrancy and optimism within the CPCA and proactive communications from officers.
- recognised that there was much work still to do, and that much of this would be down to the Board. The Board was part of the problem, and it would be part of the solution.
- questioned whether a Board member should be aligned to each of the six key strands for improvement identified in the report.
- asked that the work should include clarification around the role and expectations of Lead Members, and the support which they could expect.
- emphasised the importance of recognising just how deep and dark a place the Combined Authority had been in. With significant staff vacancy levels there had been insufficient capacity to do the basics and it was no wonder the organisation had been failing.
- stated that there was still a need to deal with the failures of the past and that there was much still to do.
- asked that their thanks to the Chief Executive should be placed on record for all that had been achieved in such a short period of time to address capacity issues, including in specialised areas. The Board had taken the extraordinary step of giving the Chief Executive a level of devolved authority to address these issues. The reconstitution of capacity gave a foundation upon which to re-build the organisation and move forward, and the Board must all pull together to do that. There was nothing wrong with having political differences and that was part of democracy, but the Chief Executive had offered the organisation a lifeline.
- described the report as clear and comprehensive and welcomed the improvement measures already underway. They agreed with the Chief Executive's judgement that it was better for the CPCA to take control of the improvement agenda and avoid direct intervention.
- suggested a link between the work of the Independent Improvement Board and the review of the Business Board being taken forward by the Business Board's Chair.
- suggested that Board members felt new confidence in the senior management team in place currently.

- stated that the difficulties experienced by the organisation were of longstanding, but noted the request in the report to concentrate on moving forward.
- described the proposed membership of the Independent Improvement Board as an impressive group of people, and thanked them for giving their time to support the CPCA's improvement journey. Another Member spoke of the importance of listening to their counsel.
- described the meeting as the most positive in tone which they had attended. The purpose of the CPCA was to get the best for residents across Cambridgeshire and Peterborough, and informal discussions had shown that there was much on this that united the Board. There would be differences of approach, but they wanted to place on record their thanks to Board members and to the Chief Executive and his team. They would do all they could to support the Board positively.
- paid tribute to the CPCA's staff and their contribution, and recognised that a lot of people had had a difficult time in the last year. The organisation did already have very able directors, but it needed to make permanent appointments to positions too.
- expressed their support for the report and their thanks to the Chief Executive, but cautioned against being self-congratulatory. There was still baggage which needed to be sorted out or it would be a distraction. They considered much of this was about leadership and judgement, which was a matter for the Mayor.
- spoke of improvements which they had seen at the Cambridgeshire Public Service Board, commenting that Board members should encourage their chief executives to continue this good work.

The Chief Executive welcomed the experience of positive change described by Board members, but emphasised that the improvement journey remained a work in progress. Part of this would be around supporting CPCA staff, many of whom were new to the organisation, and establishing protocols for the way they worked. There was a need to find the right balance between interactions, briefings and engagement with Members with a recognition of Members' commitments elsewhere. It was also important to recognise the role played by those members of staff who had been involved for a long time in keeping the organisation going. The Chief Executive spoke of the calibre of the individuals who sat on the Board, describing them as committed, energetic and experienced and stated his judgement that there was every prospect of continued improvement at the CPCA. He welcomed the Board's recognition of the improvement that had already ready taken place, and Members' recognition that this represented the first steps on the improvement journey and the need to build on that. There was more to be gained for Cambridgeshire and Peterborough if the Board pulled together.

Summing up, the Mayor welcomed the unanimous support for the report and recommendations expressed by Board members. He had listened carefully to everything that had been said, and noted and accepted the key messages set out in the diagnosis and report. He noted the progress that had been made in establishing the Independent Improvement Board and its membership. This would be chaired by Lord Kerslake, who he believed would make a significant contribution to how the Board addressed the challenges that had been set out. The Mayor expressed his thanks to constituent council chief executives and councillors for stepping up and supporting the improvement activity, sharing his belief that the stated focus for improvement would

address the concerns raised by external audiences. The Mayor expressed his thanks to the Board, the Chief Executive and CPCA staff and asked that Board members work with him in delivering the proposed future way of working so that the Combined Authority could be effective and efficient, and able to deliver on the stated vision and priorities for the region.

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

- a) Accept the contents of the Interim Chief Executive's assessment as set out in Appendix 1.
- b) Agree the key areas of focus over the next three months set out in paragraph 4.4.
- c) Agree the proposed Improvement Plan as set out in Section 5 and Appendix 2.
- d) Agree the establishment of an Independent Improvement Board.
- e) Note and comment on the associated terms of reference and membership as set out in Section 6 and Appendix 3 and delegate to the Independent Improvement Board the decision to agree the final terms of reference.
- f) Request that updates from the Independent Improvement Board on progress against the agreed plan be given to future meetings of this Board as a standing item.

267. Senior Management Restructure

The Board was advised that the proposed senior management restructure was linked to the Improvement Plan. Appendix 1 set out the current structure, the rationale for change and the proposed new structure. This was based on the appointment of a chief executive and three executive directors and would represent an annual saving of £130k. If approved, officers would commence the recruitment process and engage with the Employment Committee. The proposed timeline would see the three executive directors in post by March/ April 2023 with the recruitment of a chief executive after that. Appendix 2 contained the outcome of a staff consultation exercise.

The Chief Executive stated that the proposals were not radical, and were partly based on the work done prior to his arrival. All Board members had been briefed in advance of the meeting, including those unable to attend the meeting. He would be looking to work informally with a small group of members, perhaps one from each political party, to enable officers to work at pace on this. Penna would be used to support the recruitment process.

A Member welcomed the delivery-focused approach to the proposed senior staff structure which they felt gave clarity to the purpose of the organisation.

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

- a) Note the new senior management structure contained at Appendix 1 of this report.

- b) Approve the commencement of a recruitment campaign leading to the appointment of the permanent Chief Executive and Executive Directors into the new structure.
- c) Approve that the CEO is authorised to make financial settlement in cases of redundancy.

Finance

268. Budget Monitor Report October 2022

A revised report was published on 14 October 2022 and circulated electronically to the Board. There were no changes to the published recommendations.

The current revenue position forecast an underspend of c£7.5m, of which c£6.5m related to revenue elements of administering the Net Zero Hub capital grants, so did not represent a genuine in-year revenue saving to the authority. Better than anticipated returns were predicted for treasury balances due to interest rates being higher than had been assumed during budget setting, and it was not expected that the budgeted provision for interest payable on borrowing would need to be used. This resulted in an expected genuine underspend of around £900k on the corporate revenue budget.

A capital outturn forecast of c£170m was predicted against an original budget of £265m. Most of this variance related to the underspend on the Net Zero capital grant programme which had been reported to the Board previously. The Market Towns Programme was covered in a separate report (minute 278 below refers), and delays in the A10 programme were likely to result in slippage. A genuine saving of £2.1m was expected against the Soham Station project which had been delivered ahead of schedule. An underspend was also anticipated in the development of the Wisbech Access Study full business case, and this would be covered in the next Board report.

In discussion, individual Members:

- Expressed surprise that a report on the TING service had not been brought before the Board, given that an announcement was made at the beginning of the month about the expansion of the hours and scope of the service. They had been unable to view an officer decision notice for this on the website and asked whether there would be any additional expenditure in the current or future financial years for the extension of the TING service. It seemed to them that the process for decision-making had not been followed correctly in respect of the extension of the TING service and they felt it would be a service to the Board to have a paper on this at the next meeting. The Mayor asked that a written response should be provided and commented that he was sure that information on demand responsive transport would be covered in many reports in the near future. If this was something the Member wanted discussed at the Transport and Infrastructure Committee and then brought to the Board he was content with that. **ACTION REQUIRED**

The Chief Finance Officer stated that the transport team had identified savings of c£1.7m from the existing transport budget to cover the expected increase in cost of bus services to support some of the services under threat. Any additional costs in

the current financial year were covered, and pressures going forward would be considered as part of the budget setting process.

- Noted the work being done on the Wisbech Access Strategy in the context of the Local Transport and Connectivity Plan. This would include looking at how to accelerate key schemes. A Member expressed confidence that this reprioritisation would demonstrate the importance of this scheme.

It was resolved to:

- a) Note the financial position of the Combined Authority for the year to date.
- b) Note the increase in budget for the A1260 in line with ODN 366-2022.
- c) Note the correction of the ZEBRA capital budget, increasing it by £270k.

Combined Authority Decisions

269. Transport reports

A number of transport reports were taken direct to the Board for decision due to the cancellation of the September Transport and Infrastructure Committee which had been scheduled to take place during the period of national mourning following the death of Her Majesty Queen Elizabeth II

270. Emerging Bus Strategy (KD2022/065 – Special Urgency)

Councillor Boden declared an interest in this item at the start of the meeting as a Cambridgeshire County Council appointed Trustee of FACT (minute 260 above refers). Councillor Boden did not speak in the debate on any matter relating to FACT and did not take part in the vote.

This key decision report was added to the Forward Plan under the special urgency arrangements set out in the Constitution on 18 October 2022.

The Mayor had accepted the Emerging Bus Strategy as a late report on the following grounds:

- Reason for lateness: The content of the paper was late as it needed to reflect the work undertaken by officers following the receipt of tenders for the withdrawn bus services. Following receipt of the tenders on 6th October 2022, Combined Authority officers had analysed the results and had offered contracts subject to a 10-day standstill period and Board agreement. This ensured that the Combined Authority aligned with legislation.
- Reason for urgency: A decision needed to be taken at this Board meeting to allow for bus services (contracts) to be agreed to allow new contracts to commence on 30th October 2022 to allow for a continuous service for the communities of Cambridgeshire and Peterborough.

The report contained two appendices which were exempt from publication under Part 1 of Schedule 12A of the Local Government Act 1972, as amended, in that it would not be in the public interest for this information to be disclosed - information relating to the financial or business affairs of any particular person (including the authority holding that information). The public interest in maintaining the exemption was deemed to outweigh the public interest in publishing it.

Work was continuing to develop the draft bus strategy as a daughter document to the Local Transport and Connectivity Plan. A draft would be brought to the Board in November via the Transport and Infrastructure Committee (TIC) with the aim of going out to consultation after that. Engagement was taking place with Members and constituent councils and with the Greater Cambridge Partnership on this. An extension had been obtained from the Department for Transport (DfT) to the end of November for submission of the Bus Service Improvement Plan (BSIP) to align with work on the bus strategy. An update would also be brought in November around the enhanced partnership and framework work.

Stagecoach had confirmed the withdrawal of services on 16 September 2022 and the Combined Authority had commenced a re-tender exercise. The route information contained in the appendices was exempt from publication during the 10-day standstill period required by law. After that period expired the information would no longer be exempt.

Eighteen services had been deregulated by Stagecoach, and five services left with significant gaps. Currently, only the March to Chatteris route remained unfilled. An operator had been identified for this route, but they needed more drivers and were interviewing for these.

In discussion, Members:

- expressed the hope that lessons had been learned from the CPCA's failure to attract funds from the £7bn investment pot for bus services available earlier in the year when feedback had been received that the CPCA's proposals had been insufficiently ambitious. Officers acknowledged the need to make sure that the Bus Service Improvement Plan was ambitious and struck the right balance between capital and revenue issues.
- commented that the criteria to bid for Government funding was not always clear and that feedback on unsuccessful bids could also be unclear and not offered publicly. They felt Government must be asked for a longer term and clearer process.
- offered their congratulations to officers on their response to the service withdrawal by Stagecoach given the extreme time constraints involved. A Member described the response as fleet of foot and a demonstration of improvement.
- stated that it must be accepted that failures had occurred. There were services which would not be covered, and other services adversely impacted which would impact on service users and lead to real disappointment.
- expressed concern that timetable changes to some subsidised services would mean that these would no longer be suitable for use to travel to school or work. They asked for more information on how the CPCA had engaged with and sought to

influence Stagecoach on these subsidised services which they did not believe should have been changed without consultation. Officers stated that they would do their best to resolve issues with timetabling to meet need after the 10 day standstill period where this was possible, but it would not be possible to make fundamental changes. ACTION REQUIRED

The Monitoring Officer set out the position of the 10 day standstill period in law. During this period contracts were not yet signed, and an unsuccessful bidder could raise a challenge. Once the 10 day period was passed and contracts were signed it would be possible to renegotiate the timetable, but not to add new routes as this would require a new procurement exercise to allow all potential providers to bid.

- expressed concern around the potential impact on education transport costs for the County Council.
- asked that the Bus Service Improvement Plan due to go to TIC in November should also be brought to the Board. ACTION REQUIRED
- invited the Mayor to join them in asking those with access to cars to use them and leave space on buses for those that needed them most where insufficient bus capacity would be available. The Mayor stated that the Combined Authority would continue to work to try to improve public transport, and would look to all residents to try to find the best way to avoid unnecessary car journeys.
- shared their understanding that feedback on the Combined Authority's failure to attract funding from the £7bn investment pot for bus services had referenced insufficient commitment from the area to active travel. A report to the Overview and Scrutiny Committee earlier that week about BSIP funding had stated that one of the reasons for not receiving BSIP funding related to insufficient commitment to road charging.
- asked that the Mayor or Chief Executive should pick up the wider issue of bus regulations with other mayoral combined authorities and possibly the County Council Network to try to raise the profile of this issue with Government. ACTION REQUIRED
- commented that the CPCA would need to liaise with operators to provide additional buses where there was demand.
- suggested that further dialogue was needed with Stagecoach as it was still the main service provider and could come back in spring with more cuts.
- expressed the view that bus services should be the CPCA's central priority and that there was a need to develop a plan to give continuity into the future and find solutions for its population.
- paid tribute to the CPCA transport team for their work to retrieve the situation and get bus services back on track. The solution was not perfect, but was more than had been hoped. They asked that evidence of the impact of this should be captured and asked that representations should be made to Government as it impacted all areas of Government policy, including access to work and education and missed

medical appointments and to emphasise the importance of public transport in rural communities. ACTION REQUIRED

- acknowledged that the saved services would not necessarily be like for like replacements and spoke of the importance of letting any communities which might find themselves cut off know that they were not forgotten. A plan should be put in place quickly to reconnect those communities.
- spoke of the need for a clear bus strategy with details of how this would be funded. Private companies could not be expected to operate at a loss, and they favoured encouraging more private sector small operators, but legislation would need to change to support this. Money would be required from Government in March 2023 when the current subsidies would end as the CPCA did not have the funds for this.
- highlighted the significance of good public transport in the context of the climate change imperative and congestion.
- noted the 24% drop in passenger numbers due to changed working patterns post covid. In a business context, this level of change would lead to looking at a new business model. There was a need for radical change and finding sources of funding beyond what currently existed. City access proposals were significant and also needed to be taken into account. The long-term bus strategy offered an opportunity to clarify both the CPCA's ask and what it could offer. Employers were concerned, and it would be good to understand what they could do to help. These matters would be discussed at the Business Board meeting the following week and the Chair would provide feedback after that.

The Mayor spoke of the sense of common purpose around delivering a sustainable public transport system. He acknowledged the concerns of local MPs and their offers of support. In his view no issue was more important in highlighting the Combined Authority's role in delivering a frontline service. He thanked the members of the public who had been in touch to say how important bus services were to them. There had been a push to get people back on buses, but the majority of funding had gone to London.

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

- a) Recognise Mayoral Decision Notice MDN39-2022 (attached at Appendix 6) that asked officers to commence a procurement exercise to seek to replace some or all those services due to be withdrawn (as outlined by Stagecoach on 15th September).
- b) Agree the outcomes from the procurement process and authorise officers to continue to investigate any gaps in service provision.
- c) Agree that Combined Authority officers work with the operators of the services outlined in Paragraph 2.33 to ensure those services can continue in the short term, in order that decisions about on-going support are taken at the same time as decisions on other routes.

- d) To note the proposed outline programmes for the preparation of the Bus Strategy, the review of the Bus Franchising business cases and refreshed Bus Service Improvement Plan programme and the additional resources being used to accelerate this work.

Councillor Boden did not take part in the vote (minute 260 above refers).

The meeting adjourned between 12.13 to 12.26pm.

Councillor Schumann left the meeting at 12.13pm.

271. Change to the order of business

With the consent of the meeting, the order of business was varied from the published agenda to consider Item 9.1: Independent Remuneration Panel Report as the next item of business, followed by Item 4.9: Climate Commission.

272. Independent Remuneration Panel Report

The Mayor disclosed a pecuniary interest in this item at the start of the meeting (minute 260 above refers). The Mayor left the meeting room for the duration of the debate and vote. The Statutory Deputy Mayor took the Chair.

The report had been produced by the Independent Remuneration Panel (IRP) in April 2022, but its consideration had been deferred. The review had been undertaken in line with the methodology of other mayoral combined authorities (MCAs) and the Association of Democratic Services Officers. The Board had agreed in September 2021 that an IRP should be established to review the CPCA Members' Allowance Scheme, and that Cambridgeshire County Council and Peterborough City Council's IRP should be approached to conduct the review. The methodology and evidence were set out in the report, and the recommendations sought to bring the CPCA in line with other MCAs in relation to indexation.

In discussion, individual Members:

- noted that the recommendations were made by an independent body which in their view made it inappropriate for the Board to question them. However, they felt it was difficult to justify such a pay increase in the current financial climate. They did not believe the CPCA should decide the Mayor's remuneration and would prefer this to be set at a national level.
- noted that police and crime commissioners' pay award was set by Government.
- noted that mayoral remuneration had last been reviewed four years ago and that there had been no increase since 2017.
- noted that the report made reference to the role being a fulltime position, and that the current Mayor worked one day a week for the NHS. They considered it to be for the Mayor to decide whether he considered it to be a fulltime position, but felt that he should say that.

- expressed themselves to be glad that the NHS had the benefit of the Mayor's continued medical role.
- commented that normal due process had been followed, and on that basis they were comfortable to support the IRP's recommendations.
- commented that the IRP had used a good methodology and that the conclusions were based on a sound evidence base. They noted that it was remuneration for the post of mayor which was being considered, rather than for the postholder.
- commented that elected members did not work 9-5 hours, and in their view if a member was working more than 40 hours per week they were doing the job.
- commented that the proposed remuneration would make the CPCA the second highest rate for an MCA.

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

Agree the following recommendations of the Independent Remuneration Panel:

- a) Recommendation 1: That the level of Mayoral Allowance at Cambridgeshire and Peterborough Combined Authority be set at £86,121 from the start of the 2022/23 municipal year.
- b) Recommendation 2: That the level of Mayoral Allowance at Cambridgeshire and Peterborough Combined Authority be indexed against the National Joint Council cost of living increase each year rather than the Consumer Price Index.
- c) Recommendation 3: That the indexation set out in recommendation b be applied at the start of each municipal year from May 2023 onwards.
- d) Recommendation 4: The Mayoral allowances are next reviewed in early 2025 to be applicable from the beginning of the Mayoral term in May 2025.
- e) Recommendation 5: That no changes be made to the Mayoral expenses scheme.

The Mayor returned to the meeting room and resumed the chair.

Councillor Herbert left the meeting at 12.38pm.

273. Climate Commission (KD2022/033)

The Climate Commission would be continuing to meet to conduct deep dives into particular climate related theses. The Board's approval was sought for to fund time-limited secretariat support to allow this work to move at pace.

A Member expressed disappointment at the continued failure to quantify the value for money and cost effectiveness of items brought forward. Officers stated that initial work had been at a high level, but that this approach would be taken to the next phase of the Commission's work.

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

Approve £50k per annum from the Climate Commission subject to approval line in the medium-term financial plan (MTFP) in FY22/23 and FY23/24 to support the work of the Independent Commission on Climate.

274. Transport reports

The Chief Executive had written to the Board in advance of the meeting proposing that the transport reports at Items 4.2 to 4.8 should be considered together in order to keep the meeting focused on key issues. Members had been invited in advance to identify any issues within these reports which they wished to discuss.

A Member described this as a positive initiative which struck a good balance between maintaining the Board's ability to deal with committee matters whilst avoiding unnecessary repetition whilst the constitutional arrangements were reviewed.

275. Kings Dyke: Request to Draw Down Subject to Approval Funding (KD2022/025)

A Member stated that concerns had been expressed around the amount of funding required and the rationale for it. They were glad to have gone through the process of examining this and would be supporting the proposal. However, they judged there was a danger when contingencies were put into major capital projects that the organisation was working within a revised capital envelope, but without rigour over how it had been spent. In future, they recommended that greater attention was given, especially in relation to contingencies.

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

Approve the drawdown of £1m of subject to approval funding for Kings Dyke levelling crossing closure from the Medium-Term Financial Plan.

276. Active Travel Grant Funding (KD2022/040)

It was resolved to:

- a) Approve the drawdown of £635,000 of Active Travel Capital Funding Grant allocated by the Department for Transport for two active travel measures in Peterborough, £625,000 for Thorpe Wood Cycle Way and £10,000 for School Streets.
- b) Delegate authority to the Interim Head of Transport in consultation with the Chief Finance Officer and Monitoring Officer, to conclude a Grant Funding Agreement with Peterborough City Council to enable work to progress.

277. March Area Transport Scheme: Drawdown on funds for Active Travel (KD2022/046)

It was resolved to:

- a) Note progress towards the MATS Full Business Case (FBC).
- b) Approve the drawdown of £662,000 to complete the MATS FBC2.
- c) Note the change in construction cost of MATS Broad Street to £4,148,387.
- d) Reallocate £200,000 of the underspend from the March Quick Wins to cover extra C4 utility costs.
- e) Note the progress on the Pedestrian and Cycling Strategy for the March Area Transport Study.
- f) Approve the drawdown of £562,800 to continue work on the Pedestrian and Cycling Strategy.
- g) Delegate authority to the Interim Head of Transport and Chief Finance Officer to enter into Grant Funding Agreements with Cambridgeshire County Council.

278. Fengate Phase 1 (KD2022/045)

It was resolved to:

- a) Note progress towards the Fengate Phase 1 Full Business Case.
- b) Approve the drawdown of £550,424 to accelerate the active travel element of the scheme.
- c) Approve the drawdown of £315,000 to accelerate utility C4 costs ahead of construction.
- d) Delegate authority to the Interim Head of Transport in consultation with the Chief Finance Officer and Monitoring Officer to enter into Grant Funding Agreements with Peterborough City Council.

279. Peterborough Junction 3 (KD2022/044)

It was resolved to:

- a) Note progress towards the A1260 Junction 32/3 Full Business Case (FBC).
- b) Approve the drawdown of £518,988 to accelerate the active travel element of the scheme.

- c) Delegate authority to the Interim Head of Transport in consultation with the Chief Finance Officer and Monitoring Officer to enter into Grant Funding Agreements with Peterborough City Council.
- d) Reprofile the project's remaining Subject to Approval Budget from 2022/23 to 2023/24 reflecting the revised delivery timescales.

280. Capability and Ambition Fund (KD2022/060 – General Exception)

It was resolved to:

- a) Note the contents of the submitted Capability and Ambition Fund bid.
- b) Approve the drawdown of Capability and Ambition funding, subject to Active Travel England (ATE) approving the bid.
- c) Subject to Active Travel England approving the bid, approve the delegation of authority to the Interim Head of Transport to enter into a Grant Funding Agreement with Peterborough City Council and Cambridgeshire County Council following consultation with the Chief Financial Officer and Monitoring Officer.

281. E-Scooter Update and Next Steps

It was resolved to:

- a) Note the outcome of the e-scooter report.
- b) Approve the extension to the e-scooter trial in Cambridge to 31st May 2024.

282. Market Towns Programme Financial Update September 2022

With the agreement of the Board, this report was withdrawn.

The Police and Crime Commissioner left the meeting at 1.17pm.

283. By recommendation to the Combined Authority Board

The business coming to the Board from its executive committees and the Business Board had already been discussed, but required the Board's approval under the arrangements set out in the Constitution. Unless or until that position changed it was proposed to ask Lead Members to summarise the debate which had taken place and invite the Board to identify any matters for focus.

Recommendations from the Skills Committee

284. Addressing Further Education 'Cold-Spots' in East Cambridgeshire and St Neots (KD2022/047)

The Board was advised that the recommendations to address further education 'cold spots' in East Cambridgeshire and St Neots had received enthusiastic and unanimous support from the Skills Committee.

A Member acknowledged that the report focused on education 'cold spots'. However, they felt it was important to recognise that 'cold spots' could exist in relation to other things, such as skills. Some skills were already in short supply nationally, and they suggested planning should take place to identify areas where cold spots might develop in future in order to plan to meet that need. For example, the planned investment by Anglian Water to create a new reservoir near Chatteris would require many skills and offer many other opportunities.

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

- a) Approve the creation of a new budget line in the Medium-Term Financial Plan (MFTP) for the FE Cold Spots programme, allocating £225,000 for 2022/23, as per the allocated budget profile, shown in Table A in this report.
- b) Delegate authority to the Interim Associate Director of Skills in consultation with the Chief Finance Officer and Monitoring Officer to procure, enter into and sign contracts with suitable consultants to produce business cases for the two projects.

285 Recommendations from the Housing and Communities Committee

The recommendations submitted to the Combined Authority Board for approval had been unanimously supported by the Housing and Communities Committee.

286. Winding Up Angle Holdings and Angle Developments (East)

It was resolved unanimously by those present to:

Instruct officers to undertake the actions required to wind up Angle Holdings Ltd and Angle Developments (East) Ltd and for the appointment of a senior member of the CPCA finance team as a Director of both companies in order to oversee and support the orderly closure of both companies.

287. Devolved funding to Support Community Housing Initiatives

It was resolved unanimously by those present to:

Allocate further funding of £100,000 to support community led housing initiatives across Cambridgeshire and Peterborough.

288. Recommendations from the Business Board

The recommendations submitted to the Combined Authority Board for approval had been unanimously supported by the Business Board.

289. Accountable Body Status

Members were reminded that when the Combined Authority Board took decisions as the Accountable Body for the Business Board it was committed to acting in line with the CPCA's assurance framework in the interests of the Cambridgeshire and Peterborough area as a whole, and to taking decisions based on the recommendations of the Business Board.

290. Recycled Local Growth Fund (LGF) Project Proposals – Category 2 Call: Produce Hub (KD2022/022)

The report contained appendices which were exempt from publication under Part 1 of Schedule 12A of the Local Government Act 1972, as amended, in that it would not be in the public interest for this information to be disclosed - information relating to the financial or business affairs of any particular person (including the authority holding that information). The public interest in maintaining the exemption was deemed to outweigh the public interest in publishing it. No Member expressed the wish to discuss the exempt appendices.

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

- a) Approve the full grant request of £1,158,525 from the Recycled Local Growth Fund for the Ramsey Food Hub Project.
- b) Reject the change request submitted for a revised grant award of £1,321,100 for the MedTech Mega Factory project.

290. Enterprise Zones - Cambourne Business Park Boundary Change & Programme Update

On being proposed by Mr Plant, seconded by the Mayor, it was resolved unanimously to:

Agree the boundary change and redesignation of Enterprise Zone status for Parcel A at Cambourne Business Park.

Mayoral Decision

291. Mayoral Decision Notice MDN40-2022 Adult Education Budget Contract Awards 2022-23

Proposals to award contracts to independent training providers for the 2022/23 academic year had been considered and endorsed by the Skills Committee in September. However, these could not be taken to the Combined Authority Board for

approval as planned later that month as that meeting was cancelled due to the period of national mourning following the death of Her Majesty Queen Elizabeth II. A mayoral decision notice had been used in order to get providers in place for the start of the 2022/23 academic year.

In discussion, individual Members:

- recalled that some elements within the current academic year's budget had not yet been allocated, or had not been allocated on time. In future years, they would want to see this sorted ahead of time to avoid the need for retrospective approvals.
- suggested that in future the budget could be correlated more closely with skills needs in different parts of the CPCA area. They further suggested a more open correlation of spend with the perceived requirements of business, and working with the Business Board on this to make this link more explicit in future years. Officers stated that this level of detail did exist and was included in Skills Committee reports, and offered note outside of the meeting. **ACTION REQUIRED**

It was resolved to:

Note Mayoral Decision Notice MDN40-2022 – Contract Awards for 2022-23 academic year to Independent Training Providers.

Governance Reports

292. Appointment of Directors to PropCo 1, PropCo2 and Growth Co - Companies wholly owned by the Combined Authority

The Director of Corporate Resources and the Associate Director for Skills left the meeting for the duration of this item and the vote.

The Board considered recommendations to appoint three senior officers as directors of the CPCA's subsidiary companies in order to strengthen the directorship of those companies. A recent internal audit of subsidiary companies had gone to the Audit and Governance (A&G) Committee for consideration and A&G had asked that a minimal assurance report was given. The Chief Executive stated that the internal audit report had made difficult reading in relation to the governance of the CPCA's subsidiary companies. The recommendation to fill Board spaces with senior officers was in response to this. Work was also required around how the CPCA gave instruction and guidance to its subsidiary companies, and the Board would see more on this in the future.

In discussion, individual Members:

- welcomed this work being picked up by A&G and the issues being addressed.
- noted that the subsidiaries were standalone companies and that their independence must be respected. The Chief Executive acknowledged this, but noted too that the CPCA owned these companies and that their purpose was to deliver the strategies set for them. The Monitoring Officer stated that the subsidiary companies were

separate legal entities and the shareholder agreements must be upheld, but officers were looking at how to properly represent the shareholder. If the subsidiary companies failed it would impact on the CPCA.

A Member commented that these were not wholly owned CPCA companies and that Peterborough City Council and others also had a significant interest. Directors must fulfil their fiduciary duties to the company and not to the CPCA.

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

- a) Appoint Fliss Miller, Associate Director, Skills, CPCA as a director of Peterborough Higher Education Property Company Ltd (PROPCo1);
- b) Appoint Adrian Chapman, Executive Director for Place and Economy, Peterborough City Council as a director of Peterborough R & D Property Company Ltd (PropCo2) ;
- c) Appoint Mark Parkinson, Interim Director, Corporate Services, CPCA as a director of Cambridgeshire and Peterborough Business Growth Company Ltd (GrowthCo);
- d) Approve that these three Directors represent CPCA in its role as a member of the companies at general meetings of the companies.

293. Forward Plan October 2022

Two changes were reported to the Forward Plan for October. The reports on the Greater South East Net Zero Hub and the Market Towns Programme Financial update had been deferred from October to November 2022.

It was resolved unanimously by those present to:

Approve the Forward Plan for October 2022.

294. Exempt Matters

On being proposed by the Mayor, seconded by Cllr Nethsingha, it was resolved unanimously that:

The press and public be excluded from the meeting on the grounds that the report contains exempt information under Part 1 of Schedule 12A the Local Government Act 1972, as amended, and that it would not be in the public interest for this information to be disclosed. That is, information relating to an individual; information which is likely to reveal the identity of an individual; and information relating to the financial or business affairs of any particular person (including the authority holding that information). The public interest in maintaining the exemption was deemed to outweigh the public interest in its publication.

295. Exempt minutes of the Extraordinary meeting of the Combined Authority Board 20 May 2022

The meeting was not quorate. This item will be considered at the next meeting.

[Deputy Mayor]



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Appendix 1

Cambridgeshire and Peterborough Combined Authority Board
19 October 2022

Public questions

	Question from:	Question to:	Question:
1.	Dr Dorothy Ball, local resident	Mayor Dr Nik Johnson	<p>The Independent Climate Commission (ICC) initiated by the CPCA, reported over a year ago, with recommendations which this authority fully endorsed. The early effects of climate change have become very clear this year with a UK heatwave over 40 degrees, with droughts over Europe, in California, China & the Horn of Africa, with violent storms & floods, notably in Africa, Australia & Pakistan with melting glaciers, which in Switzerland were 6 x average levels, and worryingly huge areas of collapsing tundra.</p> <p>Another year has passed in this critical decade when we humans need to significantly reduce CO2 emissions, if we are to have any hope of mitigating the worst effects of a warming world</p> <p>Over this last year the CPCA <u>has</u> set up a working group, gathered information & reports, but to achieve what's required we need real changes & actions to happen.</p> <p>Taking one aspect of the ICC's recommendations on active travel - healthier, cheaper & helping the environment, all so important during this cost of living</p>

	Question from:	Question to:	Question:
			<p>crisis. Both carrots & sticks will be needed to bring about real change - improvements in infrastructure to make active travel easier & safer, and some disincentives to reduce car-use. Spending 2 weeks in Norway recently where my son now lives, I was struck by how many such measures are in place there. All vehicles entering Trondheim, a city the size of Peterborough or Cambridge, pay a toll dependant on vehicle type, for instance.</p> <p>So my question: What actual practical measures is the CPCA going to make happen over the next year to promote cycling, walking and safe operation of e-scooters, and to disincentivise car-use.</p>

	Response from:	Response to:	Response:
1.	Mayor Dr Nik Johnson	Dr Dorothy Ball	<p>The draft Local Transport and Connectivity Plan sets out key goals for the future of transport in the Combined Authority area and active travel is central to achieving these goals, including improving public health and the environment.</p> <p>As you may be aware, the new executive agency of the Department of Transport, Active Travel England, recently completed assessments of all local authorities focusing on three areas, Local Leadership and support for active travel, Local Cycling and Walking Improvement Plans (LCWIP) maturity and scheme delivery. The Combined Authority, working with its constituent councils, achieved a Level 2 (the range was between 0-4 [4 being high]) – this is a good result; the majority of authorities were in Level 1 and none were classed as Level 4.</p> <p>As a result, the Combined Authority was invited to apply for over £800,000 of Capability and Ambition Funding from Active Travel England. If successful, this will enable us to further progress the schemes in the LCWIPs developing the pipeline of projects. The bid also included behavioural change measures to encourage people to take up active travel, training for transport staff, and funding to enable us to set up an active travel advocate.</p> <p>The role of the advocate will work to promote active travel in the region, supported by an active travel lead dedicated to improving active travel in Cambridgeshire and Peterborough.</p>

	Response from:	Response to:	Response:
			<p>In the meantime, the Combined Authority is funding improvements to cycle and walking infrastructure, such as, enhancing the green wheel and enabling the construction of a footbridge over the river Nene in Peterborough. In addition to specific funding the Combined Authority is working to ensure our larger infrastructure investment includes active travel measures that are compliant with the latest guidance.</p> <p>The Combined Authority Board, on Wednesday, approved the extension of the e-scooter trial in Cambridge for a further 18 months. In the Queen's Speech in May this year the government announced its intention to introduce legislation on the future of transport in the new parliamentary session as part of a Transport Bill.</p> <p>A new independent low-speed, zero emission vehicle (LZEV) category is expected to be created and subsequently make regulations that will legalise e-scooters under new rules, as well as proposing new powers for local transport authorities to manage rental operations for pedal cycles, e-cycles, and e-scooters through a rental permit scheme. Timescales for the new legislation is not yet known, however, DfT will continue to engage with trial areas while legislation is being developed and will also consult publicly before any secondary regulations for e-scooters and the rental schemes are made.</p> <p>The Greater Cambridge Partnership recently launched a consultation, Making Connections, which is seeking views on the Making Connections proposals to transform the bus network and invest in walking and cycling through the introduction of a Sustainable Travel Zone. The consultation runs from noon on 17 October to noon on 23 December. You can visit the consultation here.</p>



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Agenda Item 1.3 - Appendix 1

Combined Authority Board – Minutes Action Log

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

Minute	Report title	Lead officer	Action	Response	Status
167.	2022-23 Financial Strategies	Roger Thompson/ Steve Clarke	Officers were asked to produce a table for schemes managed by the Business Board and how these were meeting the CPCA's growth ambitions, for example number of apprenticeships and new jobs created/ business start-ups etc.	An overview of Business Board funded projects has been provided to the Board.	Closed

Minute	Report title	Lead officer	Action	Response	Status
199. and 200.	Appointment of the Overview and Scrutiny Committee 2022/23 Appointment of the Audit and Governance Committee 2022/23	Edwina Adefehinti	Officers were asked to raise the exclusion of Independent members from political proportionality calculations relating to committee memberships with DLUHC.	At present the law as it is set out in The Combined Authorities (Overview and Scrutiny Committees, Access to Information and Audit Committees) Order 2017 which applies to all combined authorities, excludes independent members from political proportionality calculations. For there to be a change a new statutory instrument would be required. This issue will be raised with DLUHC by officers.	Open
220.	Forward Plan	Roger Thompson/ Steve Clarke	An informal discussion was proposed around regional partnerships, the Business Board's status as either a LEP or a growth board and the number of elected members appointed to the Business Board.	A review of the Business Board is currently being completed and that report will be shared with Members when completed. A joint Combined Authority Board and Business Board meeting on 7 December 2022 will discuss the report findings. An integration plan for the Business Board must be produced for DLUHC which will need Board approval in January 2023. The Review and the draft integration plan will be tabled for discussion with Leaders ahead of approval in January.	Open
228.	Improvement Framework	Jodie Townsend	A specific discussion around the governance report was requested.	Discussion took place with Cllrs Herbert and Murphy on 3 November 2022 regarding how review of governance feeds into improvement plan and how items not covered in improvement plan are being addressed.	Closed
228.	Improvement Framework	Gordon Mitchell/ Martin Jaynes	The Interim Chief Executive offered the Board an update the following week summarising the current position in relation to filling vacancies.	A verbal update was provided in relation to vacancies at the October Board meeting and this item is now closed.	Closed

Minute	Report title	Lead officer	Action	Response	Status
230.	Active Travel (Cambridgeshire)	Jodie Townsend	A Member suggested that the four shared priorities of the CPCA, the Cambridgeshire and Peterborough Health and Wellbeing Boards and the Integrated Care System should be referenced in CPCA reports.	This will be considered as part of the review of report templates recommended by the Governance Review.	Closed
230.	Active Travel (Cambridgeshire)	Steve Cox/ Tim Bellamy	A Member suggested a focused piece of work around rural issues.	A review of the active travel provisions and feasibility within our rural areas will be progressed following the employment of an Active Travel Advocate and on receipt of funding from Active Travel England – we are awaiting confirmation of the funding. Active Travel England (ATE) have outlined that the focus of their next tranche of funding will be on rural areas and assistance/ guidance will be updated accordingly. The Head of Transport is liaising with Sustrans and ATE on how this guidance will be implemented at a local level.	Closed
234.	Member/ Officer Protocol	Jodie Townsend	Officers would raise with IT the issues reported by two Members in opening some attachments sent to their home authority email address by the CPCA.	Issue raised with IT.	Closed
		Jodie Townsend	Officers undertook to clarify baseline security requirements around the use of email, and to confirm whether email protocols approved by constituent councils were considered to meet CPCA email security requirements.	Engagement with IT has taken place, IT are drawing up guidance for issuing to Members. IT being chased for further response. Initial response is that email protocols approved by constituent councils would meet CPCA requirements. Matter to be fed into Standards element of Constitution development work being undertaken	Closed

Minute	Report title	Lead officer	Action	Response	Status
				by Constitution Group as part of Improvement Project.	
235.	OneCAM Ltd Audit report	Edwina Adefehinti/ Jodie Townsend	To clarify the process for referring matters to the Audit and Governance Committee as part of the planned review of the Constitution.	The constitutional review is ongoing as part of the improvement plan. There is a timetable that will be agreed by Members through Cllr Edna Murphy. As part of the review, a process for referring matters to A&G will be written and brought to the CA Board for approval.	Closed
235.	OneCAM Ltd Audit report	Edwina Adefehinti	To take learning from the OneCAM Ltd audit report and raise the concerns expressed in the meeting, including around potential Officer conflicts of interest, with the Audit and Governance Committee.	The Deputy Monitoring Officer intends to take a report to the September meeting of the Audit and Governance Committee.	Open
246.	Minutes – 27 July 2022	Gordon Mitchell/ Edwina Adefehinti	To check the recording of the meeting and the process for the production of the minutes in the light of comments from Members.	A correction was made to the minutes and this item is now closed.	Closed
250.	Multiply – The Approach to Programme Delivery	Fliss Miller	A Member asked whether there was any data behind why some areas had experienced a greater decrease in the number of learners and the reasons behind this. Officers offered a written response outside of the meeting.	This will be covered in the Adult Education Budget (AEB) Annual Report which is scheduled to be taken to the Skills Committee in January 2023.	Closed
268.	Budget Monitor Report October 2022	Steve Cox/ Tim Bellamy	A written response would be provided in relation to the queries raised on the TING service, and a report would be brought to the Board via the	A summary of the position on demand responsive transport was presented to the Transport and Infrastructure Committee on 16 November 2022. This has been called in. A further paper will be provided to Board ahead of the decision around	Closed

Minute	Report title	Lead officer	Action	Response	Status
			Transport and Infrastructure Committee.	<p>Year 2 and 3 of the demand responsive transport. In addition, an informal non-decision-making meeting is scheduled for 24th November where consideration around DRT, buses and the wider transport strategy will be discussed.</p> <p>Further information has been provided to Cllr Boden and other Board members on the TING service.</p>	
270.	Emerging Bus Strategy	Steve Cox/ Tim Bellamy	Asked for more information on how the CPCA had engaged with and sought to influence Stagecoach on changes to subsidised bus services which they did not believe should have been made without consultation.	The transport team has outlined the process around the retendering of bus services to Cllr Boden and Board members, including the formal engagement with Stagecoach.	Closed
		Steve Cox/ Tim Bellamy	Requested that the Bus Service Improvement Plan (BSIP) going to the Transport and Infrastructure Committee in November should also be brought to the Board.	The BSIP will be covered in the Bus Strategy report going to the Combined Authority Board in November 2022 via the Transport and Infrastructure Committee.	Closed
		Steve Cox/ Tim Bellamy	Asked that the Mayor or Chief Executive should pick up the wider issue of bus regulations with other mayoral combined authorities and possibly the County Council Network to try to raise the profile of this issue with Government.	The Mayor has engaged with the other M10 members and local MPs to raise the issues around bus regulation. This lobbying work will be continued at a political and technical level to raise the profile with government.	Closed
		Steve Cox/ Tim Bellamy	Asked that evidence of the impact on cuts to bus services should be captured and	Evidence is currently in the process of being collated. This includes mapping of higher education, health care and the potentially	Closed

Minute	Report title	Lead officer	Action	Response	Status
			representations made to Government as it impacted on all areas of Government policy, including access to work and education, missed medical appointments and to emphasise the importance of public transport in rural communities.	withdrawn routeings. This will be completed by January 2023 to help inform the work on the bus services for next financial year.	
291.	Mayoral Decision Notice MDN40-2022 Adult Education Budget Contract Awards 2022-23	Fliss Miller/ Parminder Singh Garcha	The SRO offered a note outside of the meeting providing detail of the correlation between the skills budget and skills needs in different parts of the CPCA area and the skills needs of business.	A report providing further data analysis on skills needs will be provided outside of the meeting.	Open



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COMBINED AUTHORITY

Agenda Item No: 2.1

Combined Authority Monthly Highlights Report: November 2022

To: Cambridgeshire and Peterborough Combined Authority Board

Meeting Date: 30 November 2022

Public report: Yes

Lead Member: Deputy Mayor Councillor Anna Smith

From: Gordon Mitchell, Chief Executive

Key decision: No

Recommendations: The Combined Authority Board is recommended to:

- a) Note the content of this report.

Voting arrangements: No vote required.

1. Purpose

This report provides a general update on the key activities of the Combined Authority and the Mayor since the last Board meeting, which are not covered in other reports to this Meeting

2. Updates

2.1 Organisational Update

2.1.1 Welcome to Cllr Anna Smith, Statutory Deputy Mayor

Cllr Anna Smith formally started as Statutory Deputy Mayor and an induction process is underway.

2.1.2 Improvement Plan Supplementary Update – emerging strategy

The delivery of the Improvement Plan is continuing at pace. A further update to supplement the highlight report being discussed at Board today is to share that a draft of the overarching Combined Authority Strategy, a draft Mayoral Ambition Statement and the recruitment to the revised Chief Executive's office (including support to the office of the Mayor) policy roles have all been completed.

2.1.3 Executive Director Recruitment

This is being discussed at the Employment Committee which is due to take place prior to the CA Board meeting. If the Job Descriptions are agreed, these will be advertised before Christmas with interviews in January.

2.1.4 M10 Mayoral Combined Authorities Benefits Framework and Trail Blazing

The Mayoral Combined Authorities across England meet regularly to actively share and discuss best practice and opportunities. Some work was commissioned during the summer, led by Liverpool City Region Combined Authority, to develop a clear benefits framework for MCAs and to populate case studies for further learning and sharing with central government. The initial work is nearing completion and will be shared shortly.

Pleasingly the Autumn Statement identifies work with Trail Blazing MCAs for potential further single settlement and devolution. We will engage with our Greater Manchester and West Midlands colleagues to aid our own region's considerations for further devolution and single funding settlements.

2.2 Infrastructure

Anglia Ruskin University Peterborough (ARU-P)

2.2.1 The start to term is reported to be going very well with the first Teaching Building occupied and open to students. The Research and Development Centre is shortly due for completion. The original plan was to attract local small and medium sized businesses with connections to the university and this aim remains.

2.2.2 The planning application has now been submitted for Phase Three of the campus with determination expected in January 2023. Building work with our now secured partner

contractor is expected to commence in spring 2023; this phase is to be funded from Levelling Up funds following our successful bid application.

National Infrastructure Commission

- 2.2.3 The National Infrastructure Commission visited our region on 2nd November 2022. The National Infrastructure Commission has been visiting six city regions around the UK to discuss the big infrastructure challenges for different places around the country.
- 2.2.4 Key projects and asks for economic infrastructure, including transport, climate resilience and energy infrastructure have been presented to the Commission via constructive roundtable discussions and site visits across our area. This has further been followed up with a briefing document supplied to the Commission.
- 2.2.5 Letters have been sent to Local Authority Leaders, Chief Executives and Members of Parliament to update them on the meeting and a copy of the briefing document supplied to the Commission has also been shared.

2.3 Climate and Nature

The Greater South East Net Zero Hub hosted a Heat Network event on the 17th November in conjunction with the Danish Embassy. The event provided a variety of speakers with a focus and knowledge exchange on low carbon heating is a central part of reaching net zero. Cllr Bridget Smith attended on behalf of the CPCA to talk about tackling the climate change crisis in our region, the Local Area Energy Plan in Peterborough, the heat network in Swaffham Prior and the need for innovative, place-based solutions.

2.4 Education, Skills and Employment

2.4.1 Skills Bootcamps

The Department for Education have invited the Combined Authority to submit a proposal for grant funding to deliver Skills Bootcamps (Wave Four). Deadline for submission is the 30th November. It is anticipated that the outcome of the proposal will be announced in January. Currently Skills Bootcamps are funded via a grant on an annual basis.

2.4.2 Careers

The Careers Hub will host its inaugural Careers Conference at ARU-P on 31st January. The focus of the event will be future skills needed in the labour market and ensuring our students are prepared for the world of work. The conference will attract businesses, Careers Leaders and members of school Senior Leadership Teams.

2.4.3 Primary Careers

The Combined Authority's Employment and Skills Strategy highlights our desire and need for an All-Age Careers Service. Current funding supports secondary and FE provisions via the Careers and Enterprise Company and the National Careers Service (NCS) focuses on adults in the workplace. The Combined Authority has been lobbying for provision to be extended to include primary education, devolved at a regional level. This is a vital time in a young person's development when bias and stereotyping can be challenged and exposure to role models is likely to shape future provision.

Whilst we continue to work closely with the NCS to shape their regional provisions, we are in extended discussions with a partner to deliver a pilot programme focussing on Careers Education within a primary setting. This activity will support future policy around the careers agenda whilst also allowing us to produce case studies and collect data to support future endeavours.

2.4.4 Adult Education Budget and Multiply

A successful procurement of the Adult Education Budget and Multiply was undertaken to ensure we have increased capacity and a mixed marketplace of skills providers. We now have 16 Training providers in addition to the nine college/local authority providers, who have been on-boarded, and delivery has commenced.

The new Multiply programme launched during 'Number Confidence Week' in November, seeking to address low numeracy skills and number confidence, with an allocation of c.£4m up to 2024-25. Our target is to enrol 8,500 participants and deliver 750 courses over 2.5 years. Further marketing and comms activity to promote the programme is under development.

2.5 Business Support and Investment

2.5.1 The Combined Authority has been notionally allocated £3.2million from the Rural England Prosperity Fund and in order to secure this funding for 2023 to 2025 an Addendum to the UK Shared Prosperity Fund Local Investment Plan must be completed and submitted by 30th November 2022.

2.5.2 Expressions of Interest (EOI) were submitted to UK Research and Innovation in response to their call to partners to create Innovation Launchpads across England. The successful Launchpads will be awarded up to £7.5million to provide grants for SME's to undertake research and innovation activities. The Combined Authority has led on its own EOI focussing on Advanced Materials and Manufacturing supported by partners Anglia Ruskin University, Institute for Manufacturing, Smart Manufacturing Alliance and The Welding Institute. The Combined Authority has also provided support as a collaboration partner on another EOI related to Agri-Food Tech with New Anglia Local Enterprise Partnership (LEP) and Greater Lincolnshire LEP, this EOI targeting a bigger geography pan-regionally.

2.5.3 The Government has announced their intention to develop knowledge intensive growth clusters in place of the previous announcements of potential new Investment Zones. Cambridgeshire and Peterborough may be well placed for such a cluster(s) and consideration is being given to ensuring our region is represented during any decisions for these new clusters.

2.6 Transport

2.6.1 Cambridgeshire County Council's engagement on the Fenland and Huntingdonshire transport strategies and the county's plan for active travel ended on Monday 7 November. Positive feedback received and continues to inform our approach to transport in the region. These strategies were developed by the County Council in collaboration with constituent Councils and the Combined Authority. There is clear alignment between these localised strategies and the emerging Local Transport and Connectivity Plan.

2.6.2 Key Route Network consultation

Following a lengthy period of consultation DfT has concluded that it would not be

proportionate to make combined authorities the highway authority for the KRN in their area. This is due primarily to the associated additional financial and administrative burden on combined authorities of holding these functions. Instead, and as previously announced in the Levelling Up White Paper (February 2022), in Combined or County Combined Authority areas the Government will provide new powers of direction for mayors, where they want this, to increase mayors' control over KRN. In more detail, DfT intend to seek the necessary power to be able to confer on all directly elected mayors a power to direct local authorities in the use of their existing highway and traffic authority powers, where these relate to the agreed KRN within the combined authority area. This will need further discussion locally between the mayor and the highway authorities, including work to be done to define what the KRN for our region is, if we wanted to seek such a change.

2.6.3 Local Transport and Connectivity Plan

The Combined Authority continue to work on updating the draft document with assistance from the County and City Councils, in addition to the constituent Councils. Work on developing the evidence base on the quantified carbon assessment and the use of associated transport planning tools is progressing, with feedback sought from elected members and officers on a range of potential interventions and schemes. The Combined Authority awaits the draft LTP guidance to be released by central government with the delay likely to have an adverse impact on delivery of our Plan.

2.7 Greater South East Net Zero Hub

The GSENGH commissioned two studies, energy efficiency supply chain intelligence and the skills need for retrofit. Data tables and analytics for LEPs/LAs are being finalised for issue and a dissemination event for skills is being held in London (30/11) to provide an overview of the current retrofit training landscape. Energy Systems Catapult, Delta-LCP and Parity Projects will present their findings on future requirements to meet Net-Zero targets and skills and training required to deliver home decarbonisation across the Greater South-East region. We will also be hearing from innovators in the training sector and will have time to discuss what local authorities, LEPs and regional energy hubs can do to accelerate the delivery of high-quality training for home decarbonisation.

Continued commitment to Net Zero featured in the Autumn Statement, including a commitment for an Energy Efficiency Task Force and £6bn energy efficiency investment for 2025-28.

Significant Implications

3. Financial Implications

3.1 None

4. Legal Implications

4.1 None

5. Public Health Implications

5.1 None

6. Environmental and Climate Change Implications

6.1 Neutral

7. Other Significant Implications

7.1 None



**CAMBRIDGESHIRE
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COMBINED AUTHORITY

Agenda Item No: 2.2

Improvement Plan Update

To:	Cambridgeshire and Peterborough Combined Authority Board
Meeting Date:	30 November 2022
Public report:	Yes
Lead Member:	Deputy Mayor Councillor Anna Smith
From:	Angela Probert, Interim Director of Transformation Programme
Key decision:	No
Forward Plan ref:	n/a
Recommendations:	<p>The Combined Authority Board is recommended to:</p> <ul style="list-style-type: none">a) Note the progress made against the actions set out in the CPCA Improvement Plan for October.b) Note the development of arrangements for the Independent Improvement Board.
Voting arrangements:	<p>A simple majority of Members present and voting</p> <p>To be carried, the vote must include the vote of the Mayor, or the Deputy Mayor when acting in place of the Mayor.</p>

1. Purpose

- 1.1 To share with the Board an update on the progress made against identified actions set out in the Improvement Plan, agreed by Board in October 2022.
- 1.2 To update the Board on the development of arrangements for the Independent Improvement Board agreed in October 2022.

2. Background

- 2.1 The Board in October accepted the assessment by the Chief Executive and agreed the Improvement Plan to address key issues raised.
- 2.2 The improvement plan set out six key themes:
 - A. Establish clarity on the scale of political ambition and develop an overarching strategy for the remainder of this mayoral term and to chart the next steps on that journey. This needs to include defining the purpose and role of the CPCA and in particular where the CPCA can add value
 - B. Implement a comprehensive reset of ways of working and align the policy development and pre-Board processes to support this
 - C. Prioritise work to establish a long-term strategy for transport, an urgent development of a bus strategy and review the role and functioning of the Business Board
 - D. Undertake a strategic review of income projections, including options, to secure sustainability and the possibility of taking a more strategic approach to the application of funds for identified priorities
 - E. Design and implement an organisation for today's performance, and with the agility to act on emerging demands and opportunities
 - F. Map the approach, capacity and arrangements needed to build effective public relations and influencing delivery operation
- 2.3 It also set out key deliverables over a three-month period and what might be different as a result of the activity undertaken.
- 2.4 Members of the Executive Team were identified as leads for the themes set out in 2.2 above and Chief Executives from constituent authorities have been attached to each theme to provide support and challenge.
- 2.5 The establishment of the Independent Improvement Board was also agreed, and this report provides an update on this in paragraph 4.

3. Improvement Plan progress report October 2022

- 3.1 Attached as Appendix 1 is the Programme Highlight report for the overall programme and delivery against agreed outcomes for each theme.

3.2 Key high-level progress across the programme over October is set out below:

3.2.1 **Theme A - Establish clarity on the scale of political ambition and develop an overarching strategy for the remainder of this mayoral term and to chart the next steps on that journey. This needs to include defining the purpose and role of the CPCA and in particular where the CPCA can add value:**

- A mapping exercise to identify all existing Board approved strategies and agreed priorities and objectives was completed in October.
- Engagement with the Mayor has taken place to outline the mayoral policy agenda priorities for the rest of the current term.
- A workshop with staff took place on 1 November where the outline proposal was shared. Input was sought as part of a broader engagement plan.
- Output from the staff survey on values and behaviours has commenced.
- The staffing structure for the Chief Executives team and support for the Mayor has been agreed and recruitment commenced.
- The executive team senior structure has been agreed and job descriptions drafted.

3.2.2 **Theme B - Implement a comprehensive reset of ways of working and align the policy development and pre-Board processes to support this:**

- Review of Governance conclusions regarding Board and Committee ways of working and CPCA Devolution Deal.
- Review of scheme of delegations undertaken.
- Member friendly report template developed (now being tested with Members).
- Revised arrangements for meeting cycle and forward plan proposed to Executive Team.
- Options for transitional committee structure developed – Lead Member for Governance engaged on early proposals.
- Initial steering committee proposals to support transitional committee structure developed.
- Engagement session with Lead Member for Governance and Statutory Deputy Mayor undertaken arrangements being made to engage Mayor.
- Discussions with A&G and O&S Chairs regarding improvement focused work programmes for 22/23 undertaken.
- Meeting with CEX lead to establish support moving forward and seek feedback on initial committee structure thoughts.

3.2.3 **Theme C - Prioritise work to establish a long-term strategy for transport, an urgent development of a Bus Strategy and review the role and functioning of the Business Board:**

- Work underway to take initial Bus Strategy, updated plan and framework to Transport and Infrastructure Committee (TIC) in November 2022 then to CA Board for approval at the end of November 2022.

- LTCP workshop meeting with TIC members and Leaders held on Friday 11th November. This was a significant milestone in the development and revision of the Plan allowing Members to outline which planning tools should be incorporated in the revised document. Rewriting sections of the LTCP (reflecting on consultation feedback) are currently underway.
- Metro Dynamics has been commissioned to do a Business Board review, and the results of this review are due imminently. Metro Dynamics were also asked to undertake a deeper dive into the future role and function of the Business Board, and this is due in December.

3.2.4 Theme D - Undertake a strategic review of income projections, including options, to secure sustainability and the possibility of taking a more strategic approach to the application of funds for identified priorities:

- The impact of funding changes has been fully explored with the CA Board, Leaders Strategy Meeting and relevant committees for the 2023/24 business planning process to develop the medium term financial plan (MFTP).
- Consideration is being given to the development of a “bid” team. The purpose of which would be to understand why bids and submissions have “failed” in the past to ensure that lessons are learned.
- A review of existing funding streams and wider financial freedoms has been carried out to identify current and potential opportunities for future funding. These have been assessed for impact, value and likelihood.

3.2.5 Theme E - Design and implement an organisation for today's performance, and with the agility to act on emerging demands and opportunities:

- Refreshed terms of reference drafted for officer review in November.
- Scoping of Performance Management framework commenced. An officer workshop chaired by the workstream lead will be held in November ahead of drafting a revised Framework.
- Implementation of the Risk Pathfinder Review (also a key priority within the review of governance) is underway with 4/9 actions now completed.
- Corporate Risk Management training and risk appetite assessment to be developed. This includes workshops with Executive Team and A&G Committee members which have been scheduled for December – the proposals to then be shared with CPCA Board members. Risk management training for the wider CPCA organisation and CPCA Subsidiary will also be set up.
- Procurement for the Performance Management software procurement is underway following successful soft market testing exercise in October. Three suppliers have registered interest in the tender exercise. The formal procurement exercise will begin in December with CPCA procurement already engaged.
- A research exercise is underway with regards to implementing a more efficient system for collation and presentation of performance information for the organisation and partners, leading to a draft performance management framework.
- The PMO terms of reference are being updated to reflect an enhanced corporate mandate including M&E, training etc. To scope these, a gap analysis is currently being produced.

3.2.6 Theme F - Map the approach, capacity and arrangements needed to build effective public relations and influencing delivery operation

- Work continues on mapping the approach, capacity and arrangements needed to support an effective public-relations and influencing operations by end of November
- A Plan-on-a-Page has identified three phases to build effective public relations and influence operational delivery across the mayoral term
- Engagement with different stakeholders, including the Local Government Association (LGA), to help identify best practice has taken place.
- Workstream sponsor shared his view on the purpose of the CA, the importance of a single narrative for 'place' and key messages we need to communicate.
- Contact with other stakeholders and exemplars of good practice will continue during early November

3.3 Key programme risks and dependencies and how they will be addressed are set out in the table below:

3.3.1

Work-Stream A	Not reaching consensus on overarching vision Mitigation: Ensure communication and engagement plan is in place
Work-Stream B	That the actions once completed do not sufficiently encourage or drive the cultural improvements required. Mitigation: will be the ownership of these by the chief execs group and Board which will then flow down through the organisation(s)
Work-Stream C	There is a risk that the LTCP will not align with the DfT's final guidance and will therefore not be fit for purpose. Mitigation: Continue to monitor the release of DfT's final guidance along with any other key messages that are available from the DfT and other relevant partners/organisations.
Work-Stream D	The income workstream has significant interdependencies and impacts with other workstreams. There is a risk that a lack of transparency and communication across the workstreams will negatively impact the efficacy of the outcomes related to income. Mitigation: Ensure continued and reliable communication between workstreams and the wider CA via effective Engagement Planning.
Work-Stream E	There is a risk that due to the amount of consultation required, and dependencies involved, that the Performance Management Framework and Assurance Framework are not delivered to the agreed timescales. Mitigation: Work through programme, meetings scheduled and critical path to find a way of delivering at the best pace whilst still ensuring effective consultation.
Work-Stream F	There is a risk that even with an effective PR Function, the outcome of performing a demonstrable role in advocacy for the Region will not be met if the overarching strategy coming out of Workstream A is not fit for purpose i.e., the underlying key messages are not appealing/influential enough to support the PR Function. Mitigation: Work closely with Workstream A representatives to ensure key messages can support an effective PR Function.

- 3.3.2. The External Auditor and DLUHC have set out clearly the expected focus for improvement. It is important that the CA can demonstrate its commitment to improve and also the progress it is making on this journey so more formal interventions are not put in place; the unfreezing of future funding is dependent on this.
- 3.4 Also to note:
 - 3.4.1 The overarching governance arrangements for the Improvement Plan have been put in place.
 - 3.4.2 Additional programme management resources have been secured to support the overall programme delivery arrangements and reporting; being funded from the Transformation Fund agreed by Board in July 2022.
 - 3.4.3 A critical path for key decisions and engagement activity has been developed to ensure a structured and integrated approach to delivery of all six themes.
 - 3.4.4 Chief Executives from constituent authorities have begun to provide support and challenge to the improvement activity through active engagement as a group and as individual theme links.
 - 3.4.5 The Local Government Association, Department for Business, Energy and Industrial Strategy, and Department for Levelling Up, Housing and Communities are updated on progress on a regular basis.
 - 3.4.6 Briefings to staff on progress are undertaken on a weekly basis and more structured engagement is in place to support the development and delivery of identified activities, for example the drafting of the overarching vision, priorities and values.

4 Independent Improvement Board

- 4.1 Following the establishment of the Independent Improvement Board (IIB) discussion has taken place with the Chair, Lord Kerslake regarding the establishment of the Board and the induction for its members. Lord Kerslake has written to all stakeholders and a date for the induction day for members of the IIB has now been set for 17 January 2023.
- 4.2 Arrangements for the induction day are being finalised and details will be confirmed with members of the Combined Authority Board over the next few weeks.
- 4.3 The Chair, Lord Kerslake is to meet with external stakeholders prior to the induction day.
- 4.4 A SharePoint site has been set for IIB members to give them access to key documents and reports.

Significant Implications

5. Financial Implications

- 5.1 The Board approved funding of up to £750k in July 2022 from the Programme Response Fund with delegated authority to the Interim Chief Executive to support the scope, development and delivery of work relating to improvement activity.

6. Legal Implications

- 6.1 An Action Plan in response to the recommendations of the external auditor, was agreed by the Board following the report of the Interim CEO. At the time of writing this report, all of the relevant recommendations of EY are being responded to and regular updates is provided to this board to provide a progress report as to delivery. This will assist the Authority to comply with its best value considerations.

7. Public Health Implications

- 7.1 None

8. Environmental and Climate Change Implications

- 8.1 None

9. Other Significant Implications

- 9.1 None

10. Appendices

- 10.1 Appendix 1 – Highlight report – Overall improvement programme October 2022

11. Background Papers

- 11.1 [July CA Board - Item 4.1 - Improvement Framework](#)
- 11.2 [Independent Review of Governance](#)
- 11.3 [External auditor's letter - 1 June 2022](#)
- 11.4 [CA Board 19 October 2022 - Item 2.1 - Chief Executive's diagnosis - Improvement Framework](#)



**CAMBRIDGESHIRE
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COMBINED AUTHORITY

Improvement Programme Report

October 2022



Report for Period:	October 2022
Improvement Programme Lead:	Angela Probert

Contents:

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1. Programme Overview

Chief Executive Overview

The programme arrangements are now in place to give a strong structure and capacity to deliver against agreed objectives. The contribution of the Chief Executive's Group is very much welcomed to add support, resources and to also provide challenge to individual themes.

To support and sustain the progress that is evidently being made on the nuts and bolts of the identified activity, it is important that changes and proposed ways of working are embedded throughout the combined authority to realise the longer term required culture change.

Whilst the Independent Improvement Board does not formally meet until mid-January informal discussions between the Chair and key stakeholders have been scheduled to provide the proposed support and challenge set out in the IIB terms of reference.

Improvement Programme RAG

Workstream	This Period	Last Period
A		
B		
C		
D		
E		
F		

Overview & Scrutiny

Overview & Scrutiny feedback will be inserted here once it has considered the Highlight Report

Overview & Scrutiny is due to consider the Highlight Report on 28th November 2022

CPCA Board

CPCA Board feedback will be inserted here once it has considered the Highlight Report

CPCA Board is due to consider the Highlight Report on 30th November 2022

Audit & Governance Committee

Audit & Governance Committee feedback will be inserted here it has considered the Highlight Report

Audit & Governance Committee is due to consider the Highlight Report on 2nd December 2022

Leading Programme Risks

Risk ID:	Description (Cause & Impact):	Trend:
Work-Stream A	Not reaching consensus on overarching vision Mitigation: Ensure communication and engagement plan is in place	→
Work-Stream B	That the actions once completed do not sufficiently encourage or drive the cultural improvements required. Mitigation: will be the ownership of these by the chief execs group and Board which will then flow down through the organisation(s)	→
Work-Stream C	There is a risk that the LTCP will not align with the DfT's final guidance and will therefore not be fit for purpose. Mitigation: Continue to monitor the release of DfT's final guidance along with any other key messages that are available from the DfT and other relevant partners/organisations.	→
Work-Stream D	The income workstream has significant interdependencies and impacts with other workstreams. There is a risk that a lack of transparency and communication across the workstreams will negatively impact the efficacy of the outcomes related to income. Mitigation: Ensure continued and reliable communication between workstreams and the wider CA via effective Engagement Planning.	→

Leading Look Ahead:

Activity:	Period:
Ongoing work on a revised corporate strategy and plan will continue. The outputs of the staff survey will be included in a draft set of values which will be shared at an all-staff conference before Christmas	By 31/12
Interdependencies between workstreams will be further developed. Governance work will continue, strategic documents have been developed and will continue to be shared across Boards for approval. Values & Culture action points will be moving forwards with Staff Conference 08/12/22 Risk meetings taking place over the next 10 days to complete the Risk Register by end of week commencing 23/11	By 31/12
The updated draft Bus Strategy will enter the committee cycle, going to LSM, Transport Committee and finally Board at the end of November	By 31/12
Mapping incoming funding streams to understand and record how these cascade to other areas of work. Workshop planned to refine and monitor project tasks/next steps.	By 31/12

Work-Stream E	<p>There is a risk that due to the amount of consultation required, and dependencies involved, that the Performance Management Framework and Assurance Framework are not delivered to the agreed timescales.</p> <p>Mitigation: Work through programme, meetings scheduled and critical path to find a way of delivering at the best pace whilst still ensuring effective consultation.</p>	→	<p>PMO resource gap analysis will be developed and taken to Executive Team in December – including proposed new PMO terms of reference.</p> <p>First draft of new Risk Management Strategy complete in late November.</p> <p>Performance management framework scoping document and consultation plan developed in November.</p>	By 31/12
Work-Stream F	<p>There is a risk that even with an effective PR Function, the outcome of performing a demonstrable role in advocacy for the Region will not be met if the overarching strategy coming out of Workstream A is not fit for purpose i.e., the underlying key messages are not appealing/influential enough to support the PR Function.</p> <p>Mitigation: Work closely with Workstream A representatives to ensure key messages can support an effective PR Function.</p>	→	<p>Workshop planned to refine and monitor project tasks/next steps.</p> <p>Continued stakeholder engagement to identify and record elements of a successful PR Function.</p> <p>Soft market testing/research into software available for monitoring organisational credibility/central government opportunities.</p>	By 31/12

Workstream A Establish clarity on the scale of political ambition and develop an overarching strategy for the remainder of this mayoral term, to chart the next steps on that journey.					RAG Rating
Outcome	This Period	Last Period	Achievements this Period	Plan for Next period	
A1 - A clear strategic plan for the CA is in place with deliverables to take CA from now until end of current Mayoral Term			<ul style="list-style-type: none"> A mapping exercise to identify all existing Board approved strategies and agreed priorities and objectives was completed in October 	<ul style="list-style-type: none"> External engagement to begin - informal engagement early Nov, CEX group on 29/11/2022 and Leaders Strategy on 14/12/22. 	
A2 - Organisational operating values and principles are in place that inform the approach the CA takes to how it operates			<ul style="list-style-type: none"> Engagement with the Mayor has taken place to outline the mayoral policy agenda priorities for the rest of current term 	<ul style="list-style-type: none"> Revised Corporate Strategy to be drafted by the end of November. 	
A3 - Insight and evidence are used to assess the state of the region and inform policy direction and priorities for the CA			<ul style="list-style-type: none"> A workshop with staff took place on 1 November where the outline proposal was shared. Input was sought as part of a broader engagement plan 	<ul style="list-style-type: none"> Mayoral Ambition Strategy to be drafted by end of November. 	
A4 - The strategic policy framework for the Combined Authority is re-established			<ul style="list-style-type: none"> Output from the staff survey on values and behaviours has commenced 	<ul style="list-style-type: none"> Values/principles piece of work to be drafted following output from staff survey. Staff will be engaged in this process through a number of opportunities. This will commence via a staff conference in December. 	
A5 - The mayor's operating arrangements and appropriate office support is in place and fit for purpose			<ul style="list-style-type: none"> The staffing structure for the Chief Executives office, and support for the Mayor has been agreed and recruitment commenced The executive team senior structure has been agreed and job descriptions drafted 	<ul style="list-style-type: none"> Recruitment to Exec team and Chief Executive's Office (including support to the Mayor) to continue during November. 	
Workstream Lead comments: Actions are on course to be delivered as per action plan and as such the overall RAG status has been judged as Green.					

Workstream CEX Lead comments: To follow

Workstream B

Implement a comprehensive reset of ways of working and align the policy development and pre-board processes to support this

RAG rating

Outcome	This Period	Last Period	Achievements this Period	Plan for Next Period
B1 - The Board's ways of working have been reset to enable it to operate in an effective and strategic manner			<ul style="list-style-type: none"> Review of Governance conclusions regarding Board and Committee ways of working and CPCA Devolution Deal 	<ul style="list-style-type: none"> Development of the scheme of delegation including & excluding the proposed Investment Committee to be completed for CA Board January '23
B2 - Executive Committee ways of working are reset to enable them to operate in a more effective manner			<ul style="list-style-type: none"> Review of scheme of delegations undertaken 	<ul style="list-style-type: none"> Development of the Risk Register – to be completed by w/c 23/11/22
B3 - Transitional Committee Structure implemented			<ul style="list-style-type: none"> Member friendly report template developed (now being tested with Members) 	<ul style="list-style-type: none"> Wider Engagement Plan to be confirmed AP/PS/EB to work this up
B4 - Policy space for Board is developed and aligned to the policy development process			<ul style="list-style-type: none"> Revised arrangements for meeting cycle and forward plan proposed to Executive Team 	<ul style="list-style-type: none"> CEx & Member engagement – Project Lead to be included in the engagement meeting with Cllr Smith
B5 - Informal governance mechanisms are in place that reset ways of working with constituents and partners			<ul style="list-style-type: none"> Options for transitional committee structure developed – Lead Member for Governance engaged on early proposals 	<ul style="list-style-type: none"> Staff briefing to be developed on Workstream progress
B6 - The culture and operation of the CA supports it as an effective, high performing organisation			<ul style="list-style-type: none"> Initial steering committee proposals to support transitional committee structure developed 	<ul style="list-style-type: none"> Overlay the stakeholder engagement and relationship management into the critical path JT has developed
B7 - A revised senior leadership structure in place to provide the organisation with clear and effective strategic direction and capacity			<ul style="list-style-type: none"> Engagement session with Lead Member for Governance and Statutory Deputy Mayor undertaken arrangements being made to engage Mayor 	
B8 - External partners recognise the CA has a culture of effective engagement			<ul style="list-style-type: none"> Discussions with A&G and O&S Chairs regarding improvement focused work programmes for 22/23 undertaken 	

			<ul style="list-style-type: none"> Meeting with CEX lead to establish support moving forward and seek feedback on initial committee structure thoughts <p>Actions are on course to be delivered as per action plan and as such the overall RAG status has been judged as Green.</p>	<ul style="list-style-type: none"> Identify interdependencies between Workstream B and other workstreams, and establish mitigation actions Overlay interdependencies on the Critical Path
Workstream Lead comments: The quantitative actions in this workstream, establishing structures and ways of working are on course as is the establishment of the senior leadership structure. Those that then flow from the establishment of these structures; B6 and B8 will follow from this.				
Workstream CEX Lead comments: There has been improvement but still early days.				

Workstream C				RAG rating
Prioritise work to establish a long-term strategy for transport, buses and review the role and functioning of the Business Board.				
Outcome	This Period	Last Period	Achievements this Period	Plan for Next Period
C1 - A long-term strategy for Transport and Buses is in place that meets the growth needs of the CA area. A clear strategic plan for the CA is in place with deliverables to take CA from now until end of current Mayoral Term			<ul style="list-style-type: none"> Work underway to take initial Bus Strategy, updated plan and framework to Transport Committee in November 2022 then to CA Board for approval at the end of November 2022 LTCP workshop with meeting with TIC members and Leaders to be held on Friday 11th November – significant milestone in the development and revision of the Plan – allowing Members to outline which planning tools should be incorporated in the revised document. Rewritten sections of the LTCP (reflecting on consultation feedback) currently underway. Metro Dynamics has been commissioned to do a Business Board review, and the results of this review are 	<ul style="list-style-type: none"> Review of interrelated internal and external strategies and impact. Updated draft Bus Strategy going to LSM, Transport Committee and Board (End Nov). Workshop planned to refine and monitor project tasks/next steps.

C2 - The role and function of the Business Board is fit for purpose in line with Government recommendations			due imminently. Metro Dynamics were also asked to undertake a deeper dive into the future role and function of the Business Board, and this is due in December.	<ul style="list-style-type: none"> • Review of Business Board findings (finalised) from Metro Dynamics.
Workstream Lead comments: The workstream is on track for all actions however the Local Transport and Connectivity Plan that has been drafted should be underpinned by the DfT finalised guidance which is not yet available. If there are any significant differences between the two, then the LTCP may not be fit for purpose.				
Workstream CEX Lead comments: There are three separate pieces of activity in this work stream two of which are interconnected. No particular issues or risks have been communicated to me at this stage on any of the projects.				

Workstream D Undertake a strategic review of income projections, including options, to secure sustainability and the possibility of taking more control of the application of funds for identified priorities					RAG rating
Outcome	This Period	Last Period	Achievements this Period	Plan for Next Period	
D1 - The CA has identified sustainable income options and has the capacity and capability to proactively develop effective cases for future funding.			<ul style="list-style-type: none"> Fully explored the impact of funding changes with the CA Board, Leaders Strategy Meeting and relevant committees for the 2023/24 business planning process to develop the MTFP Consideration being given to the development of a “bid” team. Understanding why bids and submissions have “failed” in the past being examined to ensure lessons are learned 	<ul style="list-style-type: none"> Consider the development of central area for information sharing and listing funding pots/bid details (SharePoint). Mapping funding streams incoming details and how these cascade to other areas of work. Review past failed bids to identify failure points and reasons and learn from these. Workshop planned to refine and monitor project tasks/next steps. 	
Workstream Lead comments: Reviews of funding streams continue to be mapped and a relevant matrix developed to illustrate this and support the project outcomes moving forward. The key item of work being considered is the further development of a Bid Team/Function to control and monitor this crucial financial element of the CA. A challenge will be provided by HDC and SCDC experts and the Combined Authority will be looking to utilise other external expertise.					
Workstream CEX Lead comments: The workstream seems to limit itself to a bid team. I am not sure where a mayoral precept as a concept sits, but presumably this is an income stream.					

Workstream E					RAG rating
Design and implement an organisation for today's performance, and with the agility to act on emerging demands and opportunities					
Outcome	This Period	Last Period	Achievements this Period	Plan for Next Period	
E1 - The PMO has refreshed Terms of Reference for Programme Office including a resource plan that matches its enhanced role in the organisation			<ul style="list-style-type: none">Refreshed terms of reference drafted for officer review in NovemberScoping of Performance Management framework commenced. An officer workshop chaired by the workstream lead will be held in November ahead of drafting a revised Framework.Implementation of the Risk Pathfinder Review (also a key priority within the review of governance) is underway with 4/9 actions now completedCorporate Risk Management training and risk appetite assessment to be developed. This includes workshops with Executive Team and A&G Committee members which have been scheduled for December – the proposals to then be shared with CPCA Board members. Risk management training for the wider CPCA organisation and CPCA Subsidiary will also be set up. Procurement for the Performance Management software procurement is underway following successful soft market testing exercise in October. Three suppliers have registered interest in the tender exercise. The formal procurement exercise will begin in December with CPCA procurement already engaged.A research exercise is underway with regards to implementing a more efficient system for collation and presentation of performance information for the organisation and partners, leading to a draft performance management framework.The PMO terms of reference are being updated to reflect an enhanced corporate mandate including M&E, training etc. To scope these, a gap analysis is currently being produced.	<ul style="list-style-type: none">All Risk Pathfinder actions will be either complete or almost complete by December.	
E2 - A robust and effective performance management framework is in place				<ul style="list-style-type: none">Corporate risk training completed in December, including risk appetite assessments.	
E3 - The organisation has a comprehensive Risk management process embedded in the corporate governance framework.				<ul style="list-style-type: none">First draft of new Risk Management Strategy complete in late November.	
E4 - Corporate Project Management regime and culture embedded across the CA .				<ul style="list-style-type: none">Performance management framework scoping document and consultation plan developed in November.	
E5 - Soft market testing exercise to be undertaken with regards to the procurement of bespoke project management software to allow access to performance information to be improved.				<ul style="list-style-type: none">Specification developed and out to tender for performance management software following the completion of the soft market testing.PMO resource gap analysis will be developed and taken to Executive Team in December – including proposed new PMO terms of reference.	
Workstream Lead comments: The workstream is making good progress in line with the agreed actions, there is high confidence that the majority of actions will be completed by January 23. The RAG remains amber due to the amount of work involved with the Performance Management Framework actions and a risk of not meeting agreed timescales -					

particularly due to the extensive consultation involved and the dependency on actions within Workstream A (Strategic Plan). We will monitor those risks closely over the next few weeks.

Wider concerns exist that the Workstream does not include specifics regarding the Assurance Framework and CAs approach to project/ programme lifecycle including approvals. Elements of this will be picked up in Workstream B as part of the governance framework with required improvements, changes, amends to the Assurance Framework being driven through this workstream.

Workstream CEX Lead comments:

Endorse the comments made by the workstream lead and thank CPCA officers for their hard work on this part of the improvement plan to date. There is still further work to be undertaken and a strong commitment to ensure there is the appropriate engagement with the Improvement Board, Political Leaders and Chief Executives as this work continues.

Workstream F					RAG rating
Map the approach, capacity and arrangements needed to build an effective public relations and influencing delivery operation					
Outcome	This Period	Last Period	Achievements this Period	Plan for Next Period	
F1 - The Combined Authority performs a demonstrable role in advocacy for the region.			<ul style="list-style-type: none"> • Work continues on mapping the approach, capacity and arrangements needed to support an effective public-relations and influencing operations by end of November • A small working group to take actions forward has been developed • A Plan-on-a-Page has identified three phases to build effective public relations and influence operational delivery across the mayoral term • Engagement with different stakeholders, including the Local Government Association (LGA) to help identify best practice has taken place. • Workstream sponsor shared his view on the purpose of the CA, the importance of a single narrative for 'place' and key messages we need to communicate. 	<ul style="list-style-type: none"> • Research into best practice across various organisations to define 'what good looks like'. • Workshop planned to refine and monitor project tasks/next steps. • Continued stakeholder engagement to identify and record elements of a successful PR Function. • Soft market testing/research into software available for monitoring organisational credibility/central government opportunities. 	

		<ul style="list-style-type: none"> • Contact with other stakeholders and exemplars of good practice will continue during early November. 	
Workstream Lead comments: A great deal of research into what a good PR function looks like for other organisations has been ongoing. The next steps are to consolidate this learning, undertake a gap analysis exercise and work out how we can move the CA forward so that we have an efficient PR operation embedded throughout. Imperative to the success of this workstream are the overarching strategic messages from Workstream A – these must fully support a vision and portrayal of advocacy and efficiency for the CA.			
Workstream CEX Lead comments: The initial scoping and work that has been undertaken to define this workstream is appropriate. Advice in respect of best practice organisations with robust and effective public affairs and campaign functions has been provided and a further checkpoint meeting with the workstream lead to review progress has been organised. The importance of the alignment between an effective Public Affairs / Public Relations approach and the delivery/policy teams within the CA remain critical to ensure future success in this area.			

3. Additional data

Click on the following links to access information:

Risk Register:	Available as required
Workstream specific Highlight Reports:	Available as required

Budget Monitor Report: November 2022

To:	Cambridgeshire and Peterborough Combined Authority Board
Meeting Date:	30 November 2022
Lead Member:	Deputy Mayor Anna Smith
From:	Jon Alsop Chief Finance Officer
Key decision:	No
Forward Plan reference:	
Recommendations:	<p>a) Note the financial position of the Combined Authority for the year to date.</p> <p>b) Note the increase to the Local Transport Grant following extension by the Department for Transport.</p>
Voting arrangements:	For noting only. No vote required.

1. Purpose

- 1.1 This report provides an update of the actual spend position against both the 2022-23 revenue budget and capital programme as at 30th September 2022 and forecast outturn position as agreed by end of October 2022.

2. Background

- 2.1 This report presents the budget and forecast outturn expenditure (year-end) position against that budget and, by exception, explanation of significant forecast variances between outturn and budget.
- 2.2 As previously agreed by the Board, the exception reporting thresholds are: £100k in Mayoral and Corporate Services revenue budgets, £250k for 'Income', 'Housing', 'Business and Skills', and 'Delivery and Strategy' revenue budgets, and £500k on all capital projects.

3. Revenue Budget Position

- 3.1 A summary of the revenue financial position of the Authority is set out in the table below. A more detailed breakdown of income and expenditure budgets for the year to date is shown at **Appendix 1**.

	Sept Budget £'000	Adjust' £'000	Revised Budget £'000	Actuals to 30 th Sep 22 £'000	Forecast Outturn £'000	FO Variance £'000	Change in FO £'000	App 4 ref:
2022-23 Revenue								
Grant Income	-49,804	-169	-49,973	-27,667	-49,973	-	-169	
Mayor's Office	488	-	488	108	359	-128	-51	
CA Gross Staffing Costs	7,528	-	7,528	3,703	7,797	269	194	
Other Employee Costs	330	-	330	76	320	-10	-10	
Externally Commissioned Support Services	581	-	581	194	576	-5	-3	
Corporate Overheads	830	-	830	264	773	-56	-	
Governance Costs	144	-	144	16	144	-	-	
Other Corporate Budgets	1,388	-	1,388	-972	-835	-2,223	-1,291	1
Recharges to Ringfence Funded Projects	-3,233	-	-3,233	-1,492	-3,233	-	-	
Corporate Services Expenditure	7,568	-	7,568	1,789	5,542	-2,025	-1,110	
Business and Skills	51,185	225	51,410	11,177	44,952	-6,458	225	
Delivery and Strategy	15,552	169	15,721	6,075	15,006	-715	-542	2-4
Housing	513	50	563	200	513	-50	-	
Workstream Expenditure	67,250	444	67,694	17,452	60,471	-7,223	-317	
Total Expenditure	75,306	444	75,749	19,349	66,373	-9,376	-1,478	

- 3.2 The Forecast Outturn as set out in the table above shows a 'favourable' variance of forecast expenditure against approved budgets of £9.4m, £7m of this was previously reported due to the removal of the £500k budget for borrowing costs and the forecast underspends on the Net Zero Hub capital retrofit programmes.
- 3.3 The October budget update increased the forecast income from treasury management loans by over £400k, this has been further improved and the total forecast income for the year now stands at £1.7m. While there has been no change in the Authority's treasury management strategy, the increases in the bank of England base rate have flowed through into significantly higher returns on loans than was originally expected. A full list of all budgets is included in **Appendix 1** and detail on material changes to expenditure forecasts are covered in **Appendix 4**:
- 3.4 There has been one change to the approved revenue budget since the Board's previous report, and that is an update to reflect the third tranche of the Local Transport Grant provided by the Department for Transport (DfT). This can be seen as an increase in the grant income line, and matching expenditure on the Local Transport Grant expenditure budget, of £169k.
- 3.5 There are no changes to forecast grant income for the year.
- 3.6 The actuals reported here represent the position at the halfway point of the financial year. After omitting the Net Zero retrofit programmes (as they are so large, they mask other behaviours) as well as income streams from treasury management operations and staff recharges, total revenue spend is only 34% of forecast spend for the year. While many of our largest expenditure headings run a month behind (i.e. spend on services in September will be charged to the Combined Authority in October) this is still less than might be expected even after 5 months of the year. There are a significant number of projects where no spend is reported so far this year despite substantial forecast outturns – if these projects continue to show limited spend while not reducing their forecast closer scrutiny and challenge will be applied.
- 3.7 Outside the additions to the budget approved by the CA Board there are five material changes to the revenue outturn position since the report to the October Board:
- The forecast income from treasury management activities in the year has increased by - £1.3m.
 - The Bus Review Implementation budget is forecasting an underspend of £255k, this is needed to cover the April-November costs of the Ting contract and so will be requested as carry forward.
 - Spend on reimbursing bus service operators for Concessionary Fares is forecast to be £1.2m less than the annual budget due to changes in guidance from DfT allowing the CA to reduce payments, which were held at pre-COVID levels in the prior financial year despite reduced patronage.
 - Spend on supported bus services is expected to be £1.2m above the original budget, offset by £506k of grants received for the DfT leaves a net overspend on the budget of £700k. The increase in costs is due to the need to retender a suite of supported bus services in a short timeframe following notice from Stagecoach that they would cease to operate the routes.

4. Capital Programme

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

Capital Programme Summary	Revised 22-23 Budget	Actuals to 30 th Sep 2022	22-23 Forecast Outturn	Forecast Variance		Change in FO
	£'000		£'000	£'000	%	£'000
Corporate Services	242	24	242	-	0.00%	-
Business and Skills	77,737	12,505	72,666	-5,071	-6.50%	-12,984
Delivery and Strategy	67,770	30,052	57,771	-9,998	-14.80%	1,946
Housing	28,389	4,541	16,239	-12,151	-42.80%	-12,151
Totals	174,138	47,122	146,918	-27,220	-15.6%	-23,189

Capital Funding Summary	Revised 22-23 Budget	Actuals to 30 th Sep 2022	22-23 Forecast Outturn	Forecast Variance		% received to date
	£'000		£'000	£'000	%	
Capital Gainshare	-12,000	-12,000	-12,000	-	0.0%	100.0%
Local Transport						
Capital Grants	-16,326	-22,481	-23,080	-6,754	41.4%	97.4%
Transforming Cities						
Funding	-21,000	-	-21,000	-	0.0%	0.0%
DLUHC Housing						
Funding	-5,000	-1,128	-1,128	3,872	0.0%	100.0%
Totals	-54,326	-35,609	-57,208	-2,882	41.4%	62.2%

- 4.2 While there is a significant forecast underspend on the capital programme c. 1/3 of this is expected to be addressed by the reprioritisation and rephasing of the Transforming Cities Funded transport projects which is coming to the Combined Authority Board at the same meeting as this report, of greater potential concern is the limited level of spend which is currently being seen across the capital programme.
- 4.3 As at the end of September, after allowing for the highway's maintenance grants and Net Zero retrofit programmes, the total capital spend is only 13.5% of the forecast spend for the year.
- While there are many potential reasons for this behaviour which would not result in slippage, from projects being planned for initiation in the second half of the year to delays in claims from delivery partners being received, if there is not a substantial acceleration in monthly spend moving forward there is risk of a very large degree of slippage on the programme.

- 4.4 The risk of project delay and slippage is one the Combined Authority is already taking steps to address with an ongoing review of the capital programme utilising external expertise and engagement with our internal auditors, RSM. The first phase of this work, to review existing projects and pipelines, is well underway and the next phase will be using this learning to develop new internal systems and methods in consultation with our constituent councils. The auditor's work has been delayed due to several members of their team moving on and is currently proposed for February 2023.
- 4.5 The forecast outturn position on the Net Zero Hub capital retrofit programme has reduced by £13.3m since the last report to the Combined Authority Board, however this is due to a reporting error in the last report where the total project spend (including both revenue and capital elements of the project) were put onto the capital budget line resulting in an overstated forecast in the previous report.
- 4.6 The only material change to the forecast spend for the year in Delivery and Strategy is a partial restoration of the A10 improvement position by £800k to forecast spend of £1.7m in the current financial year. More detail on this variance is included in **Appendix 4**.
- 4.7 The Housing programme forecasts have been updated following some key staff absences and there has been significant change to both the affordable housing grant payments and the contracted loan payments and receipts. These changes bring the forecasts up to date with the programme agreed with DLUHC, as amended by Housing Committee decisions and the agreed programme is reflected in the draft medium-term financial plan presented at this meeting. The effect is the reprofiling, of spend from 2022-23 into the two following years to accurately reflect the profile of payments on projects approved by the Housing Committee.

Significant Implications

5. Financial Implications

- 5.1 There are no direct financial implications beyond those in the body of the report.

6. Legal Implications

- 6.1 The Combined Authority is required to prepare a balanced budget in accordance with statutory requirements.

7. Other Significant Implications

- 7.1 There are no other significant implications

8. Appendices

- 8.1 Appendix 1 – Detailed breakdown of the revenue position for the year

- 8.2 Appendix 2 – 22/23 Capital Position
- 8.3 Appendix 3 – Capital Programme
- 8.4 Appendix 4 – Detailed Explanations of Material Variances
- 9. **Background Papers**
- 9.1 None

Appendix 1 - Detailed breakdown of the revenue position with actual spend to 30th Sept 2022

	Sep Budget £'000	Adjustments £'000	Revised Budget £'000	Actuals YTD £'000	Forecast Outturn £'000	Forecast Outturn Variance £'000	Change in FO £'000
Grant Income							
Adult Education Budget	-11,989		-11,989	-11,973	-11,989	-	-
Bus Service Operator Grant	-411		-411	-	-411	-	-
Careers Enterprise Company Funding	-200		-200	-44	-200	-	-
Community Renewal Fund Grants	-1,273		-1,273	-	-1,273	-	-
Local Transport Fund	-337	-169	-506	-	-506	-	-169
Digital Skills Bootcamp	-1,686		-1,686	-	-1,686	-	-
Enterprise Zone receipts	-972		-972	-	-972	-	-
ERDF - Growth Service Grant	-2,918		-2,918	-	-2,918	-	-
ESF Growth Service Grant	-920		-920	-	-920	-	-
Growth Hub Grants	-246		-246	-	-246	-	-
LEP Core Funding	-375		-375	-	-375	-	-
Mayoral Capacity Fund	-1,000		-1,000	-1,000	-1,000	-	-
Multiply Grant	-1,209		-1,209	-	-1,209	-	-
Revenue Gainshare	-8,000		-8,000	-8,000	-8,000	-	-
Skills Advisory Panel Grant	-75		-75	-	-75	-	-
Skills Bootcamp Wave 3	-4,892		-4,892	-	-4,892	-	-
Transport Levy	-13,300		-13,300	-6,650	-13,300	-	-
Total Grant Income	-49,804	-169	-49,973	-27,667	-49,973	-	-1,209
Mayor's Office							
Mayor's Allowance	96		96	46	96	-	-
Mayor's Conference Attendance	15		15	-	15	-	-
Mayor's Office Expenses	40		40	3	23	-17	-7
Mayor's Office Accommodation	77		77	26	77	-	-
Mayor's Office Staff	260		260	33	149	-111	-44
Total Mayor's Office	488	-	488	108	359	-128	-51

	Sep Budget £'000	Adjustments £'000	Revised Budget £'000	Actuals YTD £'000	Forecast Outturn £'000	Forecast Outturn Variance £'000	Change in FO £'000
Corporate Services							
Combined Authority Gross Staffing Costs							
Business and Skills	2,358		2,358	995	2,381	23	64
Chief Executive	331		331	293	324	-7	1
Corporate Services	2,418		2,418	1,344	2,862	444	25
Transport	1,012		1,012	412	1,152	140	6
Delivery and Strategy	908		908	480	759	-150	63
Housing	501		501	179	320	-181	35
Total CA Gross Staffing Costs	7,528	-	7,528	3,703	7,797	269	194
Other Employee Costs							
Travel	80		80	4	70	-10	-10
Training	88		88	28	88	-	-
Change Management Reserve	162		162	44	162	-	-
Total Other Employee Costs	330	-	330	76	320	-10	-10
Externally Commissioned Support Services							
External Legal Counsel	70		70	11	70	-	-
Finance Service	65		65	23	65	-	-
Democratic Services	95		95	48	95	-	-
Payroll	10		10	1	5	-5	-3
HR	12		12	6	12	-	-
Procurement	8		8	2	8	-	-
Finance System	100		100	-	100	-	-
ICT external support	221		221	103	221	-	-
Total Externally Commissioned Support Services	581	-	581	194	576	-5	-3

	Sep Budget £'000	Adjustments £'000	Revised Budget £'000	Actuals YTD £'000	Forecast Outturn £'000	Forecast Outturn Variance £'000	Change in FO £'000
Corporate Overheads							
Accommodation Costs	300		300	21	250	-50	-
Software Licences, Mobile Phones cost	113		113	76	113	-	-
Communications	40		40	12	40	-	-
Website Development	10		10	6	10	-	-
Recruitment Costs	100		100	34	100	-	-
Insurance	39		39	39	39	-	-
Audit Costs	140		140	28	140	-	-
Office running costs	31		31	1	25	-6	-
Corporate Subscriptions	56		56	47	56	-	-
Total Corporate Overheads	830	-	830	264	773	-56	-
Governance Costs							
Committee/Business Board Allowances	144		144	16	144	-	-
Total Governance Costs	114	-	114	16	114	-	-
Other Corporate Budgets							
Improvement Plan	-	750	750	-	750	-	-
Corporate Response Fund	145		145	-	145	-	-
Contribution to the A14 Upgrade	61		61	-	61	-	-
Interest Receivable on Investments	-68		-68	-972	-1,791	-1,723	-1,291
Interest charges on borrowing	500		500	-	-	-500	-
Total Other Corporate Budgets	638	750	1,388	-972	-835	-2,223	-1,291
Recharges to Ringfence Funded Projects							
Internally Recharged Grant Funded Staff	-2,749		-2,749	-1,282	-2,749	-	-
Externally Recharged Staff	-484		-484	-210	-484	-	-
Total Recharges to Ringfence Funded Projects	-3,233	-	-3,233	-1,492	-3,233	-	-
Total Corporate Services Expenditure	6,818	750	7,568	1,789	5,542	-2,025	-1,110

<u>Business and Skills</u>	Sep Budget £'000	Adjustments £'000	Revised Budget £'000	Actuals YTD £'000	Forecast Outturn £'000	Forecast Outturn Variance £'000	Change in FO £'000
AEB Devolution Programme	10,449		10,449	6,489	10,449	-	-
AEB Innovation Fund - Revenue	629		629	178	629	-	-
AEB Programme Costs	367		367	208	367	-	-
AEB Provider Capacity Building	156		156	68	156	-	-
AEB Strategic Partnership Development	196		196	33	196	-	-
Careers and Enterprise Company (CEC)	75		75	73	75	-	-
Changing Futures	60		60	-	60	-	-
CRF Start & Grow Project	930		930	-	930	-	-
CRF Turning Point Project	307		307	-	307	-	-
CRF Programme Management	53		53	-	53	-	-
CRF Turning Point CPCA Programme management	28		28	-	28	-	-
Digital Skills Bootcamp	1,785		1,785	282	1,785	-	-
Economic Rapid Response Fund	41		41	26	41	-	-
FE Cold Spots (rev)	-	225	225	-	225	-	225
Growth Co Services	5,073		5,073	315	5,073	-	-
GSE Energy Hub	2,186		2,186	420	2,186	-	-
GSE COP 26	23		23	2	23	-	-
GSE Green Homes Grant Sourcing Activity	699		699	296	699	-	-
GSE Green Homes Grant Ph 3 (LAD 3)	10,601		10,601	374	6,094	-4,508	
GSE Home Improvement Grant	4,443		4,443	37	2,493	-1,950	
GSE Net Zero Investment Design	1,500		1,500	600	1,500	-	-
GSE Public Sector Decarbonisation	1,150		1,150	6	1,150	-	-
GSE Rural Community Energy Fund (RCEF)	1,974		1,974	1,250	1,974	-	-
Health and Care Sector Work Academy	2,467		2,467	218	2,467	-	-
Insight and Evaluation Programme	75		75	12	75	-	-
Local Growth Fund Costs	426		426	183	426	-	-
Market Town and Cities Strategy	35		35	7	35	-	-
Marketing and Promotion of Services	90		90	-	90	-	-
Multiply Programme	1,209		1,209	-	1,209	-	

<u>Business and Skills</u>	Sep Budget £'000	Adjustments £'000	Revised Budget £'000	Actuals YTD £'000	Forecast Outturn £'000	Forecast Outturn Variance £'000	Change in FO £'000
Peterborough University Quarter Masterplan	100		100	100	100	-	-
Shared Prosperity Fund Evidence Base & Pilot Fund	77		77	-	77	-	-
Skills Advisory Panel (SAP) (DfE)	40		40	-	40	-	-
Skills Bootcamp Wave 3	3,914		3,914	-	3,914	-	-
Skills Rapid Response Fund	27		27	-	27	-	-
Total Business and Skills	51,185	225	51,410	11,177	44,952	-6,458	225

<u>Delivery and Strategy</u>	Sep Budget £'000	Adjustments £'000	Revised Budget £'000	Actuals YTD £'000	Forecast Outturn £'000	Forecast Outturn Variance £'000	Change in FO £'000
Bus Review Implementation	1,008		1,008	209	753	-255	-255
Climate Change	100		100	-	50	-50	-50
Doubling Nature Metrics	25		25	-	25	-	-
Hunts Biodiversity for all - Revenue	50		50	-		-50	-50
Lifebelt City Portrait	40		40	-	40	-	-
Local Transport Fund	337	169	506	-	506	-	169
Local Transport Plan	-		-	106	100	100	100
Monitoring and Evaluation Framework	66		66	10	62	-4	-
P'boro Station Quarter SOBC	70		70		70	-	-
Peterborough Electric Bus Depot business case	175		175	104	175	-	-
Public Transport: Bus Service Operator Grant	40		40	-	40	-	-
Public Transport: Concessionary fares	411		411	-	411	-	-
Public Transport: Contact Centre	8,845		8,845	3,301	7,645	-1,200	-1,200
Public Transport: ENCTS rationalisation	286		286	163	286	-	-
Public Transport: RTPI, Infrastructure & Information						-	-
Public Transport: S106 supported bus costs	221		221	106	221	-	-
Public Transport: Supported Bus Services	-		-	-	-	-	-
Public Transport: Team and Overheads	3,422		3,422	1,857	4,166	744	744
Natural Cambridgeshire	456		456	219	456	-	-

<u>Delivery and Strategy</u>	Sep Budget £'000	Adjustments £'000	Revised Budget £'000	Actuals YTD £'000	Forecast Outturn £'000	Forecast Outturn Variance £'000	Change in FO £'000
Total Delivery and Strategy	15,552	140	15,721	6,075	15,006	-715	-542
<u>Housing</u>							
CLT	70	50	120	20	70	-50	-
Affordable Housing Programme Revenue Costs	443		443	180	443	-	-
Total Housing	513	50	563	200	513	-50	-
Total Workstream Expenditure	67,250	444	67,694	17,452	60,471	-7,223	-317
Total Revenue Expenditure	75,306	444	75,749	19,349	66,373	-9,376	-1,478

Appendix 2 – 22/23 Capital Position, actuals to 30th September 2022

	Approved Budget £'000	22-23 Actuals £'000	Forecast Spend £'000	Forecast Remaining £'000	Forecast Over (Under) spend £'000	Change to Forecast Over (Under) spend £'000
Business and Skills						
Advanced Manufacturing	347	-	347	347	-	347
Barn4 specialist growing facilities	400	-	400	400	-	-
Cambridge Biomedical MO Building	185	185	185	-0	-	-
Cambridge City Centre	481	-	481	481	-	-
Expansion of Growth Co Inward Investment	400	-	400	400	-	-
Fenland Hi-tech Futures	400	-	400	400	-	-
GSE Green Home Grant Capital Programme Ph 2	16,634	10,683	15,301	4,618	-1,333	-4,699
GSE Green Home Grant Capital - LAD 3	29,842	61	29,247	29,186	-595	-5,283
GSE Green Home Grant Capital - HUG 1	10,824	16	10,824	10,808	-	-3,304
Illumina Accelerator	1,700	200	1,700	1,500	-	-
Market Towns: Chatteris	596	127	374	247	-222	-
Market Towns: Ely	735	12	718	706	-16	-
Market Towns: Huntingdon	391	86	326	240	-65	-
Market Towns: Littleport	-	-	-	-	-	-
Market Towns: March	2,068	-	2,068	2,068	-	-
Market Towns: Ramsey	1,000	190	210	20	-790	-
Market Towns: Soham	894	80	283	203	-611	-
Market Towns: St Ives	433	86	326	240	-107	-
Market Towns: St Neots	1,141	-	930	930	-211	-
Market Towns: Whittlesey	914	-	218	218	-696	-
Market Towns: Wisbech	746	325	321	-4	-425	-
Ramsey Food Hub	302	-	302	302	-	302
South Fen Business Park	946	-	946	946	-	-
St Neots Masterplan	215	-	215	215	-	-
Start Codon (Equity)	1,475	-	1,475	1,475	-	-
The Growth Service Company	5,135	454	5,135	4,681	-	-
Total Business and Skills	77,456	12,505	73,132	59,880	-5,071	-12,637

	Approved Budget £'000	22-23 Actuals £'000	Forecast Spend £'000	Forecast Remaining £'000	Forecast Over (Under) spend £'000	Change to Forecast Over (Under) spend £'000
<u>Delivery and Strategy</u>						
A10 Improvements	3,993	14	1,726	1,712	-2,267	800
A1260 Nene Parkway Junction 15	8,011	1,292	7,143	5,851	-868	-
A1260 Nene Parkway Junction 32/3	711	3	27	24	-684	-
A141 & St Ives	1,900	-	1,737	1,737	-163	-163
A16 Norwood Dualling	227	89	227	138	-	-
A505 Corridor	134	21	134	113	-	-
Care Homes Retrofit Programme	150	-	500	500	-	-
Coldhams Lane roundabout improvements	500	-	-	-	-234	-
Digital Connectivity Infrastructure Programme	234	-	1,262	1,007	-856	-178
Ely Area Capacity Enhancements	2,118	255	124	124	-	-
Fengate Access Study - Eastern Industries Access - Phase 1	124	-	109	16	-865	-
Fengate Access Study - Eastern Industries Access - Phase 2	974	93	1,336	1,195	-6	-
Fletton Quays Footbridge	1,342	141	465	465	-	-
Hunts Biodiversity for all - Capital	465	-	450	450	50	-
Local Highways Maintenance & Pothole (with PCC and CCC)	400	-	27,695	-	-	-
King's Dyke	250	-	1,700	1,700	-409	591
March Junction Improvements			2,114	1,902	-1,603	31
Net Zero Villages Fund			750	750	-	-
Peterborough Green Wheel	2,109	-	250	250	-	-
Soham Station	750	-	175	153	-2,093	-
Thorpe Wood Cycle Way	250	-	625	625	-	625
Transport Modelling	10	-	740	740	-	-
Wisbech Access Strategy	2,268	22	1,573	1,369	-	-
Wisbech Rail	625	-	241	230	-	230
ZEBRA capital funding	740	-	6,258	6,258	-	-
Total Delivery and Strategy	67,770	30,052	57,771	27,719	-9,998	1,946

	Approved Budget £'000	22-23 Actuals £'000	Forecast Spend £'000	Forecast Remaining £'000	Forecast Over (Under) spend £'000	Change to Forecast Over (Under) spend £'000
Housing						
Affordable Housing Grant Programme	21,934	841	8,719	7,878	-13,215	-13,215
Housing Investment Fund - contracted payments	6,456	3,700	7,520	3,820	1,064	1,064
Total Housing	28,389	4,541	16,239	11,698	-12,151	-12,151
	Approved Budget £'000	22-23 Actuals £'000	Forecast Spend £'000	Forecast Remaining £'000	Forecast Over (Under) spend £'000	Change to Forecast Over (Under) spend £'000
Corporate Services						
ICT Capital Costs	42	-	42	42	-	-
Office Fit-out costs	200	24	200	176	-	-
Total Corporate Services	242	24	242	218	-	-
Total Capital Programme	173,857	47,122	147,384	99,515	-27,220	-22,842

	Approved to Spend Budgets				Total approved spend £'000	Subject to Approval budget				Total project budgets £'000
	2022-23 £'000	2023-24 £'000	2024-25 £'000	2025-26 £'000		2022-23 £'000	2023-24 £'000	2024-25 £'000	2025-26 £'000	
<u>Business and Skills</u>										
Advanced Manufacturing	347	-	-	-	347	-	-	-	-	347
Barn4 specialist growing facilities	400	-	-	-	400	-	-	-	-	400
Cambridge Biomedical MO Building	185	-	-	-	185	-	-	-	-	185
Cambridge City Centre	481	-	-	-	481	-	-	-	-	481
College of West Anglia - Net Zero	274	850	876	-	2,000	-	-	-	-	2,000
Expansion of Growth Co Inward Investment	400	-	-	-	400	-	-	-	-	400
FE Cold Spots (capital)	-	-	-	-	-	-	2,400	2,175	-	4,575
Fenland Hi-tech Futures	400	-	-	-	400	-	-	-	-	400
Growth Works Additional Equity Fund	-	-	-	-	-	950	2,850	2,850	2,850	9,500
GSE Green Home Grant Capital Programme Ph 2	16,634	-	-	-	16,634	-	-	-	-	16,634
GSE Green Home Grant Capital - LAD 3	29,842	-	-	-	29,842	-	-	-	-	29,842
GSE Green Home Grant Capital - HUG 1	10,824	-	-	-	10,824	-	-	-	-	10,824
IEG Student Space	7	30	260	99	397	-	-	-	-	397
Illumina Accelerator	1,700	-	-	-	1,700	-	-	-	-	1,700
Market Towns: Chatteris	596	-	-	-	596	-	-	-	-	596
Market Towns: Ely	735	-	-	-	735	-	-	-	-	735
Market Towns: Huntingdon	391	-	-	-	391	422	-	-	-	813
Market Towns: Littleport	-	-	-	-	-	1,000	-	-	-	1,000
Market Towns: March	2,068	-	-	-	2,068	-	-	-	-	2,068
Market Towns: Ramsey	1,000	-	-	-	1,000	-	-	-	-	1,000
Market Towns: Soham	894	-	-	-	894	-	-	-	-	894
Market Towns: St Ives	433	-	-	-	433	380	-	-	-	813
Market Towns: St Neots	1,141	1,959	-	-	3,100	-	-	-	-	3,100
Market Towns: Whittlesey	914	-	-	-	914	-	-	-	-	914
Market Towns: Wisbech	746	-	-	-	746	-	-	-	-	746
Market Towns and Villages	-	-	-	-	-	1,250	1,250	-	-	2,500
Ramsey Food Hub	302	709	147	-	1,159	-	-	-	-	1,159
South Fen Business Park	946	-	-	-	946	-	-	-	-	946
St Neots Masterplan	215	-	-	-	215	-	-	-	-	215
Start Codon (Equity)	1,475	-	-	-	1,475	-	-	-	-	1,475

The Growth Service Company	5,135	3,000	-	-	8,135	-	-	-	-	8,135
Total Business and Skills	78,484	6,549	1,283	99	86,415	4,002	6,500	5,025	2,850	104,792

Delivery and Strategy	Approved to Spend Budgets				Total approved spend	Subject to Approval budget				Total project budgets
	2022-23 £'000	2023-24 £'000	2024-25 £'000	2025-26 £'000	2022-23 £'000	2023-24 £'000	2024-25 £'000	2025-26 £'000	2022-23 £'000	2023-24 £'000
A10 Improvements	3,993	-	-	-	3,993	-	-	-	-	3,993
A1260 Nene Parkway Junction 15	8,011	-	-	-	8,011	-	-	-	-	8,011
A1260 Nene Parkway Junction 32/3	711	-	-	-	711	-	5,846	-	-	6,557
A141 & St Ives	1,900	5,552	848	-	8,300	-	-	-	-	8,300
A16 Norwood Dualling	227	-	-	-	227	12,420	-	-	-	12,647
A505 Corridor	134	-	-	-	134	-	-	-	-	134
Active Travel Funding (Cap)	-	-	-	-	-	830	1,500	1,779	850	4,959
CAM Delivery to OBC	150	-	-	-	150	-	-	-	-	150
Care Homes Retrofit Programme	500	1,500	-	-	2,000	-	-	-	-	2,000
City of Cambridge Culture - Capital	-	-	-	-	-	183	153	30	-	366
Coldhams Lane roundabout improvements	234	-	-	-	234	2,200	-	-	-	2,434
Digital Connectivity Infrastructure Programme	2,118	1,500	1,500	-	5,118	-	-	-	-	5,118
Ely Area Capacity Enhancements	124	-	-	-	124	-	-	-	-	124
Fengate Access Study - Eastern Industries Access - Phase 1	974	-	-	-	974	4,515	-	-	-	5,489
Fengate Access Study - Eastern Industries Access - Phase 2	1,342	448	-	-	1,790	-	-	-	-	1,790
Fletton Quays Footbridge	465	942	2,021	-	3,428	-	-	-	-	3,428
Greater Cambridge Chalk Stream - Capital	-	-	-	-	-	100	100	100	-	300
Hunts Biodiversity for all - Capital	400	400	400	-	1,200	-	-	-	-	1,200
King's Dyke	2,109	-	-	-	2,109	1,100	-	-	-	3,209
Local Highways Maintenance & Pothole (with PCC and CCC)	27,695	27,695	27,695	27,695	110,780	-	-	-	-	110,780
Logan's Meadow Nature Reserve	250	30	-	-	280	-	-	-	-	280
March Junction Improvements	3,718	-	-	-	3,718	3	-	-	-	3,721
Meanwhile, North East Cambridge - Capital	-	-	-	-	-	-	1,000	-	-	1,000
Nature and Environment Investment Fund	-	250	750	-	1,000	-	-	-	-	1,000

Net Zero Villages Fund	750	250	-	-	1,000	-	-	-	-	1,000
Peterborough Green Wheel	250	500	-	-	750	-	-	-	-	750
Regeneration of Fenland Railway Stations	-	-	-	-	-	674	-	-	-	674
School Streets	10	-	-	-	10	-	-	-	-	10
Snailwell Loop	-	-	-	-	-	500	-	-	-	500
Soham Station	2,268	-	-	-	2,268	-	-	-	-	2,268
Thorpe Wood Cycle Way	625	-	-	-	625	-	-	-	-	625
Transport Modelling	740	-	-	-	740	1,136	585	215	215	2,891
Waterbeach solar PV vehicles - capital	-	-	-	-	-	2,000	700	-	-	2,700
Wisbech Access Strategy	1,573	-	-	-	1,573	-	-	-	-	1,573
Wisbech Rail	241	-	-	-	241	5,688	5,000	-	-	10,928
ZEBRA capital funding	6,258	-	-	-	6,258	-	-	-	-	6,258
Total Delivery and Strategy	67,770	39,067	33,214	27,695	167,746	31,348	14,884	2,124	1,065	217,168

	Approved to Spend Budgets				Total approved to spend £'000	Subject to Approval budget				Total project budgets £'000
	2022-23 £'000	2023-24 £'000	2024-25 £'000	2025-26 £'000		2022-23 £'000	2023-24 £'000	2024-25 £'000	2025-26 £'000	
<u>Housing</u>										
Affordable Housing Grant Programme	21,934	-	-	-	21,934	-	-	-	-	21,934
Housing Investment Fund - contracted payments	6,456	-	-	-	6,456	-	-	-	-	6,456
Total Housing	28,389	-	-	-	28,389	-	-	-	-	28,389

	Approved to Spend Budgets				Total approved to spend £'000	Subject to Approval budget				Total project budgets £'000
	2022-23 £'000	2023-24 £'000	2024-25 £'000	2025-26 £'000		2022-23 £'000	2023-24 £'000	2024-25 £'000	2025-26 £'000	
<u>Corporate Services</u>										
ICT Capital costs	42	42	42	42	167	-	-	-	-	167
Office Fit-Out costs	200	-	-	-	200	-	-	-	-	200
Total Corporate Services	242	42	42	42	367	-	-	-	-	367

Total Capital Programme	174,885	45,657	34,539	27,836	282,917	35,351	21,384	7,149	3,915	350,716
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Appendix 4: Detailed Explanations of Material Variances

Operational Revenue Variances >£100k

1. Interest Receivable on Investments		Change in forecast income	-£1,291k
2022-23 Budget	-£68k	Forecast income	-£1,723k
<p>The 2022/23 budget was set in late 2021 at which point inflation, and the Bank of England base rate, were significantly lower than they are currently, and have risen further since the previous report.</p> <p>Following the national trend interest available on deals to the Combined Authority have increased, as the Combined Authority holds most of it's funds in short term deals we have been able to capitalise on this and achieve substantially higher interest income than was anticipated.</p> <p>As the final income will depend on the behaviour of interest rates throughout the rest of 2022-23 the forecast is an estimate which will continue to be updated throughout the year as the final position crystalises.</p>			

Workstream Revenue Variances >£250k

2. Bus Review Implementation		Change in forecast expenditure	-£255k
2022-23 Budget	£1,008k	Forecast expenditure	£753k
<p>Following the retender of Ting and contract award for the initial 12 months to November 2023, this budget has been reviewed and provision made within it to cover the costs of the 8 months of the contract which fall into the 2023-24 financial year.</p> <p>The forecast underspend will therefore be requested as carry forward to meet the contractual costs of the service.</p>			

3. Public Transport: Concessionary Fares		Change in forecast expenditure	-£1,200k
2022-23 Budget	£8,845k	Forecast expenditure	£7,645k
<p>During COVID the Department for Transport implemented a policy which instructed Local Transport Authorities (LTAs) to continue to make</p>			

concessionary fare payments to bus operators at the pre-pandemic level regardless of actual ridership.

From the start of the 2022-23 financial year this policy has changed, and LTAs are able to gradually reduce payments until actual payments meet the amount which would be paid based on actual ridership.

As ridership among concessionary fare holders is still substantially below the pre-pandemic level there is a significant underspend forecast on this budget.

4. Public Transport: Supported Bus Services		Change in forecast expenditure	£700k
2022-23 Budget	£3,422k	Forecast expenditure	£4,166k
<p>Following the withdrawal of supported bus services by Stagecoach the Combined Authority agreed to undertake a rapid tender to cover the gaps this would have left in the network.</p> <p>The increased costs of these services are estimated to be £1.2m above the original budget of £3.4m, however the DfT have provided £506k of Local Transport Fund grants which reduce the net pressure on this budget to £700k</p>			

Capital Variances >£500k

5. Retrofit grants (LAD 2 & 3, home improvement grant)		Change in forecast expenditure	-£13,286k
2022-23 Budget	£57,300k	Forecast expenditure	£55,372k
<p>The reason for the near £100m change in forecast were reported to the previous Board meeting, this change is actually a correction as the forecast spend on these budgets reported in October reflected the total project spend, rather than only including the capital spend, as the revenue is reported separately.</p> <p>The updated forecasts therefore don't represent an underlying change in forecast spend, rather a correction to strip out the revenue spend which was previously being double counted in both revenue and capital forecasts.</p>			

6. A10 Improvements		Change in forecast expenditure	£800k
2022-23 Approved Budget	£3,993k	Forecast expenditure	£1,726k
<p>The forecast spend on the A10 project has been updated to include the first year's project programme costs, the current stage is anticipated to be</p>			

delivered over three financial years.

The detailed costs and programme for the A10 improvements are still being finalised, once they are complete a change request will be brought setting out the revised delivery timeline and expenditure profile.

7. Affordable Housing Grant Programme		Change in forecast expenditure	-£13,215k
2022-23 Approved Budget	£21,934k	Forecast expenditure	£8,719k
8. Affordable Housing Grant Programme		Change in forecast income	£3,872k
2022-23 Approved Budget	-£5,000k	Forecast income	-£1,128k

The change in forecast income and expenditure reflects the updated profile of commitments following the finalisation of the programme with DLUHC and subsequent minor changes agreed by Housing and Communities Committee.

The profile of expenditure to complete the programme is now:

22/23 £8,719k
23/24 £11,359k
24/25 £3,130k

No further grant will be received after this date, the rest of the programme will be funded by future housing loan repayments.

9. Housing Investment Fund – contracted payments		Change in forecast expenditure	£1,064k
2022-23 Approved Budget	£6,456k	Forecast expenditure	£7,520k
<p>The change in forecast reflects the updated profile spend incorporating slippage from the previous financial year.</p> <p>All loans are being closely monitored, and reported to Housing Committee, and are anticipated to be repaid within terms of the current loan agreements.</p>			

Draft 2023/24 budget and medium-term financial plan 2023 to 2027

To:	Cambridgeshire and Peterborough Combined Authority Board
Meeting Date:	30 November 2022
Lead Member:	Deputy Mayor Anna Smith
From:	Jon Alsop, Chief Finance Officer
Key decision:	No
Forward Plan ref:	n/a
Recommendations:	<p>The Combined Authority Board is recommended to:</p> <p>a) Approve the Draft Budget for 2023/24 and the Medium-Term Financial Plan 2023/24 to 2026/27 for consultation.</p> <p>b) Approve the timetable for consultation and those to be consulted.</p>
Voting arrangements:	<p>A simple majority of all Members present and voting.</p> <p>To be carried, the vote must include the vote of the Mayor, or the Deputy Mayor when acting in place of the Mayor.</p>

1. Purpose

- 1.1. The Combined Authority Board is recommended to approve the draft unbalanced budget 2023/24 and Medium-Term Financial Plan to 2026/7 for public engagement and feedback through consultation.
- 1.2. According to Chapter 4 of the Constitution, functions reserved to the Combined Authority Board include the adoption of the non-mayoral Combined Authority budgets, the Medium-Term Financial Plan and Capital Programme and fiscal strategy to reflect any taxation proposals such as local taxation.
- 1.3. Chapter 7 of the Constitution sets out the Budget Framework Procedure rules including how the Combined Authority will make decisions on the budget.
- 1.4. The process for the approval of the Mayoral budget is set out in 'The Combined Authorities (Finance) Order 2017'.
- 1.5. This paper sets out the proposed Combined Authority draft Budget for 2023/24 and the Medium-Term Financial Plan (MTFP) and Capital Programme for the period 2023/24 to 2026/27.
- 1.6. The paper also sets out the proposed timetable for the consultation and approval of the draft budget and MTFP, and the suggested consultees in line with statutory timescales.
- 1.7. The consultation exercise will request consultees to provide comment and suggestion on how to balance the 2023/24 budget for consideration by the Board at its January meeting.

2. Background

- 2.1. According to the Constitution, "The draft Budget shall be submitted to the Combined Authority Board for consideration and approval for consultation purposes only before the end of December each year. The Combined Authority Board will also agree the timetable for consultation and those to be consulted. The consultation period shall not be less than four weeks, and the consultees shall include Constituent Authorities, the Local Enterprise Partnership and the Overview and Scrutiny Committee."
- 2.2. Whilst there is no requirement in the Finance Order 2017 for the Combined Authority to consult on its budget, Local Authorities have a duty to consult where its decision will impact residents.

Development Timetable

- 2.3. The proposed timetable for approving the budget and MTFP is set out below and is in accordance with the key dates and statutory deadlines set out in the Constitution (Budget Framework) and the Finance Order. A more detailed timeline is included as Appendix 3.

Proposed Statement and Budget Setting Timetable	Day	Date
CPCA Board Meeting (to receive and approve the draft Budget and MTFP for consultation)	Wed	30/11/22
Draft Budget Consultation Period Starts	Thu	1/12/22

Overview and Scrutiny Committee Meeting (Consultation)	Mon	tbc
Consultation Ends	Fri	13/01/23
Overview and Scrutiny Committee Meeting	Mon	tbc
CPCA Board Meeting to Approve the 2022/23 Budget and MTFP	Wed	25/01/23

2.4. Consultees

The consultees on the draft budget and MTFP must, as a minimum, include the following organisations:

- Cambridge City Council
- Cambridgeshire County Council
- East Cambridgeshire District Council
- Fenland District Council
- Huntingdonshire District Council
- Peterborough City Council
- South Cambridgeshire District Council
- The Business Board
- CPCA Overview and Scrutiny Committee

The draft budget and MTFP will also be set out on the Combined Authority website and a communications campaign will be run to encourage public engagement and feedback.

Emerging Combined Authority Strategy

- 2.5. A refreshed overarching strategy for the Combined Authority is emerging at pace. A draft strategic vision and four areas of priority have been identified as a result of informal feedback from some key stakeholders, evidence and insight, links to and coherence with detailed sub strategies and delivery plans, and the Mayoral Ambition for the remainder of this term. This emerging strategy will continue to be subject to further engagement, including being informed by the proposed budget consultation, prior to being considered fully by Combined Authority Board in January 2023.
- 2.6. The overall strategy proposes to further enable a prosperous Cambridgeshire and Peterborough region; one that is more equitable, more environmentally sustainable, and securing good growth for its residents and businesses. The emerging priority areas are focused on achieving good growth; increasing connectivity; seeking ambitious skills and employment opportunities; and enabling resilient and adaptable communities.
- 2.7. The outputs of the Improvement Plan, such as improvements to governance, strategic and policy frameworks, and establishing the revised leadership structure and capacity, will provide a strong foundation to achieve the strategic vision and priorities.

Budget Setting Objectives

- 2.8. The overarching objective is to set an affordable and balanced budget that supports delivery of the ambitions and priorities of the Mayor and the Combined Authority.
- 2.9. The Combined Authority approved the 2022/23 budget and MTFP following the adoption of the Sustainable Growth Ambition Statement. The inclusion of a number of new climate-related project proposals together with the addition of further transport and skills projects in March 2022 allocated the vast majority of the Combined Authority's available funds across the MTFP period. This substantially provided the baseline position for the development of the 2023/24 budget and MTFP update.
- 2.10. The focus to date has been on updating and rolling forward existing budgets and allocated 'subject to approval' funds whilst reviewing the profile of projects and programmes across the period of the MTFP. Whilst there are limited changes to existing projects included in the budget and MTFP, the impact of a worsening economic environment including rising inflation has created significant budgetary pressures that require the Board to consider service delivery and funding options to balance the budget.
- 2.11. This draft budget also includes some new funding and related expenditure e.g. from the UK Shared Prosperity Fund (UKSPF).
- 2.12. Other objectives and principles adopted in the development of the proposed draft budget and MTFP are as follows:
- Budget preparation has taken account of the level of reserves brought forward from previous financial years, and of expected annual funding streams from 2023/24 onwards to ensure that spending plans continue to be affordable.
 - The 2023/24 Budget and MTFP provides a clear presentation of capital and revenue budgets. This is still based on the historic Directorate basis. While the new Directorate structure was formally adopted by the CA Board in October there is ongoing strategy and governance work which will result in revised roles and responsibilities for Committees which will not complete until early 2023. Once this is approved the Combined Authority's budget will be re-mapped to match. This will not change the approved budgets and projects but will change the headings against which each budget is reported.
 - The staffing structure and budgets will continue to be managed at a corporate level by the Chief Executive as Head of Paid Service.
 - The Budget and MTFP identifies staffing costs and other contributions to 'overheads' associated with grant funded programmes and these are recharged to the relevant directorate budget line.
 - The Budget and MTFP provides a clear presentation of projects where budget lines have already been approved by the Board, and of those projects which are 'Subject to Approval'.
 - The Budget takes a prudent approach to funding – new funding sources are not recognised until funding agreements have been received from Government.
- 2.13. In accordance with the Constitution, all expenditure lines which are indicated 'subject to approval' will need to be approved by the Board before any expenditure can be incurred

against them.

- 2.14. All Revenue and Capital expenditure lines included within the 2023/24 budget envelope and the MTFP, including both 'approved expenditure' and 'subject to approval' expenditure, are affordable and provide a balanced budget, subject to the Board's decision on service options and related funding to manage budgetary pressures in the immediate and longer term. These budget pressures are set out below.
- 2.15. The attached appendices provide the summary positions and detailed supporting schedules for both Revenue Expenditure (Appendix 1) and the Capital Programme (Appendix 2).

Draft budget for 2022/23 and MTFP for the period 2022/23 to 2026/27

- 2.16. This report presents draft Revenue and Capital Budgets, reflecting decisions taken by the Combined Authority Board up to the end of October 2022, in line with agreed accounting policies. Overall affordability remains the key factor in agreeing a balanced budget and this paper aligns Directorate Budgets with funding sources. The budget tables also differentiate between budgets which can be committed without further Board approval ('approved' projects and non-discretionary operational costs) and those that are 'subject to approval' by the Board.

Funding

- 2.17. Funding summaries for planned and projected 'Revenue' expenditure and 'Capital' expenditure over the lifetime of the MTFP are shown in Tables 1 and 2 below. These show the expected fund balances available in each year of the MTFP and are made up of reserves brought forward and expected in year funding. These tables show the movement against these funds for both 'approved' and 'subject to approval' expenditure profiles. The overall balance for Revenue at the end of each year and at the end of the MTFP period (2026/27 - £3.14m), and for Capital (2026/27 - £20.37m), indicate that the budget is balanced and affordable before taking account of the significant Passenger Transport budgetary pressure as outlined below.
- 2.18. The Combined Authority is aware that it cannot achieve the scale of its ambition with its resources alone and so will seek to work collaboratively with its Constituent Authorities, Central Government, and local businesses to leverage other funding sources and ensure that the maximum impact, and value for money, can be delivered from the resources devolved to the area.
- 2.19. In Table 1, the 'Earmarked Reserves' line is made up of the minimum revenue reserve, the election reserve and a top-slice funding reserve. The top-slice reserve is fully committed in 2023/24. The 'EU Funds' are a combination of both European Research Development Funding and European Social Funding grants. Other Transport and other Business and Skills are made up of accumulated small grants in those areas.
- 2.20. In response to the increasingly uncertain environment in which the Combined Authority operates, the level of forecast overspend on supported bus routes in 2022-23, and the substantial increase in inflation seen throughout 2022-23, the Combined Authority has

increased its minimum revenue reserve levels to 4.5% of planned revenue expenditure in 2023-24.

- 2.21. The Business Board's revenue funds are a combination of locally retained enterprise zone receipts and interest on loans made from the recycled capital funding sources.
- 2.22. In Table 2 the 'Capital Single Pot' is made up of both Capital gainshare and Transforming Cities Funds.
- 2.23. Whilst individual approved budgets are required to include contingency funding, including an element for inflationary pressures, an additional allowance has been made within a corporately held capital contingency reserve to enable some flexibility if there are exceptional pressures beyond what was included when a project was approved.

Significant Budgetary Pressure – Passenger Transport

- 2.24. In previous years the Combined Authority has been able to set a balanced budget while delivering on its strategic objectives. However, the unprecedented pressures arising from supported bus routes has resulted in a potential impact which cannot be met within the existing resources while maintaining a balanced position over the medium term.
- 2.25. Following the withdrawal of the incumbent operator from a raft of supported bus services, citing unmanageable increases in costs from fuel and petrol alongside cuts in government grant funds, the Combined Authority had to undertake an emergency re-procurement of these routes to avoid significant hardship on residents who rely on them to engage with society. Following these retenders the costs of supported bus services for the final 5 months of the year are expected to have increased by £1.7m, a 50% overspend on a £3.4m annual budget.
- 2.26. To deliver the existing network for the whole of 2023-24 would cost an estimated £7m, double the planned budget of £3.5m.
However this is subject to significant uncertainty both from a funding side, as Central Government grants and policy is as-yet unconfirmed, and in terms of costs, as increased high inflation means there is the prospect of potential further withdrawal of routes by existing operators.
- 2.27. The CPCA Board will need to consider options to:
 - a) Continue with the existing network which will require additional funding to meet the £7m costs;
 - b) Limit the provision of bus services to be contained within the existing £3.5m funding envelope, which would require additional service reductions of the order of the services which were recently withdrawn by the operator; or
 - c) Expand and improve the existing service provision to deliver some combination of additional routes, more frequent services, infrastructure improvements, marketing and ticketing schemes. All of these would require additional funding in excess of option a) above

2.28. If the Board were to choose to maintain or enhance current services, a range of funding options could be considered including:

- Seeking contributions from Constituent Councils
- Delivering targeted efficiency savings
- A one-off call against reserves, which may only provide temporary respite
- Introducing a mayoral precept

Table 1 - CPCA Revenue Funding Summary

	2022/23	2023/24				2024/5				2025/6				2026/27			
Source of Funding	Balance at Year End	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	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	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000
Revenue Single Pot	(9,237)	(7,740)	5,822	2,119	(9,036)	(7,740)	7,707	1,841	(7,228)	(8,000)	8,559	1,517	(5,152)	(7,740)	8,358	1,390	(3,144)
Earmarked Reserves	(3,002)	(260)	696	-	(2,566)	(416)	466	-	(2,516)	-	780	-	(1,736)	(260)	-	-	(1,996)
Transport Levy	(748)	(13,495)	13,495	-	(748)	(13,764)	13,764	-	(748)	(14,040)	14,040	-	(748)	(14,321)	14,321	-	(748)
Business Board Revenue Funds	(552)	(1,033)	806	-	(779)	(1,004)	388	-	(1,395)	(986)	388	-	(1,993)	(986)	388	-	(2,591)
Other Business	(12)	(2,301)	779	1,522	(12)	(5,605)	739	4,866	(12)	(621)	621	-	(12)	(621)	621	-	(12)
EU funds	(342)	(635)	977	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Zero Hub	(643)	-	488	-	(155)	-	-	-	(155)	-	-	-	(155)	-	-	-	(155)
Adult Education Budget (AEB)	(1,960)	(12,927)	12,927	-	(1,960)	(12,927)	12,927	-	(1,960)	(12,927)	12,927	-	(1,960)	(12,927)	12,927	-	(1,960)
Other Skills	(1,026)	(1,495)	2,599	-	78	(1,395)	1,472	-	155	-	-	-	155	-	-	-	155
Other transport	(838)	(411)	411	-	(838)	(411)	411	-	(838)	(411)	411	-	(838)	(411)	411	-	(838)
Total	(18,360)	(40,297)	38,999	3,641	(16,016)	(43,262)	37,875	6,707	(14,697)	(36,985)	37,726	1,517	(12,439)	(37,265)	37,026	1,390	(11,289)

Table 2 - CPCA Capital Funding Summary

	2022/23	2023/24				2024/5				2025/6				2026/27			
Source of Funding	Balance at Year End	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	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	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000
Capital Single Pot	(19,141)	(12,000)	13,510	15,538	(2,093)	(12,000)	5,661	7,624	(808)	(12,000)	42	4,390	(8,376)	(12,000)	-	-	(20,376)
Capital contingency reserve	(1,500)	-	-	-	(1,500)	-	-	-	(1,500)	-	-	-	(1,500)	-	-	-	(1,500)
Net Zero Retrofit Grants	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Housing	(7,863)	-	4,628	-	(3,235)	-	3,130	-	(105)	-	-	-	(105)	-	-	-	(105)
Recycled Growth Funds / Getting Building Fund	(9,623)	(522)	2,630	-	(7,515)	(522)	1,136	-	(6,901)	(184)	99	-	(6,986)	(184)	-	-	(7,170)
SPF Capital	-	(1,520)	-	1,520	-	(3,705)	-	3,705	-	-	-	-	-	-	-	-	-
DfT Capital Grants	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Highways Capital Grants	-	(27,695)	27,695	-	-	(27,695)	27,695	-	-	(27,695)	27,695	-	-	(27,695)	27,695	-	-
Total	(36,627)	(41,737)	48,463	17,058	(12,843)	(43,922)	37,622	11,329	(7,814)	(39,879)	27,836	4,390	(15,467)	(39,879)	27,695	-	(27,651)

The Combined Authority's Budget

- 2.29. The revenue budget covers the operational costs of the Combined Authority including staffing and staff related costs, corporate overheads and externally commissioned costs. Other 'revenue' costs include:
- Business Board funding and activities.
 - Ongoing devolution of the Adult Education Budget (AEB)
 - Drawdown from the Mayoral Election Reserve to fund the costs of the election in 2025/26.
- 2.30. Overall affordability is a key principle in creating a lawful budget and for ensuring financial control over the period of the MTFP. The budget has also been presented to highlight the governance processes for budget lines which are described as 'Approved' and 'Subject to Approval' Schemes.
- An **Approved Budget** line is one that the Board has already approved. Spending against budget lines is permitted without further approval.
 - A **Subject to Approval** budget line is noted within the overall budget affordability envelope, but further approval will be required from the CA Board to approve the spending.
- 2.31. A highlight of the key projects and programmes for each of the Directorates is included below and a detailed breakdown of Directorate budgets and anticipated MTFP expenditure is shown in **Appendices 1 and 2**. Please note that where a budget line is not specified, this is deemed to be an Approved Budget line.

Mayor's Budget

- 2.32. The Mayor's Office budget envelope is included within this report for completeness as it draws on CPCA funding sources. However, the mayoral budget has a different approval process to the non-Mayoral Combined Authority budget. The process for determining the mayoral budget is set out in the Combined Authorities (Finance) Order 2017.

Corporate Services Directorate

- 2.33. There is significant inflationary pressure on the staffing budget due to the cost of living crisis. The draft budget has been increased by 5% in 2023.24 then 4% each year from 24/25 which is in line with other Local Authorities.
- 2.34. Given the 'non-discretionary' nature of the majority of Corporate costs, which are driven by policy and operational requirements, all but the capacity funds are deemed as "Approved".
- 2.35. Corporate Services are those services which support the business of the organisation. They comprise finance, legal, governance and audit, procurement, HR and communications. Two of the three statutory officers, the Monitoring Officer and the Chief Finance Officer are based in this Directorate. Together they provide the foundation that supports the business, skills, transport and housing teams to deliver to the people of Cambridgeshire and Peterborough. The Corporate Services Directorate comprises professionally qualified officers with specialised knowledge, exercising best practice to serve internal officers in the delivery of the corporate objectives.
- 2.36. The key functions of this Directorate are to ensure economy and efficiency in the delivery of services by providing a balanced budget which aligns with the business plan, regulate the good conduct of members and officers, ensure that the work of the organisation is communicated to the public and provide advice to the various decision-making groups, such as the CPCA Board meeting, the Overview and Scrutiny Committee and the Audit & Governance Committee. The officers of this team are constantly assessing the work of the CPCA to ensure that decisions make best use of public funds, are lawful and meet the policy goals of the members.
- 2.37. The Combined Authority delivers relatively few services directly and commissions the majority of its project work through delivery partners, including Constituent Councils. As the Authority's staff are therefore further removed from the construction of physical projects the majority of staff are not capitalised. This, along with the fixed costs which come with any Local Authority regardless of size, result in a higher proportion of staff costs within the revenue budget than is common in traditional Local Authorities.
- 2.38. The previously provided allowance to service borrowing has been removed from the revenue budget as there are currently no projects funded by borrowing in the capital programme. Any projects which may require borrowing in future will need to demonstrate their ability to cover their borrowing costs to be considered prudential.
- 2.39. The forecast income from the Combined Authority's Treasury Management portfolio has been increased to reflect the rise in UK interest rates.

Response Funds

- 2.40. The Corporate Response Fund enables the organisation to react to emerging ideas, concepts, and central Government policy. Use of this funding requires the approval of the Chief Executive.

- 2.41. The “Programme Response Fund” allows flexibility to respond to emerging issues and opportunities. The Programme Response Fund is ‘Subject to Approval’ and so requires Board approval prior to allocation.

Business and Skills Directorate

- 2.42. Our vision is to deliver the Board’s goal of doubling our economy, under the devolution deal, in a way that is fairer, more inclusive, and would not happen without the activity and programmes of the Combined Authority. One that is greener for the planet, transforms life chances and healthier for our communities.
- 2.43. Our mission is to level-up the opportunity of access to both high-quality education and high-quality employment, in order to tackle persistent inequalities in economic, social and health outcomes across our communities.
- 2.44. The new Employment and Skills Strategy and Economic Growth Strategy, both approved by the CA Board in 2022 set out challenges and opportunities to deliver on the overarching vision defined in the devolution deal.
- 2.45. The Employment and Skills Strategy recognises that to address the systemic skills challenges is a long term project and therefore a number of longer term system change outcomes have been identified. This year we will work with partners to drive forward this ambition.
- 2.46. In terms of employment and skills this means:
- **Inspiring more young people into careers that can transform their life chances**, raising social mobility across the Combined Authority, and especially in Peterborough and Fenland which are ranked 191st and 319th respectively, out of 324 local authority districts, putting them in the bottom 40% and 2% respectively of places nationally.
 - **Tackling the inequalities in access to further (FE) and higher education (HE)** that hold back life chances and progress to improve related health and social outcomes. Building FE and HE capacity to provide more adults, of all ages, with an education able to improve their access to better jobs and prosperity, raising the proportion of the population in the north from just 30% gaining a NVQ4 or above qualification to the 43% national average. Chief amongst our aspirations to raise life chances through education, is the establishment and development of a university for Peterborough and the Fens.
- 2.47. However, filling the higher-level skills gap in Peterborough and the Fens, will have limited impact on real lives, without effective measures to significantly grow the business demand for those skills. This will require, concurrent development of the innovation and business support eco-system to grow indigenous high-value firms and attract new ones, more evenly across our places.
- 2.48. Green and inclusive business growth support is key to levelling-up, already well underway through an integrated and powerful array of support that accelerates our recovery by strengthening our businesses and workforce capacity for rebound and regrowth. The Growth Works Service is enabling this as it enters its third year of delivery in 2023,

providing significant job growth from the programme and a legacy of job growth for the Business Board over the next 5 years. This service will continue to deliver during 2023 with evaluation and design to be undertaken to inform the next iteration of business support provision, working with the Business Board to bring forward proposals that deliver against the new Economic Growth Strategy.

The current programme will continue to provide for most of 2023:

- **A Growth Coaching Service** to engage and support our highest potential firms to speed their growth, build their capacity for growth, and sustain their period of growth.
 - **An Inward Investment Service** to better connect us into global markets, to engage and persuade firms to locate into our economy or invest in our strategic projects.
 - **A Skills Brokerage Service** to link learners and those retraining for new jobs, to employers and skills providers to improve the supply of skills to our growth sectors.
 - **A Capital Growth Investment Fund** to help SMEs, grow through organic expansion, offering an integrated range of grants, loans and equity products unavailable commercially.
- 2.49. Contributing to delivery of Levelling Up across all of the Combined Authority will be the portfolio of projects being delivered via the UK Shared Prosperity Fund and Rural England Prosperity Fund, which during 2023-24 will comprise targeted interventions, outputs and outcomes in Communities and Place plus Local Business pillars of the programme.
- 2.50. **Place based innovation is key to levelling-up.** However, replicating the “Cambridge Phenomenon”, that has taken five decades to organically evolve and develop, requires a specifically designed and long-term programme of interventions that balance supply of improved human capital with the demand for it, created by indigenous and inward business growth, that is higher value, requiring higher level skills. As demonstrated in Cambridge, research is fundamental to achieving this - it produces the new ideas and technologies that enable entrepreneurs to start up, existing businesses to scale-up; and for new tech-firms to spin-out of universities. Having won funding for, and started construction on, the first three buildings of the university campus in Peterborough, now is the time to deliver on the CPIER ambition to increase innovation-based business growth in the north by replicating and extending the infrastructure and networks that have enabled Cambridge to become a global leader in innovative growth, creating an economy-wide innovation eco-system to promote inclusive growth. Future phases of the university project will realise this ambition.

Delivery and Strategy Directorate

Transport

- 2.51. The Combined Authority is the area’s Strategic Transport Authority, as such it has responsibility for creating and owning the statutory Local Transport and Connectivity Plan (LTCP) – this sets out the long-term strategy to improve transport for both the people and businesses of Cambridgeshire and Peterborough, with our constituent Council’s Local Plans adhering to the LTCP. Reflecting the impact that internet connectivity has on transport needs, the Combined Authority has rolled Connectivity into the Plan forming the

LTCP; following public engagement and a formal public consultation the final document will be presented to the Combined Authority Board in March 2023 (subject to the release of government guidance). Following this, next year the Combined Authority will be finalising its delivery plan that will illustrate a golden thread between the Plan's objective and the work programme and pipeline of schemes for the region. In addition, further work will be undertaken to develop child documents within the Plan's suite, such as modal and geographical specific strategies and policies.

- 2.52. Along with the LTCP the Combined Authority has responsibility for shaping the bus network across the region. This includes paying for concessionary fares as well as supporting bus services to ensure that remote areas of the County are not excluded. The Combined Authority with partners have revised our Bus Service Improvement Plan that was previously submitted to government following collaborative working with our local bus services, the Greater Cambridge Partnership and the Local Highways Authorities. The BSIP strongly aligns to the emerging Bus Strategy that sets out our vision for a bus network for the area that is fast, frequent, reliable, and ready to help drive a modal shift in transport.
- 2.53. The landscape for bus provision across the region has changed markedly over the last couple of years, giving a need to revisit the strategy for taking the bus network forward. There are significant challenges – lower patronage, cuts in commercially-viable services and increasing unreliability due to traffic and driver shortages. Meanwhile, the ambitions for what the bus network needs to achieve are growing, as set out in the Combined Authority's Local Transport and Connectivity Plan to dramatically boost bus provision and in parallel cut private vehicle travel by 15%. Achieving this will see bus patronage more than double, compared to 2019 levels, with some 60-75 million passenger journeys anticipated. Therefore, the Combined Authority will be restarting its consideration of different options, including franchising, for the area.
- 2.54. The Transport team also programme manage a portfolio of large capital projects delivering journey improvements and public health benefits across the region to help deliver the Combined Authority's commitment to double GVA – these projects are predominantly funded by the Transforming Cities Fund, a £95m fund devolved to the area with the Combined Authority able to direct to where it will create the greatest impact.

Strategy and Climate Change

- 2.55. This area leads on strategic planning with responsibility for an overall spatial framework for the area and development in 2023 of a statutory local nature recovery strategy. It supports implementation of the Climate Action Plan, taking forward the recommendations of the Cambridgeshire and Peterborough Independent Commission on Climate, with wide ranging implications for both the public and private sectors in the Combined Authority area.
- 2.56. It holds responsibility for both the programme management office (PMO) and the analysis functions, providing management, monitoring and evaluation across the Combined Authority's portfolios of projects. The PMO oversees the project delivery pipeline and provides valuable management support for specific Projects. The analysis function ensures provision of high-quality data to decisionmakers to enable policy to be based on the best available evidence. This can include commissioning additional external data and evidence work. It supports the Board in developing its policies and priorities and ensuring

the strategic policy framework is up to date.

- 2.57. This area also manages specific projects including the digital connectivity programme, covering broadband, mobile and public access Wifi. This is to ensure that Cambridgeshire and Peterborough have leading-edge digital connectivity infrastructure needed for local businesses to thrive, make it easier to access public services, and that no communities are left behind.

Housing Directorate

Affordable Housing programme

- 2.58. The CPCA Board paper on the future of Housing (June 2022) recognised that there is a need to deliver genuinely affordable housing across the Combined Authority Area, however with no further financial support from DLUHC beyond the end of the current programme the CPCA does not have the financial support to deliver anything significant and regional housing support will have to come through Homes England.
- 2.59. The Combined Authority's Affordable Housing programme ran to 31 March 2022 and is delivering 1,457 housing units utilising £55.4m of capital.
- 2.60. As at the end of October 2022, 499 homes have been completed with the remainder at various stages of development and construction. 2 loans with ECTC at Haddenham and MOD Ely are due for re-payment on 31st March 2023.

Community Led Housing

- 2.61. CPCA is offering grants to genuine community led affordable housing schemes that deliver legitimate community engagement, transparency and democracy, Support is offered through respected independent Community homes consultants Eastern Community Homes, with both start up and development preparation grants.

Prospects beyond March 2023

- 2.62. There is no expectation of there being any additional DLUHC money available that could provide a funding source.
- 2.63. CPCA will continue to support community led housing schemes as referred above.
- 2.64. The CPCA should retain some basic capability to bid for any future Housing grant or funding opportunities that may arise.
- 2.65. The programme to March 2023 needs to be managed to completion with phased grant payments being required as developments pass through construction stages to practical completion. The balance of the final housing loan with Laragh homes at Histon Road Cambridge is due for re-payment in May 2023 and needs to be monitored.

Significant Implications

3. Financial Implications

- 3.1. There are no financial implications beyond those identified in the paper.

4. Legal Implications

- 4.1 The budget setting process is as set out in the Combined Authority's Constitution

5. Appendices

- 5.1 Appendix 1 – Draft 2023/24 Revenue Budget and Medium-Term Financial Plan
- 5.2 Appendix 2 – Draft Capital Programme 2023/24 to 2026/27
- 5.3 Appendix 3 – 2023/24 Budget Setting Timetable

6. Background Papers

- 6.1 [Combined Authority Constitution](#)

Agenda Item No: 3.2 – Appendix 1

Draft Mayoral Revenue Budget

2022/23		2023/24	2024/25	2025/6	2026/27
£000's		£000's	£000's	£000's	£000's
	<u>Mayor's Office</u>				
96	Mayor's Allowance	100	102	104	106
15	Mayor's Conference Attendance	10	10	10	10
40	Mayor's Office Expenses	40	40	40	40
77	Mayor's Office Accommodation	77	77	77	77
260	Mayor's Office Staff	265	275	281	287
488	Total Mayor's Costs	492	504	512	520
488	Total Mayor's Approved Budgets	492	504	512	520

Draft Corporate Services Revenue Budget

2022/23		2023/24	2024/25	2025/6	2026/27
£000's		£000's	£000's	£000's	£000's
<u>Combined Authority Staffing Costs (inc NI & Pen 'er)</u>					
326	Chief Executive	395	411	428	445
-	Housing Directorate				
382	Housing	407	427	445	463
-	Business and Skills Directorate				
1,204	Business and Skills	1,292	1,361	1,430	1,488
-	Growth Hub	97	202	210	218
912	Energy	506	527	548	571
252	AEB	270	285	300	312
-	Delivery & Strategy Directorate				
910	Delivery & Strategy	976	1,028	1,077	1,121
576	Transport	615	647	673	700
442	Passenger Transport	476	503	528	549
-	Corporate Services Directorate				
1,017	Legal and Governance	1,100	1,166	1,233	1,283
786	Finance	795	846	886	919
274	HR	191	200	208	212
422	Communications	447	469	488	510
7,504	Total Combined Authority Staffing Costs	7,570	8,070	8,455	8,792
<u>Other Employee Costs</u>					
80	Travel and professional memberships	80	80	80	80
88	Training	61	52	52	52
162	Change Management Reserve	158	160	160	160
330	Total Other Employee Costs	299	292	292	292
<u>Support Services</u>					
70	External Legal Counsel	70	70	70	70
65	Finance Service	66	67	68	69
95	Democratic Services	95	95	95	95
10	Payroll	10	10	10	10
12	HR	12	12	12	12
8	Procurement	8	8	8	8
100	Finance System	-	-	-	-
221	ICT external support	221	221	221	221
581	Total Externally Commissioned Support Services	482	483	484	485
<u>Corporate Overheads</u>					
300	Accommodation Costs	300	300	300	300
113	Software Licences, Mobile Phones cost	113	113	113	113
40	Communications	35	35	35	35
10	Website Development	10	10	10	10
100	Recruitment Costs	100	100	100	100
39	Insurance	39	39	39	39
140	Audit Costs	140	140	140	140
31	Office running costs	31	31	31	31
56	Corporate Subscriptions	56	56	56	56
830	Total Corporate Overheads	825	825	825	825

2022/23		2023/24	2024/25	2025/6	2026/27
£000's		£000's	£000's	£000's	£000's
<u>Governance Costs</u>					
144	Committee/Business Board Allowances	144	144	144	144
144	Total Governance Costs	144	144	144	144
<u>Election Costs</u>					
-	Total Election Costs	-	-	1,040	-
<u>Response Funds</u>					
145	Corporate Response Fund	145	145	145	145
-	Programme Response Fund				
	<i>Approved</i>	-	-	-	
	<i>Subject to Approval</i>	1,290	1,290	1,290	1,290
1,335	Total Response Funds	1,435	1,435	1,435	1,435
<u>Financing Costs</u>					
- 1,791	Interest Receivable on Investments	- 736	- 150	- 100	- 100
-	Interest on Borrowing	-	-	-	
- 1,791	Net Financing Costs	- 736	- 150	- 100	- 100
8,933	Total Operational Budget	10,019	11,099	12,574	11,872
<u>Workstream Budget</u>					
61	Contribution to A14 Upgrade (DfT)	72	72	72	72
61	Total Feasibility Budget	72	72	72	72
<u>Staffing Recharges</u>					
- 2,749	Internally Recharged Grant Funded Staff	- 2,289	- 2,525	- 2,116	- 2,203
- 484	Externally Recharged Staff	- 390	-	-	-
- 3,233	Total Recharges to Grant Funded Projects	- 2,678	- 2,525	- 2,116	- 2,203
5,320	Total Corporate Services Approved Budgets	6,123	7,355	9,240	8,452
440	Total Corporate Services Subject to Approval Budgets	1,290	1,290	1,290	1,290
5,760	Total Corporate Services Budgets	7,413	8,645	10,530	9,742

Draft Business and Skills Revenue Budget

2022/23		2023/24	2024/25	2025/6	2026/27
£000's		£000's	£000's	£000's	£'000
10,977	AEB Devolution Programme	11,081	11,081	11,081	11,081
-	ARB High Value Courses	-	-	-	-
629	AEB Innovation Fund - Revenue	500	500	500	500
954	AEB Level 3 Courses	954	954	954	954
-	AEB National Retraining Scheme	-	-	-	-
367	AEB Programme Costs	367	367	367	367
156	AEB Provider Capacity Building				-
-	AEB Sector Based Work Academies	-	-	-	-
196	AEB Strategic Partnership Development				-
-	Business Board Annual Report	-	-	-	-
-	Business Board Effectiveness Review	-	-	-	-
75	Careers and Enterprise Company (CEC)	151	77	-	-
60	Changing Futures	60	60		
930	CRF Start and Grow Project	-	-	-	-
307	CRF Turning Point Project	-	-	-	-
53	CRF Programme Management	-	-	-	-
28	CRF Turning Point CPCA Programme Management	-	-	-	-
1,785	Digital Skills Bootcamp	-	-	-	-
41	Economic Rapid Response	-	-	-	-
-	Enterprise Zone Investment	-		-	-
-	FE Cold Spots (rev)				
-	Approved Expenditure	-	-	-	-
225	Subject to Approval	-	-	-	-
5,073	Growth Co Services	941	-	-	-
-	Growth Hub	41	246	246	246
-	Growth Works Additional Equity Fund (rev)				
-	Approved Expenditure	-	-	-	-
61	Subject to Approval	156	156	127	-
2,186	GSE Net Zero Hub	266	-	-	-
23	GSE COP 26	-	-	-	-
699	GSE Green Homes Grant Sourcing Activity	-	-	-	-
-	GSE Green Homes Grant Sourcing Strategy	-	-	-	-
10,601	GSE Green Homes Grant Ph 3 (LAD 3)	-	-	-	-
4,443	GSE Home Improvement Grant	-	-	-	-
1,500	GSE Net Zero Investment Design	-	-	-	-
1,150	GSE Public Sector Decarbonisation	222	-	-	-
1,975	GSE Rural Community Energy Fund (RCEF)	-	-	-	-
2,467	Health and Care Sector Work Academy	-	-	-	-
-	HPC study and roadmap	-	-	-	-
75	Insight & Evaluation Programme	75	75	75	75
426	Local Growth Fund Costs	242	-	-	-
35	Market Towns & Cities Strategies	-	-	-	-
45	Marketing and Promotion of Services	38	35	33	30
-	Mid-Life MOT	-	-	-	-
1,209	Multiply Programme	1,395	1,395	-	-
100	Peterborough University Quarter Masterplan	-	-	-	-
77	Shared Prosperity Fund Evidence Base & Pilot Fund	-	-	-	-
40	Skills Advisory Panel (SAP) (DfE)	-	-	-	-
3,914	Skills Bootcamp Wave 3	978	-	-	-
27	Skills Rapid Response	-	-		
-	St Neots Masterplan	-	-	-	-
-	Trade and Investment Programme	-	-	-	-
-	UK Shared Prosperity Fund - Revenue				
	Subject to Approval	1,522	4,866	-	-
118	UK Shared Prosperity Fund - Management Costs	158	118	-	-
53,027	Total Business & Skills Approved Budgets	15,788	9,924	13,256	13,253
-	Total Business & Skills Subject to Approval	1,678	5,022	127	-
53,027	Total Business & Skills Revenue Expenditure	17,466	14,946	13,383	13,253

Draft Delivery and Strategy Revenue Budget

2022/23		2023/24	2024/25	2025/6	2026/27
£000's		£000's	£000's	£000's	£'000
-	Active Travel Funding (rev)				
-	Approved Project Costs	-	-	-	
100	Subject to Approval	100	-	-	
-	Bus Review Implementation				
1,008	Approved Project Costs	-	-	-	
-	Subject to Approval	-	-	-	
-	City of Cambridge Culture - Revenue				
-	Approved Project Costs	-	-	-	
43	Subject to Approval	113	75	-	
-	Climate Change				
100	Approved Project Costs	50	-	-	
50	Subject to Approval	50	100	100	100
-	Development of Key Route Network				
-	Approved Project Costs	-	-	-	
150	Subject to Approval	-	-	-	
-	Doubling Nature Metrics				
25	Approved Project Costs	50	50	-	
-	Subject to Approval	-	-	-	
-	Greater Cambridge Chalk Stream Project - Revenue				
-	Approved Project Costs	-	-	-	
40	Subject to Approval	40	40	-	
-	Harston Capacity Study				
-	Approved Project Costs	-	-	-	
150	Subject to Approval	-	-	-	
-	Huntingdonshire Biodiversity for all - Revenue				
50	Approved Project Costs	50	50	-	
-	Subject to Approval	-	-	-	
-	Lifebelt City Portrait				
40	Approved Project Costs	40	-	-	
-	Subject to Approval	-	-	-	
-	Local Transport Plan				
-	Approved Project Costs	-	-	-	
100	Subject to Approval	-	-	-	
-	Meanwhile at Core Site, North East Cambridge - Revenue				
-	Approved Project Costs	-	-	-	
10	Subject to Approval	55	55	-	
-	Monitoring and Evaluation Framework				
102	Approved Project Costs	70	70	70	70
-	Subject to Approval	-	-	-	-
-	Natural Cambridgeshire				
70	Approved Project Costs	70	70	-	
-	Subject to Approval	-	-	-	
-	Non-Statutory Spatial Framework (Phase 2)				
55	Approved Project Costs	-	-	-	
50	Subject to Approval	190	50	-	
-	P'boro electric busses business case				
40	Approved Project Costs	-	-	-	
110	Subject to Approval	-	-	-	
-	P'boro Station Quarter SOBC				
175	Approved Project Costs	-	-	-	

Draft Delivery and Strategy Revenue Budget

2022/23		2023/24	2024/25	2025/6	2026/27
£000's		£000's	£000's	£000's	£'000
-	Public Transport: Bus Service Operator Grant				
411	Approved Project Costs	411	411	411	411
-	Public Transport: Concessionary fares				
8,845	Approved Project Costs	9,022	9,202	9,386	9,574
-	Public Transport: Contact Centre				
286	Approved Project Costs	292	298	304	310
-	Public Transport: RTPI, Infrastructure & Information				
221	Approved Project Costs	225	230	235	239
-	Public Transport: S106 supported bus costs				
-	Approved Project Costs	-	-	-	-
-	Public Transport: Supported Bus Services				
3,422	Approved Project Costs	3,490	3,560	3,631	3,704
-	Public Transport: Team and Overheads				
456	Approved Project Costs	465	474	484	494
-	Rewilding Programme				
-	Approved Project Costs	-	-	-	-
-	Subject to Approval	75	75	-	-
-	Sawston Station Contribution				
-	Approved Project Costs	-	-	-	-
16	Subject to Approval	-	-	-	-
-	Segregated Cycling Holme to Sawtry				
-	Approved Project Costs	-	-	-	-
100	Subject to Approval	-	-	-	-
-					
15,643	Total Delivery & Strategy Approved Projects	14,236	14,415	14,521	14,802
919	Total Delivery & Strategy Projects Subject to Approval	623	395	100	100
16,562	Total Delivery & Strategy Revenue Expenditure	14,859	14,810	14,621	14,902

Draft Housing Revenue Budget

2022/23		2023/24	2024/25	2025/6	2026/27
£000's		£000's	£000's	£000's	£000's
	Housing				
	CLT				
70	Approved Project Costs	70	70	70	
50	Subject to Approval	50	-		
-	Affordable Housing Programme Revenue Costs				
443	Approved Project Costs	454	466		
-	Subject to Approval				
513	Total Housing Approved Budgets	524	536	70	-
50	Total Housing Projects Subject to Approval	50	-	-	-
563	Total Housing Revenue Expenditure	574	536	70	-

Draft Corporate Services Capital Budget

2022/23	2023/24	2024/5	2025/6	2026/27
£,000	£,000	£,000	£,000	£'000
Office Fit-out costs				
- Approved Project Costs	-	-	-	
200 Subject to Approval	-	-	-	
ICT Capital				
42 Approved Project Costs	42	42	42	
- Subject to Approval				
42 Total Corporate Approved Capital Projects	42	42	42	
200 Total Corporate Project Costs Subject to Approval	-	-	-	
242 Total Corporate Capital Projects	42	42	42	-

Draft Business and Skills Capital Budget

2022/23		2023/24	2024/25	2025/6	2026/27
£,000		£,000	£,000	£,000	£'000
	Business Rebound & Growth Service - Capital Grant and Equity Fund				
5,135	Approved Project Costs	1,750	-	-	
	Cambridge Biomedical MO Building				
185	Approved Project Costs	-	-	-	-
	Cambridge City Centre				
481	Approved Project Costs	-	-	-	-
	College of West Anglia - Net Zero				
274	Approved Project Costs	850	876	-	-
	FE Cold Spots (cap)				
-	Approved Project Costs	-	-	-	
	Subject to Approval	2,400	2,175	-	
	Green Home Grant Capital ProgrammeLAD 2				
16,634	Approved Project Costs	-	-	-	
	Green Home Grant Capital Programme - LAD 3				
28,965	Approved Project Costs	-	-	-	
	Green Home Grant Capital Programme - HUG 1				
11,701	Approved Project Costs	-	-	-	
	Growth Works Additional Equity Fund (cap)				
-	Approved Project Costs	-	-	-	
	Subject to Approval	2,850	3,325	3,325	
	IEG Student Space				
7	Approved Project Costs	30	260	99	-
	Illumina Accelerator				
1,700	Approved Project Costs	-	-	-	
	Market Towns and Villages				
-	Approved Project Costs	-	-	-	
	Subject to Approval	1,250	-	-	
	Market Town Master Plan Implementation				
8,918	Approved Project Costs	1,959	-	-	
	Subject to Approval	-	-	-	
	Rural England Fund				
	Approved Project Costs				
	Subject to Approval	804	2,411	-	-
	South Fen Business Park				
946	Approved Project Costs	-	-	-	
	St Neots Masterplan Capital				
215	Approved Project Costs	-	-	-	
	Subject to Approval	-	-	-	
	Start Codon (Equity)				
1,475	Approved Project Costs	-	-	-	
	UK SPF Core (cap)				
	Approved Project Costs	-	-	-	-
	Subject to Approval	716	1,294	-	-
	Total Approved Business and Skills Capital Projects	4,589	1,136	99	-
-	Total Business and Skills Project Costs Subject to Approval	8,020	9,205	3,325	-
-	Total Business and Skills Capital Projects	12,609	10,341	3,424	-

Draft Delivery and Strategy Capital Budget

2022/23		2023/24	2024/5	2025/6	2026/27
£,000		£,000	£,000	£,000	£,000
	A10 Dualling				
3,993	Approved Project Costs	-	-	-	-
	Subject to Approval	-	-	-	-
	A1260 Nene Parkway Junction 15				
8,011	Approved Project Costs	-	-	-	-
	Subject to Approval	-	-	-	-
	A1260 Nene Parkway Junction 32-3				
192	Approved Project Costs	-	-	-	-
	Subject to Approval	-	-	-	-
	A141 & St Ives				
1,900	Approved Project Costs	5,552	848	-	-
	Subject to Approval	-	-	-	-
	A16 Norwood Dualling				
227	Approved Project Costs	-	-	-	-
	Subject to Approval	-	-	-	-
	A505 Corridor				
134	Approved Project Costs	-	-	-	-
	Subject to Approval	-	-	-	-
	Active Travel Funding (cap)				
-	Approved Project Costs	-	-	-	-
	Subject to Approval	1,500	1,779	850	-
	CAM Delivery to OBC				
150	Approved Project Costs	-	-	-	-
	Subject to Approval	-	-	-	-
	Care Home Retrofit Programme				
500	Approved Project Costs	1,500	-	-	-
	Subject to Approval	-	-	-	-
	City of Cambridge Culture - Capital				
-	Approved Project Costs	-	-	-	-
	Subject to Approval	153	30	-	-
	Coldhams Lane roundabout improvements				
234	Approved Project Costs	-	-	-	-
	Subject to Approval	-	-	-	-
	Digital Connectivity Infrastructure Programme				
2,118	Approved Project Costs	1,500	1,500	-	-
	Subject to Approval	-	-	-	-
	Ely Area Capacity Enhancements				
124	Approved Project Costs	-	-	-	-
	Subject to Approval	-	-	-	-
	Fengate Access Studies Phase 1				
109	Approved Project Costs	-	-	-	-
	Subject to Approval	-	-	-	-
	Fengate Access Studies Phase 2 (University Access)				
1,342	Approved Project Costs	448	-	-	-
	Subject to Approval	-	-	-	-

Delivery and Strategy Capital Budget

2022/23		2023/24	2024/5	2025/6	2026/27
£,000		£,000	£,000	£,000	£,000
	Fletten Quays Footbridge				
	Approved Project Costs	942	2,021	-	-
	Greater Cambridge Chalk Stream Project - Capital				
	- Approved Project Costs	-	-	-	-
	Subject to Approval	100	100		
	Highways Maintenance and Pothole funding (with PCC and CCC)				
27,695	Approved Project Costs	27,695	27,695	27,695	27,695
	Huntingdonshire Biodiversity for all - Capital				
300	Approved Project Costs	400	500	-	-
	Subject to Approval	-	-	-	-
	King's Dyke				
1,109	Approved Project Costs	-	-	-	-
	Subject to Approval	-	-	-	-
	Lancaster Way				
	- Approved Project Costs	-	-	-	-
	Subject to Approval	-	-	-	-
	Logan's Meadow Local Nature Reserve wetland extension				
250	Approved Project Costs	30	-	-	-
	Subject to Approval	-	-	-	-
	March Junction Improvements				
2,493	Approved Project Costs	-	-	-	-
	Subject to Approval	-	-	-	-
	Meanwhile at Core Site, North East Cambridge				
	- Approved Project Costs	-	-	-	-
	Subject to Approval	1,000	-	-	-
	Nature and Environment Investment Fund				
	- Approved Project Costs	250	750	-	-
	Subject to Approval				
	Net Zero Villages Programme				
750	Approved Project Costs	250	-	-	-
	Subject to Approval				
	Peterborough Green Wheel				
	Approved Project Costs	500	-	-	-
	Regeneration of Fenland Railway Stations				
	- Approved Project Costs	-	-	-	-
	Subject to Approval	-	-	-	-
	Snailwell Loop				
	- Approved Project Costs	-	-	-	-
	Subject to Approval	-	-	-	-
	Soham Station				
2,268	Approved Project Costs	-	-	-	-
	Subject to Approval	-	-	-	-
	St. Ives (SOBC, OBC & FBC)				
	- Approved Project Costs	-	-	-	-
	Subject to Approval	-	-	-	-
	Transport Modelling				
740	Approved Project Costs	-	-	-	-
	Subject to Approval	585	215	215	-
	Waterbeach Depot Solar PV Smart-grid Project for electric Refuse Collection Vehicles				
	- Approved Project Costs	-	-	-	-
	Subject to Approval	700	-	-	-
	Wisbech Access Strategy				
1,573	Approved Project Costs	-	-	-	-
	Subject to Approval	-	-	-	-
	Wisbech Rail				
104	Approved Project Costs	137	-	-	-
	Subject to Approval	5,000	-	-	-
	ZEBRA				
6,258	Approved Project Costs	-	-	-	-
	Subject to Approval	-		-	-
62,573	Total Delivery and Strategy Approved Capital Projects	39,204	33,314	27,695	27,695
-	Total Delivery and Strategy Projects Subject to Approval	9,038	2,124	1,065	-

Draft Housing Capital Budget

2022/23		2023/24	2024/25	2025/6	2026/27
£,000		£,000	£,000	£,000	£,000
	Affordable Housing Grant Programme				
21,934	Approved Project Costs	11,359	3,130	-	
	Subject to Approval	-	-	-	
	Housing Investment (revolving) Fund				
6,456	Approved Project Costs	- 6,731	-	-	
	Subject to Approval	-	-	-	
28,389	Total Housing Approved Capital Projects	4,628	3,130	-	-
-	Total Housing Project Costs Subject to Approval	-	-	-	-
28,389	Total Housing Capital Projects	4,628	3,130	-	-
-	Net Capital Cost Subject to Approval	-	-	-	-

Appendix 3 – 2023/24 Budget setting timetable

Date	Activity
Friday 30 th December 2022	Deadline for Draft CA budget to the CA for consideration and approval for consultation (Budget Framework).
Not less than 4 weeks Duration	Consultation period (Budget Framework)
Tuesday 31 st January 2023	Deadline for the Mayor to notify the CA of the Mayor's draft budget for 2023/24 (Finance Order)
Tuesday 31 st January 2023	Deadline for proposed CA budget to be submitted to the CA Board, including consultation responses and the Mayor's budget (Budget Framework)
Within five working days of above	CA Board shall meet to consider the budget and may agree a report (Budget Framework)
At least five working days of report published if amendments to the Mayor's Budget are proposed	CA Board shall meet to re-consider the budget (Budget Framework)
Tuesday 7 th February 2023	Deadline for CA to report on the Mayor's draft budget (Finance Order)
At least five days from receipt of report	Deadline for the Mayor to respond to the CA report (Finance Order)
5 Days after end of deadline period above	Deadline CA to veto or approve Mayor's draft budget (Finance Order)
Tuesday 14 th February 2023 (tbc)	Deadline for issuing the Transport Levy to Peterborough City Council and Cambridgeshire County Council



**CAMBRIDGESHIRE
& PETERBOROUGH**
COMBINED AUTHORITY

Agenda Item No: 4.1

Greater South East Net Zero Hub

To:	Cambridgeshire and Peterborough Combined Authority Board
Meeting Date:	30 November 2022
Public report:	Yes
Lead Member:	Councillor Bridget Smith, Lead Member for Environment and Climate Change
From:	Maxine Narburgh, Regional Head Greater South East Energy Hub
Key decision:	Yes
Forward Plan ref:	KD2022/053
Recommendations:	<p>The Combined Authority Board is recommended to:</p> <ul style="list-style-type: none">a) Agree the acceptance of the BEIS GSE Net Zero Hub MoU 2022 to 2025.b) Delegate authority to the Interim Chief Executive, in consultation with the Chief Finance Officer and Monitoring Officer, to enter into agreements and approve the budgets corresponding to the BEIS funding agreements for the delivery of new projects and pilots.c) Delegate authority to the Interim Director of Corporate Services, in consultation with the Chief Finance Officer and Monitoring Officer, to update the Net Zero Hub Board Terms of Reference and Accountable Body Agreement.d) Delegate authority to the Net Zero Hub Board for the use of the grants where the decisions do not impact the Combined Authority budget or staffing arrangements.e) Note the Greater South East Net Zero Hub bid into the Home Upgrade Grant Phase 2 challenge fund being run by BEIS and, if this is successful, agree to the mobilisation of the project,

commence procurement, invite bids and award to successful bidders, and the creation of budget lines to expend the HUG2 funding.

Voting arrangements: A simple majority of all Members present and voting,
To be carried, the vote must include the vote of the Mayor, or the Deputy Mayor when acting in place of the Mayor.

1. Purpose

- 1.1 To agree the acceptance of the BEIS Net Zero Memorandum of Understanding (MoU) for core net zero activities (2022-2025), this replaces the Local Energy Capacity Support Programme MoU (2018-2022).
- 1.2 To delegate to the Interim Chief Executive, in consultation with the Chief Finance Officer and Monitoring Officer to enter into agreements and agree budgets for the continued delivery of the GSENGH, ringfenced projects and the new Local In-Person Consumer Energy Advice pilot in 2.9 to 2.17.
- 1.3 To agree to revising the GSENGH Board Terms of Reference and Accountable Body Agreement to reflect the BEIS Net Zero MoU, delegating authority for the use of the grants where this does not negatively impact on CPCA budgets or staffing.
- 1.4 To note the GSENGH bid into the Home Upgrade Grant Phase 2 Challenge Fund on behalf of local authorities within the GSE consortia. To agree to the mobilisation of the project, commence procurement, invite bids and award to successful bidders, and the creation of budget lines to expend the HUG2 funding.

2. Background

GSENGH – Local Net Zero Programme MoU

- 2.1. On 28th February 2018, the Combined Authority (CA) Board agreed to establish the Greater South East Net Zero Hub (was local energy hub) and become the Accountable Body on behalf of eleven Local Enterprise Partnerships (LEPs) and 136 Local Authorities.
- 2.2. The MoU that established the Hub, was the Local Energy Capacity Support Programme, there have been seven variations to the MoU between 2018 and 2022. The Hubs were rebranded from Local Energy Hubs to Net Zero Hubs in March 2022, reflecting the wider scope of support provided. This transition enables the joining up of transport, heat, power, buildings, planning, air quality and skills in a place-based net zero approach.
- 2.3. Achieving carbon budgets will require action at both national and local level. In December 2020, the Climate Change Committee's sixth carbon budget identified the need for action at local authority as well as national level to achieve net zero – they estimate that over 30% of carbon savings will come from local action. The National Audit Officer and Environmental Audit Officer have called for Government to have stronger, more visible framework and partnerships in place with local government and communities if they are to meet national net zero ambitions.
- 2.4. Many LAs have set their own ambitious decarbonisation targets but they face numerous barriers to delivering these plans, including a lack of capacity and capability, and the need for capital funding to develop the pipeline of projects which support local priorities and attract commercial funding for long-term, integrated investment programmes. However, with the right support, e.g. the Hubs teams, LAs can go further faster. The Local Net Zero Programme enables local areas to implement cost effective and integrated net zero programmes, whilst taking account of local needs and opportunities.

- 2.5. The GSENZH has a role in supporting local authorities lacking capacity and capability in developing net zero projects and sharing learning from successful projects and authorities leading on the transition to net zero. The Hub takes a strategic approach to replicate and scale projects with our broad range of stakeholders and networks in the net zero sector, influencing policy and investing our resources to accelerate net zero.
- 2.6. The Local Net Zero Programme MoU 2022 – 2025 has been issued by BEIS to enable continuation of the Hub and its activities for 2022/2023. The Local Net Zero Team has approval to fund the Local Net Zero Hubs for 2023-2024 and 2024-2025. The funding will be provided under a variation to the MoU and will be granted at the start of each financial year, depending on additional funding available and agreements required for that funding. For the period 2022-2023, £1.195m has been allocated to continue the delivery of the GSENZH and its objectives as set out in the MoU dated 27 October 2022 (Appendix 1). £475K has been ringfenced for projects (see 2.8).
- 2.7. The Local Net Zero Hubs provide BEIS with the connectivity from national policy to local action and delivery, providing capacity and capability to the public sector through a team of net zero experts. Through the Net Zero Hubs, BEIS are able to resource fewer delivery partners to support the delivery of Net Zero policy.

The core objectives of the Hubs are:

- a) Attract commercial investment and help LAs and other public sector bodies to develop investment models to accelerate progress to net zero.
- b) Increase the number, quality and scale of local net zero projects, supporting early stage development and delivery.
- c) Collaborate with BEIS to develop and support Net Zero elements to wider programmes, such as transport decarbonisation and levelling up.
- d) Support a knowledge transfer programme to improve information sharing, training and evaluation, creating a network of experience.
- e) Raise local awareness for and benefits of local net zero investment, including national schemes.

Ringfenced Projects

- 2.8 In the 2022-23 funding BEIS have requested that the GSENZH supports the delivery of two ringfenced projects:
- a) To continue the development of the Net Zero Go Platform £400K
The development and continued use by LAs of the Smart Local Energy Systems local authority toolkit. The toolkit provides a consistent approach to delivering local energy projects. The toolkit has simple, intuitive information, case studies, templates, data sets, finance information, example user journeys and planning tools to simplify the process of building business cases for a pipeline of innovative, ambitious and investable smart local energy system projects.
 - b) To support building community energy infrastructure £75K
This is a commitment from Net Zero Strategy to support community energy sector to access wider funding (following the closure of the Rural Community Energy Fund).

Local In-Person Consumer Advice Competition Pilot Project

- 2.9. The most recent report from the Climate Change Committee stated that Government needs to do more to broaden engagement with consumers to support decarbonisation of buildings. The report recognised that a clear priority is the delivery of an effective energy advice service given the current energy bills crisis and slow progress with decarbonising buildings. It asked for an ambitious advice offer that would save individuals and businesses money and provide advice on how to adapt energy systems to cope with the impacts of climate change.
- 2.10. To address this Government committed, in the Energy Security Strategy, to an energy advice service on GOV.UK (Summer 2022), a phoneline service (Winter 2022) and the launch of local in-person advice pilots in April 2023.
- 2.11. The in-person advice pilots will offer community-led approaches which aim to reach consumers and building types that particularly require in person advice, including, but not limited to:
 - a) Hard-to-treat buildings – the UK has the oldest building stock in Europe. In-person visits can better capture the complexities of these building types, which are harder to address through digital and telephone advice.
 - b) Vulnerable consumers – local, in-person advice may extend the service to certain consumer types e.g., the elderly, disengaged, those with limited internet access, minority ethnic groups, etc.
- 2.12. The total capital value of the competition will be ~£20million, subject to HMT approval in February 2023, with 10% made available for the administration of the project. This will be apportioned across the five Net Zero Hubs. BEIS expects the Hubs to award a series of grants of up to £2million each from April 2023 to a range of community led projects with viable proposals.
- 2.13. The Net Zero Hubs are being engaged to support BEIS with the design, launch, management and monitoring of the competition in 2022-2023. This is the subject matter of the draft MoU.
- 2.14. BEIS issued a draft MoU for the mobilisation of the Local In-Person Consumer Advice projects, this is currently in review with the five Hubs. Subject to final issue, £100,000 of Grant funding has been made available to each Hub for 2022-23, to design the competition; launch the competition; and provide grant awards/ funding to a range of community-led groups in England to provide local in-person energy advice to homeowners.
- 2.15. Between 2023 to 2025 the Hubs will monitor the projects, including progress, seeing that projects are delivering in terms of scope, value and timeline, escalating issues as necessary, and providing regular monthly reports to the Department. This and the project fund will be subject to variations to the MoU.
- 2.16. The Hubs will lead on the assessment of project proposals with BEIS officers. Funding decisions will be made by a national panel and ratified by the GSENZH Board.
- 2.17. On the 21st October the GSENZH Hub Board approved the following recommendations:

- a) Agree to the Hub Board providing the governance for the project (approval of applications, project oversight and reporting).
- b) Agree to the Hub procuring technical support to provide advisory services to support the delivery of the project.

GSENZH Governance

- 2.18. On 23rd September 2019, the CA Board agreed to the establishment of the Greater South East Net Zero Hub Board in line with the Terms of Reference (Appendix 2) and authorised the finalisation of the Accountable Body Agreement (Appendix 3). The CA Board delegated authority to the GSENZH Board for the use of the Local Energy Capacity Support Grant and Rural Community Energy Fund, where decisions to not impact CPCA budget or staffing arrangements.
- 2.19. The GSENZH Board Accountable Body Agreement and Terms of Reference align with the Local Energy Capacity Support Programme MoU (2018-2022) and are no longer fit for purpose as they were based on the Local Energy Capacity Support Programme and Rural Community Energy Fund MoUs.
- 2.20. Where delegations to the GSENZH Board are not in place, the CA Board have approved projects from BEIS including, the £1.3m grant for public sector estate decarbonisation programme, COP26, social housing technical assistance facility, research projects and pilot studies, Local Authority Delivery Phase 2 and Sustainable Warmth.
- 2.21. At the CA Board meeting of 28th February 2018, the CA Board authorised the Chief Executive to employ staff as required to meet the administrative and technical requirements of administering the GSENZH.
- 2.22. CPCA staff resource is contracted from ringfenced funds provided through MoUs for the operation of the GSENZH or, at times, the project funds for delivery. The shared service resource commitment is ringfenced to provide the services paid for from the specialist budgets to meet the terms of the MoUs. Beyond this CPCA also top-slices 15% of the GSENZH staffing budget to cover the overheads of hosting and assuring the work of the Hub.
- 2.23. The Local Net Zero Programme MoU requires the GSENZH to maintain a governance structure that is regionally representative to oversee the activities of the Hub. These governance structures may be subject to change to reflect any changes in local governance, such as devolution deals.
- 2.24. Each Hub is required to have a Board made up of local representatives as well as other stakeholders such as regional leaders and third parties, which will be responsible for ensuring supported projects are in line with wider Net Zero goals and signing off on resource/funding decisions. The GSENZH is required to develop an Operating Strategy by 31st March 2023 for the period 2023-2025. Further details regarding governance and any regional variation will be set out in the strategies.
- 2.25. At the GSENZH Board meeting on the 7th June 2022 the GSENZH Board resolved to create a steering group with GSENZH Board membership that will be used to inform the GSENZH Operating Strategy and future governance arrangements.

- 2.26. At the 19th July 2022 GSENZH Board meeting BEIS outlined the need for governance to be reviewed due to the changing context of the Hubs and the opportunity for devolution across England, the proposal was agreed by the GSENZH Board. Due to the scale of the greater south east region BEIS have requested that the GSENZH Board, creates 2 or 3 sub-boards that represent the north and south stakeholders in the region, London have requested a separate sub board. These sub-boards will feed into the main GSENZH Board which will continue to be the decision-making body.
- 2.27. The GSENZH Accountable Body Agreement and Terms of Reference need to be revised in line with the requirements in the BEIS Local Net Zero Programme MoU.
- 2.28. The funding for Hub operations comes directly through grant awards from BEIS. Project Capital funding is a mix of public sector grant funds and commercial investment and in some cases comes exclusively from BEIS (as it has for the LAD and HUG schemes) with an allowance for project operations alongside the Capital funding. As such there is no direct funding input from CPCA that has not already been approved within CPCA governance and financial controls.
- 2.29. Owing to the spot nature and timing of initiatives from Government the Hub often finds itself in a position of needing to commit resources and activity to secure slots for bids and funding at short notice. A recent example of this is BEIS launch of HUG2 phase and a requirement to bid within a month of launch. When these requirements are compared to the CPCA board cycle (moving to bi-monthly) there is a mismatch.
- 2.30. The Hub board is requesting the authority to make decisions that utilise the funding controlled by MoUs and pre-approved funds from CPCA. This will provide the flexibility and pace of decision-making to support the work that needs to be delivered.
- 2.31. For example, the decisions may be whether to allocate staff to a new activity or the steering and practical decisions within the delivery of a project (although these are more likely to be taken at a specific project board), or the authority to proceed with a procurement that is within the terms of the funding available. Decisions will not be taken where there is impact to CPCA budgets, staffing or delivery of their function without recourse to the CPCA governance requirements. Bidding for funding will be subject to oversight from the S73 offer as they have the delegated authority to: *“Approve applications to bid for external funding where there are no wider budgetary implications or the bid relates to a matter within the strategic framework.”*,
- 2.32. The Hub, as an organ of CPCA, seeks to be transparent and will share regular reports with the Projects and Risk Committee, the Audit and Governance Committee, and the Oversight and Scrutiny Committee. It will also retain CPCA director-level sponsors on the Hub Board.
- 2.33. Currently the Hub undergoes internal and external audit on decision making and spend and this will continue to be the case. The Hub is covered by the CA internal and external auditing requirements, in addition to those specifically related to Hub grant funds. Given the significant new governance arrangements being put in place it is anticipated that an audit on the Hub, and it's adherence to the agreed arrangements would be included in the 2023/24 Internal Audit plan.

Home Upgrade Grant: Phase 2 (HUG2)

- 2.34. HUG2 follows Local Authority Delivery Phase 2 (LAD2) and Sustainable Warmth (LAD3, HUG1). The LAD2 project faced a number of challenges which resulted in the inability to spend the funding allocation within the project timeframe. This was due to delays in contracting, availability of a national supply chain and local authority capacity to self-deliver projects.
- 2.35. Three Turnkey delivery organisations have been procured to support the delivery of Sustainable Warmth, alongside the sole Managing Agent for LAD2. The Energy Efficiency Measures Dynamic Purchasing System (DPS) used by the Managing Agent now has 76 approved installers, 33 have bid for works and can deliver measures. Delivery capacity for Sustainable Warmth matches, and possibly exceeds, the budget available for the scheme. This additional delivery resource is in contract and we expect to recontract these and others for HUG2.
- 2.36. HUG2 is a £700million challenge fund launched on the 29th September 2022. The grant will provide energy efficiency upgrades and low carbon heating via local authority funding to low income households that are not heated by gas and have an Energy Performance Certificate between D and G.
- 2.37. The fund is open to direct applications by local authorities, consortia bids and consortia led by the Net Zero Hubs.
- 2.38. HUG2 is a two-stage application process, outline applications and batch applications. The outline application is a high-level project level application, if successful there is a delivery assurance check followed by a batch application phase. Batch applications are submitted throughout the project delivery, these batches are details of signed up households with defined measures and costings that will be approved by BEIS ahead of delivery.
- 2.39. There are two outline stage application deadlines 18th November 2022 and 27th January 2023. Successful applications made in November will be able to mobilise in March 2023, providing a smooth transition from Sustainable Warmth which closes on 31st March 2023. If all funding is allocated in the November round there will be no January funding call.
- 2.40. To date 48 local authorities in the GSENGH Sustainable Warmth consortia have confirmed participation in the HUG2 consortia bid. The anticipated bid value is ~£81million over two years. Further work and refinement of these figures is required as part of the delivery assurance with BEIS.
- 2.41. The Chief Executive in consultation with the Monitoring Officer and Chief Finance Officer will approve all relevant documents to enable a bid as any spends would not contravene the budgetary framework.
- 2.42. To maintain and secure supply chain capacity and commitment in the GSE region, the GSENGH has bid into the November outline application. This will ensure the opportunity of an allocation of funding (there may be no funding left in January) and it will enable installers working in the region to transition from Sustainable Warmth into HUG2, providing confidence and continuity of funding.
- 2.43. The GSENGH will need to undertake additional procurements to meet the requirements of

the HUG2 delivery model. Work has commenced on the structure of procurements building on lessons learnt from LAD2 and Sustainable Warmth.

- 2.44. The GSENZH have lessons learnt from the delivery of the previous schemes, have built internal capacity and capability and increased the supply chain delivering in the region. The regional model has efficiencies of scale and has resourced workstreams to increase supply chain capacity and identify skills needs. Additional resource has been allocated to support local authority capacity and capability building in retrofit delivery.
- 2.45. On 31st August 2022, the CA Board approved the establishment of a Sustainable Warmth (Retrofit) project board. This project board will continue to provide oversight and scrutiny to the delivery of the HUG2 project alongside the GSENZH Hub Board and CA Board.
- 2.46. On 21st October the GSENZH Board approved the recommendation to support the proposal for the Hub to bid into the HUG2 Challenge Fund on behalf of local authorities who have requested to be part of the consortia.

Significant Implications

3. Financial Implications

- 3.1 A successful HUG2 bid would require a continuation of the enhanced level of staffing and support the GSENZH has in place to deliver LAD3 and HUG1, as opposed to the reduction in staffing if HUG2 is not delivered via the GSENZH. The cost of this enhanced support is entirely chargeable to the capital grant and thus will not increase the Combined Authority's net staffing costs.
- 3.2 While the letter from the Deputy Director at BEIS (final page of appendix 1) states that it is to provide certainty so the Combined Authority can enter into employment contracts beyond September 2023, the MoU specifically states that funding will only be committed on a yearly basis. As such it is clear that the expectation is that the Combined Authority will make decisions over the medium term but this would be done at risk – although the implication of the letter from BEIS is that the risk is minimal.

4. Legal Implications

- 4.1 The MOU has had legal review and commentary.
- 4.2 The Net Zero Hub Terms of Reference and the Accountable Body Agreement will be updated accordingly once the MOU has been agreed by the Combined Authority Board.

5. Public Health Implications

- 5.1 The report recommendations have positive implications for public health.

6. Environmental and Climate Change Implications

- 6.1 The report recommendations have positive implications for environment and climate change.

7. Other Significant Implications

Risk

- 7.1 LAD2 and Sustainable Warmth had significant delivery, operational and reputational risks and issues. Risks have now been mitigated through the increased capacity in the supply chain and reducing the maximum forecast spend target.
- 7.2 HUG2 is a new delivery model that requires household signup ahead of batch applications for funding. Other key risks are summarised in the table below:

Key Risk	Mitigation
New delivery model, untested with the supply chain	Develop procurement strategy in consultation with supply chain
Supply chain capacity and continuity of delivery	November outline application to enable procurement and contracting for March 2023 mobilisation
Inflationary price increases impacting on deliverability	Batch applications allows for pricing per batch, procurement to accommodate regular repricing and benchmarking
HUG eligible households are hard to find	Purchase data and model scenarios, external review of bid Scheme change requests may be required to support the eligibility
CPCA reputation if delivery targets are not met	Align bid with realistic delivery targets, Retrofit Project Board to provide oversight

8. Appendices

- 8.1 Appendix 1 – Local Net Zero Programme MoU
- 8.2 Appendix 2 – GSENZH Terms of Reference
- 8.3 Appendix 3 - Accountable Body Agreement

9. Background Papers

- 9.1 [CA Board 28 February 2018 – Item 5.1 - Greater South East Local Energy Hub \(the 'hub'\)](#)
- 9.2 [CA Board 23 September 2019 - Item 4.3 - Greater South East Energy Hub](#)
- 9.3 [CA Board 31 August 2022 - Item 2.2 - Sustainable Warmth](#)

MEMORANDUM OF UNDERSTANDING FOR LOCAL NET ZERO PROGRAMME

LOCAL NET ZERO PROGRAMME 2022-2025

**MEMORANDUM OF UNDERSTANDING
Between the**

SECRETARY OF STATE FOR BUSINESS, ENERGY AND INDUSTRIAL STRATEGY

And

CAMBRIDGESHIRE & PETERBOROUGH COMBINED AUTHORITY

MEMORANDUM OF UNDERSTANDING

LOCAL NET ZERO HUB PROGRAMME

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MEMORANDUM OF UNDERSTANDING

DEFINITIONS

In this MoU the following terms will have the following meanings:

“BEIS” means the Department for Business, Energy and Industrial Strategy.

“Secretary of State” means the Secretary of State for Business, Energy and Industrial Strategy.

“the Authority” means the Local Authority with whom this MoU is signed and to whom the Grant is to be paid by the Secretary of State, subject to the provisions of this MOU.

“the Parties” means the Secretary of State and the Authority together collectively.

“Commencement Date” refers to when the MoU is signed and therefore comes into effect.

“the Grant” is the funding made available by the Secretary of State to the Authority under this MoU to deliver the objectives of the Local Net Zero Programme as stated in paragraphs 12.

“Funding Period” is the period for which the Grant is awarded starting on the Commencement Date to 31st March 2023.

“Eligible Expenditure” means payments by the Authority during the Funding Period for the purposes of delivering the Programme which comply in all respects with the rules set out in paragraph 12 (Scope) of this MoU.

“Spend” means any funding committed and accrued to an Eligible Expenditure, as long as such activity is due for completion within the Funding Period.

PURPOSE

1. To establish the way the parties to the Memorandum of Understanding (hereafter referred to as the “MoU”) will work together to deliver the Local Net Zero Programme in England.
2. To clarify the roles and responsibilities of the parties to the MoU.
3. The Parties to this MoU are:
 - (i) The Secretary of State for Business, Energy and Industrial Strategy (**“Secretary of State”**); and
 - (ii) Cambridgeshire and Peterborough Combined Authority known as **“the Authority”**.

MEMORANDUM OF UNDERSTANDING FOR LOCAL NET ZERO PROGRAMME

The Secretary of State and the Authority are known together collectively as “**the Parties**”.

4. The Secretary of State has agreed to grant funding through the Local Net Zero Programme to the Authority. The Authority has committed to spend such funds in line with the Scope outlined in paragraph 12.
5. The Parties wish to record their understanding regarding the Grant funding which are detailed in this MoU. Therefore, this MoU sets out the understanding reached by the Parties on, amongst other things, the amount of the Grant available to the Authority, payment of the Grant, how it should be spent, commitments by the Authority to deliver against the Scope and commitments in relation to the administration of the Grant.

BACKGROUND

6. The Local Net Zero programme, previously the Local Energy Programme, was established in 2017 as part of the Clean Growth Strategy to support local authorities and communities in England play a leading role in decarbonisation and clean growth. £17.4 million core funding has been invested in the programme to date and has been used to fund the creation and continuation of five Local Net Zero Hubs across England which promote best practice and support local authorities to develop net zero projects and attract commercial investment
7. As of October 2022, the Hubs have a pipeline of 223 ongoing projects with a projected capital value of £4 billion and have secured £61 million in commercial investment for those projects. The Hubs have previously supported 142 projects which raised £11m commercial investment. The live and previous projects therefore equate to a ratio of £1 BEIS core funding : £4.7 commercial investment.
8. The Hubs also provide good practice guidance, tools and resources to benefit Local Authorities across England, including:
 - IMPACT – a digital visualisation tool which helps communities (parishes, wards and Local Authorities) understand their carbon footprint.
 - SCATTER – a tool which allows Local Authorities and city regions to standardise their greenhouse gas reporting and align to international frameworks.
 - Ongen/OnEfficiency Tool – a tool to explore the feasibility of generating and storing energy via a range of onsite renewable energy generation sources, like solar PV and heat pumps. The tool also helps identify where and what to do to reduce energy consumption and improve energy efficiency using EPC data.

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- GHG Support Toolkit – a Local Authority Housing Retrofit Handbook which provides practical advice to local authorities in England on domestic retrofit. It brings existing resources together in one place and gives a suggested order in which to work through this material.
 - My Society – a central, open data, web resource for Local Authority Climate Emergency Action Plans which will enable greater collaboration and sharing between councils and other stakeholders
9. The Hubs have also delivered wider programmes and schemes for BEIS, including:
- £10m Rural Community Energy Fund – a scheme which support rural communities to develop and benefit from renewable energy projects. 208 projects were funded to the value of £8.8m.
 - £300m Green Homes Grant (GHG) Local Authority Delivery Phase 2 – a home retrofit programme aimed at the least energy efficient homes of low-income households.
 - £160m Social Housing Decarbonisation Fund – a pilot programme to support providers of social housing to install energy performance measures in social homes across England.
 - £7.5m Green Homes Grant Skills Competition – the Midlands Hub has led on delivering a training competition to provide support to the energy efficiency and low carbon heating supply chains to deliver works under the GHG scheme and to scale up to meet the additional consumer demand generated.
 - £4.75m Public Sector Decarbonisation Scheme (PSDS) Low Carbon Skills Funding – funding to secure the skills and expertise needed to support public sector organisations to identify and deliver building energy efficiency and decarbonisation measures or to develop net zero organisational plans in the public sector.
 - £4.3m Private Rented Sector (PRS) Minimum Energy Efficiency Standard Compliance (MEES) and Enforcement Competition – a funding competition to build Local Authority capacity and capability to enforce MEES regulations in the domestic sector.
10. Achieving carbon budgets will require action at both national and local level. In December 2020, the Climate Change Committee's sixth carbon budget report identified the need for action at LA level as well as national level to achieve net zero - they estimate that over 30% of carbon savings will come from local action. The National Audit Office and Environmental Audit Office have called for the Government to have stronger, more visible framework and partnership in place with local government and communities if they are to meet national net zero ambitions.
11. Many LAs have set their own ambitious decarbonisation targets but they face numerous barriers to delivering these plans, including a lack of capacity and capability, and the need for capital funding to develop the pipeline of projects which support local priorities and attract commercial funding for long-term,

integrated investment programmes. However, with the right support, e.g., the Hubs teams, LAs can go further faster and the Local Net Zero Programme enables local areas to implement cost effective and integrated net zero programmes, whilst taking account of local needs and opportunities

SCOPE

12. The primary purpose of the Local Net Zero Programme is to achieve the following objectives:

a. **Objective 1**

Attract commercial investment and help LAs and other local public sector bodies to develop investment models which accelerate progress to net zero. Commercial funding can come from private, public (non-grant) and social investment including from communities, whilst directly contributing to building a stronger and greener future which supports clean growth and levelling up.

Indicative Outputs:

- (i) Leverage a pipeline of 'investment ready' low carbon projects supporting local and national priorities with a minimum target of 6:1 commercial finance leveraged across the programme.

Measurement: progression of projects through delivery to completion and financial data captured in the project tracker.

- (ii) In collaboration with BEIS, development of a guide to funding opportunities for local projects.

Measurement: production of the guide and/or provision of guidance to local stakeholders/partners, e.g., through a green finance post.

- (iii) Ensure each pipeline project is supported by proportional information (to be agreed in the Operating Strategies) setting out the commercial potential for the project.

Measurement: financial data in project tracker and project material provided to the Hub ahead of agreement to support.

- (iv) Establish a cross-Hub green finance working group with BEIS.

Measurement: establishment of the working group and perception of participants and stakeholders that the group is useful and drives forward investment development across the Hubs.

b. **Objective 2**

Continue to increase the number, quality, and scale of local Net Zero projects being delivered across the region in line with national targets and strategies, including supporting the early-stage development and delivery of projects. The scope of Net Zero projects will be agreed by the Hub and its board and set out in the Hubs' Operating Strategies.

Indicative Outputs:

- (i) By March 2023, each Hub will produce a *2023-25 Hub Operating Strategy*, setting out how the Hub will identify and prioritise net zero projects for support in line with regional and national objectives.

Measurement: the production of Operating Strategies approved through Hub's governance structures.

(ii) Continue to build the pipeline of early-stage projects for Hub support.

Measurement: qualitative – Hub updates regarding potential and upcoming projects.

(iii) In collaboration with BEIS, continue to build a database of completed, ongoing or upcoming projects.

Measurement: monthly updates to the project tracker.

(iv) Where useful, establish and resource attendance at cross-Hub working groups to address policy, regulatory and market barriers as appropriate and in partnership with BEIS, e.g., the transport working group.

Measurement: the working groups that are set up are viewed to be useful by participants and stakeholders (qualitative) and drive forward cross-Hub knowledge sharing.

c. **Objective 3**

Collaborate with BEIS to develop and support Net Zero elements to wider programmes and initiatives delivered across England, including the Transport Decarbonisation Plan and Levelling Up. This collaboration will be led by BEIS and Hubs will support this work depending on capacity.

Indicative Outputs:

(i) Support BEIS to develop a guide for central government setting out the Hub offer re. technical assistance and local expertise for both policy development and scheme delivery.

Measurement: production of the guide.

(ii) Ensure that the structure of the Hubs encompasses both core technical leads, as a Technical Assistance Function, and a more place-based offer with regional leads. Any scale-up, for wider programmes, will require funding (approx. 10% of the programme cost) but BEIS is supportive if Hubs decide to develop call-off frameworks etc. to make scale-up easier and more efficient.

Measurement: organograms and team structures – variation is expected across the Hubs to reflect regional strengths and needs. This variation will be set out in the Hubs' Operating Strategies.

d. **Objective 4**

Support a national knowledge transfer programme to improve information sharing, training, and evaluation and create a network of experience that amalgamates learning to strengthen and teach others.

Indicative Outputs:

(i) Support Net Zero Go as the UK-wide knowledge transfer community, especially with regards to bespoke regional projects. (e.g., mine water heat paper).

Measurement: qualitative – support will be ad hoc and recorded via updates between BEIS and the Hubs.

(ii) Support national knowledge transfer programmes, especially where events are occurring in hub region.

Measurement: qualitative – support will be ad hoc and recorded via updates between BEIS and the Hubs.

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(iii) Establish a cross-Hub management working group focusing on dissemination between the Hubs and sharing information across local government.

Measurement: establishment of the working group and perception of participants and stakeholders that the group is useful and drives forward investment development across the Hubs.

e. Objective 5

Raise local awareness of opportunities for and benefits of local Net Zero investment – including through national schemes.

Indicative Outputs:

(i) Delivery of and attendance at local and national events to spread awareness and share knowledge.

Measurement: qualitative – delivery and attendance will be ad hoc and recorded via updates between BEIS and the Hubs.

(ii) Support the development and implementation of a cross-England comms and engagement strategy to promote the Hubs and their work (e.g., brand awareness, engaging with stakeholders).

Measurement: qualitative – support will be ad hoc as required by BEIS.

(iii) Continue to support local partners with early-stage requests.

Measurement: qualitative – support will be ad hoc and recorded via updates between BEIS and the Hubs.

THE GRANT

13. The Secretary of State grants the Authority funding to the value of £1,670,000 (“**the Grant**”) to deliver the objectives in line with the Scope [para 12]. This funding is subject to the Authority providing the documentation and information in accordance with paragraph 10.
14. The Authority will as soon as possible, and by 30th November 2022 at the latest, provide the Secretary of State with the documentation and information listed in Annex 1.
15. The Secretary of State intends to pay the Grant within 10 working days of receipt of the completed documentation and information listed in Annex 1.
16. The Grant is made available for use during the Funding Period.
17. At the Secretary of State’s sole discretion, the Secretary of State reserves the right to determine an extension to the Funding Period beyond 30th September 2023, should the Authority provide a request in writing to do so.

SCOPE OF ACTIVITY

18. The Authority will use the Grant in accordance with the provisions of this MoU to deliver the objectives as set out in paragraph 12.

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- 19.
20. Without prejudice to any other provisions of this MoU, the Authority will not use the Grant for the following purposes:
 - a. For the provision of expenditure which is not Eligible Expenditure
 - b. To fund the provision of any lending to third parties.
 - c. To replace funding for an existing project, including any staff costs for an existing project and any projects to deliver statutory obligations, although the Grant may be used to extend the geographical coverage, scope or scale of an existing project (and for additional staff costs attributable to the extension of the project).
 - d. Use for activities of a political or religious nature.
 - e. Use in respect of costs reimbursed or to be reimbursed by funding from public authorities or from the private sector.
 - f. Use in connection with the receipt of contributions in kind (a contribution in goods or services as opposed to money).
 - g. Use to cover interest payments (including service charge payments for finance leases).
 - h. Use for entertaining (entertaining for this purpose means anything that would be a taxable benefit to the person being entertained, according to current UK tax regulations).
 - i. Use to pay statutory fines, criminal fines or penalties.
 - j. Use to pay for eligible expenditure incurred before the date of this MOU:
or
 - k. Use in respect of Value Added Tax (VAT) that the Authority is able to reclaim from HM Revenue and Customs.

VALUE ADDED TAX

21. Eligible Expenditure is net of VAT recoverable by the grant recipient from HM Revenue & Customs, and gross of irrecoverable VAT. This means that all grants are outside the scope of VAT.

USE OF THIRD-PARTY DELIVERY PARTNERS

22. Where the Authority is not directly responsible for delivery and instead chooses to provide funding to other public bodies (e.g. local authorities), the Authority will ensure that funding provided:
 - Addresses the primary objectives of the Local Net Zero Programme, as set out in para. 12.
 - Is deliverable within the timescales set out for the Funding Period.
 - Considers value for money with regard to the costs which will be borne by the third party.

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- Identifies any additional value-adding elements which are aligned to the overall objectives of the Local Net Zero Programme.
 - Can be reported against, in line with the agreed metrics and reporting arrangements.
 -
23. For the avoidance of doubt, where the Authority provides any funding to third parties for activities undertaken during the Funding Period, it will ensure that the provisions within this MoU are included in any arrangement with these third parties.
24. The Authority is expected to work with these third parties to ensure that key risks are identified and managed.
25. In the consideration of use of Consortia, the Secretary of State acknowledges that it may not be appropriate to implement commercial contractual arrangements between the Authority and other public bodies. However, the Authority will consider ways in which other public bodies' performance during the Funding Period can be appropriately managed such that the Grant can be redistributed from poorly performing or slow to deliver third parties to those which are meeting their performance and delivery targets.

INTERACTION WITH OTHER FUNDING

26. The Authority can blend funding they receive from the Local Net Zero Programme with other government schemes as well as with third party finance or local authority budgets to deliver additional support to further deliver the objectives as set out in this MoU.

SUBSIDY CONTROL

27. The Authority acknowledges that it will ensure that the Grant and use of it does not breach any applicable subsidy control regime.
28. To minimise the risk that a court of competent jurisdiction requires grant funding to be repaid, the Authority will:
- Comply with any applicable subsidy control regime in its use of the Grant.
 - Ensure that use of the Grant complies with any applicable subsidy control regime; and
29. Obtain and retain all declarations and information as may be required to enable both the Authority and the Secretary of State to comply with any applicable subsidy control regime, and to provide copies of such declarations and information to the Secretary of State when required to do so.

PROCUREMENT AND OTHER BENEFITS TO THIRD PARTIES

30. The Authority will, in delivering the Programme:

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- a. Comply with all relevant requirements of UK law relating to public procurement in force and applicable from time to time.
- b. The Authority will give due consideration to the use of Small & Medium Enterprises (SMEs) within the supply chain and ensure contracting and sub-contracting opportunities are advertised as such to encourage participation of SME and local supply chains. BEIS has its own SME action plan, which can be found using the following link: <https://www.gov.uk/government/publications/beis-small-and-medium-enterprises-sme-action-plan>.
- c. When conducting procurement activities, the Authority will comply with the obligations under the Equality Act 2010 and its associated Public Sector Equality Duty.
- d. The Authority will comply with the Local Government Transparency Code 2015.

SUPPLY CHAIN MANAGEMENT EXPECTATIONS

31. The Authority acknowledges that when managing its supply chain it should expect its suppliers and subcontractors to meet the standards set out in the Government Supplier Code of Conduct published by the HM Government on best practise expectations referenced below:

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/779660/20190220-Supplier_Code_of_Conduct.pdf.

PROMPT PAYMENT

32. In delivering the Programme, the Authority will, unless the Secretary of State agrees otherwise in writing, pay the person from whom any goods, works or services are purchased within 30 days of receiving a valid undisputed invoice from that contractor.
 - The Authority will also ensure this payment timeline is included within any sub-contract arrangements of the contractor.
33. The Authority will ensure that where it uses third-party delivery partners, the funding provided is also paid within 30 days of receiving a valid undisputed invoice from that contractor, or from receiving an acceptable proposal from a public body.
 - The Authority will ensure that these payment timelines are included within any sub-contractors of the third parties.

MODERN SLAVERY, CHILD LABOUR AND INHUMANE TREATMENT

34. The Authority acknowledges throughout the Grant period of delivery that it should maintain its own policies and procedures to ensure its compliance with the Modern Slavery Act 2015 and include in its contracts with its Suppliers and Subcontractors anti-slavery and human trafficking provisions.

35. If the Authority becomes aware of any concerns that any part of the supply chain may have breached the Modern Slavery Act 2015 then this must be reported within the Risk Management procedure and the Project team be informed instantly.

COMMERCIAL USE OF THE GRANT

36. The Authority will not use the Grant, or any asset financed wholly or partly by it, to generate revenue or make a capital gain, except to the extent agreed as part of the grant. If the Authority does so, it will:
- a. Inform the Secretary of State immediately and in writing; and
 - b. Agree that the Grant may be reduced by the amount of that revenue or gain (as the case may be).

GRANT WITHDRAWAL AND REPAYMENT

37. In accordance with paragraphs 41 to 43, it is the understanding of the Parties that the Secretary of State may request the Authority to repay all, or any proportion of, the Grant, together with interest (calculated in accordance with paragraph 41).
38. The Authority accepts that the Secretary of State may exercise the options referred to in paragraph 37 where the Secretary of State:
- a. is required to cease grant funding or to recover all, or any proportion, of the Grant or any other amount by virtue of a decision of a court or other competent authority; or
 - b. Has reasonable grounds to consider that the payment of the Grant, or the Authority's use of it, contravenes any requirement of law, in particular (but without limitation) law relating to subsidy control.
 - c. Has reasonable grounds to consider that the Grant was irregularly obtained or spent in a way that does not meet the Local Net Zero Programme objectives referred to in paragraph 12.
39. When exercising the options referred to in paragraph 37, the Secretary of State will notify the Authority of the grounds concerned and as far as possible, consider the Authority's representations made within any reasonable timeframe required by the Secretary of State.
40. A decision by the Secretary of State to ask the Authority to repay the Grant will be communicated by letter, and the Authority will make that repayment within 30 days of the date of that letter or within any later reasonable timeframe agreed by the Secretary of State in writing.
41. Where the Secretary of State requests repayment, interest will be calculated from the date of the Grant payment, in accordance with:

MEMORANDUM OF UNDERSTANDING FOR LOCAL NET ZERO PROGRAMME

- a. the retail prices index over the relevant period (that index being taken as 0% for any period during which the index is negative); or
 - b. any other rate required by law in the circumstances if it is higher.
- 42. Where the Authority does not make the relevant payment within the timeframe specified in paragraph 35, further interest on the outstanding sum (inclusive of interest already charged under paragraph 36 will accrue, after that deadline, at the statutory rate of interest under Section 6 of the Late Payment of Commercial Debts (Interest) Act 1998 or any other rate required by law in the circumstances, if it is higher).
- 43. Should the Secretary of State not exercise their options under paragraph 33 or delay in doing so, this will not constitute a waiver of those options unless the Secretary of State confirms such a waiver in writing. Furthermore, any such written waiver will not be taken as a precedent for any other, or subsequent, circumstances.

SUSPENSION

- 44. The Secretary of State may suspend payment of the Grant where:
 - a. One of the grounds in paragraph 37 arises.
 - b. The Secretary of State has reasonable cause to believe that one of those grounds may have arisen, or is likely to arise; or
 - c. One of the provisions of the MoU is not met by the Authority.
- 45. In the case of any suspension, unless the Secretary of State confirms a contrary agreement in writing:
 - a. The Authority will continue to comply with the requirements of this MoU including any deadlines occurring during the period of suspension; but
 - b. The Authority will not make any further use of the Grant until the Secretary of State has authorised continued use of the Grant in writing.
- 46. The Authority will inform the Secretary of State in writing if it has any concerns that any of the grounds in paragraph 37 might arise or that it will not be able to meet the provisions of the MoU. If such concerns arise after the Authority has received the Grant, the Authority will not make any use of the Grant until the Secretary of State has authorised continued use of the Grant in writing.

AGREED USE OF UNDERSPEND

- 47. In the event that the Authority does not use all the Grant to secure delivery of the Programme by the end of the Funding Period:
 - a. The Parties will work together to agree how the Authority will spend any unspent Grant funding in line with the expected objectives of the Local Net Zero Programme.
 - b. The Secretary of State reserves the right to determine an extension to the Funding Period, should the Authority provide a request in writing to do so as per paragraph 17.

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- c. If the Parties are unable to reach an agreement described in subparagraph (a), the Authority agrees to repay the unspent Grant within 30 days of the end of the Funding Period.

GOVERNANCE

48. Further detail regarding governance and any regional variation, will be set out in the Hubs' Operating Strategies.
49. Each Hub is expected to maintain a governance structure that is regionally representative to oversee the activities of the Hub. These governance structures may be subject to change to reflect any changes in local governance, such as devolution deals.
50. The accountable body for each Hub will be the Local/Combined Authority which hosts the Hub and to whom funding is devolved from BEIS. Each Hub will have a Board made up of local representatives as well as other stakeholders such as regional leaders and third parties, which will be responsible for ensuring supported projects are in line with wider Net Zero goals and signing off on resource/funding decisions.
51. BEIS representatives will sit on each Board which will meet quarterly (at minimum) and sign off quarterly reports to BEIS. The Board will be led by a Chair - as agreed between the Hub, the Board and BEIS - and will be responsible for identifying and escalating appropriately any risks and issues to Hub delivery.
52. In addition, BEIS will establish bi-yearly meetings between Hub board representatives (one from each Board), preferably chosen on a rotating basis, to discuss the strategic direction of the Local Net Zero Programme and any challenges facing the programme as well as to ensure a shared approach to governance and decision making. Representatives should be selected/elected by the board one month ahead of the bi-annual meeting and actions will be circulated to the full Boards and the Hub managers.
53. The Hub managers (and/or deputies) will be expected to attend monthly meetings with BEIS to monitor progress, collaborate on opportunities, resolve issues, and share relevant information across all the Hubs.
54. The Local Net Zero Team and the Authority may agree to schedule ad-hoc meetings outside of the monthly meetings.

CHANGE REQUESTS AND VARIATIONS

55. The Authority will notify the Local Net Zero Team, if there are any variations or significant risks to delivery within the Funding Period.

MEMORANDUM OF UNDERSTANDING FOR LOCAL NET ZERO PROGRAMME

56. No variation of this MoU will be effective unless it is agreed in writing and signed by both Parties. This does not prevent either Party making reasonable changes in relation to the administrative arrangements in the MoU (such as contact details) by notice in writing to the other Party, without such agreement in writing signed by both Parties.

RISK MANAGEMENT

57. The Authority agrees to provide assurance that risks in relation to the Programme have been identified and mitigated. The Authority will ensure a risk register is in place with escalation processes through both the Authority's and BEIS management.
58. In providing assurance about the management of risks, the Authority will identify risks and issues which arise from its own activities and those which arise from third parties, including those delivering measures or services under the scheme and those referring potential scheme recipients or otherwise publicising the scheme.
59. The Authority will also include any other risks not included in the preceding paragraph (57) which it believes are relevant to the scheme.
60. As part of the Quarterly Report, the Authority will report the status of the risks and issues identified within the Risk Register and whether any new risks or issues have emerged. The report will also provide a statement as to whether risk management is effective and whether any remedial action is necessary. The Authority will share both the risks it is managing, and risks raised by local authorities or any other third-party delivery partners.
61. As soon as it becomes apparent to the Authority or the Local Net Zero Team that a risk will significantly impact on the delivery of the Programme, the Local Net Zero Team and the Authority will develop and work through recommendations on each area of concern and work together to address concerns.
62. The Local Net Zero Team will be responsible for highlighting and escalating risks within BEIS where necessary.

FRAUD

63. As part of the delivery of the Programme, the Authority will be responsible for carrying out or arranging for the reasonable ongoing due diligence, controlling, monitoring, reporting, as well as managing any specific cases of suspected or identified fraud.

MEMORANDUM OF UNDERSTANDING FOR LOCAL NET ZERO PROGRAMME

64. The Authority acknowledges it should implement controls to reduce the risk of fraud where possible, considering the following options when doing so:
- Implementing strategies regarding Counter Fraud, Bribery and Corruption.
 - Staff awareness through training and educating all employees on fraud risk and appropriate action to take if fraud is suspected.
 - Aiming to design fraud out of the Authority's stages of the grant process.
 - Through regular risk assessments throughout the Programme's time frame.
 - The use of the Authority's Audit officer to proactively look for the potential fraud.
 - Appropriate whistleblowing arrangements to support the reporting of fraud.
 - Regular site visits in regard to oversight of the delivery implementation.
65. The Authority will inform the Local Net Zero Team at the earliest opportunity of any reports it has received or identified relating to any suspected fraudulent activity relating to the delivery of the Programme and include a summary of investigative and/or corrective action.

PERFORMANCE

66. To measure performance, the Local Net Zero Team will assess performance levels against the objectives set out in paragraph 12.
67. On a quarterly basis, the Authority will provide a report to the Local Net Zero team covering the period from the first to last day of the quarter and provided on or before the 30th working day of the subsequent month (the "Quarterly Report"). For example, the report covering the delivery period of 1 July 2022 – 30th September 2022 will be required to be submitted by the 30th working day of October 2022.

MONITORING, EVALUATION AND AUDIT

68. The Authority will support all activities in relation to monitoring, evaluation and audit. The Authority will:
- a. Respond fully, truthfully and promptly to any enquiries the Secretary of State, or the Comptroller and Auditor General, or their representatives, may make about the Programme or the use of the Grant and provide any information and evidence reasonably requested, including by providing a statement of usage of the Grant (at such times, and in such form, as they may reasonably specify).

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- b. Allow the Secretary of State, the Comptroller and Auditor General, and their representatives, access to all relevant documents and records, and reasonable access for inspecting any relevant site.
- c. Where requested, ensure that any information or evidence provided to the Secretary of State, the Comptroller and Auditor General, or their representatives, is audited by an identified and independent reporting accountant or otherwise confirmed or verified by a person of such other relevant expertise as they may reasonably specify; and
- d. Give reasonable assistance to the Secretary of State or the Secretary of State's contractors to carry out work in connection with the Grant throughout delivery of the Programme and up to two years after completion of the Programme, for example as part of the Secretary of State's ongoing monitoring and evaluation commitments.
- e. Cooperate with BEIS contractors on related evaluation projects.
- f. Cooperate with the Secretary of State's appointed advisers.
- g. Demonstrate sufficient staffing resource in funding applications to manage the above requirements to an effective level of quality and maintain this level of resource for the full project duration.

RECORD KEEPING

69. The Authority will keep for ten years records relating to any spending funded (or defrayed) by the Grant. Such records should indicate:
- a) The identity of any third party concerned and their business.
 - b) The amounts any third party has been given.
 - c) The purpose for which the money was spent.
 - d) Evidence that contracts have been awarded in accordance with public procurement law where they are required to be; and
 - e) Details of and information relating to any significant sub-contracting by the Authority.

DATA PROTECTION

70. In so far as it is possible to do so in accordance with the Data Protection Act 2018, the UK General Data Protection Regulation (UK GDPR) and the Market Research Society Code regarding the collection and use of personal data for research and statistical purposes and all other law, the Authority agrees to collect information for evaluation and reporting purposes (referred to below as "the Information") in a way which:

MEMORANDUM OF UNDERSTANDING FOR LOCAL NET ZERO PROGRAMME

- a. Allows it to share the Information with BEIS as referenced in the Monitoring, Evaluation and Audit section of this MoU.
- b. Allows BEIS to share the Information with any of its research or evaluation service providers.
- c. Allows BEIS to use the Information for research and statistical purposes (this does not include publishing the Information in a way that identifies individual households) provided always that BEIS complies with the provisions of the Data Protection Act 2018 and UK GDPR.

FREEDOM OF INFORMATION

71. The Parties may be obliged to disclose information relating to the Local Net Zero Programme and the Grant under the Freedom of Information Act 2000, the Environmental Information Regulations 2004 or under another requirement of law.
72. The Parties will assist and cooperate with each other as reasonably requested to facilitate compliance with those requirements.
73. In the event that the Secretary of State provides information in response to a request for information under the Freedom of Information Act 2000 or the Environmental Information Regulations 2004, the Secretary of State may make that response publicly available for the purposes of transparency.

INTELLECTUAL PROPERTY

74. In undertaking the Programme, the Authority will not infringe the intellectual property rights of any third party.
75. Where the Programme gives rise to the generation of any intellectual property, the Authority will not subsequently seek to make profit from the use of such intellectual property, for example through the grant of licences.
76. Unless otherwise agreed by the Secretary of State, the Authority will allow the Secretary of State royalty free use of any intellectual property created whilst delivering the Programme.

COMPLIANCE WITH THE LAW

77. The Authority will comply with all laws and regulatory requirements when delivering the Programme (including, without limitation compliance with all laws and regulatory requirements relating to public procurement and subsidy control).

MEMORANDUM OF UNDERSTANDING FOR LOCAL NET ZERO PROGRAMME

78. In signing this MoU, the Authority confirms that use of the Grant for the purpose of the Programme and in accordance with the MoU is in compliance with all laws and regulatory requirements.

ANTI-DISCRIMINATION

79. The Authority will comply with the requirements of the Equality Act 2010 and avoid any unlawful discrimination.

RESPONSIBILITY FOR EMPLOYEES, CONTRACTORS, AGENTS AND PARTNERS

80. The Authority will ensure that its employees, contractors, agents, partners and other local authorities or organisations it works with in delivering the Programme (whether or not as part of a Consortium) comply with the commitments and principles set out in the MoU and will be responsible for any failure by them to meet those commitments and principles.

WARRANTIES

81. The Authority warrants that:
- a. It has full capacity and authority to deliver the Programme and to enter into this MoU.
 - b. It will obtain any consents necessary to undertake the Programme.
 - c. The information and evidence in its Programme remains true, complete and accurate, and that its circumstances have not materially changed since submitting its Programme; and
 - d. It does not know of the existence of any circumstances which might materially and adversely impact on its ability to undertake the Programme or observe the provisions and principles of this MoU.

LIMITATION OF LIABILITY

82. The Authority confirms that the Secretary of State's liability to the Authority is limited to payment of the Grant (subject to the Authority meeting the commitments and principles of the MoU and its Annexes and to the Secretary of State's rights set out therein). The Authority remains entirely responsible for its risks and liabilities in undertaking the Programme, and the Secretary of State will have no liability for any consequence, direct or indirect, that may arise through the Authority's undertaking of the Programme or its use of the Grant.

ASSIGNMENT

MEMORANDUM OF UNDERSTANDING FOR LOCAL NET ZERO PROGRAMME

83. The Authority will not assign or otherwise transfer to any other person the benefit of the Grant or any other benefit arising by virtue of this MoU without the approval in writing of the Secretary of State.

STATUS

84. This MoU is not intended to be legally binding, and no legal obligations or legal rights shall arise between the Parties from this MOU. The Parties do, however, enter into the MOU intending to honour all their commitments under it.
85. Nothing in this MoU is intended to, or shall be deemed to, establish any partnership, joint venture or relationship of employment between the Parties, constitute either party as the agent of the other party, nor authorise either of the Parties to make or enter into any commitments for or on behalf of the other party. Accordingly, the Authority will not hold itself out as having any such relationship with the Secretary of State.

FURTHER FUNDING

86. The Secretary of State is under no obligation to provide the Authority with any further funding in respect of the Programme or for any other purpose.

REFERENCES

87. In this MoU references to legislation are to that legislation as amended or re-enacted from time to time (including any amendment or re-enactment having taken place before the date of this MoU).

NOTICE AND COMMUNICATIONS

88. The Authority will be able to contact BEIS using the following email address:

elinor.bendell3@beis.gov.uk

89. The Authority's day to day contacts with the Department on any working day by email between 9am and 5pm are:

--

90. The Authority's Day to day contacts for the Department are:

NAME	Role	EMAIL	TELEPHONE

MEMORANDUM OF UNDERSTANDING FOR LOCAL NET ZERO PROGRAMME

ESCALATION

102. If Secretary of State or the Authority has any issues, concerns or complaints about the Local Net Zero Programme, or any matter in this MoU, that party will notify the other party and the parties will then seek to resolve the issue by a process of consultation. If the issue cannot be resolved within a reasonable period of time, the matter will be escalated to the senior management teams of both parties, which will decide on the appropriate course of action to take. If the matter cannot be resolved by the senior management teams within 60 days, the parties will consider mediation as an alternative dispute resolution process.
103. If claims are made by a supplier or requests for information made under the Freedom of Information Act 2000) in relation to the Local Net Zero Programme, the recipient party will promptly inform the relevant Hub Board and/or the Local Net Zero team (or its nominated representatives) of the matter.

Signed for and on behalf of the Secretary of State



Katherine Wright

Deputy Director, Local Net Zero

27/10/2022

Signed for and on behalf of the Authority

Signature

Name

MEMORANDUM OF UNDERSTANDING FOR LOCAL NET ZERO PROGRAMME

Position

Date

Annex 1: Documents to be provided

Table 1: Documentation to be provided by the Authority before the Grant will be released.

What needs to be provided?	Appendix
A signed copy of this MOU	This document
A signed copy of the Section 151 or Section 73 Officer declaration	Annex 3
A signed copy of the Section 31 Grant Determination Notice	Annex 4
A completed Grant Claim Form	Annex 5

Annex 2: Roles and Responsibilities

Further detail regarding the roles and responsibilities and regional variations to these, will be set out in the Hubs' Operating Strategies.

BEIS Team

HEAD OF PROGRAMME

- Setting strategic direction for the Hub programme, including alignment with wider Government schemes and priorities.
- Oversight of the Local Net Zero programme across all regions, including reporting, finance, and stakeholder engagement.
- Identifying and obtaining resources required to deliver the Local Net Zero programme, including oversight of required procurement activities.
- Oversight of cross-BEIS/OGD engagement on the Local Net Zero programme.
- Attendance at meetings with relevant authorities and bodies as required.
- Management and mitigation of risks for the Local Net Zero Programme.
- Collaboration with colleagues across government to optimise the role of the Hubs.
- Management of the strategic business case for future funding for the Local Net Zero Programme.
- Supporting the Hubs in engagement with other policies/programmes and central departments.

HUB LEADS

- Specific Hub oversight inc. schemes but also risk/issue management and opportunity identification.
- Project management of bespoke funded projects and tools within their region(s) (e.g., SCATTER, etc.) unless specifically assigned to another lead.
- Support for the Hub in delivering the Local Net Zero Programmes, and other government programmes as agreed.
- Development and maintenance of a network of stakeholders and relevant contacts across the region, engaging on a regular basis to ensure awareness of the Hub and opportunity identification.
- Close collaboration with the stakeholders and policy colleagues to provide briefings, reporting and recommendations, as necessary.
- Attendance at meetings with relevant authorities and bodies as required.
- Development and submission of regular reports to BEIS management setting out the milestones, successes and challenges faced by the Hubs.
- Responsibility for elements of programme management, including reporting, finance, and stakeholder engagement.
- Dissemination of Hub work, e.g., provision of case studies, speakers, etc to ensure timely interaction with policy development.

DRAFT

Hub Team

HUB MANAGEMENT

- Support and deliver on Net Zero related initiatives, as agreed by the Hub and its Board, and improving access to relevant funding.
- Develop and deliver projects, as agreed by the Hub and its Board, working alongside key public and private sector partners, including local and central Government.
- Lead and manage a technically skilled and multi-disciplined team to ensure successful delivery of Hub programme.
- Act as a strategic voice and champion of net zero in the region, fostering partnership and collaboration in the relevant region with other key organisations.

DELIVERY

- Responsibility for achieving targets around securing funding opportunities, including identifying appropriate internal and external partners.
- Responsibility for supporting progression of projects to an 'investment ready' point through overcoming technical, legal, social and other barriers.
- Ensure resources are put in place as required to deliver the Hub programme, e.g. procuring contractors for projects as necessary.
- Ensure risks and issues are escalated to the board, and to BEIS and the host authority where necessary, and establish robust risk management processes to resolve or mitigate any that arise.
- Agree with BEIS where core staff or resources are used to deliver other programmes, either for BEIS or locally.

FINANCE

- Identify strategic priorities for funding and work collaboratively with the wider programme and governance structures to agree these.
- Manage budgets and timescales, adhering to all financial regulations, process, and governance arrangements.

REPORTING

- Provide monthly updates to BEIS on project progress and performance against objectives.
- Attend regular meetings with the BEIS Hub leads to update on progress and address any challenges.
- Provide reports, as set out above, to BEIS.
- Responsibility for maintaining the project tracker for the relevant Hub and ensuring all data is accurate and up to date.
- Collaborate with BEIS to provide information for briefings, reports, and recommendations, as necessary.

DRAFT

BEIS LOCAL NET ZERO PROGRAMME SECTION 31 GRANT DETERMINATION (2022/23): No. 31/6334

The Minister of State for Business, Energy, and Industrial Strategy (“the Minister of State”), in exercise of the powers conferred by section 31 of the Local Government Act 2003, makes the following determination:

Citation

1. This determination may be cited as the BEIS Local Net Zero Programme Determination (2022/23) No. 31/6334.

Purpose of the grant

2. The purpose of the grant is to provide support to Cambridgeshire and Peterborough Combined Authority towards expenditure lawfully incurred or to be incurred by them, as outlined in the Local Net Zero Programme Memorandum of Understanding dated 27/10/2022.

Determination

3. The Minister of State determines as the authorities to which grant is to be paid and the amount of grant to be paid, the authorities and the amounts set out in Annex A.

Treasury consent

4. Before making this determination in relation to local authorities in England, the Minister of State obtained the consent of the Treasury.

Signed by authority of the Minister of State for Business, Energy, and Industrial Strategy



Katherine Wright
Deputy Director, Local Net Zero, Department of Business, Energy, and Industrial Strategy

27/10/2022

ANNEX A

Authorities to which grant is to be paid	Amount of grant to be paid
Cambridgeshire and Peterborough Combined Authority	A single payment of £1,670,000. This is funding for the year 2022/23.

ANNEX B (to the Grant Determination Letter)

Purpose of grant	Amount of grant to be paid
To continue delivery of the Greater South East Net Zero Hub and its objectives as set out in the Memorandum of Understanding dated 27/10/2022.	£1,195,000
To continue the development of the Net Zero Go Platform	£400,000
To support building community energy infrastructure	£75,000

Grant claim form

SECTION 1 REQUESTER DETAILS	
AUTHORITY	Cambridgeshire and Peterborough Combined Authority
PURCHASE ORDER NUMBER	
CONTACT NAME	
TELEPHONE NUMBER	
EMAIL ADDRESS	

SECTION 2 CLAIM DETAILS	
BEIS LOCAL NET ZERO PROGRAMME TOTAL TO BE CLAIMED	£1,670,000
DATE OF CLAIM	XX/XX/2022
<i>Claims may include VAT that the authority is not able to reclaim from HM Revenue & Customs or not likely to become able to claim</i>	

SECTION 6: SENIOR LOCAL AUTHORITY OFFICER'S DECLARATION
<p>I confirm that I have considered the Authority's proposal (the Local Net Zero Programme Memorandum of Understanding) against which this Grant claim is made and that:</p> <ul style="list-style-type: none">a) The information and evidence pertaining to this Grant claim is complete, true and accurateb) We will comply with the principles set out in the Memorandum of Understanding <p>Signed:</p> <p>Printed name:</p> <p>Position:</p> <p>Date:</p>

Section 73 Officer Declaration

In my position as the Section 73 Officer for Cambridgeshire and Peterborough Combined Authority, I confirm that:

- a) Cambridgeshire and Peterborough Combined Authority will accept the grant funding that has been offered through the BEIS Local Net Zero Programme grant;
- b) The information and evidence pertaining to this grant claim is complete, true and accurate;
- c) Cambridgeshire and Peterborough Combined Authority will deliver the goods and services that have been set out in the proposal in accordance with the terms of the Proposal; and
- d) Cambridgeshire and Peterborough Combined Authority will comply with the provisions of the Memorandum of Understanding dated 27/10/2022 in connection with its delivery of the proposal.

SIGNATURE

NAME

POSITION

DATE

To: Cambridgeshire and Peterborough Combined Authority

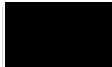
On 27th October 2022, a new Memorandum of Understanding and S31 funding documentation were provided to the Greater South-East Net Zero Hub to enable continuation of the Hub and its activities for FY22/23.

I would like to confirm that the Local Net Zero Team also has approval to fund the Local Net Zero Hubs for FY 23/24 and FY 24/25.

This funding will be provided under a variation to the MoU mentioned above and will be granted at the start of each financial year, depending on additional funding available and agreements required for that funding.

This letter aims to provide you with the confidence and security required to offer contracts beyond the end date of the most recent funding agreement (30th September 2023), in order to better enable the Greater South-East Net Zero Hub to deliver its objectives.

Signed:

A black rectangular box used to redact the signature of Katherine Wright.

Katherine Wright

Deputy Director, Local Net Zero

1st November 2022

Terms of Reference April 2019 (Version 1.0)

Review Date – April 2020

Status of the Terms of Reference

The Terms of Reference (“**ToR**”), which are in draft until they are approved by the LEPs and CPCA, will form an Appendix to the Accountable Body Agreement dated **23rd October 2019** between the Cambridgeshire and Peterborough Combined Authority and the Greater South East LEPs and/or lead local authorities (the “**Agreement**”).

The ToR set out the purpose and structure of the Greater South East Energy Hub Board and the Energy Hub Operational Team.

The Agreement sets out the governance arrangements between Cambridgeshire & Peterborough Combined Authority (the “**CPCA**”) and the Greater South East regional LEPs and lead local authorities (the “**LEPS**”).

Status of the Decision-making Process

The decision-making process appended to this document has been reviewed by BEIS and is agreed by the five (5) Regional Energy Hubs Boards and Accountable Bodies. However, it sits outside of the ToR and may be updated by the Greater South East Energy Hub (the “**Energy Hub**”) with the approval of the CPCA and the Greater South East Energy Hub Board.

The Energy Hub Project Assessment Framework sets out the processes and criteria for Energy Hub project support and Rural Community Energy Fund grants.

1. Introduction

The Department for Business, Energy and Industrial Strategy (BEIS) has identified that there are a number of local energy projects within LEP areas that are not developing to the point of delivery; either because they do not meet mainstream investor criteria or there is lack of human resource and technical expertise to deliver them.

BEIS allocated £1.6m for Energy Strategy development by LEPs with the first tranche of thirteen (13) LEPs receiving a total of £600K in March 2017 with the remaining twenty-five (25) LEPs in England offered £1m in September 2017. One of the main outcomes of the strategies was to identify a pipeline of energy investment opportunities for each LEP area.

Following on from the strategies and as part of the Local Energy Programme, BEIS allocated funding to support the capacity of LEPs and local authorities to play a leading role in delivering low-carbon economic growth. The model for the delivery of this support was the establishment of five (5) regional Energy Hubs in England to support the capacity of LEPs and local authorities to deliver energy projects.

Each Hub has been set up to serve a number of LEP areas which were agreed by mutual consent with the constituent LEPs, with the expectation that the LEPs work closely with their local authorities in the process of setting up and working with the Hubs. The Hubs in turn would work on behalf of all the LEP areas served and their member local authorities, it is a requirement of the BEIS for governance arrangements to be agreed in support of this.

The Hub Board was formed in November 2017 to establish the Greater South East Energy Hub, comprising the consortia of eleven (11) LEPs/lead authorities in the Greater South East. All LEPs were able to put forward proposals for hosting the Hub (as Lead Authority and Accountable Body for the Section 31 grant). The CPCA became the Accountable Body by mutual agreement in March 2018. The Energy Hub was set up in April 2018 and became operational in September 2018.

The Energy Hub is to be funded by BEIS for an initial period of three (3) years, as detailed in the Local Energy Capacity Support Memorandum of Understanding entered into by BEIS and the CPCA (the “**MoU**”) and the Variation to MoU (26/3/19).

The Energy Hub will administer the Rural Community Energy Fund for a minimum period of two (2) years as detailed in the Rural Community Energy Fund Memorandum of Understanding entered into by BEIS and the CPCA (the “**RCEF MoU**”).

2. Objectives of the Greater South East Energy Hub

The key objective of the Energy Hub is to work collaboratively with LEPs and their member local authorities across the greater south east area to co-ordinate the identification and prioritisation of local energy projects and to undertake the initial stages of development for priority projects up to a point where investment can be secured. The governance structure of the Energy Hub allows for decisions to be made at a local level and to be aligned with local strategic priorities. The Energy Hub will seek to:

- a) Increase the number, quality and scale of local energy projects being delivered;
- b) Raise local awareness of the opportunity for and benefits of local energy investment;
- c) Enable local areas to attract private and/or public finance for energy projects;
- d) Identify options for the Energy Hub model to be financially self-sustaining after the funding period.

3. Hub Board and Operational Team Structure

The Energy Hub will operate under an Energy *Hub Board* (the “**Hub Board**”) and an Energy Hub *Operational Team* (the “**Operational Team**”). The ultimate purpose of this dual arrangement is to ensure that the Energy Hub delivers the required quality outcomes outlined in the MoU and the Local Energy Strategies and responds appropriately to changing requirements of both the LEPs and the operational environment.

4. Hub Board Roles and Responsibilities

The Hub Board is the strategic body responsible for taking decisions on Energy Hub business and programme activity. The Hub Board will provide oversight of the Operational Team’s delivery of the programme to ensure it fulfils the aspirations and expectations of key stakeholders in line with the scope outlined in the MoU. The decision-making process for the allocation of project support is detailed in the Project Assessment Frameworks appended hereto as (Annex 1 Local Energy Capacity Support & Annex 2 Rural Community Energy Fund).

The Hub Board shall have the authority to make decisions in relation to the proposed deployment of the Grant.

The Hub Board shall:

- a) provide overall strategic direction for the allocation of Grant and leverage of Funds;
- b) provide direction and support in relation to the development, delivery and implementation of Energy Hub funded activities;
- c) promote the Energy Hub and the available support within the Greater South-East LEPs and their constituent local authorities, businesses and higher education research base;
- d) provide recommendations to CPCA with regard to the staffing structure of the Operational Team in consultation with the Regional Hub Manager and Section 73 officer of CPCA;
- e) approve the criteria for selection/prioritisation of pipeline projects;
- f) make decisions based on the scrutiny of individual project support proposals (approve allocation of technical/consultancy project support);
- g) approve bids to BEIS for tools to support capability building;
- h) utilise existing CPCA governance structures to deliver the RCEF scheme;
- i) make final decisions for allocations of the RCEF scheme (through the Hub Board or subordinate group thereof);

j) comply with the Assurance Framework.

The Hub Board shall ensure that the Energy Hub:

- a) has a suitable financial model;
- b) has appropriate delegated authority and agreed financial thresholds;
- c) has the appropriate strategic direction in accordance with the MOU;
- d) has robust frameworks for the operation of the Hub;
- e) monitors and evaluates progress against the objectives defined in the MOU;
- f) has an agreed communication strategy; and
- g) has clear plans for self-sustainability by the Exit Date.

The Hub Board shall act in an advisory capacity to the Accountable Body in relation to the Section 31 grant agreements. All decisions concerning financial models or that have a financial impact will be undertaken by the Hub Board with approval of the Section 73 officer.

The Hub Board shall be required to approve:

- a) the allocation of financial resources by the CPCA, for project feasibility studies and the Hub Operational Team;
- b) the allocation of RCEF grants (through the Hub Board or subordinate group thereof);
- c) decisions made regarding the allocation of any future funding delegated to the Hub.

All Board and sub-committee or sub-group members will make decisions on merit having taken into account all the relevant information available at the time.

5. Board Composition

The Hub Board comprises representation of:

- a) one (1) board member from each LEP area served;
- b) one (1) board member representing the Accountable Body Section 73 Officer; and
- c) one (1) Chairperson.

Each LEP board member will have a substitute nominated by the LEP and BEIS will have a position as observer and advisor.

The Energy Hub comprises the following members:

- Cambridgeshire & Peterborough Combined Authority (Accountable Body)
- Cambridge & Peterborough Combined Authority (Business Board)
- New Anglia LEP
- South East LEP
- South East Midlands LEP
- Coast to Capital LEP
- Enterprise M3 LEP
- Hertfordshire LEP
- Oxfordshire LEP

- Thames Valley Berkshire LEP
- Buckinghamshire LEP
- Greater London Authority
- BEIS is a permanent observer representing Local Energy

Notwithstanding the foregoing, the Greater London Authority (the “**GLA**”), although being a member of the Hub Board, shall solely have observer status and therefore shall not have the right to vote on any actions or decisions to be taken or approved by the Hub Board.

6. Recruitment of Hub Board Members

The Hub Board shall appoint an Independent Chairperson.

Hub Board Members and Substitutes are nominated by each LEP/lead local authority. Board Members must have the capacity and capability to deliver their role and have delegation for decision-making from their LEP Board or if delegated, the Chief Executive. Hub Board Members are expected to represent their organisations at a strategic level.

The Chief Finance Officer (s73) (or deputy) shall have a non-voting position on the Hub Board.

Whilst all appointments to the Hub Board will be on merit, in accordance with Government requirements, the Hub Board will aim to maintain the gender balance and representation of those with protected characteristics on its board with the following minimum requirements:

- that women make up at least one third (1/3) of the Hub Board by 2020 with an expectation for equal representation by 2023, and
- ensure its Board is representative of the businesses and communities they serve

The Hub Board is currently comprised with an equal gender balance.

Chairperson & Vice Chairperson of the Hub Board

The Hub Board will appoint an independent Chairperson.

The Chairperson shall be appointed following an open, transparent and non-discriminatory recruitment process which assesses each candidate on merit carried out in accordance with the CPCA’s diversity statement, Government Guidance and the Nolan Principles. This will include a public advertisement and an interview process conducted by a Hub Board’s appointments panel. The Hub Board will consult widely and transparently before appointing a new Chairperson. Each Party to the Agreement shall, should they so wish, nominate an individual for the position of Chairperson and provide the Hub Board with details of said individual for consideration, within ten (10) days of the last date of signature of this Agreement;

Nominated individuals must have:

- i) previously held a similar position;
- ii) significant energy sector experience; and
- iii) an understanding of how authorities operate.

The Hub Board shall convene a meeting to deliberate and prepare a shortlist of three (3) nominees to interview, no less than ten (10) days after the close of the public advert.

The Hub Board shall then select a panel of no less than five (5) Representatives (the “**Interview Panel**”) to interview the shortlisted nominees.

The appointment of the Chairperson shall be made by the unanimous decision of the Interview Panel.

Terms of Appointment

The term of office for **independent Chairperson** will normally be one (1) year, and subject to a maximum of one (1) consecutive term, unless:

- (a) they resign from their position and communicate this in writing to the Hub Board and CPCA Monitoring Officer; or
- (b) upon receipt of a vote of no confidence by the Hub Board, the Board must consider whether to terminate the terms of office of the Chair at the next meeting of the Board.

The position of Chairperson shall be reviewed annually.

The terms of the appointment will be set out in an appointment letter from the CPCA to the Chairperson. The Chairperson will be remunerated for allowable expenses.

The Hub Board shall appoint a vice Chairperson from amongst its membership, the term of office is at their discretion. For the avoidance of doubt, the GLA representative(s) shall not be eligible for consideration.

Working Groups

The Hub Board may appoint informal non-decision-making working groups or panels. Any such subordinate body set up by the Hub Board shall include one (1) or more Hub Board members, excluding the GLA representative, as nominated by the Board. With the consent of the Chairperson, any such group may also co-opt onto it any independent person with the relevant expertise – judged against pre-determined criteria – on the issues within the remit of these groups.

The remit and terms of reference for any such subordinate body shall be approved by the Hub Board and comply with the CPCA’s Assurance Framework and Hub Terms of Reference.

RCEF Funding Panel

The Hub Board may appoint a formal decision-making Funding Panel for the RCEF Grants. This subordinate body set up by the Hub Board shall include one (1) or more Hub Board members, excluding the GLA representative, as nominated by the Board, Local Enterprise Partnerships, lead local authorities and a BEIS official. To guard against any potential conflicts of interest that could potentially arise through CPCA involvement with the application or project, the Hub Board must ensure that there are

several local authorities represented on the Funding Panel. With the consent of the Chairperson, any such group may also co-opt onto it any independent person with the relevant expertise – judged against pre-determined criteria – on the issues within the remit of these groups.

The remit and terms of reference for any such subordinate body shall be approved by the Hub Board and comply with the CPCA's Assurance Framework and Hub Terms of Reference.

7. Accountability

The Hub Board members are responsible for acting as points of contact and communication 'leads' for their LEP area and as such are required to ensure that

- (a) all relevant LEP and local key stakeholders are kept fully informed of Energy Hub activities; and
- (b) they represent the views of the LEP area.

8. Collaboration

The Hub Board members are required to take a collaborative and coordinated approach across multiple LEPs, including supporting the Operational Team to identify strategic collaborative projects. Projects that are supported by the Hub and develop collateral and assets, such as business cases, templates and toolkits shall be shared with other LEPs for the benefit of the greater south east area.

9. Duty of Confidentiality

Hub Board members have a duty to maintain the confidentiality of information that they acquire by virtue of their position. Each shall keep confidential any and all information marked as confidential and any and all materials relating to specific project beneficiaries or prospective beneficiaries of support unless compelled by legal process to disclose such information, or authorised to do so by the Hub Board. The Hub Board members may disclose confidential information to their respective LEP Board and/or Secretariat, providing that information is treated in confidence.

10. General Operational Procedures

Meetings

Meetings of the Hub Board shall not be open to the public unless determined otherwise by the Chair.

Agendas and Minutes

Agendas and reports for the Hub Board will be available on the Hub's website www.energyhub.org.uk at least five (5) clear working days before the meeting to which they relate in accordance with the Transparency rules in chapter 6 of the CPCA's constitution. Any funding decisions shall be ratified by the CPCA as accountable body for the Hub Board.

The public may have access to agenda, reports and minutes of public and private meetings except where they are exempt from disclosure under the Freedom of Information Act 2000 (FOIA).

Freedom of Information

Reports will be released with the agenda, except in those cases where the information contained in the reports is exempt from disclosure under the Freedom of Information Act 2000 (FOIA). These papers will be classed as reserved papers.

Exemptions that are likely to make information reserved include but are not limited to:

- Commercial sensitivity information
- Information provided in confidence
- Personal data
- Legal privileged information
- Information intended for publication at a future date

Representation in meetings:

A representative of each LEP should be present at the meetings of the Hub Board, (the Board Member). Each LEP may appoint a substitute or proxy, to attend and vote at any meeting and each representative shall participate in a cooperative manner in the meetings.

Convening meetings:

The Chairperson of the Hub Board shall:

- authorise and approve a relevant schedule of business for the Hub Board;
- convene meetings of the Hub Board at a frequency of no more than six (6) weeks apart;
- give notice in writing to each Representative no later than ten (10) working days prior to any such meeting; and
- prepare and send each Representative a written agenda no later than five (5) clear working days prior to any meeting.

Meetings of the Hub Board may be held:

- face to face in various locations that are geographically accessible to the Parties; or
- by teleconference or another telecommunication means where it is not possible to meet face to face.

Quorum

The Hub Board shall not deliberate and decide validly unless at least six (6) Representatives, not including the GLA Representative, are present or represented ("**Quorum**");

During any meeting if the Chairperson counts the number of members present and declares there is not a quorum present, then the meeting will adjourn immediately. Remaining business will be considered at a time and date fixed by the Chair. If the Chairperson does not fix a date, the remaining business will be conducted at the next ordinary meeting.

Decision Making and Voting

Wherever possible, decisions of the Board will be by consensus, without the need for a vote. Where this is not possible a vote may be taken where the Chairperson considers it to be necessary to establish whether a consensus exists.

- Each LEP Representative present or represented in a meeting, with the exception of the GLA Representative, shall have one (1) vote.
- The CPCA Section 73 officer does not have a vote;
- Decisions taken shall require a majority of the votes cast of those attending;
- In the event of a tied vote, the Chairperson shall have the deciding vote.

The vote will be by way of show of hands and recorded in the minutes.

Decisions: The Hub Board shall be free to act on its own initiative to formulate proposals and take decisions in accordance with the procedures set out herein.

Decisions of the Hub Board

The draft minutes of the Hub Board will be posted on the Hub's website within twelve (12) clear working days of the meeting taking place. Provided that (a) no objection has been raised; and (b) no information contained in the minutes would be deemed exempt information under Schedule 12A of the Local Government Act 1972, the minutes of each Hub Board meeting shall be published on the Hub's website, www.energyhub.org.uk within two (2) clear working days of them being accepted.

- The Chairperson of the Hub Board shall ensure that the draft minutes of each meeting are sent to all Representatives within five (5) working days of each meeting;
- Draft minutes will be accepted as final at the subsequent Board meeting.
- Objections lodged with the Chairperson should be considered and actioned at the following Board meeting.

Where decisions need to be ratified by the CPCA as Accountable Body and the CPCA does not agree, they will refer the matter back to the Hub Board with the reasons and ask the Hub Board to reconsider.

Urgency Procedure

In order to ensure that the Hub Board is able to progress its business in an efficient manner, comments on urgent matters may be sought by the Regional Hub Manager or other Statutory Officer outside the meeting cycle.

Members will receive email notification which identifies:

- (a) Details of the matter requiring comment and/or endorsement and the reason for urgency (including an explanation as to why an emergency meeting is not proposed to be held to conduct the business);
- (b) The date responses are required by;

- (c) The name of the person or persons making or putting forward the proposal/decision

Two (2) working days after the close of responses, the following will be circulated to all Hub Board Members:

- (a) The outcome of the decision taken by Statutory Officers (including responses received in agreement and responses received in disagreement); and the date when any decision comes into effect; and
- (b) Any mitigating action taken to address Members' stated views or concerns.

Decisions and actions taken will be retrospectively reported to the next meeting of the Hub Board.

Complaints and Whistleblowing

Any complaint received about the Hub Board will be dealt with under either the CPCA Complaints or Confidential Complaints Policy.

Any complaint about an individual Hub Board member alleging a breach of the Code of Conduct will be dealt with in accordance with the code of conduct.

Any whistleblowing concerns raised about the Hub Board will be dealt with under the CPCA's Whistleblowing Policy.

Each of these procedures or policies shall be published on the CPCA web-site and accessible from the Hub Board's web-site.

11. Code of Conduct

All Hub Board members are expected to adhere to the Nolan Principles of public sector bodies. The CPCA has a Code of Conduct which applies to members of the Hub Board.

12. Conflicts of Interest Register of Interests

It is the responsibility of Board members to ensure an up to date Register of Interests is maintained. Each Hub Board member must complete and keep up to date a register of interest form required under the CPCA's code of conduct. The register of interest form will be published on the Hub's website within twenty-eight (28) days from the date of the appointment and is a condition of appointment. A member must within twenty-eight (28) days of becoming aware of any change in their interests provide written notification of this.

It is the responsibility of Board members to declare any interest on any item of business being conducted at a Hub Board or working group meeting. Any declarations of interest made by a Hub Board member at a meeting and any action taken, (such as leaving the room, or not taking part), will be recorded in the minutes for that meeting. The member should update their register of interest form within seven (7) days of the meeting if a new interest has been declared.

Any alleged breach of the Hub Board member code of conduct will be dealt with under the Combined Authority's Member Complaints Procedure.

13. Grievance Procedure

There are three (3) key points for the grievance procedure:

1. Issues must be dealt with promptly and consistently;
2. The LEPs should have an opportunity to put their case to the Hub Board; and
3. The decision of the Hub Board will be final

The Procedure

i. Raise the grievance in writing

- a) If a LEP has a grievance the LEP Representative should raise it with the Hub Board without unreasonable delay, and within one (1) month of the incident which gave rise to the complaint. The LEP Representative must provide the Hub Board with details in writing of the specific circumstance or circumstances which constitute the grievance, with dates, etc.

ii. Invitation to a Grievance Meeting

- a) The Hub Board will invite the LEP Representative to attend a meeting, without unavoidable delay to discuss the matter. The meeting should ideally be arranged within five (5) working days of the Hub Board receiving the written grievance.

iii. Grievance Meeting

- a) Where possible, a note-taker, who must be uninvolved in the case will take down a record of the proceedings.
- b) The Chairperson of the Hub Board will introduce the meeting, read out the grounds of the grievance, ask the LEP Representative if they are correct and require the LEP Representative to provide clarification regarding details of the grievance if unclear.
- c) The LEP Representative will be given the opportunity to put forward her/his case and say how they would like to see it resolved.
- d) The meeting may be adjourned by the Chairperson of the Hub Board if it is considered necessary to undertake further investigation. Any necessary investigations will be carried out to establish the facts of the case. The meeting will be reconvened as soon as reasonably practicable.
- e) Having considered the grievance, the Chairperson of the Hub Board will give her/his decision regarding the case in writing to the LEP Representative within five (5) working days. If appropriate, the decision will set out what action the Hub Board intends to take to resolve the grievance or if the grievance is not upheld, will explain the reasons.

14. Accountable Decision Making

Local Energy Capacity Support

All LEPs have set a strategic direction for their respective areas through a Local Energy Strategy. Funded by BEIS in 2017/18, energy strategies were required to provide strategic fit with BEIS policy, (energy related aspects of the Industrial Strategy and the national trajectory for decarbonisation and clean growth) and align with other national and local energy and low carbon policy. The Energy Strategies were signed off at LEP Board level after consultation with all the key engagement groups.

In the Greater South East Hub region there are six (6) Local Energy strategies:

- Local Energy East, a tri-LEP strategy for CPCA, NALEP and Hertfordshire LEP;
- South2East a tri-LEP strategy for SELEP, C2C and EM3;
- Oxfordshire LEP
- South East Midlands LEP
- Thames Valley Berkshire LEP
- Buckinghamshire LEP

LEPs also have responsibility to set strategic direction through Strategic Economic Plans and emerging Local Industrial Strategies.

These strategies form a key element of the Energy Hub's decision making for Local Energy Capacity Support, as for a project to be supported it must contribute to the achievement of strategic priorities and benefit multiple LEP areas.

The decision-making process for Local Capacity Support is governed by the Local Energy Capacity Support Project Assessment Framework.

Rural Community Energy Fund

The Energy Hub, as part of the BEIS Local Energy Programme was allocated Rural Community Energy Funds (RCEF) to further the objectives of RCEF across the Greater South East. The RCEF is a scheme which provides funding to rural communities in England to develop renewable energy projects which provide economic and social benefits to the community. The Energy Hub will appoint a Rural Community Energy Fund Manager who will provide support to communities in developing grant applications and managing funded studies. The Energy Hub will offer funding to support successful applicants to the RCEF fund by either:

- i) Stage 1 Feasibility Grants – up to £40K;
- ii) Stage 2 Grants – up to £100K for business development and planning of feasible schemes. Each community receiving funds would need to provide a) resources to Community Energy England for sharing across all new schemes; and b) support the Local Energy Hub on engaging other communities to develop a peer-to-peer support network to further build capacity at a local level.

The main objectives of the fund are to:

- i) increase the uptake of the RCEF scheme;
- ii) increase the number of rural communities engaged;

- iii) monitor the impact of communities of projects funded, included but not limited to:
 - a. Jobs created
 - b. Volunteers engaged
 - c. MW produced

The Hub Board will:

- a) set up a **'Funding Panel'** to review applications and make recommendations to the Hub Board which shall include one (1) or more Hub Board members, with the exception of the GLA Representative, as nominated by the Board. The Funding Panel shall include representatives from several local authorities. A BEIS official shall be present on the Funding Panel to represent the views of BEIS and ensure the criteria for RCEF are met;

The decision-making process for the RCEF will be governed by the RCEF Programme Management Framework that is aligned with the CPCA Assurance Framework.

15. Operational Team

The Operational Team is employed on behalf of the consortium by the CPCA and perform the tasks assigned to it as per the programme objectives set by BEIS and the Hub Board.

The Regional Hub Manager (the **"Regional Manager"**) is the senior responsible owner for the Energy Hub and the CPCA Section 73 Officer acts as the Chief Finance Officer.

The Regional Manager reports to the Hub Board, the Combined Authority's Director for Business, Skills & Energy and BEIS.

The Regional Hub Manager will provide, for Hub Board approval, the Energy Hub:

- Financial forecasts;
- Business Plan;
- Communications Plan;
- Stakeholder Engagement Strategy;
- Communications Framework (agreed);
- Communications Protocol (agreed);
- Project Assessment Frameworks;
- Risk Register (agreed);
- Any other framework or plan required by the Hub Board.

The Regional Hub Manager will have freedom to deliver and act on behalf of the Hub within the scope of the Hub Board approved plans and frameworks. This includes the delegation of technical consultancy allocation of up to £5K and discretion to reallocate up to 1% of the Local Capacity Support grant budget between cost centres.

The Regional Hub Manager provides monthly and quarterly progress and performance reports for BEIS for the Local Capacity Support Grant and RCEF. All reporting and minutes from meetings of the Regional Leads from the five (5) Local Energy Hubs will be shared on the Hub Board SharePoint site hosted by the CPCA.

The Regional Hub Manager will provide operational and financial reports for each Board meeting

The Operational Team is managed by the Regional Hub Manager and comprises energy specialists and support staff and – at their discretion – key subcontractors. The Operational Team are responsible for the development of the project pipeline, delivery of the RCEF, day-to-day delivery of the programme, dealing with technical delivery matters, financial monitoring and compliance, interaction with BEIS and stakeholders.

The Regional Hub Manager provides the secretariat to the Hub Board, minutes are taken by the Hub Support Coordinator; programme and local capacity support is provided from across the Operational Team. The Rural Community Energy Manager will support the delivery and administration of RCEF. The CPCA corporate support services (e.g. financial and human resources) will be provided from within the CPCA's existing support arrangements.

Annex 3 of the BEIS **Local Energy Capacity Support Grant MoU** sets out the scope of the Energy Hub and Annex 4 the KPIs and outputs to be provided by the Energy Hub.

The BEIS **Rural Community Energy Fund MoU** sets out the grant principals and governance arrangements for the fund and Annex A sets out the KPIs for the Energy Hub.

The Energy Hub operates on behalf of all LEP areas served, and their member local authorities.

16. Stakeholder Engagement

Working with stakeholders is critical to the success of the Energy Hub. The Energy Hub's Stakeholder Engagement Strategy sets out the people and groups with whom the Energy Hub should and does engage with and how this is done.

The Energy Hub was set up to work with LEPs and their local authorities to provide local capability and capacity. The LEPs through the development of their Local Energy Strategies are engaging with stakeholders and will support the Energy Hub to build relationships in their respective areas.

The Energy Hub will build relationships with local stakeholders to identify need, inform the Hub's support activities, share information and facilitate the development of local energy projects.

The Energy Hub will undertake and/or participate in a range of engagement activities to develop the stakeholder network, which may include; events, roundtables, thematic conferences, regular meetings and exchanges with advisory groups.

The Energy Hub will participate in external events, and the Hub Board members and the Regional Manager promote the work of the Energy Hub in a range of speaking engagements and events.

The Energy Hub participates in local energy conferences, supports programme development and is the BEIS local energy representative at the regional and annual

National Energy Efficiency Awards. The Energy Hub will work with other local energy promoters in Energy Hub region to promote the local energy agenda.

The Energy Hub utilises a range of communication channels to engage with stakeholders. An Energy Hub Communications Group with representation from the eleven (11) LEPs has been set up to develop and align communications activity and promote the Energy Hub; this group works to the Energy Hub's Communications Protocol and Communications Framework.

The Energy Hub has a channel on the BEIS Local Energy Team Huddle which is an online forum and networking website for LEPs, Local Authorities and other partners across England to support delivery of local energy projects. The Huddle enables collaborative working, the sharing of documents, access to resources, news and events.

17. Accountable Body

The CPCA is the employer of the Operational team. All Hub employees will be subject to the policies, terms and conditions of the CPCA. These may change from time to time and the Accountable Body will inform the Hub Board on any significant changes to employment terms and conditions.

Financial Provisions

The CPCA Section 73 officer shall be solely responsible for the Energy Hub Grant with respect to compliance with the Section 31 grant agreements.

Distribution of Funds - the financial contribution of BEIS shall be distributed by the Accountable Body, with the approval of the Hub Board.

Justifying Costs – In accordance with its own usual accounting and management principles and practices, each project shall be solely responsible for justifying its costs with respect to the feasibility studies prepared for consideration by the Hub Board. No LEP shall be in any way liable or responsible for such justification of costs towards the CPCA.

Notwithstanding the foregoing, the Consortium, local authorities and other organisations shall be permitted to make financial contributions to the Accountable Body to augment or extend the duration of the services offered by the Energy Hub provided always that the Accountable Body does not profit in any way whatsoever from the use of the Grant.

In the event the Funds are not used in their entirety to achieve the objectives set out in the MOU between BEIS and the CPCA - the CPCA shall enter into discussions with BEIS to reach agreement on how best to utilise the underspend in line with the objectives agreed under the MOU, and if agreement cannot be reached, the CPCA shall repay the unspent Funds to BEIS

Record Keeping – the Accountable Body shall, in accordance with the MOU, keep all records relating to any spend funded by the Funds for a period of ten (10) years from the Effective Date

State Aid - the Accountable Body shall ensure that use of the Funds is in compliance with all State aid rules

18. Scrutiny Arrangements

The CPCA's Overview and Scrutiny Committee may review or scrutinise any CPCA decision in its role as accountable body for the Hub Board. The CPCA's Scrutiny Officer shall ensure that this includes appropriate scrutiny of Hub Board decision-making and achievements.

Any Hub Board member may be asked to attend, or otherwise contribute to, a meeting of the CPCA's Overview and Scrutiny Committee.

The CPCA's Audit and Governance Committees will also review the local assurance framework and how the local assurance frameworks are operating in practice.

19. Exit Strategy

The Energy Hub is funded by BEIS for an initial term of three (3) years. The Regional Hub Manager will, in collaboration with the Hub Board, identify options for financial sustainability. Hub Board Members are expected to liaise with their member local authorities to explore the feasibility of options identified.

If and/or when the funding model changes and revenue is generated the Hub Board will review the Terms of Reference and replace the Accountable Body Agreement with a Partnership Agreement.

If and/or when the Energy Hub receives capital funding the Hub will address the need to adopt independent due diligence for project assessment processes.

20. Amendments to the Terms of Reference

These terms of reference will be reviewed annually. The Hub Board will recommend any proposed changes to the Terms of Reference to the CPCA.

The CPCA's Monitoring Officer is authorised to make any changes to any constitutional or governance documents which are required:

- (a) as a result of any government guidance, legislative change or decisions of the Hub Board, or
- (b) to enable the documents to be kept up to date, or
- (c) for the purposes of clarification only.

This terms of reference and other governance documents shall be published on the CPCA website and accessible from the Hub's website www.energyhub.org.uk.

ACCOUNTABLE BODY AGREEMENT

Between

- 1) CAMBRIDGESHIRE AND PETERBOROUGH COMBINED AUTHORITY**
 - 2) BUCKINGHAMSHIRE LOCAL ENTERPRISE PARTNERSHIP**
 - 3) COAST TO CAPITAL LOCAL ENTERPRISE PARTNERSHIP**
 - 4) ENTERPRISE M3 LOCAL ENTERPRISE PARTNERSHIP**
 - 5) HERTFORDSHIRE LOCAL ENTERPRISE PARTNERSHIP**
 - 6) NEW ANGLIA LOCAL ENTERPRISE PARTNERSHIP**
 - 7) OXFORDSHIRE LOCAL ENTERPRISE PARTNERSHIP**
 - 8) ESSEX COUNTY COUNCIL, as Accountable Body for the South East Local Enterprise Partnership**
 - 9) SOUTH EAST MIDLANDS LOCAL ENTERPRISE PARTNERSHIP**
- and
- 10) THAMES VALLEY BERKSHIRE LOCAL ENTERPRISE PARTNERHIP**
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ACCOUNTABLE BODY AGREEMENT

THIS ACCOUNTABLE BODY AGREEMENT (this “**Agreement**”) dated **23rd October 2019** (“**Effective Date**”) is by and between:

- 1) **CAMBRIDGESHIRE AND PETERBOROUGH COMBINED AUTHORITY**, having a principal place of business at The Incubator, Alconbury Weald Enterprise Campus, Huntingdon PE26 4WX (“**CPCA**”);
- 2) **BUCKINGHAMSHIRE LOCAL ENTERPRISE PARTNERSHIP**, having a principal place of business at Wycombe Rd, High Wycombe HP14 4BF (“**BTVLEP**”);
- 3) **COAST TO CAPITAL LOCAL ENTERPRISE PARTNERSHIP**, having a principal place of business at Pacific House (Second Floor), Hazelwick Avenue, Three Bridges, Crawley, RH10 1EX (“**C2CLEP**”);
- 4) **ENTERPRISE M3 LIMITED**, having a principal place of business at Desklodge, Belvedere House, Basing View, Basingstoke, Hampshire, RG21 4HG (“**EM3LEP**”);
- 5) **HERTFORDSHIRE LOCAL ENTERPRISE PARTNERSHIP**, having a principal place of business at One Garden City, Broadway, Letchworth Garden City, Hertfordshire, SG6 3BF (“**HLEP**”);
- 6) **NEW ANGLIA LOCAL ENTERPRISE PARTNERSHIP**, having a principal place of business at Centrum, Norwich Research Park, Colney Lane, Norwich NR4 7UG (“**NALEP**”);
- 7) **OXFORDSHIRE LOCAL ENTERPSIRE PARTNERSHIP**, having a principal place of business at First Floor, Jericho Building, City of Oxford College Campus, Oxpens Road, Oxford, OX1 1SA (“**OXLEP**”);
- 8) **ESSEX COUNTY COUNCIL, as Accountable Body for the South East local Enterprise Partnership**, having a principal place of business at Essex County Council, County Hall, Market Road, Chelmsford, CM1 1QH (“**ECC**”);
- 9) **SOUTH EAST MIDLANDS LOCAL ENTERPRISE PARTNERSHIP**, having a principal place of business at Cranfield Innovation Centre, University Way, Cranfield, Bedfordshire, MK43 0BT (“**SEMLEP**”); and
- 10) **THAMES VALLY BERKSHIRE LOCAL ENTERPRISE PARTNERHIP**, having a principal place of business at 100 Longwater Avenue, Reading RG2 6GP (“**TVBLEP**”)

each individually a “**Party**” and collectively the “**Parties**”

BACKGROUND

- A. The Greater South East Energy Hub is a collaboration of eleven (11) Local Enterprise Partnerships (“LEPs”) who will work together to increase the number, quality and scale of local energy projects being delivered over time.
- B. The Department for Business, Energy and Industrial Strategy (“BEIS”) has identified that there are a number of local energy projects within LEP areas that are not developing to the point of delivery; either because they do not meet mainstream investor criteria or there is lack of human resource and technical expertise to deliver them. BEIS has concluded that Local Energy Hubs can help to resolve this issue and has provided local energy capacity support to develop and resource the creation of a programme of existing and future investment ready local energy projects (the “Projects”) at a regional scale that will increase the number, quality and scale of local energy projects being delivered.
- C. BEIS and the CPCA entered into the following Memorandums of Understanding:
- i. the first dated **9 September 2018**, was subsequently amended on **26 March 2019** (together “the **MoU**”) and appended hereto at Schedule 5, for the Local Energy Capacity Support funding for which the CPCA is the Accountable Body and under which it was agreed that (i) BEIS would provide funding of **£2,021,000** subject to the terms of the MOU, for the operational delivery of the Local Energy Hub, as detailed herein (the “**Energy Hub**”); (ii) the CPCA would use the Funds to establish a Local Energy Hub Team including a consultancy budget to commission feasibility studies; (iii) the CPCA would form and lead a consortium of Local Enterprise Partnerships (the “**Consortium**”) to deliver the Projects, the objectives and scope of which are as detailed in annex 3 of the MoU ; (iv) the Consortium would establish a Hub Board to oversee the activities of the Energy Hub and be involved in decision-making; and (v) the Funds would be used solely for the development of the Projects; and
 - ii. the second dated **26 March 2019**, was subsequently amended on **14th September 2019** (together the “**RCEF-MoU**”) and appended hereto at Schedule 5, for Rural Community Energy Fund (“**RCEF**”) for which the CPCA is the Accountable Body and under which it was agreed that: (i) BEIS would provide funding of **£3,082,938** subject to the terms and conditions of the RCEF-MoU for the operational delivery of the Local Energy Hub; and (ii) the CPCA would use the funds solely for the purpose of RCEF as detailed in the RCEF-MoU.

The funds received under both MoUs are together the “**Grant**”.

- D. The Energy Hub will operate via a new team of nine (9) experts, who will help to consolidate and up-scale local energy projects. Individual and multi-LEP energy strategies will provide the

initial evidence base for the Energy Hub to begin its work in late 2018, and the new team will provide resources and knowledge to determine how such projects can be developed.

THE PARTIES HEREBY AGREE AS FOLLOWS:

1. LEGAL AFFECT OF AGREEMENT

- 1.1. Save as expressly indicated below, this Agreement is not intended to be legally binding on the Parties but an expression of the intentions of each of the Parties in relation to the Energy Hub
- 1.2. Nothing in this Agreement is intended to, or shall be deemed to, establish any formal partnership or joint venture between the Parties, nor constitute any Party as the agent of another Party, nor authorise any of the Parties to make or enter into any commitments for or on behalf of another Party.

2. DEFINITIONS

- 2.1. The following words and phrases have the following meanings:

Accountable Body	the CPCA will ensure compliance with the Section 31 Agreement as the Accountable Body for the Grant;
Assurance Framework	the CPCA Assurance framework appended hereto as Schedule 6
Chairman	an individual who is independent of the Parties, and voted for by the Hub Board;
Confidential Information	all information of a confidential nature (however recorded or preserved) concerning the Consortium, a Party (or former Party) or their respective businesses (including details of customers, clients, suppliers, plans, intentions, market opportunities, operations, processes, product information, know-how, designs, trade secrets or software) and the terms of this Agreement;
Data Protection Legislation	(i) the General Data Protection Regulation ((EU) 2016/679) ("GDPR") unless and until it is no longer directly applicable in the UK, and any national implementing laws, regulations and secondary legislation, as amended or updated from time to time, in the UK; (ii) any successor legislation to the GDPR and/or the Data Protection Act 2018; and (iii) the Market Research Society Code regarding the collection and use of personal data for research and statistical purposes and all other applicable laws.

Exit Date	The current contract with BEIS will expire on the 31 March 2021 ;
GLA	The Greater London Authority
Grant	<u>£5,103,938</u> to be used solely in accordance with the section 31 grant agreements between BEIS and the Accountable Body;
Hub Board	The decision-making body for the Energy Hub and its activity, made up of Representatives of the Parties and the GLA which although not a Party to this Agreement shall have a position on the Hub Board solely as an observer;
Representative	The individual nominated by each Party and the GLA to represent them on the Hub Board; For the avoidance of doubt, each Party has the right to change the nominated individual, at any time, provided that prior notice is given to the other Parties

3. FORMATION

- 3.1. The Consortium will operate in accordance with the activities and objectives outlined in the MoU, the Assurance Framework and the ToR, so as to enable the Local Energy Hub to achieve its agreed objectives.
- 3.2. The Energy Hub has agreed, with BEIS, to the following objectives:
 - 3.2.1. Increase number, quality and scale of local energy projects being delivered;
 - 3.2.2. Raise local awareness of opportunity for and benefits of local energy investment;
 - 3.2.3. Enable local areas to attract private and/or public finance for energy projects;
 - 3.2.4. Identify working model for teams to be financially self-sustaining after the funding period

4. COMMENCEMENT DATE AND DURATION

- 4.1. This Agreement shall commence on 1 April 2018 and shall continue until the Exit Date unless extended by the mutual written agreement of the Parties and BEIS.

5. GOVERNANCE STRUCTURE

- 5.1. The organisational structure of the Energy Hub, which is detailed in Schedule 1 appended hereto, shall comprise the following Energy Hub bodies:

5.1.1. The Hub Board, which shall be

5.1.1.1. comprised of the Representatives as detailed in Schedule 2 appended hereto;

5.1.1.2. the decision-making body of the Energy Hub; and

5.1.1.3. governed by the Hub Board Terms of Reference (the “**ToR**”) appended hereto as Schedule 3.

5.1.2 The Hub Team, as detailed in Schedule 4 appended hereto, shall:

5.1.2.1 comprise the employees to be employed by the CPCA (the “**Hub Employees**”); and

5.1.2.2. perform the tasks assigned to it by the Hub as per the Hub Team job descriptions and as agreed by the Hub Board.

5.2. General Operational Procedures:

5.2.1 Appointment of Chairman:

- (a) The Chairperson shall be appointed following an open, transparent and non-discriminatory recruitment process. This will include a public advertisement and an interview process conducted by a Hub Board’s appointments panel. The Hub Board will consult widely and transparently before appointing a new Chair Each Party shall, should they so wish, nominate an individual for the position of Chairman and provide the Hub Board with details of said individual for consideration, within ten (10) days of the last date of signature of this Agreement;
- (b) Nominated individuals must have:
 - (i) previously held a similar position;
 - (ii) significant energy sector experience; and
 - (iii) an understanding of how authorities operate.
- (c) The Hub Board shall convene a meeting to deliberate and prepare a shortlist of three (3) nominees to interview, no less than ten (10) days after the close of the public advert.
- (d) The Hub Board shall then select a panel of no less than five (5) Representatives (the “**Interview Panel**”) to interview the shortlisted nominees
- (e) The appointment of the Chairman shall be made by the unanimous decision of the Interview Panel.
- (f) The position of Chairman shall be reviewed annually.

- (g) The Chair will be a non-voting member of the Hub Board, other than in the event of a tied vote.
- (h) The Hub Board shall appoint a vice chair from amongst its membership.

5.2.2. Representation in meetings:

- (a) A Representative of each Party and the GLA should be present at meetings of the Hub Board;
- (b) Each Representative may appoint a substitute or proxy to attend and vote at any meeting;
- (c) Each LEP Board, or CEO if there is appropriate delegated authority, is required to approve its representative and substitute, and acknowledge that they both have the authority to make decisions on behalf of their LEP;
- (d) Each Representative shall participate in a cooperative manner in the meetings;
- (e) BEIS shall be invited to attend Hub Board meetings.

5.2.3. Convening meetings:

- (a) The Chairman of the Hub Board shall:
 - (i) authorise and approve a relevant schedule of business for the Hub Board;
 - (ii) convene meetings of the Hub Board on a frequency no more than six (6) weeks apart;
 - (iii) give notice in writing to each Representative no later than ten (10) working days prior to any such meeting; and
 - (iv) prepare and send each Representative a written agenda no later than five (5) working days prior to any meeting.
- (b) Meetings of the Hub Board may be held:
 - (i) face to face in various locations that are geographically accessible to the Parties; or
 - (ii) by teleconference or another telecommunication means where it is not possible to meet face to face.

5.2.4. Minutes of Meetings:

- (a) The Chairman of the Hub Board shall ensure written minutes of each meeting produced, which shall be the formal record of all decisions taken.

- (b) The Chairman of the Hub Board shall ensure that the draft minutes of each meeting are sent to all Representatives within five (5) working days of each meeting;
- (c) Draft minutes will be accepted as final at the subsequent Board meeting.
- (d) Objections lodged with the Chairman should be considered and actioned at the following Board meeting.
- (e) Provided that (a) no objection has been raised; and (b) no information contained in the minutes would be deemed exempt information under Schedule 12A of the Local Government Act 1972, the minutes of each Hub Board meeting shall be published on the Hub's website, www.energyhub.org.uk within five (5) working days of them being accepted.

5.2.5. Decisions:

- (a) The Hub Board shall be free to act on its own initiative to formulate proposals and take decisions in accordance with the procedures set out herein.

5.2.6. Voting:

- (a) The Hub Board shall not deliberate and decide validly unless at least six (6) Representatives, not including the GLA Representative, are present or represented ("**Quorum**");
- (b) Each LEP Representative present or represented in a meeting shall have one (1) vote.
- (c) Decisions taken shall require a majority of the votes cast of those attending;
- (d) In the event of a tied vote, the Chairman shall have the deciding vote
- (e) for the avoidance of doubt, the GLA shall not be entitled to vote

6. RESPONSIBILITIES OF THE HUB BOARD

6.1. The Hub Board shall have the authority to make decisions in relation to the proposed deployment of the Grant.

6.2. The Hub Board shall:

- (a) provide overall strategic direction for the allocation of Grant and leverage of Funds;
- (b) provide direction and support in relation to the development, delivery and implementation of Energy Hub funded activities;
- (c) promote the Energy Hub and the available support within the Greater South-East LEPs and their constituent local authorities, businesses and higher education research base;

- (d) provide recommendations to CPCA with regard to the staffing structure of the Operational Team in consultation with the Regional Hub Manager and Section 73 officer of CPCA;
- (e) approve the criteria for selection/prioritisation of pipeline projects;
- (f) make decisions based on the scrutiny of individual project support proposals (approve allocation of technical/consultancy project support);
- (g) approve bids to BEIS for tools to support capability building; and
- (h) utilise existing CPCA governance structures to deliver the RCEF scheme;
- (i) make final decisions for allocations of the RCEF scheme (through the Hub Board or subordinate group thereof);
- (j) comply with the Assurance Framework.

6.3. The Hub Board shall ensure that the Energy Hub has:

- (a) a suitable financial model;
- (b) appropriate delegated authority and agreed financial thresholds;
- (c) the appropriate strategic direction in accordance with the MOU;
- (d) robust frameworks for the operation of the Hub;
- (e) monitor and evaluate progress against the objectives defined in the MOU;
- (f) an agreed communication strategy; and
- (g) clear plans for self-sustainability by the Exit Date.

6.4. The Hub Board shall act in an advisory capacity to the Accountable Body in relation to the Section 31 funding agreement requirements. All decisions concerning financial models or that have a financial impact will be undertaken by the Hub Board with approval from the Section 73 officer.

6.5. The Hub Board shall be required to approve:

- 6.5.1. the allocation of financial resources by the CPCA, for project feasibility studies and the Hub Team;
- 6.5.2. the allocation of RCEF Grants;
- 6.5.3. decisions made regarding the allocation of any future funding delegated to the Hub.

7. LIMITATIONS OF LIABILITY

7.1. The Parties acknowledge and agree that the Hub Board shall not be liable for any decisions made under this Agreement.

8. FINANCIAL PROVISIONS

- 8.1. The CPCA Section 73 officer shall be solely responsible for the Energy Hub Grant with respect to compliance with the Section 31 grant agreements.
- 8.2. The CPCA shall be solely responsible for the decisions taken by the Hub Board in respect of the allocation of the RCEF grants and allocation of financial resources by CPCA.
- 8.3. ***Distribution of Funds*** - the financial contribution of BEIS shall be distributed by the Accountable Body, with the approval of the Hub Board. For the avoidance of doubt, the expectation is that the Accountable Body shall have made commitments to spend the Grant by no later than **31 March 2020**.
- 8.4. ***Justifying Costs*** – In accordance with its own usual accounting and management principles and practices, each project shall be solely responsible for justifying its costs with respect to the feasibility studies prepared for consideration by the Hub Board. No Party shall be in any way liable or responsible for such justification of costs towards the CPCA.

Notwithstanding the foregoing, the Consortium, local authorities and other organisations shall be permitted to make financial contributions to Accountable Body to augment or extend the duration of the services offered by the Energy Hub provided always that the Accountable Body does not profit in any way whatsoever from the use of the Grant
- 8.5. In the event the Funds are not used in their entirety to achieve the objectives set out in the MOU between BEIS and the CPCA - the CPCA shall enter into discussions with BEIS to reach agreement on how best to utilise the underspend in line with the objectives agreed under the MOU, and if agreement cannot be reached, the CPCA shall repay the unspent Funds to BEIS
- 8.6. ***Record Keeping*** – the Accountable Body shall, in accordance with the MOU, keep all records relating to any spend funded by the Funds for a period of ten (10) years from the Effective Date
- 8.7. ***State Aid*** - the Accountable Body shall ensure that use of the Funds is in compliance with all State aid rules
- 8.8. ***Procurement*** - the Hub Board shall ensure that in delivering the Projects, the Energy Hub is compliant with all relevant requirements of law relating to public procurement

9. OBLIGATIONS OF PARTIES

- 9.1. Each Party agrees:
 - 9.1.1. to use all reasonable efforts towards the successful operating of the Consortium and at all times to conduct itself in a fair and proper manner in all transactions of any nature effecting the Consortium;
 - 9.1.2. to use all reasonable efforts to comply with the commitments and principles set out in the MOU, thereby enabling the Accountable Body to fulfil its obligations under the MOU;
 - 9.1.3. not to disclose Confidential Information to any third party without the prior

written consent of all the other Parties; for the avoidance of doubt and for the purposes of this Agreement, neither the GLA nor consultants shall not be deemed as third parties but must be bound by obligations of confidentiality at least as restrictive as the ones contained herein;

- 9.1.4. that no other members will be added to the Consortium without the express prior written approval of all of the Parties;
- 9.1.5. to keep proper records of all business transacted by or on behalf of the Consortium;
- 9.1.6. to comply with all regulations, professional standards and other provisions about the conduct of the Consortium's business generally, including any directions made from time to time by the Hub Board.

10. ENTIRE AGREEMENT

- 10.1. This Agreement contains the whole agreement between the Parties relating to its subject matter and supersedes all prior discussions, arrangements or agreements that might have taken place in relation to this Agreement. Nothing in this clause limits or excludes any liability for fraud or fraudulent misrepresentation.
- 10.2. Each Party acknowledges that in entering into this Agreement it does not rely on, and shall have no remedies in respect of, any statement, representation, assurance or warranty (whether made innocently or negligently) that is not set out in this Agreement.

11. VARIATION

- 11.1. No variation to this Agreement will be valid or binding unless it is recorded in writing and signed by or on behalf of each of the Parties.

12. NOTICES

- 12.1. Any notice given to a Party under or in connection with this Agreement shall be in writing and shall be delivered by hand or by pre-paid first-class post or other next working day delivery service at that Party's address as set out at the beginning of this Agreement. The notice must be addressed to the Party's most senior official.
- 12.2. Any notice shall be deemed to have been received:
 - 12.2.1. if delivered by hand, on signature of a delivery receipt or at the time the notice is left at the proper address; and
 - 12.2.2. if sent by pre-paid first-class post or other next working day delivery service, at 9.00 am on the second (2nd) working day after posting or at the time recorded by the delivery service.
- 12.3. A notice given under this Agreement is not valid if sent by e-mail or fax.

13. THIRD PARTY RIGHTS

- 13.1. The Contracts (Rights of Third Parties) Act 1999 shall not apply to this Agreement and no

third party will have any right to enforce or rely on any provision of this Agreement.

14. MISCELLANEOUS

- 14.1. **Data Sharing** - the Parties must comply with all applicable requirements of Data Protection Legislation, when sharing data about the Energy Hub internally, with each other or BEIS or the GLA.
- 14.2. **Redundancy Liability** – in the event of any Hub Employees being made redundant for whatever reason, the CPCA as the Accountable Body and as the employer of the Hub Team shall be liable to make redundancy payments from the Grant, where such Hub employees fulfil all the criteria required by the Statutory Redundancy Payments scheme.

15. GOVERNING LAW AND JURISDICTION

- 15.1. This Agreement shall be governed by and interpreted in accordance with the laws of England and Wales.
- 15.2. All disputes arising under or in connection with this Agreement shall be subject to the exclusive jurisdiction of the courts of England and Wales.

16. COUNTERPARTS

- 16.1. This Agreement may be executed in several counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same document.

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the Effective Date.

CAMBRIDGESHIRE AND PETERBOROUGH COMBINED AUTHORITY

Signature:

Date:

Name:

Title: SECTION 73 OFFICER

BUCKINGHAMSHIRE LOCAL ENTERPRISE PARTNERSHIP

Signature:

Date:

Name:

Title:

COAST TO CAPITAL LOCAL ENTERPRISE PARTNERSHIP

Signature:

Date:

Name:

Title:

ENTERPRISE M3 LIMITED

Signature:

Date:

Name:

Title:

HERTFORDSHIRE LOCAL ENTERPRISE PARTNERSHIP

Signature:

Date:

Name:

Title:

NEW ANGLIA LOCAL ENTERPRISE PARTNERSHIP

Signature:

Date:

Name:

Title:

OXFORDSHIRE LOCAL ENTERPSIRE PARTNERSHIP

Signature:

Date:

Name:

Title:

ESSEX COUNTY COUNCIL

Signature:

Date:

Name:

Title:

SOUTH EAST MIDLANDS LOCAL ENTERPRISE PARTNERSHIP

Signature:

Date:

Name:

Title:

THAMES VALLEY BERKSHIRE LOCAL ENTERPRISE PARTNERHIP

Signature:

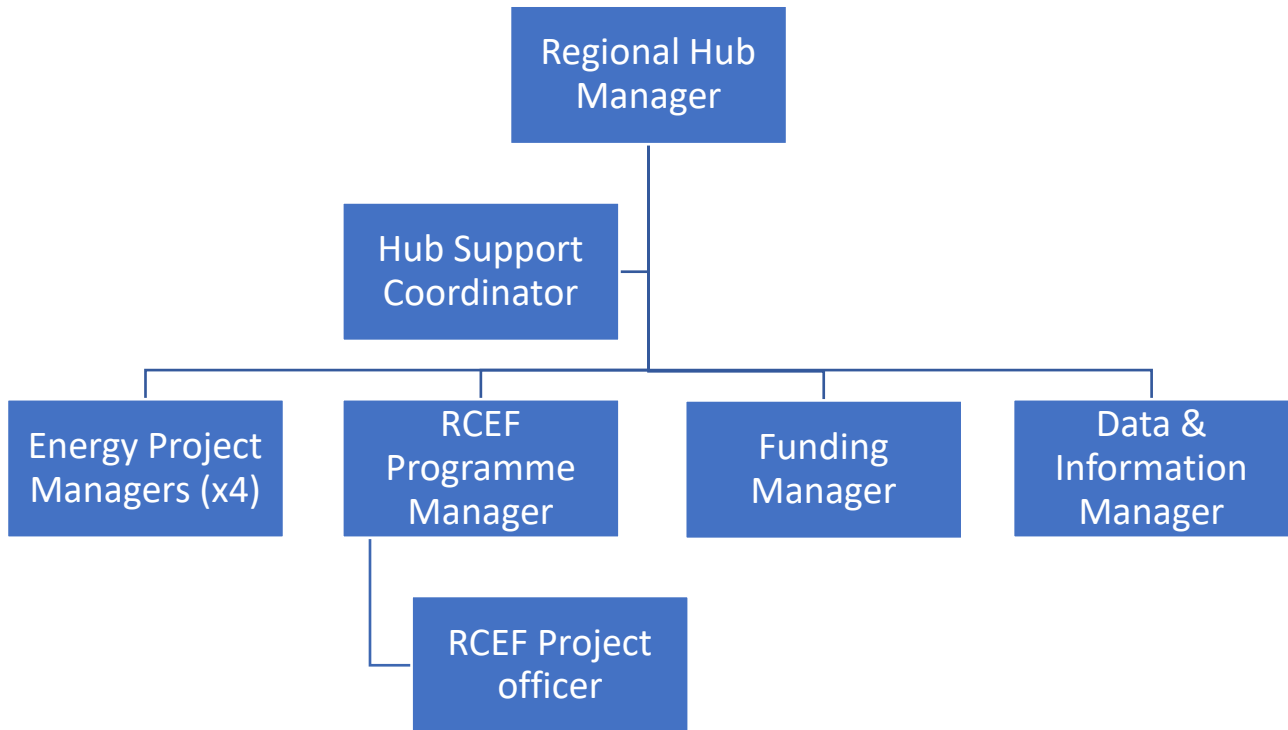
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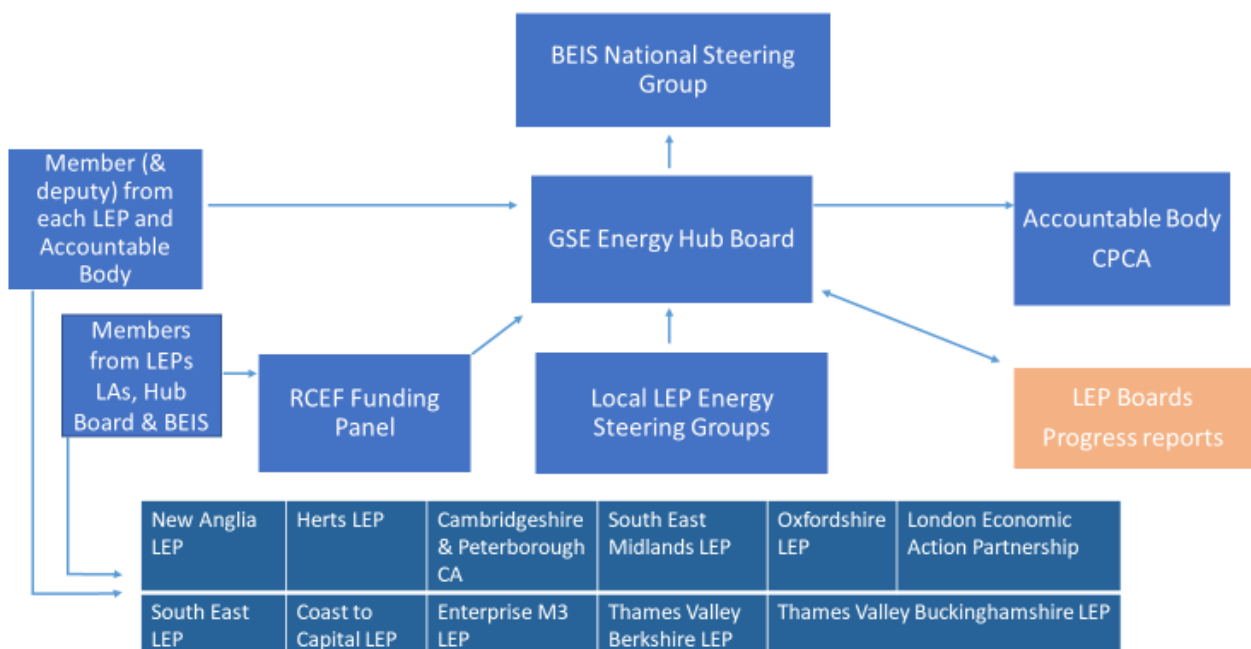
Title:

SCHEDULE 1

ENERGY HUB ORGANISATIONAL STRUCTURE



ENERGY HUB GOVERNANCE STRUCTURE



SCHEDULE 2

HUB BOARD MEMBERS

LEP Area	Primary	Deputy
Buckinghamshire	Ed Barlow	Ian Barham
Coast to Capital	Matthew Wragg	t.b.c.
Enterprise M3	Jennie Pell	Rachel Barker
Cambridgeshire & Peterborough	Domenico Cirillo	Sheryl French
Hertfordshire	Paul Witcombe	Andy Lee
New Anglia	Lisa Roberts	Ellen Goodwin
Oxfordshire	Victoria Fletcher	Sarah Gilbert
Greater London*	Rachel Cary*	Jon Buick*
South East	Adam Bryan	Suzanne Bennett
South East Midlands	Claire Ackroyd	Arthur Le Geyt
Thames Valley Berkshire	Ben Burfoot	t.b.c.
Cambridgeshire & Peterborough (Accountable Body - non-voting)	Robert Emery	

* The Greater London Authority representative(s) shall solely have observer status on the Hub Board and therefore shall not have the right to vote

SCHEDULE 3

HUB BOARD TERMS OF REFERENCE

Terms of Reference April 2019 (Version 1.0)

Review Date – April 2020

Status of the Terms of Reference

The Terms of Reference (“**ToR**”), which are in draft until they are approved by the LEPs and CPCA, will form an Appendix to the Accountable Body Agreement dated **23rd October 2019** between the Cambridgeshire and Peterborough Combined Authority and the Greater South East LEPs and/or lead local authorities (the “**Agreement**”).

The ToR set out the purpose and structure of the Greater South East Energy Hub Board and the Energy Hub Operational Team.

The Agreement sets out the governance arrangements between Cambridgeshire & Peterborough Combined Authority (the “**CPCA**”) and the Greater South East regional LEPs and lead local authorities (the “**LEPS**”).

Status of the Decision-making Process

The decision-making process appended to this document has been reviewed by BEIS and is agreed by the five (5) Regional Energy Hubs Boards and Accountable Bodies. However, it sits outside of the ToR and may be updated by the Greater South East Energy Hub (the “**Energy Hub**”) with the approval of the CPCA and the Greater South East Energy Hub Board.

The Energy Hub Project Assessment Framework sets out the processes and criteria for Energy Hub project support and Rural Community Energy Fund grants.

1. Introduction

The Department for Business, Energy and Industrial Strategy (BEIS) has identified that there are a number of local energy projects within LEP areas that are not developing to the point of delivery; either because they do not meet mainstream investor criteria or there is lack of human resource and technical expertise to deliver them.

BEIS allocated £1.6m for Energy Strategy development by LEPs with the first tranche of thirteen (13) LEPs receiving a total of £600K in March 2017 with the remaining twenty-five (25) LEPs in England offered £1m in September 2017. One of the main outcomes of the strategies was to identify a pipeline of energy investment opportunities for each LEP area.

Following on from the strategies and as part of the Local Energy Programme, BEIS allocated funding to support the capacity of LEPs and local authorities to play a leading role in delivering low-carbon economic growth. The model for the delivery of this support was the establishment of five (5) regional Energy Hubs in England to support the capacity of LEPs and local authorities to deliver energy projects.

Each Hub has been set up to serve a number of LEP areas which were agreed by mutual consent with the constituent LEPs, with the expectation that the LEPs work closely with their local authorities in the process of setting up and working with the Hubs. The Hubs in turn would work on behalf of all the LEP areas served and their member local authorities, it is a requirement of the BEIS for governance arrangements to be agreed in support of this.

The Hub Board was formed in November 2017 to establish the Greater South East Energy Hub, comprising the consortia of eleven (11) LEPs/lead authorities in the Greater South East. All LEPs were able to put forward proposals for hosting the Hub (as Lead Authority and Accountable Body for the Section 31 grant). The CPCA became the Accountable Body by mutual agreement in March 2018. The Energy Hub was set up in April 2018 and became operational in September 2018.

The Energy Hub is to be funded by BEIS for an initial period of three (3) years, as detailed in the Local Energy Capacity Support Memorandum of Understanding entered into by BEIS and the CPCA (the “**MoU**”) and the Variation to MoU (26/3/19).

The Energy Hub will administer the Rural Community Energy Fund for a minimum period of two (2) years as detailed in the Rural Community Energy Fund Memorandum of Understanding entered into by BEIS and the CPCA (the “**RCEF MoU**”).

2. Objectives of the Greater South East Energy Hub

The key objective of the Energy Hub is to work collaboratively with LEPs and their member local authorities across the greater south east area to co-ordinate the identification and prioritisation of local energy projects and to undertake the initial stages of development for priority projects up to a point where investment can be secured. The governance structure of the Energy Hub allows for decisions to be made at a local level and to be aligned with local strategic priorities. The Energy Hub

will seek to: Increase the number, quality and scale of local energy projects being delivered;

- a) Raise local awareness of the opportunity for and benefits of local energy investment;
- b) Enable local areas to attract private and/or public finance for energy projects;
- c) Identify options for the Energy Hub model to be financially self-sustaining after the funding period.

3. Hub Board and Operational Team Structure

The Energy Hub will operate under an Energy *Hub Board* (the “**Hub Board**”) and an Energy Hub *Operational Team* (the “**Operational Team**”). The ultimate purpose of this dual arrangement is to ensure that the Energy Hub delivers the required quality outcomes outlined in the MoU and the Local Energy Strategies and responds appropriately to changing requirements of both the LEPs and the operational environment.

4. Hub Board Roles and Responsibilities

The Hub Board is the strategic body responsible for taking decisions on Energy Hub business and programme activity. The Hub Board will provide oversight of the Operational Team’s delivery of the programme to ensure it fulfils the aspirations and expectations of key stakeholders in line with the scope outlined in the MoU. The decision-making process for the allocation of project support is detailed in the Project Assessment Frameworks appended hereto as (Annex 1 Local Energy Capacity Support & Annex 2 Rural Community Energy Fund).

The Hub Board shall have the authority to make decisions in relation to the proposed deployment of the Grant.

The Hub Board shall:

- a) provide overall strategic direction for the allocation of Grant and leverage of Funds;
- b) provide direction and support in relation to the development, delivery and implementation of Energy Hub funded activities;
- c) promote the Energy Hub and the available support within the Greater South-East LEPs and their constituent local authorities, businesses and higher education research base;
- d) provide recommendations to CPCA with regard to the staffing structure of the Operational Team in consultation with the Regional Hub Manager and Section 73 officer of CPCA;
- e) approve the criteria for selection/prioritisation of pipeline projects;
- f) make decisions based on the scrutiny of individual project support proposals (approve allocation of technical/consultancy project support);
- g) approve bids to BEIS for tools to support capability building;
- h) utilise existing CPCA governance structures to deliver the RCEF scheme;
- i) make final decisions for allocations of the RCEF scheme (through the Hub Board or subordinate group thereof);

j) comply with the Assurance Framework.

The Hub Board shall ensure that the Energy Hub:

- a) has a suitable financial model;
- b) has appropriate delegated authority and agreed financial thresholds;
- c) has the appropriate strategic direction in accordance with the MOU;
- d) has robust frameworks for the operation of the Hub;
- e) monitors and evaluates progress against the objectives defined in the MOU;
- f) has an agreed communication strategy; and
- g) has clear plans for self-sustainability by the Exit Date.

The Hub Board shall act in an advisory capacity to the Accountable Body in relation to the Section 31 grant agreements. All decisions concerning financial models or that have a financial impact will be undertaken by the Hub Board with approval of the Section 73 officer.

The Hub Board shall be required to approve:

- a) the allocation of financial resources by the CPCA, for project feasibility studies and the Hub Operational Team;
- b) the allocation of RCEF grants (through the Hub Board or subordinate group thereof);
- c) decisions made regarding the allocation of any future funding delegated to the Hub.

All Board and sub-committee or sub-group members will make decisions on merit having taken into account all the relevant information available at the time.

5. Board Composition

The Hub Board comprises representation of:

- a) one (1) board member from each LEP area served;
- b) one (1) board member representing the Accountable Body Section 73 Officer; and
- c) one (1) Chairperson.

Each LEP board member will have a substitute nominated by the LEP and BEIS will have a position as observer and advisor.

The Energy Hub comprises the following members:

- Cambridgeshire & Peterborough Combined Authority (Accountable Body)
- Cambridge & Peterborough Combined Authority (Business Board)
- New Anglia LEP
- South East LEP
- South East Midlands LEP
- Coast to Capital LEP
- Enterprise M3 LEP
- Hertfordshire LEP
- Oxfordshire LEP

- Thames Valley Berkshire LEP
- Buckinghamshire LEP
- Greater London Authority
- BEIS is a permanent observer representing Local Energy

Notwithstanding the foregoing, the Greater London Authority (the “**GLA**”), although being a member of the Hub Board, shall solely have observer status and therefore shall not have the right to vote on any actions or decisions to be taken or approved by the Hub Board.

6. Recruitment of Hub Board Members

The Hub Board shall appoint an Independent Chairperson.

Hub Board Members and Substitutes are nominated by each LEP/lead local authority. Board Members must have the capacity and capability to deliver their role and have delegation for decision-making from their LEP Board or if delegated, the Chief Executive. Hub Board Members are expected to represent their organisations at a strategic level.

The Chief Finance Officer (s73) (or deputy) shall have a non-voting position on the Hub Board.

Whilst all appointments to the Hub Board will be on merit, in accordance with Government requirements, the Hub Board will aim to maintain the gender balance and representation of those with protected characteristics on its board with the following minimum requirements:

- that women make up at least one third (1/3) of the Hub Board by 2020 with an expectation for equal representation by 2023, and
- ensure its Board is representative of the businesses and communities they serve

The Hub Board is currently comprised with an equal gender balance.

Chairperson & Vice Chairperson of the Hub Board

The Hub Board will appoint an independent Chairperson.

The Chairperson shall be appointed following an open, transparent and non-discriminatory recruitment process which assesses each candidate on merit carried out in accordance with the CPCA’s diversity statement, Government Guidance and the Nolan Principles. This will include a public advertisement and an interview process conducted by a Hub Board’s appointments panel. The Hub Board will consult widely and transparently before appointing a new Chairperson. Each Party to the Agreement shall, should they so wish, nominate an individual for the position of Chairperson and provide the Hub Board with details of said individual for consideration, within ten (10) days of the last date of signature of this Agreement;

Nominated individuals must have:

- i) previously held a similar position;
- ii) significant energy sector experience; and
- iii) an understanding of how authorities operate.

The Hub Board shall convene a meeting to deliberate and prepare a shortlist of three (3) nominees to interview, no less than ten (10) days after the close of the public advert.

The Hub Board shall then select a panel of no less than five (5) Representatives (the “**Interview Panel**”) to interview the shortlisted nominees.

The appointment of the Chairperson shall be made by the unanimous decision of the Interview Panel.

Terms of Appointment

The term of office for **independent Chairperson** will normally be one (1) year, and subject to a maximum of one (1) consecutive term, unless:

- (a) they resign from their position and communicate this in writing to the Hub Board and CPCA Monitoring Officer; or
- (b) upon receipt of a vote of no confidence by the Hub Board, the Board must consider whether to terminate the terms of office of the Chair at the next meeting of the Board.

The position of Chairperson shall be reviewed annually.

The terms of the appointment will be set out in an appointment letter from the CPCA to the Chairperson. The Chairperson will be remunerated for allowable expenses.

The Hub Board shall appoint a vice Chairperson from amongst its membership, the term of office is at their discretion. For the avoidance of doubt, the GLA representative(s) shall not be eligible for consideration.

Working Groups

The Hub Board may appoint informal non-decision-making working groups or panels. Any such subordinate body set up by the Hub Board shall include one (1) or more Hub Board members, excluding the GLA representative, as nominated by the Board. With the consent of the Chairperson, any such group may also co-opt onto it any independent person with the relevant expertise – judged against pre-determined criteria – on the issues within the remit of these groups.

The remit and terms of reference for any such subordinate body shall be approved by the Hub Board and comply with the CPCA’s Assurance Framework and Hub Terms of Reference.

RCEF Funding Panel

The Hub Board may appoint a formal decision-making Funding Panel for the RCEF Grants. This subordinate body set up by the Hub Board shall include one (1) or more Hub Board members, excluding the GLA representative, as nominated by the Board, Local Enterprise Partnerships, lead local authorities and a BEIS official. To guard against any potential conflicts of interest that could potentially arise through CPCA involvement with the application or project, the Hub Board must ensure that there are

several local authorities represented on the Funding Panel. With the consent of the Chairperson, any such group may also co-opt onto it any independent person with the relevant expertise – judged against pre-determined criteria – on the issues within the remit of these groups.

The remit and terms of reference for any such subordinate body shall be approved by the Hub Board and comply with the CPCA's Assurance Framework and Hub Terms of Reference.

7. Accountability

The Hub Board members are responsible for acting as points of contact and communication 'leads' for their LEP area and as such are required to ensure that

- (a) all relevant LEP and local key stakeholders are kept fully informed of Energy Hub activities; and
- (b) they represent the views of the LEP area.

8. Collaboration

The Hub Board members are required to take a collaborative and coordinated approach across multiple LEPs, including supporting the Operational Team to identify strategic collaborative projects. Projects that are supported by the Hub and develop collateral and assets, such as business cases, templates and toolkits shall be shared with other LEPs for the benefit of the greater south east area.

9. Duty of Confidentiality

Hub Board members have a duty to maintain the confidentiality of information that they acquire by virtue of their position. Each shall keep confidential any and all information marked as confidential and any and all materials relating to specific project beneficiaries or prospective beneficiaries of support unless compelled by legal process to disclose such information, or authorised to do so by the Hub Board. The Hub Board members may disclose confidential information to their respective LEP Board and/or Secretariat, providing that information is treated in confidence.

10. General Operational Procedures

Meetings

Meetings of the Hub Board shall not be open to the public unless determined otherwise by the Chair.

Agendas and Minutes

Agendas and reports for the Hub Board will be available on the Hub's website www.energyhub.org.uk at least five (5) clear working days before the meeting to which they relate in accordance with the Transparency rules in chapter 6 of the CPCA's constitution. Any funding decisions shall be ratified by the CPCA as accountable body for the Hub Board.

The public may have access to agenda, reports and minutes of public and private meetings except where they are exempt from disclosure under the Freedom of Information Act 2000 (FOIA).

Freedom of Information

Reports will be released with the agenda, except in those cases where the information contained in the reports is exempt from disclosure under the Freedom of Information Act 2000 (FOIA). These papers will be classed as reserved papers.

Exemptions that are likely to make information reserved include but are not limited to:

- Commercial sensitivity information
- Information provided in confidence
- Personal data
- Legal privileged information
- Information intended for publication at a future date

Representation in meetings:

A representative of each LEP should be present at the meetings of the Hub Board, (the Board Member). Each LEP may appoint a substitute or proxy, to attend and vote at any meeting and each representative shall participate in a cooperative manner in the meetings.

Convening meetings:

The Chairperson of the Hub Board shall:

- authorise and approve a relevant schedule of business for the Hub Board;
- convene meetings of the Hub Board at a frequency of no more than six (6) weeks apart;
- give notice in writing to each Representative no later than ten (10) working days prior to any such meeting; and
- prepare and send each Representative a written agenda no later than five (5) clear working days prior to any meeting.

Meetings of the Hub Board may be held:

- face to face in various locations that are geographically accessible to the Parties; or
- by teleconference or another telecommunication means where it is not possible to meet face to face.

Quorum

The Hub Board shall not deliberate and decide validly unless at least six (6) Representatives, not including the GLA Representative, are present or represented (“**Quorum**”);

During any meeting if the Chairperson counts the number of members present and declares there is not a quorum present, then the meeting will adjourn immediately. Remaining business will be considered at a time and date fixed by the Chair. If the Chairperson does not fix a date, the remaining business will be conducted at the next ordinary meeting.

Decision Making and Voting

Wherever possible, decisions of the Board will be by consensus, without the need for a vote. Where this is not possible a vote may be taken where the Chairperson considers it to be necessary to establish whether a consensus exists.

- Each LEP Representative present or represented in a meeting, with the exception of the GLA Representative, shall have one (1) vote.
- The CPCA Section 73 officer does not have a vote;
- Decisions taken shall require a majority of the votes cast of those attending;
- In the event of a tied vote, the Chairperson shall have the deciding vote.

The vote will be by way of show of hands and recorded in the minutes.

Decisions: The Hub Board shall be free to act on its own initiative to formulate proposals and take decisions in accordance with the procedures set out herein.

Decisions of the Hub Board

The draft minutes of the Hub Board will be posted on the Hub's website within twelve (12) clear working days of the meeting taking place. Provided that (a) no objection has been raised; and (b) no information contained in the minutes would be deemed exempt information under Schedule 12A of the Local Government Act 1972, the minutes of each Hub Board meeting shall be published on the Hub's website, www.energyhub.org.uk within two (2) clear working days of them being accepted.

- The Chairperson of the Hub Board shall ensure that the draft minutes of each meeting are sent to all Representatives within five (5) working days of each meeting;
- Draft minutes will be accepted as final at the subsequent Board meeting.
- Objections lodged with the Chairperson should be considered and actioned at the following Board meeting.

Where decisions need to be ratified by the CPCA as Accountable Body and the CPCA does not agree, they will refer the matter back to the Hub Board with the reasons and ask the Hub Board to reconsider.

Urgency Procedure

In order to ensure that the Hub Board is able to progress its business in an efficient manner, comments on urgent matters may be sought by the Regional Hub Manager or other Statutory Officer outside the meeting cycle.

Members will receive email notification which identifies:

- (a) Details of the matter requiring comment and/or endorsement and the reason for urgency (including an explanation as to why an emergency meeting is not proposed to be held to conduct the business);
- (b) The date responses are required by;

- (c) The name of the person or persons making or putting forward the proposal/decision

Two (2) working days after the close of responses, the following will be circulated to all Hub Board Members:

- (a) The outcome of the decision taken by Statutory Officers (including responses received in agreement and responses received in disagreement); and the date when any decision comes into effect; and
- (b) Any mitigating action taken to address Members' stated views or concerns.

Decisions and actions taken will be retrospectively reported to the next meeting of the Hub Board.

Complaints and Whistleblowing

Any complaint received about the Hub Board will be dealt with under either the CPCA Complaints or Confidential Complaints Policy.

Any complaint about an individual Hub Board member alleging a breach of the Code of Conduct will be dealt with in accordance with the code of conduct.

Any whistleblowing concerns raised about the Hub Board will be dealt with under the CPCA's Whistleblowing Policy.

Each of these procedures or policies shall be published on the CPCA web-site and accessible from the Hub Board's web-site.

11. Code of Conduct

All Hub Board members are expected to adhere to the Nolan Principles of public sector bodies. The CPCA has a Code of Conduct which applies to members of the Hub Board.

12. Conflicts of Interest

Register of Interests

It is the responsibility of Board members to ensure an up to date Register of Interests is maintained. Each Hub Board member must complete and keep up to date a register of interest form required under the CPCA's code of conduct. The register of interest form will be published on the Hub's website within twenty-eight (28) days from the date of the appointment and is a condition of appointment. A member must within twenty-eight (28) days of becoming aware of any change in their interests provide written notification of this.

It is the responsibility of Board members to declare any interest on any item of business being conducted at a Hub Board or working group meeting. Any declarations of interest made by a Hub Board member at a meeting and any action taken, (such as leaving the room, or not taking part), will be recorded in the minutes for that meeting. The member should update their register of interest form within seven (7) days of the meeting if a new interest has been declared.

Any alleged breach of the Hub Board member code of conduct will be dealt with under the Combined Authority's Member Complaints Procedure.

13. Grievance Procedure

There are three (3) key points for the grievance procedure:

1. Issues must be dealt with promptly and consistently;
2. The LEPs should have an opportunity to put their case to the Hub Board; and
3. The decision of the Hub Board will be final

The Procedure

i. Raise the grievance in writing

- a) If a LEP has a grievance the LEP Representative should raise it with the Hub Board without unreasonable delay, and within one (1) month of the incident which gave rise to the complaint. The LEP Representative must provide the Hub Board with details in writing of the specific circumstance or circumstances which constitute the grievance, with dates, etc.

ii. Invitation to a Grievance Meeting

- a) The Hub Board will invite the LEP Representative to attend a meeting, without unavoidable delay to discuss the matter. The meeting should ideally be arranged within five (5) working days of the Hub Board receiving the written grievance.

iii. Grievance Meeting

- a) Where possible, a note-taker, who must be uninvolved in the case will take down a record of the proceedings.
- b) The Chairperson of the Hub Board will introduce the meeting, read out the grounds of the grievance, ask the LEP Representative if they are correct and require the LEP Representative to provide clarification regarding details of the grievance if unclear.
- c) The LEP Representative will be given the opportunity to put forward her/his case and say how they would like to see it resolved.
- d) The meeting may be adjourned by the Chairperson of the Hub Board if it is considered necessary to undertake further investigation. Any necessary investigations will be carried out to establish the facts of the case. The meeting will be reconvened as soon as reasonably practicable.
- e) Having considered the grievance, the Chairperson of the Hub Board will give her/his decision regarding the case in writing to the LEP Representative within five (5) working days. If appropriate, the decision will set out what action the Hub Board intends to take to resolve the grievance or if the grievance is not upheld, will explain the reasons.

14. Accountable Decision Making

Local Energy Capacity Support

All LEPs have set a strategic direction for their respective areas through a Local Energy Strategy. Funded by BEIS in 2017/18, energy strategies were required to provide strategic fit with BEIS policy, (energy related aspects of the Industrial Strategy and the national trajectory for decarbonisation and clean growth) and align with other national and local energy and low carbon policy. The Energy Strategies were signed off at LEP Board level after consultation with all the key engagement groups.

In the Greater South East Hub region there are six (6) Local Energy strategies:

- Local Energy East, a tri-LEP strategy for CPCA, NALEP and Hertfordshire LEP;
- South2East a tri-LEP strategy for SELEP, C2C and EM3;
- Oxfordshire LEP
- South East Midlands LEP
- Thames Valley Berkshire LEP
- Buckinghamshire LEP

LEPs also have responsibility to set strategic direction through Strategic Economic Plans and emerging Local Industrial Strategies.

These strategies form a key element of the Energy Hub's decision making for Local Energy Capacity Support, as for a project to be supported it must contribute to the achievement of strategic priorities and benefit multiple LEP areas.

The decision-making process for Local Capacity Support is governed by the Local Energy Capacity Support Project Assessment Framework.

Rural Community Energy Fund

The Energy Hub, as part of the BEIS Local Energy Programme was allocated Rural Community Energy Funds (RCEF) to further the objectives of RCEF across the Greater South East. The RCEF is a scheme which provides funding to rural communities in England to develop renewable energy projects which provide economic and social benefits to the community. The Energy Hub will appoint a Rural Community Energy Fund Manager who will provide support to communities in developing grant applications and managing funded studies. The Energy Hub will offer funding to support successful applicants to the RCEF fund by either:

- i) Stage 1 Feasibility Grants – up to £40K;
- ii) Stage 2 Grants – up to £100K for business development and planning of feasible schemes. Each community receiving funds would need to provide a) resources to Community Energy England for sharing across all new schemes; and b) support the Local Energy Hub on engaging other communities to develop a peer-to-peer support network to further build capacity at a local level.

The main objectives of the fund are to:

- i) increase the uptake of the RCEF scheme;
- ii) increase the number of rural communities engaged ;

- iii) monitor the impact of communities of projects funded, included but not limited to:
 - a. Jobs created
 - b. Volunteers engaged
 - c. MW produced

The Hub Board will:

- a) set up a '**Funding Panel**' for the approval of the RCEF Grants which shall include one (1) or more Hub Board members, with the exception of the GLA Representative, as nominated by the Board. The Funding Panel shall include representatives from several local authorities. A BEIS official shall be present on the Funding Panel to represent the views of BEIS and ensure the criteria for RCEF are met.
- b) appoint an independent **Funding Panel** to review applications and make recommendations to the Hub Board.
- c) approve the Terms of Reference for the **Funding Panel** and comply with the CPCA's Assurance Framework and Hub's Terms of Reference.

The decision-making process for the RCEF will be governed by the RCEF Project Assessment Framework that is aligned with the CPCA Assurance Framework.

15. Operational Team

The Operational Team is employed on behalf of the consortium by the CPCA and perform the tasks assigned to it as per the programme objectives set by BEIS and the Hub Board.

The Regional Hub Manager (the "**Regional Manager**") is the senior responsible owner for the Energy Hub and the CPCA Section 73 Officer acts as the Chief Finance Officer.

The Regional Manager reports to the Hub Board, the Combined Authority's Director for Business, Skills & Energy and BEIS.

The Regional Hub Manager will provide, for Hub Board approval, the Energy Hub:

- Financial forecasts;
- Business Plan;
- Communications Plan;
- Stakeholder Engagement Strategy;
- Communications Framework (agreed);
- Communications Protocol (agreed);
- Project Assessment Frameworks;
- Risk Register (agreed);
- Any other framework or plan required by the Hub Board.

The Regional Hub Manager will have freedom to deliver and act on behalf of the Hub within the scope of the Hub Board approved plans and frameworks. This includes the delegation of technical consultancy allocation of up to £5K and discretion to reallocate up of 1% of the Local Capacity Support grant budget between cost centres.

The Regional Hub Manager provides monthly and quarterly progress and performance reports for BEIS for the Local Capacity Support Grant and RCEF. All reporting and minutes from meetings of the Regional Leads from the five (5) Local Energy Hubs will be shared on the Hub Board SharePoint site hosted by the CPCA.

The Regional Hub Manager will provide operational and financial reports for each Board meeting

The Operational Team is managed by the Regional Hub Manager and comprises energy specialists and support staff and – at their discretion – key subcontractors. The Operational Team are responsible for the development of the project pipeline, delivery of the RCEF, day-to-day delivery of the programme, dealing with technical delivery matters, financial monitoring and compliance, interaction with BEIS and stakeholders.

The Regional Hub Manager provides the secretariat to the Hub Board, minutes are taken by the Hub Support Coordinator; programme and local capacity support is provided from across the Operational Team. The Rural Community Energy Manager will support the delivery and administration of RCEF. The CPCA corporate support services (e.g. financial and human resources) will be provided from within the CPCA's existing support arrangements.

Annex 3 of the BEIS **Local Energy Capacity Support Grant MoU** sets out the scope of the Energy Hub and Annex 4 the KPIs and outputs to be provided by the Energy Hub.

The BEIS **Rural Community Energy Fund MoU** sets out the grant principals and governance arrangements for the fund and Annex A sets out the KPIs for the Energy Hub.

The Energy Hub operates on behalf of all LEP areas served, and their member local authorities.

16. Stakeholder Engagement

Working with stakeholders is critical to the success of the Energy Hub. The Energy Hub's Stakeholder Engagement Strategy sets out the people and groups with whom the Energy Hub should and does engage with and how this is done.

The Energy Hub was set up to work with LEPs and their local authorities to provide local capability and capacity. The LEPs through the development of their Local Energy Strategies are engaging with stakeholders and will support the Energy Hub to build relationships in their respective areas.

The Energy Hub will build relationships with local stakeholders to identify need, inform the Hub's support activities, share information and facilitate the development of local energy projects.

The Energy Hub will undertake and/or participate in a range of engagement activities to develop the stakeholder network, which may include; events, roundtables, thematic conferences, regular meetings and exchanges with advisory groups.

The Energy Hub will participate in external events, and the Hub Board members and the Regional Manager promote the work of the Energy Hub in a range of speaking engagements and events.

The Energy Hub participates in local energy conferences, supports programme development and is the BEIS local energy representative at the regional and annual National Energy Efficiency Awards. The Energy Hub will work with other local energy promoters in Energy Hub region to promote the local energy agenda.

The Energy Hub utilises a range of communication channels to engage with stakeholders. An Energy Hub Communications Group with representation from the eleven (11) LEPs has been set up to develop and align communications activity and promote the Energy Hub; this group works to the Energy Hub's Communications Protocol and Communications Framework.

The Energy Hub has a channel on the BEIS Local Energy Team Huddle which is an online forum and networking website for LEPs, Local Authorities and other partners across England to support delivery of local energy projects. The Huddle enables collaborative working, the sharing of documents, access to resources, news and events.

17. Accountable Body

The CPCA is the employer of the Operational team. All Hub employees will be subject to the policies, terms and conditions of the CPCA. These may change from time to time and the Accountable Body will inform the Hub Board on any significant changes to employment terms and conditions.

Financial Provisions

The CPCA Section 73 officer shall be solely responsible for the Energy Hub Grant with respect to compliance with the Section 31 grant agreements.

Distribution of Funds - the financial contribution of BEIS shall be distributed by the Accountable Body, with the approval of the Hub Board.

Justifying Costs – In accordance with its own usual accounting and management principles and practices, each project shall be solely responsible for justifying its costs with respect to the feasibility studies prepared for consideration by the Hub Board. No LEP shall be in any way liable or responsible for such justification of costs towards the CPCA.

Notwithstanding the foregoing, the Consortium, local authorities and other organisations shall be permitted to make financial contributions to the Accountable Body to augment or extend the duration of the services offered by the Energy Hub provided always that the Accountable Body does not profit in any way whatsoever from the use of the Grant.

In the event the Funds are not used in their entirety to achieve the objectives set out in the MOU between BEIS and the CPCA - the CPCA shall enter into discussions with BEIS to reach agreement on how best to utilise the underspend in line with the objectives agreed under the MOU, and if agreement cannot be reached, the CPCA shall repay the unspent Funds to BEIS

Record Keeping – the Accountable Body shall, in accordance with the MOU, keep all records relating to any spend funded by the Funds for a period of ten (10) years from the Effective Date

State Aid - the Accountable Body shall ensure that use of the Funds is in compliance with all State aid rules

18. Scrutiny Arrangements

The CPCA's Overview and Scrutiny Committee may review or scrutinise any CPCA decision in its role as accountable body for the Hub Board. The CPCA's Scrutiny Officer shall ensure that this includes appropriate scrutiny of Hub Board decision-making and achievements.

Any Hub Board member may be asked to attend, or otherwise contribute to, a meeting of the CPCA's Overview and Scrutiny Committee.

The CPCA's Audit and Governance Committees will also review the local assurance framework and how the local assurance frameworks are operating in practice.

19. Exit Strategy

The Energy Hub is funded by BEIS for an initial term of three (3) years. The Regional Hub Manager will, in collaboration with the Hub Board, identify options for financial sustainability. Hub Board Members are expected to liaise with their member local authorities to explore the feasibility of options identified.

If and/or when the funding model changes and revenue is generated the Hub Board will review the Terms of Reference and replace the Accountable Body Agreement with a Partnership Agreement.

If and/or when the Energy Hub receives capital funding the Hub will address the need to adopt independent due diligence for project assessment processes.

20. Amendments to the Terms of Reference

These terms of reference will be reviewed annually. The Hub Board will recommend any proposed changes to the Terms of Reference to the CPCA.

The CPCA's Monitoring Officer is authorised to make any changes to any constitutional or governance documents which are required:

- (a) as a result of any government guidance, legislative change or decisions of the Hub Board, or
- (b) to enable the documents to be kept up to date, or
- (c) for the purposes of clarification only.

This terms of reference and other governance documents shall be published on the CPCA website and accessible from the Hub's website www.energyhub.org.uk.

ANNEX 1

GSE ENERGY HUB PROGRAMME MANAGEMENT FRAMEWORK

Strategic Project Identification & Development

The Local Energy Strategies set the strategic direction for the respective LEPs and provide the basis for identifying, developing and prioritising local energy investment in the region. The Hub will develop a project pipeline aligned with these strategies and the objectives set by BEIS, the funding body for the Hub.

The objectives of the Hub are to:

- Increase number, quality and scale of local energy projects being delivered
- Raise local awareness of opportunity for and benefits of local energy investment
- Enable local areas to attract private and/or public finance for energy projects
- Identify working model for teams to be financially self-sustaining after first two years

The operational team will identify and prioritise local energy projects for support, undertake initial stages of development for priority projects and programmes and take a collaborative and coordinated approach across multiple LEPs.

This Programme will play an important role in delivering aspirations for sustainable and low carbon energy outlined within the Energy Strategies, Strategic Economic Plans and Local Industrial Strategies of the [no. of] LEP areas across the GSE Energy Hub and through the Hubs direct contact with stakeholders.

The GSE Energy Hub Board will prioritise projects that demonstrate:

- Strategic benefit across the Hub area
- clear strategic fit to LEP plans and objectives
- achievement of a balance of breadth of projects
- achievement of a balance of risk (routine/ambitious)
- clear additionality and not duplicating, competing with or replacing existing initiatives
- contribution toward the Hub KPIs including value of projects, funding secured, energy saved/generated, carbon saved, increased GVA, new jobs and skills
- deliverability
- consideration of ability to contribute financially, where appropriate, to support long term sustainability of the Energy Hub
- an acceptable risk register/profile

Each individual partner LEP and the Energy Hub Delivery Team is responsible for overseeing the identification and development of strategically important projects over a 2 year programming period.

Processes

Pipeline Development

Potential projects will be identified through Local Energy Strategies, partner LEPs and direct contact with stakeholders. Project information will be collated and sent to the Energy Hub.

First Sift

Project Review: All projects will go through an initial sifting process, being assessed to check whether they meet the minimum criteria:

- **Strategic fit** – the objectives and impacts need to be aligned with the LEPs Local Energy Strategies, Strategic Economic Plans and/or Local Industrial Strategies.

- **Resource Required** – the type of support or resource required from the Hub is aligned with project type and stage and available Hub resource. Requests for support from the Hub can include human resource and technical support funding.
- **Financial Requirement & Funding Sources** – Details of funding sources identified for the project. Where projects are stalled due to lack of resource or technical expertise to deliver, the project promoter should demonstrate senior officer support for the project.
- **Deliverability** - The project should be affordable and deliverable within a clearly defined timescale.

The initial sifting process will be undertaken by the Hub's Energy Project Managers. Any projects that do not have strategic fit and perform poorly against the criteria will not be taken further, with feedback being given to the project promoter. Projects meeting the minimum criteria does not guarantee that Hub support will be approved.

Projects that meet the minimum criteria will be allocated to the project pipeline relating to the type of project, project stage, timescale and type of resource required. Energy Project Managers will identify clear opportunities for collaborative projects, where opportunities are identified these projects will be developed into a draft thematic programme for the GSE Hub region. Synergies will then be assessed with the other four Energy Hubs at a national level, with the objective of maximising effective deployment of resources.

Strategic Prioritisation

This will include, but is not limited to:

- Alignment with Energy Strategies from multiple LEPs in the GSE region.
- Projects that are beyond the capacity of individual LEPs to deliver e.g. projects that are currently not economically viable, for example, due to technologies or business practices.
- Projects that demonstrate achievable benefits that are aligned with the Hub objectives.
- Projects that address common market failures, for example, where energy investment would unlock economic development opportunities.

Projects that require technical support (external consultancy) will be sent an Additional Information form. The Hub will endeavour to make resources available to assist with the compilation of information. Where opportunities have been identified to group projects with common needs and themes into programmes, the Hub team will work with project promoters to develop a potential Hub offer. The level of detail required will be proportionate to resources and funding required.

Technical Support Project Appraisal

Projects that are allocated to the project pipeline will be prioritised according to the Hub's Assessment Framework. This includes, but is not limited to:

Strategic Fit

- Clear strategic fit to LEP plans and objectives.
- Reflect common themes/challenges/opportunities from across the Hub region which could benefit multiple areas.
- A clearly identified challenge to delivery which the Hub can support the resolution of.

Deliverability

- A clear governance structure and delivery capacity.
- Sufficiently advanced to deliver in the relevant timeline.
- A clear case should be made for Hub support, identifying what barriers the Hub could help overcome. A business case will include a strategic case, economic case, commercial case, financial case and management & legal case.
- Senior commitment from the LEP/LA.
- An acceptable risk register/profile.

- State Aid compliant.

Additionality

- Hub intervention will improve the likelihood of delivery and/or the quality of the project.
- A clear process to achieve metrics and contribute to the Hub's Key Indicators.

Economic, Environmental & Social Benefits

- Demonstrating how impact will be maximised across LEP area, particularly in employment and economic growth as well as environmental impact and in other relevant aspects.
- Unlocking further investment and/or access to other funding streams.
- Provide Value for Money (carbon/energy).
- Drive demand for further economic, environmental and social objectives.
- Consideration of ability to repay funding, where appropriate.

Priority projects will be agreed with the Energy Hub Manager for further development.

Project Recommendations:

A report setting out the Hub's recommendations will be submitted to the Hub Board. The Hub Board will consider and recommend projects to be supported directly by the Hub and/or to enter subsequent due diligence. The Hub Board will also make recommendations for further action for projects that cannot be supported directly by the Hub but may be eligible for support from another delivery partner.

All projects recommended by the Hub are subject to the Hub's project appraisal and approval and procurement processes.

The Hub as delivery body takes responsibility for ensuring effective delivery including where subcontractor delivery bodies have been appointed.

The Hub Board reserves the right to decide not to include a project in the prioritisation process if key information is missing or it is not based on a robust set of assumptions.

Stage 2: Due Diligence & Project Approval

The Hub Board will consider the recommendations for both support to individual projects and collaborative commissions led by the Hub at six weekly Board.

Any decision made by the Hub Board which is made in contravention of the process will be invalid on the basis of non-compliance unless the Board has given prior approval for variation in the decision-making process.

Recommendations approved by the Hub Board that require due diligence will require the project promoter to complete a due diligence form, following satisfactory due diligence by the CPCA Section 73 officer and approval from the Hub Board the project will proceed to Funding Agreement.

Project Funding Agreement

Where technical funding support has been approved, decision plus conditions (if relevant) will be conveyed to the applicant through legal grant award letter issued by CPCA as Accountable Body.

The Hub will procure and sign off collaborative projects through CPCA as Accountable Body.

Stage 3: Delivery, Monitoring and Evaluation

Individual project managers will oversee project delivery, monitoring and evaluation. CPCA will oversee monitoring and evaluation of the GSE Energy Hub programme and report to relevant stakeholders as necessary.

The Hub Board will receive updates on progress and recommendations.

Stage 4: Project Closures

The Hub Board will receive and agree project closure reports.

CPCA will oversee Hub Board agreed project closure reports (financial and practical) provided by the Regional Hub Manager.

A programme evaluation will be performed towards at the end of the initial funded phase of the Energy Hub.

Governance

All project support enquiries, pro-forma support and casework is delivered through Energy Project Managers and support staff employed by CPCA. The EPMs are supported by the Regional Hub Manager.

The Regional Hub Manager will review projects, identify synergies and make recommendations to the Hub Board.

The Hub Board are the decision-making body for the approval (or otherwise) of recommendations made by the Regional Hub Manager.

Project approvals are only made through a majority decision by the Hub Board which comprises one representative from each LEP.

Due diligence of grant applicants is completed by the Hub and CPCA Section 73 Officer.

Requests for payment are submitted by the applicant/Hub as formal claim process, reviewed by the Hub and payment is approved by Section 73 Officer at CPCA.

Accountability

CPCA is the Accountable Body for the Hub.

CPCA provides the legal support to prepare suitable grant documentation for each approved project.

CPCA provides the procurement support to prepare suitable specifications for works commissioned directly by the Hub.

DRAFT GSE Energy Hub Programme Management Framework

Project Stage	Steps	GSE Energy Hub Role
STAGE 1 Project Planning & Development	GSE Energy Hub Project Managers	First sift of project applications/pipeline to identify energy projects of interest to the GSE Energy Hub using the Decision Tree. This includes but is not limited to: <ul style="list-style-type: none"> Strategic fit with LEPs Energy and Economic or Industrial Strategies Resource requested meets the Hubs objectives and available resources Funding or finance identified or demonstration of senior management support Project delivery timeframe Projects that meet the minimum criteria will be added to the project pipeline spreadsheet. Projects that are not suitable will be given feedback and signposted to other sources of support.
	GSE Energy Hub Team	First sift, using decision tree, of low carbon projects that meet the minimum criteria to identify clear opportunities for collaboration and efficiencies of scale.
	Energy Hub Manager	Projects prioritised for internal Hub staff support will be approved by the Hub Manager and allocated a lead Energy Project Manager.
	Regional Energy Hub Leads	Where practicable, projects passing first sift process and identified as high potential for cross Hub collaboration and efficiencies will be discussed with Hub Leads to identify opportunity for collaboration over multiple Hubs.
	Energy Hub Manager	Projects that meet the minimum criteria and require technical support will be sent an additional information form for completion. This will include an indication of the type of support that may be expected from the Hub, for example where projects are identified for a collaborative approach the Hub is likely to commission consultancy on behalf of multiple projects.
	GSE Energy Hub Manager	Scoring of technical support projects using the GSE Assessment Framework. The GSE Energy Hub Programme Manager will consider and recommend projects to be supported directly by the GSE Energy Hub. The GSE Energy Hub Manager will also make recommendations for further action for projects that can not be supported directly by the GSE Energy Hub. <ul style="list-style-type: none"> Energy projects that are aligned with the Energy Strategies from multiple LEPs within the GSE Energy Hub Energy projects that demonstrate opportunity deliver [SMART] benefits Projects that are beyond the capacity of individual LEPs/LAs/private sector to develop e.g. due to resource constraints, lack of technical knowledge, funding gap Energy projects that address common market failures for example where energy investment would unlock economic development opportunities, or supports innovation
	GSE Energy Hub Board	The GSE Hub Board will consider and make decisions on the project recommendations of the GSE Energy Programme Manager.
STAGE 2: Due Diligence & Project Support Agreement	Due diligence	Project Managers will undertake due diligence of projects and owners to assess key challenges to development and likelihood of achieving a successful outcome
	Project Support Agreement in place. Project is able to proceed.	A standard Agreement will be used, reflecting specific project conditions to be signed by all parties. This will detail the support to be provided, timeline, requirements of each party, monitoring and process when support ends.
STAGE 3: Delivery, Monitoring and Evaluation	Monitoring includes claims and verification checks and progress update reports.	GSE Energy Hub delivery team will oversee project development, monitoring and evaluation.
	Monitoring includes claims and verification checks and progress update reports.	GSE Energy Hub Programme Manager will oversee day to day delivery of the Programme. Additional monitoring and evaluation of the GSE Energy Hub programme will be aligned to the approach used by Cambridge & Peterborough Combined Authority reporting to relevant stakeholders as necessary. A GSE Energy Hub Communications Plan will ensure key progress and delivery updates are given to stakeholders.
	GSE Energy Hub Board	Will receive updates on progress and recommendations
	GSE LEP Chairs	Will receive updates on progress and recommendations
STAGE 4: Project Closure	This includes closure on both financial and practical matters.	GSE Energy Hub will oversee both financial and practical closure of the current programme. A Programme Evaluation will be performed at the end of the project.

DRAFT GSE Energy Hub Programme Management Framework

		In order to effectively evaluate the GSE Energy Hub programme, an initial baseline will be developed.
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DRAFT

GSE Energy Hub Rural Community Energy Fund

Programme Management Framework

October 2019 (v1)

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1. Overview

Cambridgeshire and Peterborough Combined Authority (CPCA) are the Accountable Body for the Greater South East (GSE) Energy Hub. The Hub comprises;

- Cambridge & Peterborough Combined Authority (Business Board)
- New Anglia LEP
- South East LEP
- South East Midlands LEP
- Coast to Capital LEP
- Enterprise M3 LEP
- Hertfordshire LEP
- Oxfordshire LEP
- Thames Valley Berkshire LEP
- Buckinghamshire LEP
- Greater London Authority

In March 2019, with subsequent amendment in September 2019, the Department of Business, Energy and Industrial Strategy (BEIS) and the CPCA entered into a Memorandum of Understanding (MoU) to accept a regional apportionment of the Rural Community Energy Fund (RCEF) amounting to £3.08 million under a Section 31 grant.

This DRAFT Programme Management Framework has been developed because CPCA require an Assurance Framework for the RCEF fund that is separate from that of the GSE Local Energy Hub. This DRAFT Programme Management Framework will also apply to any additional RCEF funding.

2. Transparency & Openness

Section 9 of the GSE Energy Hub Terms of Reference details the confidentiality obligations of all parties.

It is important that all decisions taken regarding funding are open and transparent. Transparency will be maintained through existing CPCA arrangements and by adhering to the Local Government Transparency Code (2015).

3. Freedom of Information Act 2000 & Protection of Freedoms Act 2012

As a public body, CPCA will be responsible for holding the official record of GSE Energy Hub Board proceedings and all GSE Energy Hub documents and will ensure compliance with the Freedom of Information Act 2000 and Protection of Freedoms Act 2013. Full details of CPCA's Freedom of Information requests procedure can be found on the CPCA website.

4. Greater South East Energy Hub Management Framework

The Cambridgeshire and Peterborough Combined Authority (CPCA) are the Accountable Body for the Greater South East (GSE) Energy Hub and has established the GSE Energy Hub Board. The board members have been nominated by each Local Enterprise Partnership with delegation for decision-making, the Board members are senior officers from GSE LEPS and lead Local Authorities and represent their organisations at a strategic level. The CPCA provide oversight of the GSE Energy Hub Board. Currently the GSE Energy Hub Board meet every six weeks The

GSE Energy Hub Board will be responsible for the allocation of RCEF grants (through the Hub Board or subordinate group thereof).

This DRAFT Programme Management Framework reflects the MoU with BEIS on the principles of the Section 31 RCEF Grant:

- The RCEF is a scheme which provides funding to rural communities¹ in England to develop renewable energy projects which provide economic and social benefits to the community
- The GSE Local Energy Hub will follow the principles below to deliver the RCEF programme
- Up to £230,000 of the funds have been allocated on the principle of hiring staff to the Local Energy Hub for a minimum of 2 years (travel and subsistence, learning and development and management costs are included within).

The GSE Energy Hub have recommended that a FTE RCEF Project Officer is employed to provide support to community organisations and a 0.5FTE Programme Manager post be created to ensure complete separation between project development and appraisal, to manage the administration of RCEF and ensure consistency of appraisal.

The Local Energy Hub will offer funding support to successful applicants to the RCEF fund in either of the following ways:





- Stage 1 feasibility grants- of up to £40,000, allowing for inclusion of multi-technology projects; and
- Stage 2 grants- of up to £100,000 for business development and planning of feasible schemes.

Each community receiving funds would need to agree to provide resources to Community Energy England for sharing across all new schemes and provide support to the Local Energy Hub on engaging other communities to develop a peer-to-peer support network to further build capacity at local level.

The purpose of this DRAFT Programme Management Framework is to detail the operating principles and the governance arrangements for decision-making at each stage of the process. It offers stakeholders - including government, CPCA partners and local communities the assurance that there is a robust framework in place to support the development, assessment and monitoring of RCEF grant funding applications; ensuring at all times maximum impact and value for money for the local area and that funds are spent lawfully.

This DRAFT Programme Management Framework has been developed in conjunction with CPCA's Assurance Framework (September 2019), the GSE Energy Hub Terms of Reference and is compliant with the RCEF MoU between CPCA and BEIS.

The DRAFT GSE Energy Hub Programme Management Framework covers the following:

Project Stage	Steps	NEYH Energy Hub Roles
STAGE 1 Project Planning & Development: Community based groups express interest and/or apply for grant funding	RCEF Programme Manager	Community Group express interest in RCEF. Hub Support Coordinator will screen initial email enquiries to the info@energyhub.org.uk inbox and forward live enquiries to Project Officer(s). A live enquiry refers to a community group that has determined it is eligible to apply for RCEF and has asked for further discussion with Project Officers.
	RCEF Project Officer(s)	RCEF Project Officers will provide necessary technical support to community groups to fill in grant applications forms. GSE Energy Hub Project Managers can also support this process
	RCEF Programme Manager	Will log Grant Applications and allocate project reference number. The PM will then assess Grant Application forms using Assessment Matrix and make initial recommendations to the GSE Energy Hub Board Funding Panel. If further clarification is required on grant application this will be sent back to RCEF project officer to provide further support to the community group.
		
STAGE 2: Due Diligence & Project Approval	GSE Energy Hub Board Funding Panel	Grant applications and recommendations will be considered quarterly by the GSE Energy Hub Board Funding Panel at RCEF Grant Appraisal meetings. GSE Hub Board (or a subgroup thereof) will consider the initial recommendations of the RCEF Programme Manager and provide final recommendations to CPCA regarding RCEF grant applications.
		
STAGE 3: Project Funding Agreement	Regional Hub Manager	Regional Hub Manager recommends grant applications for approval and sign off by Section 73 Officer and Director of Business & Skills in line with the Cambridgeshire & Peterborough Combined Authority Assurance Framework.
	RCEF Programme Manager	<p>If grant application is approved then RCEF Programme Manager is notified to draw up and issue funding agreement. Advance payments may be staged and released when the project meets its agreed milestones which will be detailed in the funding agreement.</p> <p>If grant application is rejected then RCEF Programme Manager notified to send letter of rejection that clearly states the reasons for the decision.</p>
		
STAGE 4: Delivery, Monitoring and Evaluation	RCEF Programme Manager	RCEF Programme Manager to oversee day to day delivery of the programme, ensuring key progress and delivery updates provided to stakeholders, updates on progress on Key Performance Indicators to the GSE Energy Hub Board
	RCEF Programme Manager	Monitoring includes claims and verification checks and progress update reports.
	RCEF Project Officers	RCEF Project Officers will continue to engage with successful grant applicants to support project delivery, monitoring and evaluation.
		
STAGE 5: Project Closure	This includes closure on both financial and practical matters.	CPCA will oversee both financial and practical closure of the current programme. A Programme Evaluation will be performed at the end of the project.

Stage 1: Project Planning & Development

Strategic Project Identification & Development

This Programme will play an important role in increasing the number of community energy projects across the greater south east region. A gov.uk website [<https://www.gov.uk/guidance/rural-community-energy-fund>] and the GSE Energy Hub website [<https://www.energyhub.org.uk/rural-community-energy-fund/how-to-apply/>] will direct applicants to GSE RCEF Project Officer(s) and programme documentation.

RCEF officer(s) will then work with community groups to identify/develop high quality projects and credible grant funding applications. The grant funding application details all stages of the project that need to be considered in order to be eligible to apply for the first stage feasibility grant.

RCEF Programme Manager will log Grant Applications and allocate project reference number. RCEF Programme Manager will then assess Grant Application forms using Assessment Matrix and make initial recommendations to the GSE Energy Hub Board Funding Panel. If further clarification is required on grant application this will be sent back to RCEF project officer to provide further support to community group.

Calls for applications will be quarterly. The quarterly deadlines for Grant Application submission will be:

23rd August 2019 - to be assessed on 9th September 2019

28th November 2019 - to be assessed in December 2019

Other dates to be set

RCEF funding will be phased over the duration of the programme to ensure that high quality grant applications are encouraged and supported.

Stage 2: Due Diligence and Project Approval

The RCEF project officers will review the project evidence provided to date and will inform Project Applicants of any additional requirements to be met in order to complete due diligence. The Project Applicant will be provided with an agreed timeframe to provide the evidence needed to complete due diligence [grant application requirements].

RCEF Programme Manager will be responsible for assessing grant applications and making initial recommendations to the GSE Energy Hub Board Funding Panel.

Stage 1	Role	Responsibility
Community Project Development	RCEF project officers notified of interest, acknowledge contact and support eligible	RCEF project officers

	organisations to submit Grant Applications to RCEF Programme Manager	
Due Diligence and Appraisal	RCEF Programme Manager for financial due diligence and appraisal. RCEF Programme Manager makes initial recommendations to GSE Hub Board Funding Panel.	RCEF Programme Manager
Appraisal and Decision	<p>GSE Energy Hub Board Funding Panel consider grant applications and initial recommendations.</p> <p>GSE Hub Board Funding Panel make final recommendations to CPCA on the approval or rejection of grant applications. GSE Energy Hub Regional Hub Manager then recommends grant applications for approval and sign off to the CPCA Director of Business & Skills</p> <p>RCEF Programme Manager will communicate decisions to applicant organisations.</p>	<p>GSE Energy Hub Board Funding Panel</p> <p>GSE Energy Hub Regional Hub Manager. CPCA Section 73 Officer and Director of Business & Skills</p> <p>RCEF Programme Manager</p>

The GSE Energy Hub Board Funding Panel will make the final recommendations on which project grant applications will be awarded and rejected. GSE Energy Hub Regional Hub Manager then recommends grant applications for approval and sign off by CPCA Section 73 Officer and Director of Business & Skills in line with the CPCA Assurance Framework.

Grant applications that are approved will be sent to RCEF Programme Manager to issue a Funding Agreement. Grant applications that are rejected will be sent to RCEF Programme Manager to issue a letter of rejection with a clear explanation of why they were rejected.

Sharing of information

The summary of appraisal undertaken for each project. This document will be shared once a project has been through independent due diligence and has been approved.

Each community group receiving grant funding will need to agree to provide resources to Community Energy England for sharing across all new schemes and provide support to the Local Energy Hub on engaging other communities to develop a peer-to-peer support network to further build capacity at local level.

The project applicant will reserve the right to redact any commercially sensitive information within RCEF documentation.

Stage 3: Project Funding Agreement

All Funding Agreements for the RCEF must be signed by a representative of both CPCA and the Project Applicant who must have the appropriate level of autonomy and delegation to commit and bind their organisation to the Funding Agreement.

Stage 4: Delivery, Monitoring and Evaluation

Project Delivery, Monitoring and Evaluation will be in full accordance with the Memorandum of Understanding.

Project Delivery

Once the Funding Agreement has been signed the project moves from development to delivery. The delivery phase comprises a range of activities to ensure the project is delivered effectively. Whilst the development phase deals with the project in terms of how it is expected to be delivered, the delivery phase deals with the live project being delivered. You should be aware that unanticipated issues could arise once delivery has commenced; therefore you should ensure that the project can evolve and develop during the delivery phase.

There are a number of processes which support project delivery. CPCA shall monitor and report on delivery in accordance with the Memorandum of Understanding. The GSE Energy Hub Board will oversee project delivery, monitoring and evaluation and receive progress reports from RCEF Programme Manager on Key Performance Indicators.

Claims Procedure

Once a grant application has been approved and a Funding Agreement signed, grant claims can be submitted by the applicant to CPCA to draw down the funding based on the funding profile within the agreement.

Project Applicants will need to submit claims as agreed at approval and in line with the schedule set out in the Funding Agreement. Expenditure will be claimed on an advance basis unless otherwise agreed, this will be detailed in the Funding Agreement with applicants.

Claims should clearly report achievement against financial and output/outcome profiles which will be checked by the RCEF Programme Manager.

Expenditure

The project applicant will be required to keep a full audit trail for each item of expenditure.

Outputs:

Evidence to verify outputs claimed will need to be provided with each quarterly claim. These will be specific to each project but may include the following:

Example of Outputs that may be required

Title	Unit of Measurement	Counted	Exclusions	Evidence Verification
Consultancy support to develop feasibility study	Final report received	Costs incurred following grant approval	Costs incurred prior to grant approval	Evidence that contract commenced after grant approval. Evidence that Feasibility Report covers essential criteria specified by Community Group
Community consultation costs	Participant sign in sheets Event evaluation forms	Costs incurred following grant approval	Costs incurred prior to grant approval and ineligible activities	Receipts that demonstrate eligible costs actually incurred
Financial, legal, planning support	Copies of advice provided	Costs incurred following grant approval	Costs incurred prior to grant approval and ineligible activities	Evidence that contract commenced after grant approval. Evidence that financial, legal, planning advice specifically and exclusively relates to rural community energy project
Planning consent	Copies of planning consent and conditions	Costs incurred following grant approval	Costs incurred prior to grant approval and ineligible activities	Evidence that planning application specifically and exclusively relates to rural community energy project
Grid connection	Copies of grid connections agreement	Costs incurred following grant approval	Costs incurred prior to grant approval and ineligible activities	Evidence costs specifically and exclusively relates to rural community energy project
Other project specific outputs	Specific to project	Specific to project	Specific to project	Specific to project

Project Audits/Closure

Financial Completion Audit:

Grant applicants will receive a financial completion form to complete. The financial completion will involve carrying out checks on project spend and outputs to confirm accuracy of costs, compliance with terms and conditions of the grant awards and the overall grant governance. At the end of the project, a financial transaction list will be required. As part of the financial checks a random sample of at least 10% of the overall project costs will be checked.

Practical Completion:

If a project still has outputs to report after financial completion then the project will receive a practical completion form once all outputs have been achieved. The purpose of this exercise is purely to verify outputs claimed.

Evaluation

The general approach will be to evaluate projects where lessons can be learned to inform future grant applications and where innovative approaches are being delivered. The detail of this will be discussed with individual projects at the earliest opportunity.

Programme Risk Management Procedures

Quarterly progress updates will be produced by the RCEF Programme Manager containing both programme and project specific information. Risks will be ranked as red, amber, green according to progress/issues arising and any ranked as red will be escalated for discussion with the GSE Energy Hub Board and/or BEIS to agree any mitigating action/intervention.

5 Programme and Project Management

The GSE Energy Hub currently provides monthly and quarterly reports to BEIS on their activities and progress. Moving forward, the GSE Energy Hub is to report on RCEF delivery through this process and show their performance against stipulated Key Performance Indicators. This element of the report will be made available to Defra for comment if they so wish. BEIS will undertake an annual review of the scheme across the five Local Energy Hubs. BEIS will provide Defra with the opportunity to respond to this review.

KPIs for the GSE Energy Hub include:

- 49 stage 1 applications
- 3 stage 2 applications
- Total amount (£) granted
- No. of new rural communities engaged
- Technologies to be used on site
- MW planned
- Investment (£) secured
- Jobs created
- Volunteers engaged
- Match funding (£) secured
- Community support provided

- No. of completed case studies
- Total MW built out

General Programme Management will be the responsibility of the following groups:

- GSE Energy Board (or subgroup thereof) will agree Programme and Project Management changes in consultation with BEIS
- CPCA as Accountable Body, is responsible for overall Programme Management and for working with BEIS should any variation to the Section 31 grant become necessary

6 RCEF Governance

The existing GSE Energy Hub Board (or a subgroup thereof) will assess applications to the RCEF fund moving forward and will make final recommendations for funding allocations. Membership of the GSE Energy Hub Board includes Local Enterprise Partnerships and lead local authorities from the region, as well as a BEIS official from the Local Energy team.

When RCEF matters or applications are brought to the board (or subgroup thereof) the following stipulations are made:

A BEIS official should be present at the panel to be able to represent the views of BEIS and ensure the criteria for the fund are being met, however it is noted that they will not be able to vote. This is because this is local funding determined by local governance structures. The Hub board should provide papers to BEIS officials for scrutiny before meetings;

Defra, as part financial contributors to the RCEF fund, may maintain oversight over the RCEF process and decisions of the Hub Board. If requested Hub Board papers should be provided to Defra; and

To guard against any conflicts of interest that could potentially arise through Combined Authority involvement with any application or project, the Hub Board must ensure there are several local authorities represented on the application assessment panel.

Role of The Accountable Body

CPCA is the accountable body for the GSE Energy Hub and is responsible for managing the programme.

CPCA provides legal support to prepare suitable grant documentation for each approved project.

Role of the GSE Energy Hub Board regarding RCEF

The GSE Energy Hub Board consists of nominated offers from the consortia LEPs and lead local authorities.

The GSE Energy Hub Board is responsible for the following functions – overall strategic direction for the allocation of grant and leverage of funds; provide direction and support for the development, delivery and implementation of Energy Hub funded activities, provide staffing

structure recommendations to CPCA, approve criteria for selection/prioritisation of pipeline projects. The Hub Board shall approve, allocation of technical/consultancy support (financial, commercial, legal, and technical), allocation of RCEF grants (through the Hub Board or subordinate group thereof), allocation of any future funding delegated to the Hub .

Each member organisation's can nominate one member of the GSE Energy Hub Board (or local authority) to make recommendations on RCEF Grant Appraisal who must be appropriately qualified and experienced in the view of other members.

The Group consists of the following members:

GSE Energy Hub Board	
Member	Organisation
David Walton or Matt Hullis (SCC)	New Anglia LEP

Representatives of each Party

Deputies are permitted but GSE Energy Hub Project Managers may not deputise for the purposes of RCEF Grant Appraisal.

Observers will attend these meetings but do not have a vote.

Chairperson

The Chairperson will be nominated by the GSE Energy Hub Board. If the Chairperson is not able to be present at a board meeting then the remaining members will appoint a deputy for the duration of the meeting.

Quorum

For decision making a minimum of 5 LEPs must agree the recommendation on grant applications for it to be passed. This is a recommendation on each individual application. Decisions must be provided at the meeting by the representative. If a LEP representative cannot attend (and no second representative is available to attend for their LEP area) they should provide their

recommendation by proxy, to the Chair. Proxy votes need to be provided by email no later than one working day before the Board meeting.

Reporting Arrangements

Summaries of the grant appraisal papers will be circulated two weeks in advance via email by the Programme Manager in advance of the grant appraisal meeting. Full papers will be provided upon request. The Programme Manager will provide progress quarterly reporting to BEIS and the GSE Energy Hub Board.

Frequency of Meetings

Every 3 months by teleconference

Conflicts of Interest Procedures

The GSE Energy Hub board has a clear set of procedures in place for dealing with any conflicts of interest, which may occur during business, as outlined in section 12 of the Terms of Reference and as required by the CPCA's code of conduct.

In conducting GSE Energy Hub business, the following procedures will be applied:

Each member of the GSE Energy Hub Board and RCEF Funding Panel is required to complete a written Declaration of Interest for the purposes of their organisations and their individual personal interests covering a broad range of activities/ownership. Individual declarations of interest forms are to be completed within twenty-eight (28) days from the date of appointment and is a condition of appointment. A member must within twenty-eight (28) days of becoming aware of any change in their interests provide written notification of this. An up to date Register of Interests is maintained.

To ensure that individuals are not playing a role in decision making when they are conflicted, declarations of interest will be requested at the start of each meeting and declared, and any action taken (such as not taking part) will be recorded within the minutes. The member should update their register within seven (7) days of the meeting if a new interest has been declared. The Register of Interests are updated, as appropriate, following each meeting.

Complaints Procedure

CPCA has a dedicated complaints procedure which is followed upon receipt of a complaint. Any complaint received about the Hub Board RCEF Funding Panel will be dealt with under either the CPCA Complaints or Confidential Complaints Policy. Any breach will be dealt with under the CPCA Member Complaints Procedure.

The GSE Energy Hub has a grievance procedure for LEPs which is set out in section 13 of the Terms of Reference.

7 RCEF Communications Plan

Local Energy Hub Leads/BEIS are currently working on a joint RCEF communications plan. The

Midlands Energy Hub (Nottingham City Council) are the Local Energy Hub lead.

SCHEDULE 4

HUB EMPLOYEES & ROLES

- **Regional Hub Manager** - principal Energy Hub ambassador, operational lead and line manager for the other seven staff.
- **Four (4) Energy Projects Managers** - project identification, stakeholder engagement and project delivery readiness key account managers who will each cover an approximate area equivalent to four counties plus all will cover Greater London.
- **Data and Information Manager** - principal responsibility for setting up, maintaining and providing analysis on systems that contain energy data, stakeholder information, related project summaries, funding options and key sector specific organisations. Key technical researcher for the Hub; responsible for GDPR.
- **Hub Support Co-ordinator** – administrative/operational manager for the Energy Hub; first point of contact via telephone, email and website for new contacts; responsible for the communications plan, meetings, events, workshops and seminars.
- **Funding Manager** - assessor of potential projects for funding viability, securer of funding streams, researcher of innovative funding solutions for projects and groups thereof.
- **Rural Community Energy Fund Programme Manager** – principal responsible for the administration and management of the RCEF fund, grant governance, grant assessment and secretariat to the funding panel.
- **Rural Community Energy Fund Project Officer** - providing the community engagement function, project development support and feasibility study management.

SCHEDULE 5

- I. MEMORANDUM OF UNDERSTANDING BETWEEN BEIS & THE CPCA**
- II. VARIATION TO MEMORANDUM OF UNDERSTANDING BETWEEN BEIS & THE CPCA**
- III. MEMORANDUM OF UNDERSTANDING BETWEEN BEIS & THE CPCA (RCEF)**
- IV. VARIATION TO MEMORANDUM OF UNDERSTANDING BETWEEN BEIS & THE CPCA (RCEF)**

LOCAL ENERGY CAPACITY SUPPORT 2017/18

**MEMORANDUM OF UNDERSTANDING
Between the**

**SECRETARY OF STATE FOR BUSINESS ENERGY &
INDUSTRIAL STRATEGY**

And

Cambridgeshire and Peterborough Combined Authority

MEMORANDUM OF UNDERSTANDING
LOCAL ENERGY CAPACITY SUPPORT 2017/18

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MEMORANDUM OF UNDERSTANDING

LOCAL ENERGY CAPACITY SUPPORT 2017/18

PARTIES

1. The Parties of this Memorandum of Understanding (“**the MOU**”) which includes its Annexes are The Secretary of State for Business Energy & Industrial Strategy (“**the Secretary of State**”); and
2. Cambridgeshire and Peterborough Combined Authority (the Authority)
3. known together as “**the Parties**”

BACKGROUND

4. The Secretary of State has decided to grant funding to the Authority and the Authority has committed to spend such funds in line with the Scope outlined in Annex 3.
5. The total amount of the Grant funding referred to in paragraph 7 is referred to in the MOU as “the Grant”
6. The Parties wish to record their understanding regarding the Grant funding. Therefore this MOU sets out the understanding reached by the Parties on, amongst other things, the amount of the Grant available to the Authority, payment of the Grant, how it should be spent, commitments by the Authority to deliver against the Scope and commitments in relation to the administration of the Grant.

DEFINITIONS

“**Consortium**” means a group of local authorities working together to deliver the Scope set out in annex 3 under the leadership of the Lead LEP.

“**Lead Authority**” means the nominated Lead Local Authority as stated within the Proposal who will lead establishing the local energy hub on behalf of the region.

“**Local Energy Hub**” (also “the Hub”) is a team established using the Grant to provide local energy capacity support across a region comprised of multiple LEP areas.

“**The Scope**” comprises the objectives and activities which are expected to be undertaken using the Grant, set out in annex 3.

THE GRANT

7. Subject to the Authority meeting the commitments set out in Annex 1 the Secretary of State will grant the following funds to the Authority

	Revenue funding
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LOCAL CAPACITY ENERGY SUPPORT GRANT	£1,321,000
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PAYMENT OF THE GRANT

8. The Authority will as soon as possible and by [March 16th 2018] at the latest provide the Secretary of State with two signed copies of this MOU. The Authority will as soon as possible and by [March 16th 2018] at the latest provide the Secretary of State with the documentation and information listed in Annex 1 to the extent it has not already been provided to the Secretary of State by the Authority.
9. The Secretary of State will pay the Grant to the Authority after the receipt of the documentation and information in accordance with the preceding paragraph and will endeavour to do so within 10 days of receipt of the same.

COMPLETION OF THE PROPOSAL

10. The Authority will deliver the Proposal, in line with the Scope.

ELIGIBLE COSTS

11. Subject to paragraph 12 and 13, the Authority will use the Grant for eligible costs in accordance with the provisions of the MOU. Eligible costs are those properly incurred to deliver the Proposal, in line with the Scope.

GRANT

12. Without prejudice to any other provisions of this MOU, the Authority will not use the Grant for the following purposes:
 - a) to replace funding for an existing project, including any staff costs for an existing project and any projects to deliver statutory obligations, although the Grant may be used to extend the geographical coverage, scope or scale of an existing project (and for additional staff costs attributable to the extension of the project.)
 - b) use for activities of a political or exclusively religious nature;
 - c) use in respect of costs reimbursed or to be reimbursed by funding from public authorities or from the private sector;
 - d) use in connection with the receipt of contributions in kind (a contribution in goods or services as opposed to money);
 - e) use to cover interest payments (including service charge payments for finance leases);
 - f) use for entertaining (entertaining for this purpose means anything that would be a taxable benefit to the person being entertained, according to current UK tax regulations);

- g) use to pay statutory fines, criminal fines or penalties;
- h) use to pay for eligible costs incurred before this MOU has been signed by both Parties; or
- i) use in respect of Value Added Tax that the Authority is able to reclaim from HM Revenue and Customs.

AVAILABILITY OF THE GRANT

13. The Authority will be expected to have made commitments by 31st March 2019 to spend all of the Grant.

STATE AID

14. The Authority acknowledges that it is important to ensure that the Grant and use of it is not, and does not become, an unlawful state aid under Article 107 of the Treaty on the Functioning of the European Union. State aid rules ensure that the governments of EU Member States do not distort competition by unfairly subsidising their own industry or particular parts of it.
15. To minimise the risk that the European Commission or a court requires grant funding to be repaid, the Authority will:
- a) comply with EU law relating to state aid in its use of the Grant and its delivery of the Proposal;
 - b) ensure that use of the Grant in connection with the Proposal complies with EU state aid rules (including the de minimis Regulation); and
 - c) obtain and retain all declarations and information as may be required to enable both the Authority and the Secretary of State to comply with EU state aid rules, particularly the de minimis Regulation and to provide copies to the Secretary of State when required to do so.

and by signing this MOU the Authority confirms that this is the case.

PROCUREMENT AND OTHER BENEFITS TO THIRD PARTIES

16. The Authority will, in delivering the Proposal:
- a) comply with all relevant requirements of law relating to public procurement; and
 - b) unless the Secretary of State agrees otherwise in writing, pay the person from whom any goods, works or services are purchased within 30 days of receiving a valid invoice from that contractor.

COMMERCIAL USE OF THE GRANT

17. The Authority will not use the Grant, or any asset financed wholly or partly by it, to generate revenue or make a capital gain, except to the extent agreed as part of the Scope. If the Authority does so, it:
- a) will inform the Secretary of State immediately and in writing; and
 - b) understands that the Grant may be reduced by the amount of that revenue or gain (as the case may be).
18. The Authority is permitted to receive financial contributions from local authorities and other organisations which benefit from the services outlined in the Scope, provided the Authority has the legal powers to do so, and that these financial contributions are only used to augment or extend the duration of the services offered by the Hub and that the Authority does not profit through revenues generated or capital gains arising from the use of this Grant.

REDUCTION WITHDRAWAL AND REPAYMENT

19. In accordance with paragraphs 20 to 25, it is the understanding of the Parties that the Secretary of State may ask the Authority to repay all, or any proportion of, the Grant, together with interest (calculated in accordance with paragraph 23 and, in the case of late payment, paragraph 24) and any other amount required by the European Commission, where the Grant, or any part of it, has been paid (including in cases where the Authority has already spent the Grant money).
20. The Authority accepts that the Secretary of State may exercise the options referred to in the preceding paragraph where the Secretary of State:
- a) is required to cease grant funding or to recover all, or any proportion, of the Grant or any other amount by virtue of a decision of a court or of the European Commission; or
 - b) has reasonable grounds to consider that the payment of the Grant, or the Authority's use of it, contravenes any requirement of law, in particular (but without limitation) EU law relating to state aid.
21. When exercising the options referred to in paragraph 19, the Secretary of State will notify the Authority of the grounds concerned and (except in a case falling within paragraph 20(a), as far as possible, consider the Authority's representations made within any reasonable timeframe required by the Secretary of State.
22. A decision by the Secretary of State to ask the Authority to repay the Grant will be communicated by letter, and the Authority will make that repayment within 30 days of the date of that letter or within any later reasonable timeframe agreed by the Secretary of State in writing.
23. Where the Secretary of State requests repayment, interest will be calculated from the date of the Grant payment, in accordance with:

- a) the retail prices index over the relevant period (that index being taken as 0% for any period during which the index is negative); or
 - b) any other rate required by law in the circumstances (including any rate required under EU law relating to state aid), if it is higher.
24. Where the Authority does not make the relevant payment within the timeframe specified in this MOU, further interest on the outstanding sum (inclusive of interest already charged under the preceding paragraph) will accrue, after that deadline, at the statutory rate of interest under section 6 of the Late Payment of Commercial Debts (Interest) Act 1998 or any other rate required by law in the circumstances, if it is higher.
25. Should the Secretary of State not exercise his options under paragraph 19 or delay in doing so, this shall not constitute a waiver of those options unless the Secretary of State confirms such a waiver in writing. Furthermore, any such written waiver shall not be taken as a precedent for any other, or subsequent, circumstances.

SUSPENSION

26. The Secretary of State may suspend payment of the Grant where:
- a) one of the grounds in paragraph 21 arises;
 - b) the Secretary of State has reasonable cause to believe that one of those grounds may have arisen, or is likely to arise; or
 - c) one of the provisions of the MOU is not met by the Authority,
- pending consideration of the circumstances and the making of a decision.
27. In the case of any suspension, unless the Secretary of State confirms a contrary agreement in writing:
- a) the Authority will continue to comply with the requirements of this MOU including any deadlines occurring during the period of suspension; but
 - b) the Authority will not make any further use of the Grant until the Secretary of State has authorised continued use of the Grant in writing.
28. The Authority will inform the Secretary of State in writing if it has any concerns that any of the grounds in paragraph 21 might arise or that it will not be able to meet the provisions of the MOU. If such concerns arise after the Authority has received the Grant, the Authority will not make any use of the Grant until the Secretary of State has authorised continued use of the Grant in writing.

AGREED USE OF UNDERSPEND

29. In the event that the Authority does not use all the Grant to secure delivery of the Proposal

- a) The Parties will work together to agree how the Authority will spend any unspent Grant funding in line with the objectives of the Grant ; and
- b) If the Parties are unable to reach an agreement described in paragraph a) the Authority agrees to repay the unspent Grant.

COOPERATION

- 30. The Authority agrees to cooperate and work in collaboration with named individuals from the BEIS Local Energy Team appointed by the Secretary of State in delivering their Proposal.

INFORMATION SHARING

- 31. The Secretary of State may share information relevant to the Grant and Proposal including evaluation outputs with the agents of the Secretary of State, other public authorities and the European Commission

EVALUATING SCHEMES DELIVERED THROUGH BEIS LOCAL ENERGY CAPACITY SUPPORT

- 32. The Authority will evaluate or support and participate in evaluation of their use of the Grant in relation to the reporting requirements set out in Annex 4.
- 33. The Authority will set aside an amount of money for the purpose of evaluation to be specified by the Secretary of State.
- 34. The Authority agrees that the output from the evaluation will be published (this does not include publishing the Information in a way that identifies individual households).
- 35. Annex 4 sets out the form of information the LA is to provide.

PROVISION OF MANAGEMENT INFORMATION ABOUT USE OF BEIS LOCAL ENERGY CAPACITY SUPPORT

- 36. The Authority will provide information to the Secretary of State in accordance with the requirements set out in Annex 4.

REQUIREMENT OF LOCAL AUTHORITY IN A CONSORTIUM OF LOCAL AUTHORITIES

- 37. Where the Authority is part of a Consortium, the Authority must have been designated as the Lead Authority within the proposal. The Lead Authority is required to inform the Secretary of State as to the partners in the Consortium. The Lead Authority is to be the signatory to this MOU and will receive the Grant for the delivery of the Proposal, subject to the terms of this MOU.

PROVISION OF PERSONAL INFORMATION AND COMPLIANCE WITH DATA PROTECTION ACT

- 38. In so far as it is possible to do so in accordance with data protection legislation (including, the General Data Protection Regulation and the Data Protection

Act), the Market Research Society Code regarding the collection and use of personal data for research and statistical purposes and all other law, the Authority agrees to collect information for evaluation and reporting purposes (referred to below as “the Information” in a way which:

- a) allows it to share the Information with the Secretary of State;
- b) allows the Secretary of State to share the Information with any of its research or evaluation partners;
- c) enables the Information to be used by the Secretary of State to contact individuals who are the subject of the Information for the purposes of further research; and
- d) allows the Secretary of State to use the Information for research and statistical purposes (this does not include publishing the Information in a way that identifies individual households)

provided always that the Secretary of State complies with the provisions of the data protection legislation.

RECORD KEEPING

39. The Authority will keep for ten years records relating to any spending funded (or defrayed) by the Grant. Such records should indicate:

- a) the identity of any third party concerned and their business;
- b) the amounts any third party has been given;
- c) the purpose for which the money was spent;
- d) evidence that contracts have been awarded in accordance with public procurement law where they are required to be; and
- e) details of and information relating to any significant sub-contracting by the Authority.

MONITORING AND AUDIT

40. The Authority will:

- a) respond fully, truthfully and promptly to any enquiries the Secretary of State, or the Comptroller and Auditor General, or their representatives, may make about the Proposal or the use of the Grant and provide any information and evidence reasonably requested, including by providing a statement of usage of the Grant (at such times, and in such form, as they may reasonably specify);
- b) allow the Secretary of State, the Comptroller and Auditor General, and their representatives, access to all relevant documents and records, and reasonable access for inspecting any relevant site;

- c) where requested, ensure that any information or evidence provided to the Secretary of State, the Comptroller and Auditor General, or their representatives, is audited by an identified and independent reporting accountant or otherwise confirmed or verified by a person of such other relevant expertise as they may reasonably specify; and
- d) give reasonable assistance to the Secretary of State or the Secretary of State's contractors to carry out work in connection with the Grant throughout delivery of the Proposal and up to two years after completion of the Proposal, for example as part of the Secretary of State's ongoing evaluation commitments.

RISK MANAGEMENT

- 41. The Authority will agree to provide assurance that risks in relation to the delivery of the Proposal have been identified, following the approach set out in the Risk Register at Annex 5. The Authority will complete the Risk Register and return it to the Secretary of State no later than 16th March 2018.
- 42. In providing assurance about the management of risks the Authority will identify risks which arise from its own activities and those which arise from third Parties.
- 43. The Authority will provide the Secretary of State with a report based on exception by 4 October 2018 and again by 4 March 2019 about the status of the risks identified within the Risk Register and whether any new risks have emerged. The report will also provide a statement as to whether risk management is effective and whether any remedial action is necessary.
- 44. The report required by the preceding paragraph will report against any risk which scores medium or above using the tables provided in Annex 5.
- 45. As soon as it becomes apparent to the Authority that a risk on the Risk Register is scoring high or above using the tables provided in Annex 5, the Authority will inform the Secretary of State.

OTHER BEIS FUNDING PROGRAMMES

- 46. Where the project utilises other BEIS funding programmes the Authority agrees to comply with the relevant requirements of those programmes.

FREEDOM OF INFORMATION

- 47. The Parties may be obliged to disclose information relating to the Local Energy Support, the Grant and the Proposal under the Freedom of Information Act 2000, the Environmental Information Regulations 2004 or under another requirement of law.

48. The Parties will assist and cooperate with each other as reasonably requested to facilitate compliance with those requirements.
49. In the event that the Secretary of State provides information in response to a request for information under the Freedom of Information Act 2000 or the Environmental Information Regulations 2004, the Secretary of State may make that response publicly available for the purposes of transparency.

NOTICE AND COMMUNICATIONS

50. The Authority will be able to contact the Department of Business Energy & Industrial Strategy in writing by post or hand delivery to the following address:

Department of Business Energy & Industrial Strategy, 1 Victoria Street, SW1H 0ET

51. The Authority's day to day contacts with the Department on any working day by telephone or email between 9am and 5pm are:

NAME	EMAIL	TELEPHONE
Helen Pearce	helen.pearce@beis.gov.uk	0300 0685350

52. The Authority's day to day contacts for the Department are

NAME	EMAIL	TELEPHONE
Paul Bourgeois	paul.bourgeois@gcgp.co.uk >	07715 408 407

INTELLECTUAL PROPERTY

53. In undertaking the Proposal, the Authority must not infringe the intellectual property rights of any third party.
54. Where the Proposal gives rise to the generation of any intellectual property, the Authority will not subsequently seek to make profit from the use of such intellectual property, for example through the use of licences without written consent by the Secretary of State.
55. Unless otherwise agreed by the Secretary of State, the Authority will allow the Secretary of State royalty free use of any intellectual property created whilst delivering the Proposal.

COMPLIANCE WITH THE LAW

56. The Authority will comply with all laws and regulatory requirements when delivering the Proposal.

57. In signing this MOU, the Authority confirms that use of the Grant for the purpose of the Proposal and in accordance with the MOU is in compliance with all laws and regulatory requirements.

ANTI-DISCRIMINATION

58. The Authority will comply with the requirements of the Equality Act 2010 and avoid any unlawful discrimination.

RESPONSIBILITY FOR EMPLOYEES, CONTRACTORS, AGENTS AND PARTNERS

59. The Authority will ensure that its employees, contractors, agents, partners and other local authorities or organisations it works with in delivering the Proposal (whether or not as part of a Consortium) comply with the commitments and principles set out in the MOU and will be responsible for any failure by them to meet those commitments and principles.

WARRANTIES

60. The Authority confirms that:

- a) it has full capacity and authority to deliver the Proposal and to enter into this MOU;
- b) it will obtain any consents necessary to undertake the Proposal;
- c) the information and evidence in its Proposal remains true, complete and accurate, and that its circumstances have not materially changed since submitting its Proposal; and
- d) it knows of the existence of no circumstances which might materially and adversely impact on its ability to undertake the Proposal or observe the provisions and principles of this MOU.

LIMITATION OF LIABILITY

61. The Authority confirms that the Secretary of State's liability to the Authority is limited to payment of the Grant (subject to the Authority meeting the commitments and principles of the MOU and its Annexes and to the Secretary of State's rights set out therein). The Authority remains entirely responsible for its risks and liabilities in undertaking the Proposal, and the Secretary of State shall have no liability for any consequence, direct or indirect, that may arise through the Authority's undertaking of the Proposal or its use of the Grant.

VARIATION

62. No variation of this MOU will be effective unless it is agreed in writing and signed by both Parties. This does not prevent either Party making reasonable

changes in relation to the administrative arrangements in the MOU (such as contact details) by notice in writing to the other Party, without such agreement in writing signed by both Parties.

ASSIGNMENT

63. The Authority will not assign or otherwise transfer to any other person the benefit of the Grant or any other benefit arising by virtue of this MOU without the approval in writing of the Secretary of State.

STATUS

64. This MOU is not intended to be legally binding, and no legal obligations or legal rights shall arise between the Parties from this MOU. The Parties do, however, enter into the MOU intending to honour all their commitments under it.
65. Nothing in this MOU is intended to, or shall be deemed to, establish any partnership, joint venture or relationship of employment between the Parties, constitute either party as the agent of the other party, nor authorise either of the Parties to make or enter into any commitments for or on behalf of the other party. Accordingly, the Authority will not hold itself out as having any such relationship with the Secretary of State.

FURTHER FUNDING

66. The Secretary of State is under no obligation to provide the Authority with any further funding in respect of the Proposal or for any other purpose.

REFERENCES

67. In this MOU references to legislation, including EU legislation and any documents issued by the EU institutions, are to that legislation as amended or re-enacted from time to time (including any amendment or re-enactment having taken place before the date of this MOU).

Signed for and on behalf of the Secretary of State

Ben Golding

Director, Home and Local Energy

28 February 2018

Signed for and on behalf of the Authority

Signature

Name

Position

Date

ANNEX 1

Documentation to be provided by the Authority before the Grant will be released

What needs to be provided?	When it needs to be provided?	Where it is in this MOU
A signed copy of the Section 151 Officer declaration		Annex 2
Completed Grant claim form		Annex 6
Two signed copies of this MOU		N/A
Risk Register		Annex 5

ANNEX 2

Section 151 Officer Declaration

In my position as the Section 151 Officer for [xxxxxxxxxxx] I confirm that:

- a) [xxxxxxxxxxxxxxxxxxx] will accept the grant funding that has been offered through the BEIS Local Energy Support grant;
- b) The information and evidence pertaining to this grant claim is complete, true and accurate;
- c) [xxxxxxxxxxxxxxxxxxx] will deliver the goods and services that have been set out in the proposal in accordance with the terms of the Proposal; and
- d) [xxxxxxxxxxxxxxxxxxx] will comply with the provisions of the Memorandum of Understanding dated ____/____/2018 in connection with its delivery of the proposal

SIGNATURE

NAME

POSITION

DATE

ANNEX 3

BEIS Objectives and Expected Outputs

Objectives of the Local Energy Hubs

1. Increase number, quality and scale of local energy projects being delivered
2. Raise local awareness of opportunity for and benefits of local energy investment
3. Enable local areas to attract private and/or public finance for energy projects
4. Identify working model for teams to be financially self-sustaining after first two years

Proposed tasks:

1. Identify and prioritise local energy projects for support, using LEP energy strategies as a starting point
2. Undertake initial stages of development for priority projects and programmes
3. Take a collaborative and coordinated approach across multiple LEPs
4. Regional leadership and liaison with BEIS

The Proposal

a. Establishment of Greater South East Local Energy Hub



Greater South East
Hub lead confirmation

Department for Business, Energy and Industrial Strategy

1 Victoria Street

London

SW1A 2AW

22nd December 2017

Dear Helen

Further to the Task and Finish Group's interim update email to you on the 30th November the Greater South East Hub Board has now met for the first time. It has come to a decision in regard to the preferred organisation to lead the Hub consortium and act as accountable body for the funding and this is the Cambridgeshire and Peterborough Combined Authority.

All four offers to lead the project completed a Project Lead Information Pro-forma to ensure that all 11 LEPs fully understood what was being offered. I have attached GCGP LEPs document for information. It details evidence of local expertise, track record, staffing and skills in place. It also shows the proposed governance and team structures and how they

inter-relate. The governance arrangements proposed enable the Hub Board to plan Hub operations and project delivery with associated risk management.

The Section 151 Officer from the Accountable Body will scrutinise and support the financial governance of the project with the Hub Board and GCGP LEPs Chief Executive Officer.

All 11 LEPs and some of the local authorities already engaged in local energy endeavours in the Greater South East area have worked as a team to scope, discuss and agree the basis on which we will work as an alliance of LEP areas. To this end all 11 LEPs and some local authorities at County and District/Borough level have offered to support the set up and subsequent operational delivery of the Hub with their collective expertise and knowledge in this and related areas. A discussion is currently live in respect of the 14 possible office space, hot desk and meetings space offers equally distributed across the geography (see Annex 1) for the dedicated team and Hub Board to utilise. GCGP LEP is engaged with each of these organisational offers to formalise arrangements in the New Year.

The Regional Director of the Hub would attend monthly meetings with the BEIS Local Energy team and other regional hub leads with an offer for a BEIS representative to attend Hub Board meetings.

The Hub Board's Terms of Reference has been drafted and this will be circulated to all 11 LEPs in the New Year for further discussion and evolution as necessary.

One aspect the Hub Board will be asked to consider the next time they meet is how intellectual property generated by the Hub is dealt with. At this stage the Task and Finish Group believe that our principal position is that the Hub would be keen to share with the other Hubs in a reciprocal manner. With the exception of data protection and commercially confidential information the intention is to share documents and data which may be of use to the other Hubs through a protected space such as the Huddle.

The Task and Finish Group, established by the Hub Board, has now completed its primary function and the intention is now to evolve it into a Hub Board Working Group with the hope that additional LEP and local authority representatives can be utilised to ensure full geographical representation and a holistic approach to the endeavour both in planning and inception. Once the Hub is set up from April 2018 it is expected that the Working Group will morph into the Hub's Operational Team. If you have any questions please do not hesitate to contact us.

Yours sincerely

Paul Bourgeois – Head of Sustainability

On behalf of:

Berkshire Thames Valley LEP

Buckinghamshire Thames Valley LEP

Coast to Capital LEP

Enterprise M3 LEP

Cambridgeshire and Peterborough Combined Authority/Greater Cambridge Greater Peterborough LEP

Hertfordshire LEP
London LEP
New Anglia LEP
Oxfordshire LEP
South East LEP
South East Midlands LEP

Project Lead Information Pro-forma

Name of person completed this pro-forma: Paul Bourgeois

Project Lead organisation name: Cambridgeshire and Peterborough Combined

Authority/Greater Cambridge Greater Peterborough LEP

LEP area:

Cambridgeshire, Peterborough, Rutland plus five districts in Norfolk, Suffolk, Hertfordshire and Essex

Accountable Body name (if appropriate): Cambridgeshire and Peterborough Combined Authority

Has the Section 151 Officer given approval: Yes

Address of the Project Lead organisation:

Unit 3, The Incubator, Alconbury Weald Enterprise Campus, Huntingdon, PE28 4WX

Principal contacts for Hub setup, finance and operational issues:

Paul Bourgeois (GCGP LEP) & Sheryl French (CCC)

SECTION 1: Finance

Please provide details of the operating cost model including:

Cost area Charging model

Flat on-cost rate or equivalent

Overhead rate of 15% on gross salary per person irrespective of grade. This rate includes access to accommodation, finance, procurement, recruitment and HR support.

Pension contribution rate

5% employers pension contribution into a person stakeholder pension scheme.

Initial IT hardware provision costs

The capital costs for the laptops will be needed upfront and a budget of £4,500 has been allocated. The set up of the software and mobilisation of the equipment is included in the IT support cost detailed below.

On-going IT support costs including software licences

The on going IT support package is £1,260 per person per year.

Telecoms costs

A budget of £3,840 pa has been allocated for mobile phone contracts.

Printing and photocopying costs (if not including in the on-cost rate)

Photocopying is included in the overhead cost but a designated printing budget of £3,000 pa has been allocated.

Any other relevant costs that will be charged to the Hub

A legal budget has been allocated of £9,000 pa to cover aspects such as procurement, contracts and general advice. A marketing and promotions budget of £2,400 pa and a meetings budget of £2,400

have both been allocated within the overall budget. Also a cost of living increase for year two of 2% has been incorporated into the overall cost model.

SECTION 2: Structure and Employment (max. 500 words)

Please provide:

- ☐ An explanation of where the Hub responsibility will reside within the organisation's structure;
- ☐ The name of the organisation's most senior person, with their designation, involved and approving the offer of Project Lead;
- ☐ What reporting lines will be put in place to support the Hub as an independently governed functioning unit;
- ☐ How could Hub staff be employed? e.g. Direct, permanent employees / Two-year contract employees / Seconded from another organisation / Sub-contractual arrangements with a 'Staff Host' organisation.

The Hub's principal responsibility will be with the Cambridgeshire and Peterborough Combined Authority, which will also act as accountable body for financial governance of the grant via its Section 151 Officer. Strategic support to the Hub will also come from the Energy Investment Unit based in Cambridgeshire County Council, led by the Director, Sheryl French, with the opportunity to hot desk and access meeting rooms at the central Cambridge offices.

The financial governance of the fund and delivery programme will be reported via the Cambridgeshire and Peterborough Combined Authority's Section 151 Officer. The employment, pay and pensions will be through the Cambridgeshire and Peterborough Combined Authority with support from the Head of Sustainability, Paul Bourgeois. Support and guidance will be provided by the Energy Investment Unit at Cambridgeshire County Council which has the experience of delivering energy projects, including EU funded project, and is a self funding unit. The existing tri-LEP Local Energy East Project Delivery Group will also be utilised to support the Hub team and ensure wider connectivity. The LEE project also has on-going connections with other LEPs and LAs within the Greater South East and further afield.

The Hub staff would be employed on two year contracts and/or seconded from other organisations at the recommendation of the Hub Board. Subcontracting arrangements will be explored for those staff host organisations wishing their local team member to be more integrated into their organisation. This will need to ensure that the salary and benefits are considered equitable to ensure parity across the Local Energy Hub team.

It is anticipated that the four Local Energy Managers would be aligned with small groups of LEPs to ensure geographical spread and connections to local expertise.

SECTION 3: Expertise (max. 500 words)

Please explain:

- ☐ The organisation's track record on local energy matters;

☐ Named individuals within the organisation who have knowledge and skills that can be used to support the Hub team;

☐ Any other relevant details.

GCGP LEP with its LEP neighbours New Anglia and Hertfordshire leads on the Local Energy East project, which covers a 34 local authority area within five counties. The project is creating a deep dive evidence base, stakeholder web-portal interface and will develop a Local Energy Investment and Delivery Strategy with its 300 plus stakeholder group for the tri-LEP area. This group includes public, private, third sector and academic representation. The project work is fundamental for the prioritisation across the wider Greater South East area with the other LEP local energy evidence bases and strategies produced. The Project Delivery Group comprises 24 energy and infrastructure specialists including a Distribution Network Operator. This team of experts can be repurposed for the wider Hub interest and are keen to afford their expertise to it. The LEPs Head of Sustainability, who has over 20 years of energy sector experience including private company and Community Interest Company set up and Directorships, would lead the set-up of the Hub supported by LEP and CCC staff.

The Energy Investment Unit at Cambridgeshire County Council has a strong track record in terms of designing and delivering projects and is acutely aware of the key barriers to delivery. The Unit has delivered 40 school energy retrofits totalling over £8million, retrofits for corporate assets totalling nearly £1million with all the energy efficiency measures, secured Contracts for Difference for a 12 MW solar farm which cost £10 million. It is now operational delivering £1million revenue per annum. The Unit has a loan facility of £30million and has agreed investment criteria with the County Council that apply to project investments. The Unit is now working on a new delivery programme including a Smart Energy Grid on a park and ride with a new commercial model for buying and selling energy locally, a new smart housing scheme, battery storage and new smart lighting. The Energy Investment Unit is self-financing. It has a 5-year business plan, which Cambridgeshire County Council supports through cash flow for the unit whilst income is grown. The intention is to build the team as projects are delivered over time moving to larger projects and scaling up investment. In addition the Unit will grow its support arrangements for local authorities entering the energy market now.

A high level budget plan has been constructed which allows for a Regional Director (£62k), Local Energy Manager – Deputy (£50k), three further Local Energy Managers (£45k), a Technical Data Analyst (£35k), Technical Finance Specialist (£30k) and a Technical Support Administrator (£25k). There is also a £200,000 consultancy budget over the two years to enable a framework of technical engineers to assist with feasibility studies and project design. A modest £10,000 per year contingency budget has also been allocated. The total cost of the proposal will not exceed the budget of £1.29m over two years.

SECTION 4: Connectivity (max. 500 words)

Please detail:

☐ What internal and external communication methods will be employed to ensure the Hub is fully supported by the organisation and its activities promoted across the Hub geography;

□ If there are any specific people within the organisation who will be utilised to support holistic connectivity please explain.

GCGP LEP utilises a wide range of physical and electronic communication methods, which have been utilised to ensure the Local Energy East project has been successful in reaching a wide group of stakeholders and continuously involves them as the project delivery progresses and evolves. The Head of Communications and Connectivity at the LEP is well versed in the LEE project and has been briefed about the Hub lead potential in order to offer advice during its set up as well as operation. The Marketing and Events Executive would also be utilised within the existing overheads cost rate. The LEP is used to managing and supporting home based workers and staff who infrequently visit the office. The LEP currently uses Dropbox Business as a modern work space solution but other project based systems will be considered such as Basecamp to provide holistic support to a geographically spread team.

Both the LEP and Cambridgeshire County Council have teleconferencing facilities such as Skype for business supplied via laptop for online meetings. There are video conferencing facilities available at County Council main offices that can be booked. The LEP also has video and telephone conference facilities. The LEPs IT support contractor is equally au fait with supporting remotely located staff should any update or IT issues arise.

SECTION 5: Post project sustainability (max. 500 words)

Please suggest any opportunities that you or your organisation believe could be created or utilised to ensure that the Hub becomes a viable, self financing team after the BEIS funding period of two years.

GCGP LEP through the Local Energy East project has already instigated succession planning, which before the Hub proposition was offered, was to be initiated to ensure that the investment and delivery of local energy infrastructure could be managed post BEIS funding. Alliances with third sector organisations and academic institutions have been set up allow specific expertise and match funding opportunities to be considered, applied for and secured. There are easily scalable for the Greater South East area and the models used lend themselves to similar organisations becoming involved from the wider area. Ultimately the LEE project's ambition is to set a special purpose vehicle or Multi Utility Service Company which would attract multi-million investment and derive a rate a return with which to financially sustain a Hub.

Cambridgeshire County Council already has experience growing and supporting its own energy investment unit. This experience will be helpful supporting the Local Energy Hub to become viable and there are option including merging the Local Energy Hub with the Energy Investment Unit at Cambridgeshire County Council or setting up arrangements with the Local Carbon Hub in Oxford or other mechanisms across the area. It will be important to ensure that a cohort of knowledgeable and experienced energy professionals can be retained post the two-year grant intervention to achieve the transformational change in delivery required.

The ambition is that a succession strategy for the post-project funding period would be a standing agenda item for the Hub Board so that financial and operational viability are considered from day one. As a succession back up plan both Cambridgeshire and

Peterborough Combined Authority/LEP and CCC would actively identify posts internally should some or all of the Hub staff not be sustainable after the two-year period. This would include all organisations allied to these two offering the maximum opportunity for Hub staff to be employed in this sector of work should they so wish.

b. Mapping local energy & utilities infrastructure for integrated spatial planning

Access to data and information by Local Energy Hubs that is contemporaneous and dynamic is fundamental to local and Hub wide investment and delivery decisions. There are many direct and indirect data sets relevant to the local energy agenda that collectively need to be considered when making strategic and project decisions. Housing growth and transport infrastructure improvements are heavily reliant on sustainable local energy provision. This research project will look at all aspects of infrastructure mapping and analysis employed by a range of organisations including LEPs through their local energy strategy work. In comparing and contrasting what is currently used, the types of data sets available, how frequently it is updated, how accessible it is and easy to feed into a data system a preferred national system for potential use by all Hubs would be formed. One key aspect of mapping is the level of granularity and how this is utilised with the data systems functionality. Strategic planners need detail to provide a robust, auditable reference point when making strategic land use decisions for example, therefore provenance is critical. The focus of this research project is to understand how to create a new, replicable model within one Hub area so that it can be potentially scaled up for national use. Certain elements anticipated to be crucial to a holistic mapping tool cut across Hub and LEP areas, e.g. DNO data. This further supports the need to work at the national level. This premise equally applies to BEIS being to understand and interrogate the national picture across all Hub areas but also to compare and contrast, and zoom in on specific aspects and areas. Consideration of non-data specific information such as local intelligence being fed into and utilised by users of a portal will also be considered.

The research and analysis is likely to comprise:

1. Investigate and collate direct and indirect spatial mapping projects and systems utilised by LEPs, LAs, Universities, Infrastructure Companies (e.g. water and energy distributors and suppliers), third and private sectors – April 2018 to July 2018;
2. Interrogate and contrast individual approaches and examine the interrelatedness of them and the potential to co-design an enhanced iteration of a system which integrates and enables a higher level of intelligence – August 2018 to October 2018;
3. Scope out (including costs and potential partners) and recommend a high-level framework proposal for a new mapping, analysis and modelling system that could be utilised by all five Hubs – November 2018 to December 2018;
4. Consult and engage all five Hub teams and immediate related stakeholders involved in Hub delivery as to the opportunities a national system would offer – January 2019 to February 2019;
5. Link and connect this research projects findings and recommendations with the other four work stream research projects – March 2019.

It is anticipated that the cost will be £31,000 and that the research will be led by an academic institution such as a University in collaboration with the Hub team

Annex 4 – Governance and reporting

Governance

Each region expected to establish a governance process, such as a regional board or steering group, which will enable all LEPs/lead local authorities in the region to oversee the activities of their Hub and be involved in decision-making.

BEIS will attend regional board or steering group meetings, and will also convene a monthly meeting with all of the regional leads, to monitor progress, ensure information sharing across the country, and address issues as they arise.

BEIS will establish a Local Energy project board with senior representatives from within the department and across Whitehall, which will be responsible for overseeing progress and decision-making on the Local Energy programme at the national level.

Reporting

Regular reporting will be undertaken through the following means:

- Project tracker, which will be kept up to date on an ongoing basis and reviewed at monthly meetings between regional leads and BEIS. BEIS will agree a template for this with the regional leads, the emphasis will be on a user-friendly format which is helpful for practical project management purposes and standardises text where possible.
- Risk register and issues log covering progress with hub set up and operation over time (not for individual projects). Standard templates to be provided by BEIS.
- Quarterly progress report: Summary of work completed in the quarter, outcomes in the form of KPIs, progress with implementation of the hub, working arrangements, risks and issues, any changes proposed.
- Annual progress report: Similar to quarterly report, but more comprehensive and outcomes focused.

We will agree templates for each of the above with the regional leads once they are in post.

BEIS Collection

Objective/activity	Information we want to obtain	KPIs Outputs, provided by hub	Outcomes, evaluated by BEIS	Method for collecting	Frequency
Identify and prioritise local energy projects for support, using LEP energy strategies as a starting point	Have all LEPs completed and signed off energy strategies funded by BEIS, and have they been shared or published?	% of energy strategies signed off % of energy strategies published or shared		Submission of completed energy strategies to BEIS	Once

Quarterly Progress Update

Objective/activity	Information we want to obtain	KPIs Outputs, provided by hub	Outcomes, evaluated by BEIS	Method for collecting	Frequency
Identify and prioritise local energy projects for support, using LEP energy strategies as a starting point	Has a long list of projects been prepared based on the energy strategies?	Yes/No, plus description as free text		Quarterly progress update	Once
Identify and prioritise local energy projects for support, using LEP energy strategies as a starting point	What process has been used to prioritise and select projects for support by the hub ? Why do these projects need support from the public sector?	Description as free text		Quarterly progress update	Once

Take a collaborative and coordinated approach across multiple LEPs	What, if any, strategic, collaborative projects across multiple LEP/local authorities projects have been identified for the region? Are any being supported by the hub?	Number of multi-LEP or local authority projects supported	Total value (£) of multi-LEP or local authority investments	Summary in progress report	Quarterly and annually
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Annual Progress Update

Objective/activity	Information we want to obtain	KPIs Outputs, provided by hub	Outcomes, evaluated by BEIS	Method for collecting	Frequency
Identify working model for teams to be financially self-sustaining after first two years	<p>Has a model been identified which allows the hub to continue beyond the period funded by BEIS?</p> <p>How will the hub be funded in future, from what sources?</p> <p>How has the case been made to secure this funding? Has it been signed off?</p>	Self-sustainability model identified, funding approved		Progress report	Annual

Take a collaborative and coordinated approach across multiple LEPs	Has a suitable governance approach been established which enables all LEP areas to oversee the activity of the hub and contribute to decision-making?	Yes/No		Summary included in progress reports BEIS attendance at steering group/board meetings Monthly meetings with regional leads	Quarterly and annually
Take a collaborative and coordinated approach across multiple LEPs	What kind of information is being shared between LEP areas and between regions? How has this benefited project delivery?	Number and type of documents and templates shared	Number and value of projects which have been progressed using shared information	Summary in progress report	Quarterly and annually

Project Tracker (Monthly)

Objective/activity	Information we want to obtain	KPIs Outputs, provided by hub	Outcomes, evaluated by BEIS	Method for collecting	Frequency
Identify and prioritise local energy projects for support, using LEP energy	What kind of projects have been prioritised and selected for support by the hub, how many, and what is the geographical coverage?	Number, type (eg technology), location (including postcode/spatial reference)		Derived from project tracker for each hub	Monthly

strategies as a starting point					
Undertake initial stages of development for priority projects and programmes, up to the stage where an investment decision can be made.	How many additional projects have received support from the hub, which would otherwise not have been taken forwards? What is their total value ?	Number and value (£) of projects which are being or have been supported by hub	Total value (£) of projects supported	Derived from project tracker Summary in progress reports	Monthly Quarterly and annual
Undertake initial stages of development for priority projects and programmes, up to the stage where an investment decision can be made.	For each additional project supported by the hub: <ul style="list-style-type: none"> - What kind of project is it? (eg what technology, infrastructure or service will be provided?) - Where is the project located? - Who are the project owners and main beneficiaries? - What stage was the project at when first put forwards for hub support? - Which stages have been completed with hub support? - What support has been provided? (eg staff time, technical, procurement or legal advice, stakeholder engagement, document templates) 	Description based on standard fields in the project tracker		Derived from project tracker	Monthly

Increase number and scale of local energy projects being delivered	How many additional projects will be delivered as a result of hub support?		Number of projects where a decision to proceed to procurement has been made as a result of hub support Total value (£) of projects which will proceed as a result of hub support	Project pipeline tracker, updated monthly Summary provided in progress reports	Monthly Quarterly and annually
Increase number and scale of local energy projects being delivered	For each of the projects delivered with direct support from the hub: <ul style="list-style-type: none"> - Is it a new project, or a continuation or extension of previous activity? - What would be happening without direct support from the hub? - What barriers has hub support helped to overcome? - Has support allowed the project to be scaled up or delivered more quickly? - Have any efficiencies been achieved as a result of hub support? Please quantify (e.g. by developing template documents for business cases or other 	Project status at outset and completion of hub support Description, free text		Project tracker Case studies for projects where hub involvement has been completed	Updated monthly Once, for selected project

	<p>analysis which can support similar projects in multiple locations, saving on project development costs)</p> <p>Were any opportunities identified to aggregate individual projects into larger programmes? If so, what efficiencies or improvements in commercial viability were achieved as a result (for example, by reducing unit costs due to economies of scale, saving money on project development costs compared to individual projects, or attracting a broader range of investors?)</p>				
<p>Enable local areas to attract private and/or public finance for energy projects</p>	<p>For each of the additional projects supported by the hub:</p> <ul style="list-style-type: none"> - What is the estimated project cost or procurement value (ie capital and any other implementation costs?) - Has funding been signed off? If so how much? - Of this, what proportion is public funding, private finance or a combination? Please be specific about the type and source of the funding (eg debt 	<p>Value and status including funding decision for each project</p>	<p>Total value of investment (£) facilitated by the hub</p> <p>Total value public funding (£) facilitated by the hub</p> <p>Total value private investment (£) facilitated by the hub</p>	<p>Project tracker</p> <p>Summary in quarterly and annual reporting</p> <p>Copy of business case, as and when completed for each project</p>	

	<p>or equity, grant provider/programme)</p> <ul style="list-style-type: none"> - How do any revenues or savings accrue to the public sector and or private investor and how will the initial investment be justified? - What is the rate of return for the project over what period, or benefit cost ratio if publicly funded? <p>How has hub support contributed to achieving sign-off?</p>				
Take a collaborative and coordinated approach across multiple LEPs	What arrangements are in place to enable team working and information sharing between individuals in hub teams, and between hubs?	Number of multi-LEP or local authority events held		Progress report	Quarterly and annually
Take a collaborative and coordinated approach across multiple LEPs	What kind of information is being shared between LEP areas and between regions? How has this benefited project delivery?	Number and type of documents and templates shared	Number and value of projects which have been progressed using shared information	Project tracker	Monthly
Take a collaborative and coordinated approach across multiple LEPs	What, if any, strategic, collaborative projects across multiple LEP/local authorities projects have been identified for the region? Are any being supported by the hub?	Number of multi-LEP or local authority projects supported	Total value (£) of multi-LEP or local authority investments	Project tracker	Monthly

Provide regional leadership and liaison with BEIS	Is BEIS attendance at steering group/board meetings being encouraged and facilitated by the regional lead? Are regional leads attending monthly meetings with BEIS and other regional leads?	% BEIS attendance at steering group / board meetings % regional lead attendance at monthly meetings		BEIS to assess, based on meeting minutes	Monthly, quarterly and annual
Provide regional leadership and liaison with BEIS	Is the project tracker, quarterly and annual reporting being updated and provided as expected?	Yes/No		BEIS to assess, based on meeting outcomes	Monthly, quarterly and annual

As produced &/or requested

Objective/activity	Information we want to obtain	KPIs Outputs, provided by hub	Outcomes, evaluated by BEIS	Method for collecting	Frequency
Identify and prioritise local energy projects for support, using LEP energy strategies as a starting point	Are there any outputs of that activity which could be shared with other areas for use on similar projects?	Number and type of documents and templates shared		Documents produced by hub to support project development	As and when available
Increase number and scale of local energy projects being delivered	What are the anticipated benefits of the additional projects which are being delivered with hub support? - Energy generated/saved - Carbon savings		Quantified benefits of projects being delivered with hub support (eg GVA, jobs, skills, energy bill savings, carbon saved, energy	Copy of business case, as and when completed for each project, which should be developed using HMT Green Book approved methods	As and when produced

	Other benefits including economic, environmental, social		generated, air quality)		
Take a collaborative and coordinated approach across multiple LEPs	Has a suitable governance approach been established which enables all LEP areas to oversee the activity of the hub and contribute to decision-making?	Yes/No		Terms of reference or similar for Hub Boards	Once
Take a collaborative and coordinated approach across multiple LEPs	What arrangements are in place to enable team working and information sharing between individuals in hub teams, and between hubs?	Description, free text		Progress report	Once
Take a collaborative and coordinated approach across multiple LEPs	What kind of information is being shared between LEP areas and between regions? How has this benefited project delivery?	Number and type of documents and templates shared	Number and value of projects which have been progressed using shared information to derive how project has benefited	Documents produced by hub to support project development	As produced and shared
Raise awareness amongst local decision makers and investors of opportunity for and benefits of local energy investment	What activities have been undertaken to raise awareness of the opportunities for and benefits of local energy investment? Who has this targeted?	Number of direct contacts, promotional activities, awareness raising events Description as free text	Increased awareness amongst key stakeholders including senior people like Chief Execs, board	Stakeholder management strategy and evidence of stakeholder engagement activity across the region.	As and when events held Quarterly and annually Annually

	<p>How has the hub reached out to local authority and LEP leaders or officers who are not actively engaged in the energy agenda?</p> <p>How many local authorities and LEPs have been contacted by the hub, attended events, or received direct support for project development from the hub?</p> <p>How has this impacted on awareness of the opportunities and benefits, particularly amongst senior people like Chief Execs, board members and financial directors?</p>		<p>members and financial directors</p> <p>Increase in investment in local energy projects</p>	<p>Event attendance records and evaluation forms.</p> <p>Summary in progress reports.</p> <p>Third party studies like the University of Edinburgh Local Authority Engagement in UK Energy Systems reports and a repeat of LEP and City Region benchmarking</p>	
Provide regional leadership and liaison with BEIS	Has a regional lead been appointed with responsibility for managing the hub and liaising with BEIS and other regions?	Yes/No		Progress report	Once
Provide regional leadership and liaison with BEIS	Has that regional lead successfully established relationships with lead contacts in each of the LEP areas and local authorities in the region?	% relationships established with LEPs and local authorities in region		Stakeholder management strategy and evidence of stakeholder engagement activity across the region (to	Once

				be included in quarterly reports)	
Provide regional leadership and liaison with BEIS	Has the regional lead got an overview of energy activity, priorities and projects across the whole region?	% of energy strategies completed and reviewed by regional lead		Regional energy overview suggested as initial output following review of LEP strategies	Once

ANNEX 5

RISK MANAGEMENT

This annex consists of

- A risk register to be completed by the Authority in relation to the specified risks and any other risks it believes are relevant to the scheme no later than 5 March 2018
- A risk rating matrix to assist with scoring risks; and
- An explanation of the risk rating colours

Risk register



Template - Risk
Register.xlsx

RISK RATING MATRIX

	PROBABILITY				
	≤5%	>5%, ≤20%	>20%, ≤50%	>50%, ≤80%	>80%
IMPACT LEVEL	1 - Very Unlikely: Highly improbable that it will occur during the lifetime of the project or activity	2 - Unlikely: Not probable that it will occur during lifetime of the project or activity	3 - Possible: Doubtful that it will occur during the lifetime of the project or activity	4 - Likely: Probable that it will occur during the lifetime of the project or activity	5 - Very Likely: High expectation that it will occur during the lifetime of the project or activity
5 - Crisis	MEDIUM	HIGH	HIGH	VERY HIGH	VERY HIGH
4 - Critical	MEDIUM	MEDIUM	HIGH	HIGH	VERY HIGH
3 - Significant	LOW	LOW	MEDIUM	HIGH	HIGH

2 – Marginal	VERY LOW	LOW	LOW	MEDIUM	MEDIUM
1 - Negligible	VERY LOW	VERY LOW	LOW	LOW	LOW

EXPLANATION OF RISK RATING COLOURS

	Risk rating is very low with it being extremely unlikely that the risk will occur and minimal consequences for the scheme if it should. Controls in place to mitigate the risk as low as is reasonably practical.
	Risk rating is low . There is either a strong probability of the risk occurring with minimal consequences for the scheme or a low probability of the risk occurring with significant consequences. Controls should be in place to mitigate the risk to this level but further action may be required should our tolerance for the risk be lower.
	Risk rating is medium . There is either a very strong probability of the risk occurring with minimal consequences for the scheme, a moderate probability of the risk occurring with significant consequences or a low probability of the risk occurring with fundamental consequences. Controls should be in place to mitigate the risk to this level but further action may be required should our tolerance for the risk be lower.
	Risk rating is high with either a very strong probability that the risk will occur with significant consequences for scheme or a low to moderate probability of the risk occurring with fundamental consequences. Controls should be in place but further action may be required, as a matter of urgency, to mitigate the risk to a more tolerable level. If the risk is outside our control then a contingency plan should be in place or developed in case the risk materialises.
	Risk rating is very high with a very strong probability that the risk will occur with fundamental consequences for the scheme. There are strong concerns among management that they no longer have the capacity to manage the risk effectively and that is therefore very likely to materialise. The risk needs to be escalated to the next level as a matter of urgency to consider what further action should be taken.

ANNEX 6

Grant claim form

SECTION 1 REQUESTER DETAILS	
AUTHORITY	
PURCHASE ORDER NUMBER	
CONTACT NAME	
TELEPHONE NUMBER	
EMAIL ADDRESS	

SECTION 2 CLAIM DETAILS	
BEIS LOCAL ENERGY SUPPORT TOTAL TO BE CLAIMED (as per table in MOU)	
DATE OF CLAIM	
<i>Claims may include VAT that the authority is not able to reclaim from HM Revenue & Customs or not likely to become able to claim</i>	

SECTION 6: SENIOR LOCAL AUTHORITY OFFICER'S DECLARATION
<p>I confirm that I have considered the Authority's proposal (copied as at Annex 3 of the MOU) against which this Grant claim is made, as well as the principles set out in the Memorandum of Understanding, and that:</p> <ul style="list-style-type: none"> a) The information and evidence pertaining to this Grant claim is complete, true and accurate b) We will comply with the principles set out in the Memorandum of Understanding <p>Signed</p> <p>Printed name</p> <p>Position</p> <p>Date</p>

ANNEX B

VARIATION TO MEMORANDUM OF UNDERSTANDING

Memorandum of Understanding (“the MoU”) Title: Local Energy Capacity Support 2017/18

Date of the MoU: 09/03/18

Between:

- (1) The Secretary of State for Business, Energy and Industrial Strategy (hereinafter called “the Secretary of State”); and
- (2) Cambridgeshire and Peterborough Combined Authority (hereinafter called “the Authority”)

Date of this Amendment: 26-03-19

1. The MoU is varied as follows:

Paragraph 7 is amended as follows:

Subject to the Authority meeting the commitments set out in Annex 1 the Secretary of State will grant the following funds to the Authority

	Original funding (from MoU dated 09/03/18)	Additional funding from variation to MoU	Total revenue funding
LOCAL CAPACITY ENERGY SUPPORT GRANT	£1,321,000	£700,000	£2,021,000

Paragraph 13 is amended as follows:

The Authority will be expected to have made commitments by 31st of March 2020 to spend all of the Grant.

Paragraph 51 is amended as follows:

The Authority’s day to day contacts with the Department on any working day by telephone or email between 9am and 5pm are:

NAME	EMAIL	TELEPHONE
Sviatlana Istamianok	Sviatlana.istamianok@beis.gov.uk	020 7215 5401

Paragraph 52 is amended as follows:

The Departments day to day contact for the Authority are:

	NAME	EMAIL	TELEPHONE
Primary contact	Robert Emery	Robert.emery@cambridgeshirepeterborough-ca.gov.uk	01480 277180
Secondary contact	Maxine Narburgh	maxine.narburgh@energyhub.org.uk	07395799475

A new Paragraph part c. to Annex 3 BEIS Objectives and Expected Outputs is inserted as set out in Annex A to this Variation.

2. Words and expressions in this variation shall have the meanings given to them in the MoU.
3. The MoU, including any previous variations, shall remain effective and unaltered except as amended by this variation.
4. The Authority will as soon as possible and by 26th of March 2019 at the latest provide the Secretary of State with two signed copies of this Variation to the MoU.
5. In addition, the Authority will as soon as possible and by 26th of March 2019 at the latest provide the Secretary of State with a signed copy of the section 73 officer declaration in the form set out in Annex 2 of the MoU and the completed grant claim form in the form set out in Annex 6 of the MoU.

SIGNED:

For: the Secretary of State

For: the Authority

By:
Ben Golding
Director, Energy Efficiency and
Local
22/03/2019

By:
Noel O'Neill
Interim S73 Officer
26/03/2019

RURAL COMMUNITY ENERGY FUND SECTION 31 GRANT DETERMINATION (2018/2019): No. 31/3660

The Secretary of State for Business, Energy and Industrial Strategy (“the Secretary of State”), in exercise of the powers conferred by section 31 of the Local Government Act 2003. Makes the following determination:

Citation

- 1) This determination may be cited as the Rural Community Energy Fund Determination (2018/2019) No. 31/3660.

Purpose of the grant

- 2) The purpose of the grant is to provide support to Cambridgeshire and Peterborough Combined Authority towards expenditure lawfully incurred or to be incurred by them, as outlined in the attached Memorandum of Understanding, attached in Annex B.

Determination

- 3) The Secretary of State determines as the authorities to which grant is to be paid and the amount of grant to be paid, the authorities and the amounts set out in Annex A.

Treasury consent

- 4) Before making this determination in relation to local authorities in England, the Secretary of State obtained the consent of the Treasury.

Acceptance

- 5) To accept this grant the receiving Combined Authority should send a letter to Ben Golding, Director, Energy Efficiency and Local, BEIS, 1 Victoria Street, London SW1H 0ET with wording included in Annex C.

Signed by authority of the Secretary of State for Business, Energy and Industrial Strategy
Ben Golding, Director, Energy Efficiency and Local (Department of Business, Energy and Industrial Strategy)

22nd March 2019

ANNEX A

Authorities to which grant is to be paid	Amount of grant to be paid
Cambridgeshire and Peterborough Combined Authority	£2,900,000

ANNEX B

This Memorandum of Understanding- Rural Community Energy Fund (“RCEF”) dated 26/03/2019 (this “MoU”)

is by and between:

**The Secretary of State for Business, Energy and Industrial Strategy (“BEIS”) and
The Cambridgeshire and Peterborough Combined Authority (the “Combined Authority”)**

each individually a **“Party”** and collectively the **“Parties”**

Background

1. The Department for Food, Agriculture and Rural Affairs (**“Defra”**) and BEIS (formerly the Department of Energy and Climate Change (**DECC**)) jointly established the RCEF on 28 June 2013. This was a £15m fund which aimed to support community energy projects in rural England.
2. Defra previously managed RCEF through its delivery partner, the Waste and Resources Action Programme (**“WRAP”**). However, it was agreed by the BEIS Minister Claire Perry and the BEIS Permanent Secretary in August 2018 that BEIS should take over the delivery of RCEF from Defra.
3. It was further agreed by the BEIS Permanent Secretary in February 2019 that the five (5) Local Energy Hubs, set up as part of the BEIS Local Energy Programme, would use the remainder of RCEF funding to further RCEF objectives.
4. Each Local Energy Hub will receive a proportion of the remaining RCEF funds (total remaining £9m), which will continue to be used to support rural community energy projects in England. Each Local Energy Hub has nominated a local authority to receive the funds on their behalf, this is because they are unable to receive funds under a section 31 agreement in their own right.

Definitions

“Greater South East Energy Hub” (also **“Local Energy Hub”** or **“the Hub”**) is a team who were established by the Combined Authority in 2018 to provide local energy capacity support across the South East region comprised of multiple LEP areas.

“Combined Authority” refers to the Cambridge and Peterborough Combined Authority.

“Hub Board” is the board which governs the work of the Local Energy Hub. The Hub Board comprises of representatives from Local Enterprise Partnerships and lead local authorities from the region, a BEIS official from the Local Energy team also attends.

Objective and Scope

5. The objectives of this MoU are to confirm the following with the Combined Authority:
 - a) How much of the remaining RCEF funds the Combined Authority will receive, via a section 31 agreement;
 - b) How the RCEF funds should be spent;
 - c) The governance process in which the Local Energy Hub will administer RCEF funds, including how applications will be reviewed and approved, and how the Hub will report to BEIS and Defra officials;
 - d) Key performance indicators (KPIs) which BEIS will use to measure the progress and impact of the RCEF funds on rural communities in the Local Energy Hub region; and

- e) Timelines and milestones for the delivery of the remaining RCEF funds.

The Grant

6. The Secretary of State for BEIS will grant the following funds to the Combined Authority in the financial year 2018/2019:

Nominated local authority	Amount of funding
Cambridgeshire and Peterborough Combined Authority	£2.9m

7. These funds have been apportioned based on the Defra Rural Population formula. The purpose of this formula is to provide a higher proportion of funds to Local Energy Hub regions with higher numbers of rural communities.¹

Use of the Grant

8. The Combined Authority are to use the Grant for the purpose of RCEF only. The RCEF scheme will be delivered by the Greater South East Energy Hub.
9. Without prejudice to any other provisions of this MoU, the Grant will not be used by the Combined Authority for the following purposes:
- a) To replace funding for an existing project, including staff costs for an existing project;
 - b) for activities of a political or exclusively religious nature;
 - c) in respect of costs reimbursed or to be reimbursed by funding from public authorities or from the private sector;
 - d) in connection with the receipt of contributions in kind (a contribution in goods or services as opposed to money);
 - e) to cover interest payments (including service charge payments for finance leases);
 - f) for entertaining (entertaining for this purpose means anything that would be a taxable benefit to the person being entertained, according to current UK tax regulations);
 - g) to pay statutory fines, criminal fines or penalties;
 - h) to pay for eligible costs incurred before this MoU has been signed by all Parties; or
 - i) in respect of Value Added Tax that the Combined Authority is able to reclaim from HM Revenue and Customs.

Underspend

10. If the Combined Authority does not use all of the Grant within the stipulated timescales:

¹ DEFRA's Rural Urban Classification defines areas as rural if they fall outside of settlements with more than 10,000 residents- https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/389779/RUCLAD2011_Methodology.pdf

- a) Both the Combined Authority and the Local Energy Hub will work with BEIS to agree how to spend any unspent Grant funding in line with the objectives of the Grant; and
- b) If there is no agreement on how to spend unspent Grant money, the funds will be returned to BEIS.

State Aid

- 11. The Combined Authority is to manage the distribution of the Grant to ensure compliance with the state aid rules.

Grant principles

- 12. RCEF is a scheme which provides funding to rural communities in England to develop renewable energy projects which provide economic and social benefits to the community.
- 13. The Combined Authority confirms that the Local Energy Hub will follow the principles below to deliver the RCEF programme:
 - a) Up to £150,000 of the funds have been allocated on the principle of hiring one member of staff to the Local Energy Hub for a minimum of two (2) years (travel and subsistence, learning and development and management costs are included within);
 - b) The Local Energy Hub will offer funding support to successful applicants to the RCEF fund in either of the following ways:
 - I. Stage 1 feasibility grants- of up to £40,000, allowing for inclusion of multi-technology projects; and
 - II. Stage 2 grants- of up to £100,000 for business development and planning of feasible schemes. Each community receiving funds would need to agree to provide (a) resources to Community Energy England for sharing across all new schemes; and (b) support to the Local Energy Hub on engaging other communities to develop a peer-to-peer support network to further build capacity at local level.

Timelines

- 14. The Combined Authority acknowledges the below milestones for when the Local Energy Hub is expected to deliver key activities for RCEF:
 - a) by June 2019- The Local Energy Hub is to open and publicise the scheme, including a timetable for grant application deadlines, and is to start raising awareness amongst local community networks.
 - b) by July 2019- the Local Energy Hub is to recruit staff to support the delivery and administration of RCEF or demonstrate that this is close to completion.
 - c) by September 2019- The Local Energy Hub is to have had at least one call for applications and made funding awards in line with local criteria.
 - d) March 2021- remaining RCEF funds are to be committed.
- 15. If there is a risk that the Local Energy Hub will not meet the milestones outlined above, the Combined Authority should highlight this risk to BEIS officials in the Local Energy Team, who will discuss with the Local Energy Hub and the Combined Authority the best way forward.

Governance

16. The Combined Authority confirms that the Local Energy Hub will use the Combined Authority's existing governance structures to deliver the RCEF scheme.
17. The existing Hub Board (or a subgroup thereof) will assess applications to the RCEF fund moving forward and will make final decisions for allocations. Membership of the Hub Board includes Local Enterprise Partnerships and lead local authorities from the region, a a BEIS official from the Local Energy team also attends.
18. When RCEF matters or applications are brought to the Hub Board the following stipulations are made:
 - a) A BEIS official should be present on the Hub Board to be able to represent the views of BEIS and ensure the criteria for the fund are being met; however, it is noted that they will not be able to vote, the reason being that this is local funding determined by local governance structures. The Hub Board should provide papers to BEIS officials for scrutiny before meetings;
 - b) Defra, as part financial contributors to the RCEF fund, may maintain oversight over the RCEF process and decisions of the Hub Board. If requested Hub Board papers should be provided to Defra; and
 - c) To guard against any conflicts of interest that could potentially arise through Combined Authority involvement with any application or project, the Hub Board must ensure that there are several local authorities represented on the application assessment panel.
19. The Local Energy Hub currently provides quarterly reports to BEIS on its activities and progress. Moving forward, the Local Energy Hub is to report on RCEF delivery through this process and show its performance against stipulated KPIs. This element of the reports will be made available to Defra for comment if they so wish.
20. BEIS will undertake an annual review of the scheme across the five (5) Local Energy Hubs. BEIS will provide Defra with the opportunity to respond to this review.

Key Performance Indicators (KPIs)

21. The Combined Authority acknowledges the KPIs included in Annex A for the RCEF programme moving forward; the delivery of the scheme by the Local Energy Hub will be reviewed against these. The KPIs aim to increase the outcomes of RCEF as delivered under WRAP. Only the KPIs for the number of Stage 1 and 2 grants awarded have been quantified. However, BEIS will monitor progress against all of the KPIs, to ensure there is sufficient delivery.
22. The KPIs for Stage 1 and Stage 2 grants were formulated by looking at national figures under WRAP delivery. These were then built upon, to ensure that RCEF moving forward is delivering increased outcomes, and apportioned to each Local Energy Hub based on the Defra Rural population formula (in the same way that the RCEF funds were apportioned).
23. The main priorities of the KPIs are to
 - a) increase the up-take of the RCEF scheme as previously delivered by WRAP;
 - b) increase the number of rural communities engaged as a result of funding;
 - c) monitor the impact on communities of projects funded, including but not limited to:
 - i. Jobs created;
 - ii. Volunteers engaged; and
 - iii. Megawatts produced.
24. The Local Energy Hub will report its progress on these KPIs in quarterly reports provided to BEIS. If the Combined Authority believes the Local Energy Hub will not meet the quantified KPIs, this will need to be raised with BEIS officials, who will discuss with the Combined Authority and the Local Energy Hub the best way forward.

Memorandum of Understanding Principles

Variation

25. This MoU may be varied solely by the written agreement of the Parties.

Confidentiality

26. Each Party will at all times respect the need to keep the other Party's confidential information confidential and not disclose it without the other Party's prior written consent, except where necessary for putting this MoU into effect and/or under any arrangements which the Parties have mutually decided or by operation of the law.

27. The Parties will liaise to agree lines to take in the event of enquiries from the media in connection with any joint action taken by them in the context of this MoU.

Legal Status

28. This MoU is not legally binding and therefore does not confer any legal rights on either Party or affect either Party's normal operations in carrying out its statutory, regulatory or other duties.

29. Notwithstanding, the Parties enter into the MoU intending to honour all of their commitments and obligations under it.

Signatures

Signed for and on behalf of the Secretary of State or Business, Energy and Industrial Strategy	Signed for and on behalf of the Cambridgeshire and Peterborough Combined Authority
Name: Ben Golding	Name: Noel O'Neill
Position: Director, Energy Efficiency and Local	Position: Interim S73 Officer
Date: 22/03/2019	Date: 26/03/2019

Annex A: KPIs for new delivery model

Stage 1 grants

- Number of projects funded at Stage 1
 - *The Greater South East Energy Hub is expected to fund at least **49** Stage 1 projects with their proportion of the remaining RCEF funding.*
- List of all Stage 1 projects, including:
 - Project name
 - Organisation type
 - Amount granted
 - Technologies to be used on site
- Number of new rural communities engaged*
- Total amount granted for Stage 1 projects

Stage 2 grants

- Number of projects funded at Stage 2
 - *The Greater South East Energy Hub is expected to fund at least **3** Stage 2 projects with their proportion of the remaining RCEF funding.*
- List of all Stage 2 projects, including:
 - Project name
 - Organisation type
 - Amount granted
 - Technologies to be used on site
 - Megawatts (MW) planned
 - Further investment secured
 - Jobs created
 - Volunteers engaged
- Match funding secured
- Community support provided
- Number of completed case studies
- Total amount granted for Stage 2 projects

Other

- Total MW planned
- Total MW built out

*Rural communities are defined as:

a) settlements below 10,000 residents- as defined in the Defra Rural-Urban Classification for Output Areas in England.²

b) communities within local authority areas which are classified as 'predominantly rural' by the Office of National Statistics.³

²https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/427114/RUCOA_leaflet_May2015.pdf

³ <https://www.gov.uk/government/statistics/2011-rural-urban-classification-of-local-authority-and-other-higher-level-geographies-for-statistical-purposes>

ANNEX C

Letter to Ben Golding on headed paper

Dear Ben

RURAL COMMUNITY ENERGY FUND GRANT

In my position as the Section [151/73- delete as appropriate] Officer for Cambridgeshire and Peterborough Combined Authority I confirm that:

1. Cambridgeshire and Peterborough Combined Authority will accept the grant funding that has been offered via Section 31 Grant Determination Letter No. 31/3660 and that the information and evidence pertaining to this grant claim is complete, true and accurate;
2. Cambridgeshire and Peterborough Combined Authority will ensure the RCEF scheme is delivered as set out in the Memorandum of Understanding in Annex B.

Please accept this letter as confirmation that Cambridgeshire and Peterborough Combined Authority would like to claim the full 2018/2019 grant amount of £2,900,000.

Yours sincerely

Name of Section 151/73 Officer

Cambridgeshire and Peterborough Combined Authority

ANNEX B

VARIATION TO MEMORANDUM OF UNDERSTANDING

Memorandum of Understanding ("the MoU") Title: Rural Community Energy Fund

Date of the MoU: 26/03/2019

Between:

The Secretary of State for Business, Energy and Industrial Strategy ("BEIS") and

Cambridgeshire and Peterborough Combined Authority (the "Combined Authority")

Date of this Amendment: 14th September 2019

1. This MoU is varied as follows:

Paragraph 6 is amended as follows:

2. The Secretary of State for BEIS will grant the following funds to the Combined Authority:

Nominated Local Authority	Original funding (from MoU dated 26/03/2019) – financial year 2018/2019	Additional funding from variation to MoU - financial year 2019/2020	Total revenue funding
Cambridgeshire and Peterborough Combined Authority	£2,900,000.00	£182,938.40	£3,082,938.40

Paragraph 7 is amended as follows:

3. The funds from the original MoU dated 26/03/2019 were apportioned based on the Defra Rural Population formula. The purpose of this formula is to provide a higher proportion of funds to Local Energy Hub regions with higher numbers of rural communities.¹ The funds from the variation to this MoU have been split evenly between the Local Energy Hubs as agreed with them.

Paragraph 13 is amended as follows:


4. The Combined Authority confirms that the Local Energy Hub will follow the principles below to deliver the RCEF programme:
 - a) Up to £230,000 of the funds have been allocated on the principle of providing human resource to the Local Energy Hub for a minimum of two (2) years (learning and development and management costs are also included); travel and

¹ DEFRA's Rural Urban Classification defines areas as rural if they fall outside of settlements with more than 10,000 residents- https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/389779/RUCLAD2011_Methodology.pdf

subsistence for RCEF related business; programme delivery and technical support/advice on complex applications.

- b) Spend on the above will be monitored by BEIS, any spend allocated for these purposes which isn't used must be put back into grant funding for that Local Energy Hub region.
- c) The Local Energy Hub will offer funding support to successful applicants to the RCEF fund in either of the following ways:
 - I. Stage 1 feasibility grants- of up to £40,000, allowing for inclusion of multi-technology projects; and
 - II. Stage 2 grants- of up to £100,000 for business development and planning of feasible schemes. Each community receiving funds would need to agree to provide (a) resources to Community Energy England for sharing across all new schemes; and (b) support to the Local Energy Hub on engaging other communities to develop a peer-to-peer support network to further build capacity at local level.

Signatures:

Signed for and on behalf of the Secretary of State or Business, Energy and Industrial Strategy	Signed for and on behalf of the Cambridgeshire and Peterborough Combined Authority
Name:	Name: 
Position: Director, Energy Efficiency and Local	Position: Head of Finance (S73)
Date: 02 September 2019	Date: 17/09/2019

SCHEDULE 6

CPCA ASSURANCE FRAMEWORK



**CAMBRIDGESHIRE
& PETERBOROUGH**
COMBINED AUTHORITY



THE BUSINESS BOARD

Cambridgeshire and Peterborough Combined Authority Assurance Framework

September 2019

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Document verification:

Created:	Reviewed by:	Approved by:
March 2019	Chief Executive, S73 Officer and Directors	Business Board Combined Authority Board Audit and Governance Committee
May 2019	Chief Executive, S73 Officer and Directors	Business Board Combined Authority Board

September 2019	Chief Executive, S73 Officer and Directors	Business Board Combined Authority Board
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Version number:	3
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1. Purpose of the Assurance Framework

1.1 Purpose

1.1.1. The Assurance Framework sets out:

- (a) How the seven principles of public life shape the culture within the Combined Authority in undertaking its roles and responsibilities in relation to the use and administration of the Cambridgeshire and Peterborough Investment, incorporating the Single Pot funding. This culture is developed and underpinned by processes, practices and procedures.
- (b) The respective roles and responsibilities of the Combined Authority, the Local Enterprise Partnership and the Section 73 Officer, in decision-making and ways of working is set out in the terms of reference of the Business Board and forms part of the Combined Authority and the Local Enterprise Partnership constitutions.
- (c) The key processes for ensuring accountability, including public engagement, probity, transparency, legal compliance and value for money.
- (d) How potential investments to be funded through the Cambridgeshire and Peterborough Medium Term Financial Plan, incorporating the Single Pot, will be appraised, prioritised, approved, signed off and delivered.
- (e) The processes for oversight of projects, programmes and portfolios and how the progress and impacts of these investments will be monitored and evaluated.

1.1.2. The Assurance Framework sits alongside a number of other Cambridgeshire and Peterborough Combined Authority documents including:

- the Constitution of the Mayoral Combined Authority;
<http://cambridgeshirepeterborough-ca.gov.uk/assets/Uploads/Final-Constitution-Sept18.pdf>
- the Constitution of the Business Board (Local Enterprise Partnership);
<http://cambridgeshirepeterborough-ca.gov.uk/assets/Uploads/Business-Board-Constitution-24-09-18-final.pdf>
- Cambridgeshire and Peterborough Devolution Deal
<http://cambridgeshirepeterborough-ca.gov.uk/home/devolution/>
- the Cambridgeshire and Peterborough Independent Economic Review (CPIER); www.cpier.org.uk
- Local Industrial Strategy;
<https://cambridgeshirepeterborough-ca.gov.uk/business-board/strategies/>
- the Mayor's growth ambition statement;
<http://cambridgeshirepeterborough-ca.gov.uk/assets/Uploads/GROWTH-AMBITION-STATEMENT-.pdf>
- the Cambridgeshire and Peterborough Business Plan 2019-2020;

<http://cambridgeshirepeterborough-ca.gov.uk/assets/Uploads/CPCA-Business-Plan-2019-20-dps.pdf>

- the Monitoring and Evaluation Framework;
<http://cambridgeshirepeterborough-ca.gov.uk/assets/Uploads/ME-Framework-Mar-2019.pdf>
- the Combined Authority Medium-Term Financial Plan 2019-2023.
<http://cambridgeshirepeterborough-ca.gov.uk/assets/Uploads/2019-20-Budget-and-Medium-Term-Financial-Plan-2019-2023-FINAL.pdf>

1.1.3. All these documents can be found on the Combined Authority and Business Board websites under

<http://cambridgeshirepeterborough-ca.gov.uk/about-us>

<http://cambridgeshirepeterborough-ca.gov.uk/business-board/governance/>

1.1.4. This Assurance Framework replaces the last published Assurance Framework and takes on board the national guidance published by the Ministry of Housing, Communities and Local Government for National Local Growth Assurance Framework (January 2019).

1.1.5. The Assurance Framework covers all funds within the Cambridgeshire and Peterborough Medium Term Financial Plan, incorporating the Single Pot under the Cambridgeshire and Peterborough Devolution Deal agreed with government, and funds added to the Single Pot since the Devolution Deal, together with other sources of income such as Enterprise Zone business rates and loan repayments.

1.1.6. The Assurance Framework will be reviewed on an annual basis with any revisions in place for April of the following year. Any agreed changes that require amendments to the Combined Authority Constitution will be agreed at the Combined Authority AGM in May each year. The next annual review of this document will take place in December 2019. **Where potential changes result in significant divergence from the approved local assurance frameworks, adjustments must be agreed by Ministry of Housing, Communities and Local Government for Communities and Local Government (MHCLG) as set out in the National Local Growth Assurance Framework guidance.**

1.1.7. The review will examine whether the assurance processes are operating effectively and identify any areas of improvement. Any changes to legal, funding, or other contextual changes that might require a change of assurance process will be taken into account, along with the impact on any other Combined Authority key strategies, policies or processes.

1.1.8. The remainder of this document is structured around the following sections:

- **Section 2** describes the Cambridgeshire and Peterborough CPIER and the Mayor's growth ambition statement, our One Year Business Plan 2019-2020 and clarifies the content of Cambridgeshire and Peterborough Medium Term Financial Plan and the role of the Assurance Framework.
- **Section 3** describes the accountability and transparent decision-making processes and practices that we operate and the roles and responsibilities within it.
- **Section 4** describes the supporting policies and procedures.

- **Section 5** describes how we make robust and evidenced decisions.
- **Section 6** explains the processes once programmes and projects are in the delivery phase.
- **Section 7** explains how we will measure the success of our investments, realise the benefits of that investment and feed the evaluation outcomes back into the investment planning, and strategy and policy development processes.

2. Cambridgeshire and Peterborough Independent Economic Review, Mayor's Growth Ambition Statement and Business Plan 2019-2020

2.1 Cambridgeshire and Peterborough Growth Ambition Statement and Local Industrial Strategy

- 2.1.1. The Cambridgeshire and Peterborough Mayor's Growth Ambition Statement sets out the area's priorities for achieving ambitious levels of inclusive growth and meeting the commitments of the Devolution Deal. The Statement has been adopted by the Combined Authority Board (November 2018) and is based upon the significant work of the Cambridgeshire and Peterborough Independent Economic Review (CPIER).
- 2.1.2. The CPIER was commissioned by the Combined Authority and other local partners to provide a world-class evidence base, alongside independent and expert analysis, to inform future strategies and investment. It was also informed by two rounds of open public consultation. The CPIER is publicly available at www.cpier.org.uk.
- 2.1.3. The [Local Industrial Strategy](#) sets out the economic strategy for Cambridgeshire and Peterborough, taking a lead role in implementing the business growth, productivity, and skills elements of the Growth Ambition Statement as set out below:



- 2.1.4. The Local Industrial Strategy is focussed around the five foundations of productivity established in the UK Industrial Strategy 2018, namely:
- People
 - Ideas
 - Business Environment
 - Infrastructure
 - Place
- 2.1.5. It is a core principle of the Local Industrial Strategy that the fifth foundation of place reflects the findings of the CPIER. In this area there will be economic

strategies which respond to the three sub-economies identified in the region.

- Greater Cambridge
- Greater Peterborough
- The Fens

2.1.6. Investments will only be made if they can demonstrate that they will support the delivery of the Growth Ambition Statement and the Local Industrial Strategy, and the more detailed place and sector strategies (where they are in place).

2.2 Cambridgeshire and Peterborough Business Plan 2019-2020

2.2.1. With the creation of the Combined Authority in 2017 and the Mayoral election in May 2017, the Devolution Deal with Government provides for the transfer of significant powers for transport, housing, skills and investment. Through the deal, the Combined Authority has the power to create investment, bringing together funding for devolved powers to be used to deliver a 30-year programme of transformational investment in the region. This includes the control of a new £20m a year funding allocation over 30 years. The initial Cambridgeshire and Peterborough Combined Authority Business Plan was agreed in March 2018 and set out the investment priorities for the period to 2020.

2.2.2. The Combined Authority has been developing its detailed strategies for key areas of activity including:

- Housing Strategy
- Local Industrial Strategy
- Local Transport Plan
- Non-statutory spatial plan

2.2.3. The Combined Authority has 12 priority programmes based upon the CPIER objectives and the strategies highlighted above. These 12 priority programmes are reflected in the Business Plan. On 30th January 2019 the Cambridgeshire and Peterborough Combined Authority Board approved a four-year Medium-Term Financial Plan that forms the investment plan for the Combined Authority. This allocates resources to deliver the next stages of these priority programmes.

2.2.4. This Business Plan and the Medium-Term Financial Plan sets out at a high level the transformational investments that the Cambridgeshire and Peterborough Combined Authority will commit resources to, subject to the detailed consideration and appraisal of project business cases. Some are project ideas at an early stage and might not be feasible, others are further advanced. The Business Plan and the Medium-Term Financial Plan are not intended to be an exhaustive list of activity as new opportunities will arise during the period, but it identifies the key activities that are transformational and will need investment during the plan period to unlock the opportunities they could bring. Prioritisation has been undertaken to ensure that our investment goes into projects that will unlock transformational anchor projects that will have a significant impact on growing the whole Cambridgeshire and Peterborough economy.

- 2.2.5. The Combined Authority has a Programme Management regime that reviews the status and performance of projects within the Business Plan. This is reported to the Directors once a month, and to the Cambridgeshire and Peterborough Combined Authority Board quarterly.

2.3 Cambridgeshire and Peterborough Financial Strategy

- 2.3.1. As part of the devolution deal, the Combined Authority has responsibility for a 'Single Pot' of funding, including:
- Gainshare (the devolution deal £20m pa for 30 years).
 - Housing Capital Grant (£170m over five years).
 - Local Growth Fund (LGF).
 - Transforming Cities Fund (TCF) (£94.5m over six years).
 - Adult Education Budget (AEB).
- 2.3.2. However, the Combined Authority also has other sources of income, including Enterprise Zone business rates and investment income. The long-term security of the gainshare funds and other income and the devolution deal powers for the Combined Authority means that it is able to borrow against future funds, to enable us to deliver transformational activity sooner rather than delivering smaller scale and less impactful activities based on a smaller annual allocation. This area of activity is incorporated into a Treasury Management Strategy that is overseen by Audit and Governance Committee. Borrowing is not factored into the current four-year plan, but this may change as the feasibility work identified firms up project delivery programmes.
- 2.3.3. The Combined Authority does not distinguish between the different sources of funding for the purpose of investment planning, other than recognising that some sources of funding are restricted in what they can be used for. All funds are within the Cambridgeshire and Peterborough Medium Term Financial Plan not just the funds provided through the devolution deal and are covered within this Assurance Framework.
- 2.3.4. The Combined Authority recognises that the monitoring requirements for different sources of funding will differ and needs to meet the requirements of the funding body. However, the Combined Authority applies the Assurance Framework consistently across all funds within the Plan. The Assurance Framework clearly identifies the processes for securing funds for investment in Cambridgeshire and Peterborough and the requirements placed on delivery partners once their projects have been approved.
- 2.3.5. This means that any organisation seeking funding from the Combined Authority does not need to concern itself with the source of the funding and different rules and processes that will apply. These will be identified in the funding agreement/contract with the delivery partner.

3. Accountability and Transparent Decision Making

3.1 Roles and Responsibilities

- 3.1.1. Members of the Combined Authority are expected to act in the interests of the Cambridgeshire and Peterborough area, as a whole, when making investment decisions. A variety of controls are in place to ensure that decisions are appropriate and free from bias or perception of bias. Further details are provided in the following sections.

3.2 Cambridgeshire and Peterborough Combined Authority

- 3.2.1. The Combined Authority was established to further the sustainable and inclusive growth of the economy of Cambridgeshire and Peterborough. As a statutory local authority our governance, decision-making and financial arrangements are in line with local authority requirements and standard checks and balances. **The Combined Authority will act in a manner that is lawful, transparent, evidence based, consistent and proportionate.**
- 3.2.2. The Combined Authority was established in 2017 with the Mayoral election held in May 2017.
- 3.2.3. For the purposes of this document all references to the Combined Authority apply to the Cambridgeshire and Peterborough Local Enterprise Partnership (known as the Business Board) unless explicitly referred to separately.
- 3.2.4. The Combined Authority therefore incorporates the role and responsibilities of the Business Board and the roles defined in the devolution deal and the administration of the Adult Education Budget.
- 3.2.5. The Combined Authority is its own accountable body for funding received from Government through the devolution deal and provides the accountable body role for the Business Board and the Greater South East Local Energy Hub and employs the officers that support them.

Combined Authority Membership

- 3.2.6. The Combined Authority membership is as follows:

Mayor (Chair) - voting

Leaders of the seven constituent local authorities:

- Cambridge City Council - voting
- Cambridgeshire County Council - voting
- East Cambridgeshire District Council - voting
- Fenland District Council - voting
- Huntingdonshire District Council - voting
- Peterborough City Council - voting
- South Cambridgeshire District Council - voting
- Local Enterprise Partnership Chair - voting
- The Police and Crime Commissioner for Cambridgeshire - non-voting
- Cambridgeshire and Peterborough Fire Authority representative - non-voting

- Clinical Commissioning Group representative - non-voting

Role of the Mayor

- 3.2.7. The Constitution provides for a directly elected Mayor of Cambridgeshire and Peterborough, required by government as a precondition for meaningful devolution, and who is the chair of the Combined Authority. The Mayoral arrangements will only gain the confidence of the electorate if they secure support from across our diverse communities, meet the highest standards of democratic accountability and are subject to robust checks and balances.
- 3.2.8. The Mayor chairs the Combined Authority Board which is made up of the leaders of the seven constituent authorities and the Chair of the Business Board, who together form the Combined Authority's decision-making body (voting members of Board), together with other non-voting partners set out above.
- 3.2.9. The Constitution sets out arrangements to ensure the effective conduct of the Combined Authority's business in this spirit of collaboration, mutual respect and transparency. All members strive to work on the basis of consensus, taking decisions through agreement.
- 3.2.10. The Mayor has a lead role in allocating gain share funding. Mayor's Growth Ambition Statement sets out the area's priorities for achieving ambitious levels of inclusive growth and meeting the commitments of the Devolution Deal. These priorities also form the basis of the Business Plan and the Medium Term Financial Plan. The Mayor also produces his own budget each year which ensures he has appropriate support and advice on delivering the Devolution Deal commitments.**
- 3.2.11. The Mayor has general powers as set out in Chapter 3 of the Constitution, including the power to pay a grant to Cambridgeshire County Council and Peterborough City Council to meet expenditure incurred by them as highways authorities**
- 3.2.12. The Mayor's term of office is for four years with the next election in May 2021.

Role of the Local Authority Leaders

- 3.2.13. Leadership of the Combined Authority is driven by the Mayor and the local authority leaders. The local authority leaders represent the views of their constituent authorities at the Combined Authority Board whilst putting the needs and opportunities of Cambridgeshire and Peterborough at the forefront of all decisions. In addition, they may take a portfolio lead covering the growth themes within the CPIER and the Mayor's growth ambition statement and the Cambridgeshire and Peterborough Investment Plan. These portfolio lead roles are reviewed annually and are confirmed at the Combined Authority AGM.

3.3 Business Board (LEP)

- 3.3.1. Local Enterprise Partnerships (LEPs) are private sector led voluntary partnerships between local authorities and businesses set up in 2010 by the Department of Business Innovation and Skills to help determine local economic priorities and lead economic growth and job creation within the local area.

- 3.3.2. The Business Board is a non-statutory body which is the Local Enterprise Partnership for this area. It is independent of the Cambridgeshire & Peterborough Combined Authority (CPCA) operating as a private-public sector partnership, focusing on the key business sectors to provide strategic leadership and drive growth in the Cambridgeshire and Peterborough and wider Local Enterprise area.
- 3.3.3. The Business Board is committed to transparent and accountable decision-making processes. By bringing together the Business Board and the Combined Authority we combine the best of private sector expertise and public sector knowledge, transparency and accountability.
- 3.3.4. Cambridgeshire and Peterborough has three functioning economic areas. The Business Board was established on 1st April 2018, taking over from the former Greater Cambridge Greater Peterborough Local Enterprise Partnership, to drive forward economic growth across its local area. The Business Board is now responsible for all former Local Enterprise Partnership projects and programmes. A joint statement setting out the respective roles of the Business Board and the Cambridgeshire and Peterborough Combined Authority is shown in Appendix 1.
- 3.3.5. The Business Board currently covers 15 local authorities; however, the current geographical area is under review. The Department for Business Enterprise and Industry are considering proposals for a coterminous boundary with the Cambridgeshire and Peterborough Combined Authority. The authorities that are current members are as below:

District	Areas	Council
Cambridgeshire		Cambridgeshire County Council
Cambridge		Cambridge City Council
East Cambridgeshire	Ely, Littleport and Soham	East Cambs District Council
Fenland	Wisbech, March, Whittlesey & Chatteris	Fenland District Council
Huntingdonshire	Huntingdon, St Ives & St Neots	Huntingdonshire District Council
South Cambridgeshire	Cambourne	South Cambs District Council
Peterborough		Peterborough City Council
North Hertfordshire	Royston	North Hertfordshire District Council
South Kesteven (Lincs)	Grantham, Stamford, Bourne and Market Deeping	South Kesteven District Council
Rutland	Oakham	Rutland County Council
West Suffolk	Bury St Edmunds, Haverhill, Newmarket and Mildenhall	West Suffolk Council
Uttlesford (Essex)	Saffron Walden, Great Dunmow, Stansted, Mountfitchet and Thaxted	Uttlesford District Council
West Norfolk & King's	King's Lynn, Downham	BC of King's Lynn and West

Lynn	Market and Hunstanton	Norfolk
South Holland (Lincs)	Spalding, Crowland, Donington, Holbeach, Long Sutton and Sutton Bridge	South Holland District Council

- 3.3.6. The Business Board's current area is set out below. The red line denotes the area covered by the Cambridgeshire and Peterborough Combined Authority:



- 3.3.7. The Business Board is the principal forum for collaboration between the public and private sectors, for improving the economy of Cambridgeshire and Peterborough. In 2014, the Government announced the first wave of Growth Deals, making investment via its Local Growth Fund. To date, the Business Board (via the former Local Enterprise Partnership) has been awarded £146m via three rounds of Growth Deal funding allocations.
- 3.3.8. In April 2016, the Government reviewed Growth Deal Assurance Frameworks in the context of new Devolution Deals and issued Single Pot Assurance Framework Guidance for devolved areas. In July 2016, Cambridgeshire and Peterborough secured a Devolution Deal and began work to set up a new Combined Authority. Therefore, this new Guidance came into effect for the Business Board area from that date. In November 2016, the Government issued revised national guidance for Local Enterprise Partnership Assurance Frameworks. The Cambridgeshire and Peterborough Combined Authority was formally established on 2 March 2017.
- 3.3.9. The Cambridgeshire and Peterborough Combined Authority acts as the Business Board's Accountable Body to undertake the public funding accountability responsibilities for administering funds and must also review and approve this Framework.
- 3.3.10. The Business Board provides leadership in the arena of economic growth across its area. Comprising business leaders from key industry sectors, it provides expert knowledge and insight into economic growth-related activities in its area and leads the development of the Industrial Strategy.

- 3.3.11. The Business Board is building on the strength of its existing partnership with neighbouring Local Enterprise Partners by collaborating on common issues and is currently leading on multi Local Enterprise Partnership programmes on Energy and Agri-Tech. It will continue to work collaboratively across the wider region and also envisages working more closely with other Local Enterprise Partners that are outside the current Local Enterprise Partnership area potentially through new collaborations and funding agreements.
- 3.3.12. The Business Board comprises a blend of industry leading experts from the private sector, alongside representatives from the public sector and education communities. It is chaired by a private sector representative and brings together some of the brightest entrepreneurial minds in our area.
- 3.3.13. The Chair and Vice Chair of the Business Board are private sector representatives. The Chair will lead on building the reputation and influence of the area at a national and international level and chairs Business Board meetings. The Chair is also a voting member of the Cambridgeshire and Peterborough Combined Authority Board. The Vice Chair will be available to deputise for the Chair as required.
- 3.3.14. The Business Board has a designated a small business (SME) representative, who will lead the engagement with small businesses across the area and represents their views at Board level. Given the makeup of the local business community, this is a vital role on the Board.
- 3.3.15. All of the Board Members operate in an open and transparent manner and conduct themselves in accordance with 'The Seven Principles of Public Life' otherwise known as the Nolan Principles, and the Business Board's Code of Conduct.
- 3.3.16. The Business Board is committed to diversity and has a Diversity Statement in place to help guide Board appointment decisions.
- 3.3.17. The Business Board's Executive Team is provided via the Cambridgeshire and Peterborough Combined Authority officer structure, who operate as a single team for the Combined Authority and the Business Board. This includes an experienced Chief Executive, S73 Officer, Monitoring Officer, Directors, Programmes Managers, Assurance Manager and others to ensure that the organisation is run in a proactive, impact driven and fully compliant manner.
- 3.3.18. The other public and private sector members of the Local Enterprise Partnership support the Combined Authority's work by:
- Supporting and offering advice to the Combined Authority on their responsibilities.
 - Championing and promoting specific initiatives from the perspective of business.
 - Influencing the development of the Combined Authority's strategies and policies, including as lead organisation for the development of the Local Industrial Strategy at the invitation of the Combined Authority.

- Representing the Cambridgeshire and Peterborough nationally and internationally.
- Ensuring a strong business influence over decision-making.
- Supporting the development and delivery of the CPIER and the Mayor's growth ambition statement.

3.3.19. Cambridgeshire and Peterborough are an active member of the national Local Enterprise Partnership Network and will continue to be so. This includes participation in both Local Enterprise Partnership Chair and officer level meetings.

3.3.20. **Enterprise Zones:** The Business Board retains strategic oversight and governance of the Enterprise Zones, and delegates programme delivery to the Alconbury Weald Enterprise Zone Programme Board and Project Boards for Cambridge Compass Enterprise Zones. These Boards will drive forward the regeneration and economic growth opportunities of Enterprise Zone sites and will be responsible for reporting to both the Business Board and Combined Authority Board as the accountable body.

3.3.20 These Enterprise Zone Boards comprise of Combined Authority officers, Local Authority representatives and key stakeholders. Each is responsible for delivering the programmes and projects associated with the regeneration and development of the Enterprise Zone site.

3.3.21 **The Eastern Agri-Tech Growth Initiative & Agri-Tech Programme Board:** The Eastern Agri-Tech Growth Initiative is overseen by the Eastern Agri-Tech Programme Board. Membership of the Programme Board includes experts with experience and knowledge of agriculture and the food industry, including research, farming and food processing.

3.3.22 The Programme Board's main task is to consider and make decisions on applications for grant support. All applications are initially appraised by external independent assessors and follow the process that was previously agreed. Copies of the Eastern Agri-Tech Growth Initiative Guidance Notes and Pre-Qualification Questionnaire (the simple eligibility form) can be found on the Combined Authority and Business Board website using the following link:

<http://cambridgeshirepeterborough-ca.gov.uk/business-board/eastern-agri-tech-growth-initiative/>

The Eastern Agri-Tech Growth Initiative has its own monitoring and evaluation arrangements but these do link to the Combined Authority monitoring and evaluation framework.

3.3.23 Agri-Tech is one of our strategic growth sectors identified by the CPIER; our ambition is to use the Local Industrial Strategy to step up our programme to ensure we are the "go to" UK centre for Agri-Tech. Agri-Tech also features within our Skills Strategy.

3.3.24 It was recommended by the Business Board and agreed by the Combined Authority Board at their respective meetings in November 2018 that the Eastern Agri-Tech Programme Board should continue to take decisions about applications for grant funding on behalf of both the Combined Authority and NALEP (both

organisations are represented on the Programme Board); that the Programme Board became a sub-Board of the Business Board and that a member of the Business Board (nominated by the Business Board) became the Chair of the Programme Board. This would strengthen existing governance arrangements and provide continuity between the two Boards. The agenda and decisions of the Programme Board would be published on the Combined Authority/Business Board web site (with names of individuals redacted) in accordance with the transparency arrangements set out in the Business Board constitution. This will ensure that the operation of the Agri-Tech programme is consistent with the Assurance Framework for the Business Board and Combined Authority. The Cambridgeshire and Peterborough Combined Authority is the Accountable Body for the Eastern Agri-Tech Growth Initiative.

The Programme Board's Secretariat is provided by the Cambridgeshire and Peterborough Combined Authority's Agri-Tech Project Officer, who is a very experienced programme manager and ensures that the Programme Board operates effectively, that its decisions are sound and that the Eastern Agri-Tech Growth Initiative is successful and delivers meaningful outcomes.

- 3.3.25 The Terms of Reference (TOR) for the Eastern Agri-Tech Programme Board have been agreed and appear on the Combined Authority/Business Board web site. The TOR can be seen CA/Business Board website using the following link:

<http://cambridgeshirepeterborough-ca.gov.uk/business-board/eastern-agri-tech-growth-initiative/>

- 3.3.26 **The Greater South East Energy Hub & Energy Hub Board:** The Energy Hub is funded by the Department for Business, Energy & Industrial Strategy (BEIS) and overseen by the Hub Board. Membership of the Hub Board includes an officer representative from each of the eleven Local Enterprise Partnerships served by the Hub.

- 3.3.27 The Hub Board is the strategic body responsible for taking decisions on Energy Hub business and programme activity. The Hub Board's main task is to approve the allocation and leverage of funds for the Local Energy Capacity Support Programme. The Hub Board are responsible for oversight of the Rural Community Energy Fund (RCEF) Funding Panel, a Hub Board subordinate body that makes decisions on grant applications. All applications are initially appraised by external independent assessors and follow the process agreed with BEIS. Copies of the RCEF guidance notes and Expression of Interest form can be found on the RCEF website using the following link:

<http://cambridgeshirepeterborough-ca.gov.uk/business-board/energy-hub/>

The Energy Hub has its own project assessment frameworks, monitoring and evaluation arrangements but these do link to the Combined Authority monitoring and evaluation framework.

- 3.3.28 Clean growth is one of the Grand Challenges in the Industrial Strategy. The transition to local low carbon energy is set out in the Local Energy East Strategy and the CPIER recognises the need for a roadmap to decentralised smart energy systems.

- 3.3.29 The Business Board and the Cambridgeshire and Peterborough Combined

Authority Board have agreed that the Combined Authority would be the Accountable Body for the Energy Hub and that the Energy Hub would assume the RCEF management role and administer the Fund. They also agreed the Hub Board terms of reference recognising it as a decision-making body for the Hub.

- 3.3.30 The agenda and decisions of the Hub Board will be published on the Combined Authority/Hub Board web site (with names of individuals redacted). This will ensure that the operation of the Energy Hub is consistent with the Assurance Framework for the Business Board and Combined Authority. The Cambridgeshire and Peterborough Combined Authority Board is the Accountable Body for the Energy Hub Initiative.
- 3.3.31 The Programme Board's Secretariat is provided by the Cambridgeshire and Peterborough Combined Authority's Regional Energy Hub Manager, who ensures that the Hub Board operates effectively, that its decisions are sound and that the Greater South East Energy Hub is successful and delivers meaningful outcomes.
- 3.3.32 The Terms of Reference (TOR) for the Hub Board have been agreed and appear on the Combined Authority/Energy Hub web site. The TOR can be seen Combined Authority/Energy Hub website using the following link:

<http://cambridgeshirepeterborough-ca.gov.uk/business-board/energy-hub/>

Membership of the Business Board

- 3.3.33 The Business Board has been reviewing its membership in response to the national Local Enterprise Partnership review (Mary Nay, 2017) and government's response "Strengthened Local Enterprise Partnerships" (July 2018). The current membership (September 2018) comprises of nine members, which includes two public sector members and up to seven business representatives as follows:
- The Mayor and the Portfolio for Economic Growth of the Cambridgeshire and Peterborough Combined Authority shall be non-voting members of the Business Board by virtue of their office. Thus ensuring close working relationship between the Combined Authority and the Business Board.
 - Seven private sector members appointed from amongst the key sectors across the Cambridgeshire and Peterborough area.
 - One of the seven private sector members is appointed specifically to represent the interests of the Small and Medium Sized Enterprises (SME) sector, one member represents the education sector and one member is appointed as an international business representative.
- 3.3.34 The Business Board membership meets the requirements for two thirds of the members to be private sector representatives and does not exceed the maximum of 20 members.¹
- 3.3.35 Whilst all appointments to the Business Board have been made on merit, in accordance with Government requirements the Business Board will aim to improve the gender balance and representation of those with protected

¹ Strengthening Local Enterprise Partnerships, MHC&LG, July 2018

characteristics on its board with the following aims:

- That women make up at least one third of Business Board by 2020.
- With an expectation for equal representation by 2023.
- Ensure its Board is representative of the businesses and communities they serve.²

3.3.36 The Business Board will regularly review its agenda balance on the Business Board and any committees.

3.3.37 The Business Board Constitution sets out its role, the principles of membership and the terms of office.

- The term of office for **private sector representatives** will normally be a maximum of three years, and subject to a maximum of one consecutive term.
- The term of office of **public sector** members appointed by the Combined Authority is at their discretion; the Mayor is a member by virtue of his office.

3.3.38 The Business Board may appoint **up to five** co-opted members as necessary to complement the skills and expertise on the Board or to meet gender balance and protected characteristic requirements. Membership may not exceed 20 members and up to five co-opted members.

3.3.39 Private sector members all have expertise and knowledge of our key sectors. These details together with their biographies are published on the Business Board website. This will include a designated SME representative.

Chair and Vice-Chair of Business Board

3.3.40 The Constitution requires that the Chair and Vice-Chair must be the private sector representatives of the Board.

3.3.41 The terms of office of the Chair will be for two (2) years with one consecutive term permitted upon unanimous vote of the Board members present and voting.

3.3.42 The Chair is a voting member of the Cambridgeshire and Peterborough Combined Authority Board.

3.3.43 “Strengthened Local Enterprise Partnerships” stipulated a maximum membership of 20 members with 2/3rds from the private sector and to aim to have a 50/50 gender balance by 2023. The Business Board aims to have a 50/50 gender balance by 2020 through the advertisement and appointment of new private sector members to sit on the Board and the appointment of co-opted membership. A recruitment campaign will be undertaken in 2019 for three new members to ensure gender balance and to ensure all members’ term of office does not end at the same time thus ensuring succession planning.

3.3.44 Following the revised Assurance Framework Guidance (January 2019), Higher Education and Further Education will represent the private sector on the Local

² Strengthening Local Enterprise Partnerships, MHC&LG, July 2018

Enterprise Partnership.

- 3.3.45 The Business Board Constitution states that private sector members including the Chair shall be appointed following an open, transparent and non-discriminatory recruitment process which assesses each candidate on merit carried out in accordance with its diversity statement, Government Guidance and the Nolan Principles. This will include a public advertisement and an interview process conducted by the Business Board's appointments panel. The Business Board will consult widely and transparently with the business community before appointing a new Chair. When vacancies become available for private sector Local Enterprise Partnership members, they will be advertised on the Combined Authority website. In addition, social media will be used to raise awareness of the opportunities, particularly among under-represented groups. A recruitment panel (including the Cambridgeshire and Peterborough Mayor and Local Enterprise Partnership Chair) assesses applications received and makes a recommendation to the Combined Authority Board for approval of appointments.
- 3.3.46 All Local Enterprise Partnership members (public and private) are expected to conduct themselves in accordance with the seven principles of public life. This is set out under the Code of Conduct detailed in the Combined Authority Constitution and provided to all new Local Enterprise Partnership members in their induction information. All members sign up to the code of conduct and the Nolan principles. As stated in its constitution, all Business Board and sub-committee and sub-group members will make decisions on merit having taken into account all the relevant information available at the time.
- 3.3.47 New members receive an initial induction, and this is being enhanced during 2019.

Wider Business and Public Engagement

- 3.3.48 The Combined Authority and Business Board recognise that the private sector members cannot represent the views of all business in the Cambridgeshire and Peterborough area. Therefore, a variety of engagement mechanisms are utilised to ensure that the broader business community has the ability to influence strategy and policy development, our investment priorities and to be actively engaged in the delivery of some of our activities, particularly around supporting careers development with schools. This includes, through the business networks and groupings that officers of the executive engage with, as a part of their activity, as well as specific engagement sessions – such as business roundtables to inform strategy and policy development.
- 3.3.49 Strategy and policy documents are developed through engagement with partners and key stakeholders and are subject to consultation. Each consultation will vary depending on the topic but will meet any statutory requirements. However, drafts are formally considered in public at the Combined Authority Board with papers published in advance of the meeting.
- 3.3.50 Evidence of effective public engagement includes the work on the CPIER and Local Industrial Strategy referred to in section 2. A review of engagement activity and impact will be undertaken annually as part of the annual delivery plan from 2020. The annual delivery plan will be published on the website

Secretariat Arrangements

- 3.3.51 In accordance with Government requirement to have an independent secretariat to support the Chair and Board, the Director of Business and Skills is the chief officer appointed to support the Business Board. The Director is supported by a S73 Chief Finance Officer and Monitoring Officer appointed separately to those officers who support the Combined Authority Board.

Local Area Agreement

- 3.3.52 In accordance with Government requirements for mayoral areas there is a requirement for a Local Agreement between the Business Board and the Cambridgeshire and Peterborough Combined Authority and the Accountable Body setting out the responsibilities of the Chair, Board and Accountable Body. The Accountable Body agreement is embedded in the Business Board's terms of reference and constitution.

3.4 Decision Making for the Cambridgeshire and Peterborough Investment

- 3.4.1. Cambridgeshire and Peterborough Combined Authority is its own Accountable Body for all funds received by Government and is the Accountable Body for the Business Board.
- 3.4.2. The Cambridgeshire and Peterborough Combined Authority and the Business Board Constitution sets out the basis of how decisions will be taken within our Combined Authority, in keeping with principles of democracy and transparency and with effective and efficient decision-making. The Constitution takes on board the changes relating to the Business Board, as a result of the national Local Enterprise Partnership review.
- 3.4.3. In summary, the decision-making process and governance for Cambridgeshire and Peterborough as set out in the Cambridgeshire and Peterborough Business Plan is as follows:
- 3.4.4. Investment decisions using public funds will be made with reference to statutory requirements, conditions of the funding, local transport objectives and through formal LEP involvement. The Monitoring Officer and S73 review all proposed funding decision and their comments are included in all public or delegated power reports.

CPIER and the Mayor's growth ambition statementing and Investment Planning

- 3.4.5. The Combined Authority Board provides the overall strategic direction for economic growth in Cambridgeshire and Peterborough, approving the CPIER and the Mayor's growth ambition statement and associated thematic strategies and plans.
- 3.4.6. The Combined Authority Board sets out the investment priorities for Cambridgeshire and Peterborough through the Medium-Term Financial Plan and the Business Plan. This includes named prioritised projects which are allocated against either revenue or capital funds. All projects, revenue or capital, are identified in the current year of the Business Plan and the Medium-Term Financial Plan.

Decision process for Business Board and Combined Authority Board projects

- 3.4.7. For new programmes/projects, the detailed consideration of whether the programme/project represents value for money, has realistic delivery timescales and processes, will deliver the outputs and outcomes that we require etc is undertaken through the development of a Project Initiation Document and Business Case.
- 3.4.8. Work from the Department for Transport Early Assessment and Sifting Tool ('EAST') has created a benchmark and guidance that has been built into the Project initiation Document and Business Case templates, to which all projects must adhere to. This forms the evidential basis on which the need for intervention is based and will help ensure programmes and projects are identified based on need and opportunity.
- 3.4.9. A Project Initiation Document is used to identify the expected expenditure, timescales for delivery and proposed outcomes, and to enable more informed financial and output profiling in line with the Medium-Term Financial Plan. This is an internal project management document and will be prepared by the Project Manager
- 3.4.10. This document provides a first view of how, what and when the project will deliver against the Mayor's Growth Ambition Statement, the Local Industrial Strategy and the 2019/20 Business Plan. This Project Initiation Document will include detail such as:
- The identified Project Manager.
 - Project description including objectives and overview.
 - Timescales (high level).
 - Project outputs and outcomes against the CPIER and the Mayor's growth ambition statement.
 - Cost of project (high level), and initial funding required.
- 3.4.11. Project Initiation Documents are appraised and approved during the Combined Authority weekly Director meetings. Following approval, the Project Manager can then arrange for the Business Case to be developed, adapting HM Treasury's Five Case Model.
- 3.4.12. Business cases should be initially appraised and approved at the weekly Combined Authority Director Meetings. In considering the appraisal recommendations (including any conditions) on business cases the following supporting information will be provided to the Directors meeting:
- The business case.
 - The completed appraisal documents.
- 3.4.13. Once approved at the Director meetings, the Business Case will then require final approval to commence to project delivery. This may be via the monthly Combined Authority Board cycle or by Combined Authority Officers. Approval requirements are set out in the Scheme of Delegations.
- 3.4.14. In addition, projects with political sensitivities or a variation to an original Board approval are required to go to Combined Authority Board for approval, even

when the Chief Executive has delegated authority to sign off.

Decision process for Business Board

- 3.4.15. The Business Board will review the Business Case for Business Board funded projects and make recommendations to the Combined Authority Board, as Accountable Body, to approve the funding.
- 3.4.16. In order to ensure that the Business Board is able to progress its business in an efficient manner, the Business Board has an urgency decision making procedure which is set out in its constitution. Decisions and actions taken will be retrospectively reported to the next meeting of the Business Board
- 3.4.17. In addition to the delegations in the Combined Authority Constitution, the Business Board and Combined Authority Board has delegated limited authority to the Director of Business and Skills to approve small grants to SMEs between £2,000 and £20,000 subject to Section 73 Officer approval, and regular reporting to the Business Board;
- 3.4.18. Business cases approved at the Business Board and Combined Authority Board are published on the Combined Authority website, as part of the monthly Board papers.
- 3.4.19. Decisions within the Scheme of Delegation and taken under delegated powers are recorded through the Officer Decision Notice process, with supporting business cases available on request. The Officer Decision Notices are published on the Combined Authority website.
- 3.4.20. All reports to the Business Board and any committees, include the application for funding, appraisal of application, legal and finance expert' view and recommendations. The S73 Officer signs off all Business Board expenditure

Summary of Scheme of Delegations for Business Board

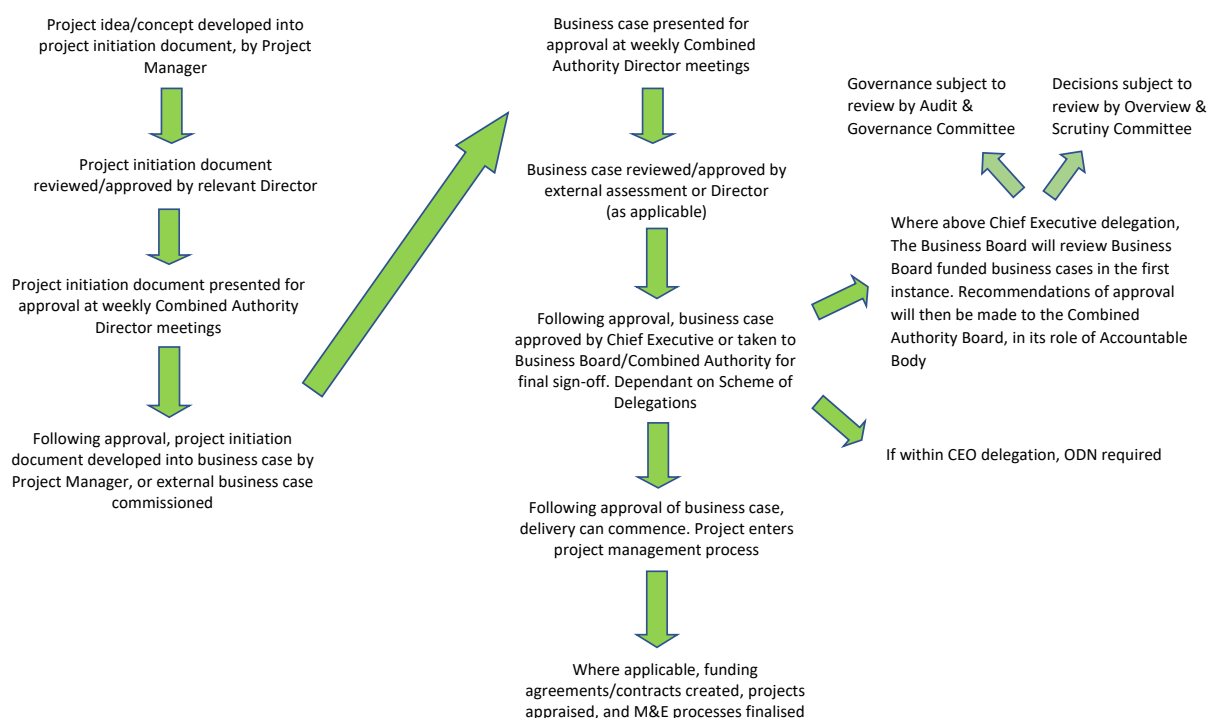
The scheme of delegation specific to local enterprise funding is set out in Part 3 and 4 of the Business Board's constitution and is summarised in Appendix 2. The Combined Authority Constitution also applies to all Business Board and officer decisions.

Decision process for Combined Authority Board

- 3.4.21. The Combined Authority Board will approve the Business Cases for Combined Authority funded projects and will approve the Business Case recommended by the Business Board.
- 3.4.22. Business cases and appraisal documentation submitted to the Combined Authority Board will be published on the Combined Authority website with Board papers, subject to any exemptions applied as set out in the transparency rules within the Constitution.
- 3.4.23. Decisions within the Scheme of Delegation and taken under delegated powers are recorded through the Officer Decision Notice process, with supporting business cases available on request. The Officer Decision Notices are published on the Combined Authority website.

3.4.24. The decision-making process and governance arrangements are illustrated in the diagram below:

Decision Making Process



Decision process for new programmes/projects not in the Business Plan and not within a named budget allocation

3.4.25. New opportunities or challenges will arise and programmes/projects that are not currently in the business plan will need to be considered to address them. If these new programmes/projects cannot be accommodated within the current Medium-Term Financial Plan, they will need to be considered by the Combined Authority Board for entry to the Budget and Business Plan and reflected in the six-monthly refreshment cycle for those documents.

3.4.26. The Business Plan and Medium-Term Financial Plan will be reviewed every six months, together with any prioritisation of new projects.

3.4.27. Those that are accepted into the Business Plan would then proceed to follow the Project Initiation Document through to Business Case development and be taken to the Combined Authority Board for decision.

Role of the Cambridgeshire and Peterborough Management Team

3.4.28. The Cambridgeshire and Peterborough Directors Team is made up of members of the Combined Authority's senior officers: Chief Executive and Directors. The Management Team meets weekly and has an oversight role of the work of the Combined Authority.

3.5 Decision Making for the Adult Education Budget

3.5.1. Investment decisions on the use of the Adult Education Budget will be made with full consideration to the statutory entitlements:

- English and Maths, up to and including level 2, for individuals aged 19 and over, who have not previously attained a GCSE grade A* to C or grade 4, or higher, and/or.
- First full qualification at Level 2 for individuals aged 19 to 23, and/or.
- First full qualification at level 3 for individuals aged 19 to 23.

3.5.2. The Combined Authority submitted its Strategic Skills Plan to government in May 2018 as part of the readiness conditions requirements set by the Department for Education. Further iterations have been shared with the Department for Education and form a chapter in the new Skills Strategy 2019.

3.5.3. Local and national partners have been fully engaged throughout the development phase for the processes and priorities for the funding award and during the funding award phase. This has included providing regular communications via our website, hosting three strategic events for all local and national providers, and participating in provider network meetings that met regularly during 2018. The Provider Networks comprised local Further Education and local authority providers, the Education and Skills Funding Agency, the Association of Colleges and Independent Training Providers.

3.5.4. The Combined Authority Board is the final decision-making body for funding awards. A grant commissioning process was launched on 1st December 2018 and closed in March 2019. Appraisals were carried out on the submitted delivery plans requesting funding by the Combined Authority officers. A moderation panel of internal senior managers consider recommendations and make final recommendations for approval. The Director of Business & Skills in consultation with the Portfolio Holder for Skills to approve funding awards.

3.5.5. During the funding award process a web enabled portal has included the ability for all potential providers to submit questions. These have been developed into a Q+A section on the portal so that the same information is available to all potential providers.

3.6 Statutory Committees

3.6.1. As a Mayoral Combined Authority, we are constitutionally required to have the following Committees within our Governance structures:

- **Overview & Scrutiny Committee:** Reviews decisions made, to ensure they meet the needs of the people of the Cambridgeshire and Peterborough and

are made in line with our agreed policies, making recommendations where necessary. It has the power to “call in” and delay the implementation of decisions made by Board. The membership of the Committee comprises 14 members, two nominated from each of the Constituent Authorities. Members of the Committee appointed reflect the balance of political parties for the time being prevailing among members of the Constituent Authorities collectively. It also has the power to scrutinise the Business Board.

- **Audit & Governance Committee:** Ensures we are spending public money properly and have the right systems in place to manage our finances correctly and meet our legal and regulatory responsibilities. The Committee also reviews the corporate risk register on a quarterly basis. The membership of the Committee is one member from each Constituent Authority. Members of the Committee appointed reflect the balance of political parties for the time being prevailing among members of the Constituent Authorities collectively. The Committee will also oversee the audit and governance arrangements of the Business Board.

3.6.2. The terms of reference and membership of these Committees is detailed in the Combined Authority Constitution.

3.7 Role of the Statutory Officers

3.7.1. The Combined Authority appoints four Statutory Officers who each have a formal role of discharging the duties and obligations on its behalf. The roles are detailed in the Combined Authority Constitution but briefly comprise:

- **Head of Paid Service:** The Chief Executive fulfils the role of the Head of Paid Service. The Head of Paid Service discharges the functions in relation to the Combined Authority as set out in section 4, Local Government and Housing Act 1989 and act as the principal advisor to the Business Board.
- **Section 73 Officer:** The Chief Finance Officer fulfils the role of Section 73 Officer in accordance with the Local Government Act 1985 to administer the financial affairs of the Combined Authority and Business Board. The Section 73 Officer is responsible for providing the final sign off for funding decisions. The Section 73 Officer will provide a letter of assurance to government by 28th February each year regarding the appropriate administration of government funds under the Cambridgeshire and Peterborough Investment.
- **Monitoring Officer:** The Monitoring Officer fulfils their role in accordance with the Local Government Act 1972 to administer the legal duties of the Combined Authority and Business Board.
- **Scrutiny Officer:** To promote the role of and provide support to the Overview and Scrutiny Committee.

3.7.2. In addition to these statutory roles the Combined Authority has nominated officers to ensure that we meet our obligations under the Data Protection Act 2018 and information governance. These are:

- **Senior Information Risk Officer (SIRO)** - The Monitoring Officer is the SIRO for Information Governance. The SIRO is responsible for the Strategy, acts as an advocate for good practice and is required to provide a statement of assurance as part of the Combined Authority's Annual Governance Statement.
- **Data Protection Officer** – Deputy Monitoring Officer is the Data Protection Officer responsible for providing advice and guidance on the Data Protection Act 2018.

4. Accountability and Transparent - Supporting Policies and Procedures

4.1 Working Arrangements, Meeting Frequency and Transparency

- 4.1.1. The Combined Authority is subject to a robust transparency and local engagement regime. The Combined Authority's Constitution includes how agendas, minutes and papers will be made available to the public and when.
- 4.1.2. The Combined Authority Board:
- Is subject to the Transparency Code applied to local authorities.
 - Will ensure all meetings of the Combined Authority Board and other statutory committees are open to the public and appropriately accessible.
 - Will make sure all meeting agendas, papers (when not exempt or confidential as set out in the transparency rules within the Constitution), and minutes are published on the Combined Authority website, within the minimum statutory timescales – an agenda will be published five clear working days before the meeting. A decision notice will be published no later than the third clear working day following the day of the decision was made and any key decisions are subject to call in. Draft minutes will be published within **12** clear working days of the meeting taking place and final minutes within two clear days of approval where changes are made.
 - Will make clear the approach to making investment decisions in the Combined Authority Constitution.
 - Will publish (online) all funding decisions, including funding levels through Business Board and Combined Authority agendas and minutes and through the mayoral and officer decision notice register where decisions are taken under delegated powers.
 - Growth fund updates are submitted to the Business Board at each meeting. The Combined Authority has a performance management system which includes quarterly reports to the Combined Authority Board on delivery of key priority projects in the Business Plan by exception and monthly budget monitoring updates.
 - As the accountable body for the Business Board funding the Combined Authority Board will ratify funding decisions made by the Business Board and will hold a record of all relevant documentation relating to government funding allocated to the area.
- 4.1.3. For ease of access the Combined Authority website has a transparency section and a separate meetings section which contain all information on the Combined Authority governance arrangements, agendas and papers and the Combined Authority Board Forward Plan.
- 4.1.4. The Combined Authority Board meets every month. The Combined Authority publishes a Forward Plan on the Combined Authority website, which is legally-required with a statement of all key decisions together with all non-key decisions we plan to take over the next four months. Confirmed items are published 28

days in advance of a decision being made.

- 4.1.5. In addition to the Combined Authority Board, the Business Board meets bi-monthly. The Business Board shall have at least one meeting a year that will be open to the public to ensure the communities that they represent can understand and influence the economic plans for the area.
- 4.1.6. No business may be transacted at a meeting of the Business Board unless there is a quorum. The quorum requires a majority of the total number of Members of the Board to be present which should include the majority of private sector members and at least one public sector member.
- 4.1.7. All other meetings of the Business Board shall not be open to the public unless determined otherwise by the Chair. This enables commercially confidential items to be discussed and for open and frank exchanges of information and views to be expressed that might not otherwise be expressed in an open forum. This forms an important element within the Combined Authority governance arrangements.
- 4.1.8. Agendas and reports will be published five clear days prior to the meeting and minutes of these meetings will be published on the its website within **10** clear working days of the meeting and the agreed minutes will be published within two clear working days after approval at the subsequent meeting.
- 4.1.9. Information regarding activity being undertaken by the Combined Authority is available on the website. This includes the publication of key documents such as the CPIER and the Mayor's growth ambition statement, the Cambridgeshire and Peterborough Business Plan 2019-2020, and the Combined Authority Local Assurance Framework, as well as details of a regular programme of events to provide ongoing engagement with public and private partners across the Cambridgeshire and Peterborough area. Regular news updates on activity underway are also provided through dedicated pages on social media outlets including LinkedIn, Twitter and Facebook. Additionally, when investment decisions are taken they are published through the use of press releases and social media.

4.2 Publication of Financial Information

- 4.2.1. The Combined Authority is subject to the same financial arrangements as a Local Authority and is legally required to publish its annual accounts, external audit letter and annual governance statement by the end of July each year. The draft statement of accounts is signed by the S73 Officer and published (on the Cambridgeshire and Peterborough Combined Authority website) by 31st May. The final set of financial statements are signed by the S73 Officer and the Chair of the Audit and Governance Committee and published by the 31st July.
- 4.2.2. The Annual Governance Statement will be published in draft by 31st May, and the final version to be signed by the Mayor, the Business Board Chair and the Chief Executive and published by 31st July. The Audit and Governance Committee approves the statement of accounts and reviews the Annual Governance Statement prior to approval, in accordance with their terms of reference.
- 4.2.3. It is also used as part of the Annual Conversation each year, to supplement the information provided and discussed on governance arrangements.
- 4.2.4. All payments made on behalf of the Business Board are published in the monthly

transparency report by Cambridgeshire and Peterborough Combined Authority.

- 4.2.5. All approvals for new funding are now published and monitored. The quarterly return to BEIS on Growth Fund projects, spend and performance is reported to Business Board and published in the reports, as part of the Business Board agenda. These have now also been uploaded on the Business Board section of the website and will continue to be published going forward to increase transparency.

4.3 Remuneration and Expenses

- 4.3.1. Allowances or expenses may be payable to the Mayor and any of the Business Board members, in accordance with a scheme approved from time to time by the Cambridgeshire and Peterborough Combined Authority Board upon the recommendations of an Independent Remuneration Panel.
- 4.3.2. The Combined Authority publishes the following information on its website: [Transparency](#)
- Confirmation of the allowance payable to the Mayor and Business Board members.
 - Confirmation of any allowances and expenses paid to the Mayor, Business Board Members and independent Chairs of Committees or Panels (published annually).
 - Salaries of senior officers earning more than £50,000 (published annually); together with the numbers of staff who earn over £50,000, in bands.
- 4.3.3. Any scheme of allowances approved for Business Board members and payments made will also be published.

4.4 Freedom of Information

- 4.4.1. The Combined Authority is subject to the Freedom of Information Act 2000 and the Environmental Impact Regulations 2004. As Accountable Body for the Local Enterprise Partnership the Combined Authority will also fulfil these functions on behalf of the Business Board. The Combined Authority will hold records and will be the focal point for statutory information requests. Applicants are made aware of their right to access information through the Combined Authority, which will deal with the request in accordance with the relevant legislation. As set out in this section, the Combined Authority aims to publish as much information as possible so that Freedom of Information requests are less necessary. A publication scheme is on the website and answers to previous requests are published on the website. [CPCA Freedom of Information Policy](#)

4.5 Conflicts of Interest

- 4.5.1. The Combined Authority has a Code of Conduct which applies to all members of the Combined Authority, the Business Board, all committee members and the officers who form part of any decision-making body eg the Chief Executive. The Code of Conduct requires all those identified to avoid any conflicts of interest.
- 4.5.2. Each member of the Combined Authority is also required to complete a written declaration of interest for the purposes of their organisations and their individual personal interests covering a broad range of activities/ownership. Individual

declarations of interest forms are completed annually following members' appointment at the Combined Authority annual meeting. Declarations of interest are requested at the start of each meeting and declared and recorded within the minutes. The registers of interests are updated, as appropriate, following each Combined Authority meeting.

[Combined Authority Board Membership](#)

[Business Board Membership](#)

4.6 Gifts and Hospitality

- 4.6.1. Any gifts and hospitality received by members and officers will be declared under the relevant members name and any declarations declared by members will be published on the website, For example [Mayor Palmer: Declared Gifts and Hospitality](#). The [register of gifts and hospitality](#) declared by Business Board members is published under the governance page of the Business Board section of the website. All offers of gifts and hospitality of £50.00 or more in value, including any offers of sponsorship for training or development, whether or not they are accepted, must be recorded promptly (and by no later than 28 days from the date of the offer) in a register held by the Combined Authority. A six monthly reminder will be send to all members and officers.

4.7 Complaints and Whistleblowing

- 4.7.1. If it is alleged that the Combined Authority is (a) acting in breach of the law, (b) failing to adhere to its framework, or (c) failing to safeguard public funds, complaints (from stakeholders, members of the public or internal whistleblowers) are to be directed to the Combined Authority's Chief Executive or Internal Auditor.
- 4.7.2. The Business Board and the Combined Authority have adopted a confidential complaints procedure and whistleblowing procedure, which are both published on its website Any complaints will be dealt with in accordance with its approved complaints process.
- 4.7.3. Where the Combined Authority cannot resolve the issue locally to the complainant's satisfaction, and the matter relates to the Cambridgeshire and Peterborough's Single Pot funding, the issue may be passed to the Ministry of Housing, Communities and Local Government for Communities and Local Government (MHCLG) or other relevant departments, such as the Department for Transport (DfT), as appropriate to the complaint in question. If the complainant is not satisfied with the response, they can raise it with the Local Government Ombudsman.

The above complaints and whistleblowing procedures are set out in detail at:

[CPCA Complaints Policy](#)

[CPCA Whistleblowing Policy](#)

[CPCA Business Board Complaints Procedure](#)

[CPCA Business Board Whistleblowing Procedure](#)

4.8 Diversity Statement

- 4.8.1. As detailed previously the Combined Authority is fully committed to diversity and equality. The Business Board has a published Diversity Statement which explains how it looks to ensure diverse representation at Board.

[CPCA Business Board Diversity Statement](#)

4.9. Government Branding

- 4.9.1. The Combined Authority is committed to meeting Government branding guidelines for projects in its Local Assurance Framework. This includes the branding guidance issued to LEPs for the Local Growth Fund. The correct branding and wording is used on the Business Board and subsidiary websites. Guidance will be produced for signage, social media, press notices and other marketing materials for every Government funded project.
- 4.9.2. **A summary of the Governance framework and checklist is set out in Appendix 3.**

5. Robust Decision Making

5.1 Principles

This section details the processes and procedures that are in place to ensure we make robust investment decisions. These are in addition to those identified within the Accountability, Openness and Transparency sections above. **The processes and procedures will:**

- **Achieve best value in spending public money through the following -**
 - **proposed investments will offer as a minimum ‘high’ value for money;**
 - **a Benefit Cost Ratio (BCR) is at least 2.0 for transport schemes (accounting for significant non-monetised impacts and key uncertainties;**
 - **for non-transport schemes, the appropriate public sector cost per job / Gross Value Added will be reviewed, and in all schemes the benefits will exceed the cost of intervention over the projected timeframe;**
 - **in exceptional circumstances, where the strategic value directly contributes to the ambition of the Devolution Deal ambition as set out in para 6.2.5 of this document; and**
 - **whereby sensitivity testing is undertaken in addition to Transport Analysis Guidance (TAG) standard procedures, schemes do not need to offer ‘high’ value for money as a minimum.**
- **Ensure an appropriate separation between project development and project appraisal, with Independent Value for Money (VFM) Assessment and Business Case Assurance, for all Growth Deal funded schemes and Single Pot Transport projects with a project value greater than £5m by our contracted business case assurance contractor.**
- Appraise projects in a way which is consistent with the Green Book ‘five cases’ model and proportionate to the funding ask in terms of processes required.
- Ensure that the money spent results in delivery of outputs and outcomes in a timely fashion, and in accordance with the conditions placed on each investment, and by actively managing the investment to respond to changing circumstances (for example, scheme slippage, scheme alteration, cost increases etc).
- Implement effective evaluation to demonstrate where programmes and projects have achieved their stated aims and using feedback appropriately to refine the priorities and the decision-making process.
- Ensure that the use of resources is subject to the usual local authority checks and balances as well as normal local government audit accounting and scrutiny requirements.

5.2 Separation of Development and Appraisal Functions

- 5.2.1. The Combined Authority ensure all funding decisions are based on impartial advice. Project Initiation Documents and Business Cases created by project managers require approval from Combined Authority Board and Directors before commencing to project delivery.

5.3 Expressions of Interest/Open Calls

- 5.3.1. In relation to the Local Growth Fund, expressions of interest are received for potential funding under the Growth Prospectus, which is published on the Combined Authority website. The first call has now closed and the potential projects are going through the Business Board and Combined Authority Board cycle. A new call for funding will be issued in 2019/20, following the publication of the Local Industrial Strategy. The **initial** appraisals **from** these funding calls will be appraised by an internal panel, that evaluates expressions of interest, with inputs from the appropriate policy lead, legal, procurement and financial officers. When **full** applications are received, external appraisers will carry out detailed appraisals.

5.4 Project Initiation Documents

- 5.4.1. Project Initiation Documents are required for all new programmes and projects and are used to identify the expected expenditure, outputs and outcomes of project delivery.
- 5.4.2. Once approved during the weekly Director meetings, the Project Manager is required to develop the Project Initiation Document into the business case.

5.5 Business Cases

- 5.5.1. All programmes and projects with approved allocations within the Business Plan and that have been approved through the Project Initiation Document process are required to complete a detailed Business Case.
- 5.5.2. Business case templates are a continuation of the Project Initiation Documents, but require more detail evidenced on the delivery and outcomes of the project, along with value for money information, project risks and governance arrangements.
- 5.5.3. Business cases would normally use the Combined Authority's template; however, some categories of projects may have specific business case templates (**such as Transport schemes using Transport Analysis Guidance (TAG): <https://www.gov.uk/guidance/transport-analysis-guidance-webtag>**). These should still comply with the Combined Authority requirements.
- 5.5.4. The Combined Authority has adopted HM Treasury's Five Case Model, and business cases need to be prepared according to the following elements:

Five Cases	Detail
Strategic Case	The strategic case sets out the rationale for the proposal; it makes the case for change at a strategic level. It should set out the background to the proposal and explain the objective that is to be achieved.

Economic Case	The economic case is the essential core of the business case and should be prepared according to Treasury's Green Book guidance. This section of the business case assesses the economic costs and benefits of the proposal to society as a whole, and spans the entire period covered by the proposal.
Commercial Case	The commercial case is concerned with issues of commercial feasibility and sets out to answer the question "can the proposed solution be effectively delivered through a workable commercial deal or deals?" The first question, therefore, is what procurement does the proposal require, is it crucial to delivery and what is the procurement strategy?
Financial Case	The financial case is concerned with issues of affordability, and sources of budget funding. It covers the lifespan of the scheme and all attributable costs. The case needs to demonstrate that funding has been secured and that it falls within appropriate spending and settlement limits.
Management Case	The management case is concerned with the deliverability of the proposal and is sometimes referred to as programme management or project management case. The management case must clearly set out management responsibilities, governance and reporting arrangements, if it does not then the business case is not yet complete. The Senior Responsible Owner should be identified.

- 5.5.5. Reputational due diligence assessment will also be carried out to enable the combine authority to gain a comprehensive assessment of possible reputational risk attached to business partner.
- 5.5.6. External business cases are submitted to the Combined Authority, who review the funding source and provide an initial check as to which element of funding within the single pot would be most appropriate. The purpose of this is to ensure that the funding requirements of the component elements of the Single Pot are being met, and to enable the effects and outcomes of the component elements of funding within the Single Pot to be tracked.
- 5.5.7. Appraisals will be proportionate to either the estimated scale of budget and/or the level of innovation/risk associated with the programme and in line with established guidance, where appropriate, as set out by HM Government, including:
- HM Treasury Green Book.
 - MHCLG Appraisal Guide.
 - HM Treasury Magenta Book.
- 5.5.8. Where a conflict of interest exists, full independent due diligence will be sought. Additionally, the Combined Authority will appoint an independent organisation, through appropriate procurement, to undertake external due diligence when required. The independent organisation works directly with the project applicant to undertake due diligence which then follows the decision-making process.
- 5.5.9. In cases where the investment is to match central government funding, and that government department has undertaken due diligence, the Combined Authority would not need to undertake its own due diligence.
- 5.5.10. The Combined Authority will include reputational checks on organisations (and their group structure including parent organisations), when considering making

loans and grants.

- 5.5.11. The 10-point guide on Project Management (**Appendix 4**) provides detail on this decision-making process.

5.6 Relationship with Project Managers – Development to Decision

- 5.6.1. Throughout the development of Project Initiation Documents and Business Cases through the appraisal process, the Combined Authority will keep in regular contact with external project managers.
- 5.6.2. An internally named project manager will be assigned to each programme/project where the Combined Authority are not the delivery body. The internal project manager will establish close working relationships with external contacts.

5.7 Ensuring Value for Money

- 5.7.1. As an investor of public funds, the Combined Authority has a responsibility to ensure that its decisions deliver best value for the tax payer, and therefore all investment opportunities and business cases must include an assessment of their Value for Money. The Assurance Framework has been developed in line with HM Treasury Green and Magenta Book Guidelines, which require project managers to build in Value for Money processes throughout the approval stages. In addition, the Combined Authority requires all business cases be developed in line with HM Treasury's Five Case Model.
- 5.7.2. The delivery, and costs, of outputs must be quantified within all applications for funding. Where there are clear guidelines set out by Government for assessing Value for Money these will be taken into account; for example, for all Transport and Infrastructure schemes, the use of the benefit cost ratio (BRC) indicator is implemented in line with DfT guidance.
- 5.7.3. The Director responsible for project delivery should document they are satisfied with Value for Money requirements.
- 5.7.4. The key objective of the Assurance Framework is to support the Combined Authority to make judgements about the value for money of potential investments and to accept or reject investments accordingly. However, it is just one of a range of complementary strategic guidance documents developed by the Combined Authority to inform decision making. The following table sets out the relevant assessments for all complementary strategic guidance:

Document Name	Function	Date Published
CPIER and the Mayor's growth ambition statement 2016-2026. The Industrial Strategy for Cambridgeshire and Peterborough	<ul style="list-style-type: none">• Key strategy document for the region.• Sets high level targets (jobs and GVA) for the Combined Authority and develops the rationale for intervention across the region (six themes and seven priority sectors)	November 2018

Local Industrial Strategy	<ul style="list-style-type: none"> With a particular focus on productivity the Local Industrial Strategy articulates how the region and its priority industries will contribute to the successful delivery of the UK Industrial Strategy and the key interventions necessary to enable productivity growth in Cambridgeshire and Peterborough. 	May 2019 (pending)
Business Plan	<ul style="list-style-type: none"> Sets output targets both in terms of spend 	January 2019
Monitoring and Evaluation Plan	<ul style="list-style-type: none"> Provides for each theme a capital and revenue logic model including key market failures to be addressed, and a range of indicative activities, outputs, outcomes and impacts, tied back to the achievement of the key performance indicators specified in the SEP. 	March 2019 (updated annually)

5.8 Value for Money for Transport Schemes

- 5.8.1. **For transport infrastructure schemes, the Cambridgeshire & Peterborough Combined Authority will ensure that modelling and appraisal is sufficiently robust and fit for purpose for the scheme under consideration, and that modelling, and appraisal meets the guidance set out in TAG.**
- 5.8.2. **Furthermore, the Cambridgeshire & Peterborough Combined Authority will ensure value for money and transparency of transport scheme through the following:**
- Transport Projects Business case assessments [Strategic Outline Business Cases (SOBC), Outline Business Cases (OBC) and Full Business Cases (FBC)] will be based on forecasts which are consistent with the definitive version of NTEM (DfT's planning dataset). We will also consider alternative planning assumptions as sensitivity tests in coming to a decision about whether to approve a scheme.**
 - The appraisal and modelling will 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.**
 - A value for money statement for each Transport scheme in line with published DfT TAG guidance and DfT advice on assessing value for money will be presented as part of the five-case business case for consideration at the Business or Combined Authority Board at each approval stage. 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, who will sign off the Vfm assessment as true and accurate.**
 - Business case publication is notified up to 3 months in advance within the Forward Plan, published on the Combined Authority website and then published as part of submission for decision approval at the Business Board and subsequent Combined Authority Board, before a decision to approve funding is**

made so that external comment is possible. Opinions expressed by the public and stakeholders are made available to relevant members or boards of either Business or Combined Authority Boards when decisions are being taken. The Forward Plan is formally approved at each monthly meeting of the Combined Authority Board and Business Board.

5.9 Project Approval – Funding Agreement

- 5.9.1. For projects being delivered by an external organisation, funding agreements or formal legal contracts will need to be put in place before delivery commences. These are important in setting out project monitoring and evaluation requirements, claims/invoice profile and key conditions of the funding. Agreements/contracts also set out the clawback arrangements in the event of underperformance. Any variations to these funding agreements/contracts must be signed off and approved by the Combined Authority.
- 5.9.2. All Growth Fund schemes will have a funding agreement that sets out the outputs that are required and the schedule of payments that are to be paid. These are examined at each point in the claim.
- 5.9.3. Following approval of a Business Case it may be necessary to complete a range of statutory processes to ensure the project is ready to start. For example, planning permission or a Compulsory Purchase Orders. It may also be necessary to satisfy a number of conditions agreed as part of the Business Case. Due diligence of such processes/conditions will then be carried out as required prior to the Combined Authority issuing a formal legal contract.

6. DELIVERY PHASE

6.1 Release of Funding, Cost Control and Contract Management

- 6.1.1. Once a formal funding agreement/contract is in place the programme/project enters the delivery phase.
- 6.1.2. The Combined Authority's Section 73 Officer must certify that funding can be released under the appropriate conditions.
- 6.1.3. Funding claims submitted to the Combined Authority are checked against the approved project baseline information, which is included within the original funding agreement/contract. Payments will be released quarterly in arrears unless otherwise agreed.
- 6.1.4. A mechanism for 'claw-back' provision is to be included within the funding agreements/contract to ensure funding is only to be spent on the specified scheme and linked to delivery of outputs and outcomes. Payment milestones are agreed between the project manager and the Combined Authority based upon the complexity, cost and timescales of the scheme. This forms part of the programme management role of the Combined Authority.

6.2 Performance Reporting

- 6.2.1. Projects funded by the Combined Authority (regardless of size) will incorporate the Monitoring and Evaluation Framework and will have a basic monitoring plan in place as part of the business case. Further information on this can be found in the 10-point guide on Project Management. (**Appendix 4**)
- 6.2.2. A monthly highlight report cycle has been created and embedded across the organisation. Projects which fall under the Business Board and Combined Authority Board are required to have monthly reports completed, updating on budget spend and performance against key milestones and outputs/outcomes.
- 6.2.3. Highlight reports also contain risk registers for each project, where project managers track and monitor key risks (and assign a named individual of appropriate seniority against each).
- 6.2.4. Using information from these monthly highlight reports, a monthly dashboard report is created, pulling together the key information from all projects across the Combined Authority Directorates. This is scrutinised on a monthly basis by the Directors and the PMO team.
- 6.2.5. Once a quarter, an exception report is created and includes information on the amber and red rated projects. This report is shared with Combined Authority Board Members, along with a Quarterly Performance Update on how the Combined Authority is performing against the following key metrics and targets:
 - Doubling GVA over the next 25 years
 - 72,000 homes to be built by 2032
 - 2,500 affordable homes to be built
 - Jobs growth

- Apprenticeships
 - Good job within 30minute commute of home
 - RAG status of key projects
- 6.2.6. Growth fund and investment update reports are also submitted to every meeting of the Business Board and will be published on the Business Board section of the website.
- 6.2.7. Aligning with the quarterly updates to Combined Authority Board, 'Critical Friend' clinic sessions are arranged by the PMO team, where project managers and Directors are invited along to review the status and performance of projects.
- 6.2.8. All funding agreements/contracts with external bodies will include reporting guidelines as specified in the Monitoring and Evaluation Framework.

6.3 Risk Management

- 6.3.1. The Combined Authority has developed a risk management approach to corporate and project in our strategy, with risk identification, mitigation, escalation and reporting templates guidance.
- 6.3.2. It is important that the level of risk taken on any project and programme is understood from an early stage alongside the associated cost implications. Project managers are required to include risk as part of funding requests
- 6.3.3. The corporate risk register which incorporates the risks will be reviewed monthly by the Combined Authority Director team and will be considered by the Audit and Governance Committee quarterly. We corporate risk register and a project register, and a risk strategy
- 6.3.4. Senior Officers of the Combined Authority (Chief Executive and S73 Officer) are responsible for the identification and management of risk. The Combined Authority has an Assurance Manager, to support this activity.
- 6.3.5. At the project level, all projects are expected to outline, in detail, any identified risks during the business case development and due diligence processes. Once in delivery, ongoing risk registers are maintained and incorporated into the monthly highlight reports.

6.4 Change requests

- 6.4.1. All project change requests must be clearly documented, with evidence of approvals and notifications saved where applicable and recorded within the performance highlight reports.
- 6.4.2. Project change request forms should be used when approval is higher than that of a Director and for changes which include the following:
- Changes to timescales (ie delay to completion date)
 - Amendments to budget
 - Variations to outputs delivered
 - Withdrawal of project
 - Agreed mitigation/action arising from RAG
- 6.4.3. Directors are responsible for agreeing change requests within delegation and

promoting change requests outside their delegation. Where there is a project board on which the Director sits, the Project Board also agree change requests within delegations.

- 6.4.4. Clawback and recovery processes for projects need are addressed in the funding agreement/contract. Agreements are being reviewed to make it clearer what the recovery action will be.
- 6.4.5. The Business Board's role in recovering funding where there has been non-compliance, misrepresentation or underperformance is being developed.

7. Measuring Success – Realising the Benefits

7.1 The Importance of Monitoring and Evaluation

- 7.1.1. The Combined Authority and the Business Board (LEP) is committed to implementing effective monitoring and evaluation so that it is able to:
- **Provide local accountability to the public** by demonstrating the impact of locally devolved funding and the associated benefits being achieved.
 - **Comply with external scrutiny requirements** ie 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.
 - **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.
- 7.1.2. The Combined Authority Monitoring and Evaluation Framework was initially prepared in relation to the Combined Authority's devolution deal monitoring and evaluation requirements. However, the approach set out in the Framework will be utilised for all sources of funding within the Cambridgeshire and Peterborough Business Plan, accepting that some government departments will have slightly different requirements which will be met. The Framework builds on the National Evaluation Framework for devolution funds, prepared by SQW and agreed with devolution areas and government.
- 7.1.3. The Business Board will be asked to co-adopt this Monitoring and Evaluation framework, as the Governments published guidance requires the Business Board to reference their monitoring and evaluation arrangements as well.
- 7.1.4. The overall responsibility for monitoring and evaluation (the Monitoring and Evaluation framework) and execution of the activity associated with it is held at director level at the Combined Authority, within the post of Strategy & Assurance Director. The Combined Authority has agreed a contract with Cambridgeshire County Council (part of the wider Cambridgeshire Insight partnership) to provide an appropriate level of officer support on Monitoring and Evaluation, including local knowledge, expertise and supporting capacity.
- 7.1.5. The Combined Authority's approach uses the Magenta Book definition of monitoring and evaluation and makes use of the wider guidance within this document as complementary guidance to the HM Treasury Green Book.
- 7.1.6. The Combined Authority major projects will have logic models.
- 7.1.7. Lessons learnt from evaluations will be reported to the Business Board and Combined Authority Board as appropriate.

7.2 Programme and Project Monitoring

- 7.2.1. Funding agreement/contracts set out the programme or project spend and output profile together with the monitoring arrangements (financial, benefits and risk).
- 7.2.2. Monthly highlight reports are completed by project managers on all live projects and provide updates on the performance of projects. These reports are reviewed by directors at their monthly Director meetings and quarterly, during the 'Critical Friend' clinic sessions.
- 7.2.3. Any changes or variances to the spend profiles or key milestones will need to be reported by the Project Manager and approved by the Combined Authority. On approval a variation letter to the Funding Agreement/contract will be issued.

7.3 Project Evaluation

- 7.3.1. The business case clearly defines those outputs which may be captured through routine monitoring.
- 7.3.2. The Monitoring and Evaluation framework sets out when and how programmes and projects are reported.
- 7.3.3. Evaluation forms are a requirement of the project closure process, and project managers are responsible for identifying what their project has delivered. Detailed evaluation requirements are also a requirement of the project closure form.
- 7.3.4. Evaluation 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.
- 7.3.5. All monitoring and evaluation arrangements (which will form part of the final business case) and interim and final monitoring and evolution reports, will be published on the CP Combined Authority website.
- 7.3.6. The Combined Authority will identify the projects that will be subject to a more detailed evaluation. The level of evaluation will depend on the following:
 - Project funded through *growth funding* (in the Combined Authority's case the core agreement with central government to devolve £20m per year over 30 years). Therefore, subject to the agreed national evaluation framework, independent evaluation led by SQW Ltd.
 - Projects funded through other streams and identified as being '*major*' in terms of the relative size of the funding and/or the expected benefits to be achieved. Therefore, subject to full independent evaluation commissioned by the Combined Authority (an example would be evaluating the effectiveness of projects commissioned under the £100m affordable housing fund).

- Project identified locally as one where *significant learning* could be available that would help to inform future policy making either locally or nationally. This will include projects that are innovative or considered ‘pilots’. Evaluation work in this case would be either be commissioned independently or carried out locally by the Research Team for Cambridgeshire County Council.
- 7.3.7. Other projects not included above subject to proportionate ‘*self-evaluation*’ based on submitted business cases.

7.4 Adult Education Budget Monitoring and Evaluation

- 7.4.1. The Adult Education Budget reporting will be included within the Combined Authority monitoring and evaluation submissions as required under the devolution agreement. The Combined Authority has already submitted our policies for adult education as part of the readiness conditions and they were published as part of the commissioning process. They will continue to be updated and will be published more broadly during the academic year 2019/20.
- 7.4.2. The Combined Authority’s Monitoring and Evaluation Framework (detailed above) will be used for the Adult Education Budget activity including the use of logic models. The first formal annual evaluation will be undertaken after year 1 academic year 2019/20 delivery and completed by December 2020. It will meet the national requirements as set out in the National Assurance Framework, together with locally determined requirements so that it can be used to inform and shape the criteria for future funding awards.
- 7.4.3. The Combined Authority has agreed with the Education & Skills Funding Agency a formalised approach for Audit, Assurance, Fraud and Investigations for 2019/20. This agreement provides support for both parties in ensuring AEB service provision post devolution.

8. Appendix 1 - Cambridgeshire and Peterborough Combined Authority and Business Board Joint Statement

Advisory and challenge function:

The Business Board is a non-statutory body which is the Local Enterprise Partnership for this area. It is independent of the Cambridgeshire & Peterborough Combined Authority (CPCA) operating as a private-public sector partnership, focusing on the key business sectors to provide strategic leadership and drive growth in the Cambridgeshire and Peterborough and wider Local Enterprise area.

The Business Board comprises a blend of industry leading experts from the private sector, alongside representatives from the public sector and education communities. It is chaired by a private sector representative and brings together some of the brightest entrepreneurial minds in our area.

The Chair is a voting member of the Cambridgeshire and Peterborough Combined Authority Board ensuring that the business view is at the centre of regional decision making.

The role of the Business Board as stated within its terms of reference is:

Strategy:

- (a) In collaboration with the Cambridgeshire and Peterborough Combined Authority, develop and deliver an evidence-based Local Industrial Strategy that identifies local strengths and challenges, future opportunities and the action needed to boost productivity, earning power and competitiveness across their area.
- (b) Set strategy and commission interventions to drive growth, jobs and private sector investment to deliver the strategy.

Allocation of funds

- (c) Identify and develop investment opportunities; prioritising the award of local growth funding; and monitoring and evaluating the impacts of its activities to improve productivity across the local economy.
- (d) ensure that bids for public funding made available by government for LEPs support economic growth.
- (e) ensure any decisions which are made in contravention of the process will be invalid.

Co-ordination

- (f) Use its Business convening power, for example to co-ordinate responses to economic shocks; and bringing together partners from the private, public and third sectors.
- (g) ensure Business Board and Combined Authority policy and decisions receive the input and views of key business leaders and take account of the views of the wider business community
- (h) engage with local businesses to understand the needs of different sectors and markets

Advocacy

- (i) Collaborate with a wide-range of local partners to act as an informed and independent voice for business across their area.
- (j) engage business, opinion formers and policy makers at a national and international level in promoting economic growth in the region.

(Business Board constitution)

By bringing together the Business Board and the Combined Authority we combine the best of private sector expertise and public sector knowledge, transparency and accountability.

Alignment of decision-making across a clear geography:

The Mayoral Cambridgeshire and Peterborough Combined Authority was formally established on 2 March 2017 (with Mayoral election held in May 2017) to further the sustainable and inclusive growth of the economy of Cambridgeshire and Peterborough. Its geographical boundary covers seven constituent local authorities in the Cambridgeshire and Peterborough area.

The Business Board was established on 1st April 2018, taking over from the former Greater Cambridge Greater Peterborough Local Enterprise Partnership, to drive forward economic growth across its local area. The Business Board is now responsible for all former Local Enterprise Partnership projects and programmes. The Business Board currently covers 15 local authorities;

As part of a full regional governance review, the Department for Business Enterprise and Industry are considering proposals to align the Business Board boundaries with the Cambridgeshire and Peterborough Combined Authority to ensure close working and delivery of economic growth projects across Cambridgeshire and Peterborough.

The integrated officer structure ensures that the relationship between the Combined Authority and Business Board is strong and effective. All governance policies and procedures are aligned ensuring transparency and open and accountable decision making.

Accountability:

The accountable body for all Local Enterprise Partnership funding is the Cambridgeshire and Peterborough Combined Authority. It provides the accountable body role for the both Business Board, the multi LEP Agri-Tech programme and the Greater South East Local Energy Hub and employs the officers that support them. The Combined Authority will ensure the effective use of public money and have responsibility for the proper administration of funding received and its expenditure, and must also review and approve the financial framework.

The Combined Authority Board approves funding decisions upon the recommendation of the Business Board except where delegations have been approved. The S73 Officer signs off all funding decisions.

Efficiency and corporate identity:

The Combined Authority and Business Board operate under a single officer team. In order to ensure the independence of each Board, the senior management team has separate duties assigned to officers within that team. The senior management team is headed up by the joint Chief Executives.

The Combined Authority Board and Business Board are supported by a Chief Officer who is the Director for Business & Skills, and further supported by key statutory officers within the single team and through a dedicated S151 Officer and Monitoring Officer to provide an independent secretariat to each Board.

In addition to the above, the Boards also benefit from specialist support within the wider structure. This includes experienced Directors, Programmes Managers, Assurance Manager and others to ensure that the organisation is run in a proactive, impact driven and fully compliant manner.

The Combined Authority and the Business Board have their own branding and identity recognising that some work of the Business Board is separate from and extends beyond the Combined Authority.

Overview and Scrutiny:

The role of the Cambridgeshire and Peterborough Combined Authority's Overview and Scrutiny Committee is primarily to scrutinise the work and decisions made by the Cambridgeshire and Peterborough Combined Authority. In so far as the business of the Business Board, the Overview and Scrutiny Committee may review or scrutinise any Combined Authority decision in its role as accountable body for the Business Board. The Combined Authority's Scrutiny Officer shall ensure this includes appropriate scrutiny of the Business Board decision making and achievements. Any Business Board member may be asked to attend, or otherwise contribute to a meeting of the Combined Authority's Overview and Scrutiny Committee.

The Cambridgeshire and Peterborough Combined Authority's Audit and Governance Committee shall also oversee the audit and governance arrangements of the Business Board.

9. Appendix 2 – Summary of Scheme of Delegation for Business Board funding

The schemes of delegations are set out in the Business Board and Combined Authority Constitutions and summarised below

Function	Approved by	Recommendation by	Supported by
Strategy			
CPIER and the Mayor's growth ambition statement and associated thematic strategies	Combined Authority Board		Chief Executive, Monitoring Officer and S73 Officer
Business Plan and the Medium-Term Financial Plan	Combined Authority Board	Overseen by Audit and Governance Committee	Chief Executive, Monitoring Officer and S73 Officer
Business Board to lead on development and deliver an evidence-based Local Industrial Strategy	Combined Authority Board	Business Board	Chief Executive, Director of Business and Skills, Monitoring Officer and S73 Officer
Digital Sector Strategy	Combined Authority Board	Business Board	Chief Executive, Directors, Monitoring Officer and S73 Officer
OxCam Arc	Combined Authority Board	Business Board	Director of Business and Skills Monitoring Officer and S73 Officer
Influencing the development of the other Combined Authority's strategies and policies	Combined Authority Board	Business Board	Chief Executive, Monitoring Officer and S73 Officer
Allocation of LEP funding			
Budget approval	Combined Authority Board		Chief Executive, Monitoring Officer and S73 Officer
Sign off all funding decisions relating to funding allocated to the Business Board and sub-committee expenditure	S73 Officer		
Business Board funded project approvals	Combined Authority Board as accountable	Business Board review the Business Case	S73 Officer signs off all Business Board expenditure

Function	Approved by	Recommendation by	Supported by
	body	for Business Board funded projects and make recommendations to the Combined Authority Board	
Allocation of Small Grants between £2,000 and £20,000	Director of Business & Skill		Delegation subject to Section 73 Officer approval and report all approvals to the next schedule meeting of the Business Board. Decision recorded through the Officer Decision Notice process
Wisbech Access Strategy at key gateway stages to deliver the agreed Wisbech Access Strategy Package works	Head of Transport in consultation with the Chair of the Transport Committee Section 73 Officer		Decision recorded through the Officer Decision Notice process
Eastern Agri-Tech Programme (Multi-LEP Programme) to make decisions about applications for grant funding on behalf of both the CA/BB and NALEP (New Anglia Local Enterprise Partnership).	Eastern Agri-Tech Programme Board		Agri-Tech Project Officer, Director of Business and Skills, Monitoring Officer and S73 Officer
Energy Hub funding (Multi-LEP Programme) (a) to assume the Rural Community Energy Fund management role (b) oversight of the Rural Community Energy Fund (RCEF) Funding Panel	Greater South East Energy Hub		Regional Energy Hub Manager, Director of Business and Skills, Monitoring Officer and S73 Officer
Makes decisions on Energy Hub grant	Community Energy Fund		Regional Energy Hub Manager, Director of

Function	Approved by	Recommendation by	Supported by
applications.	(RCEF) Funding Panel		Business and Skills, Monitoring Officer and S73 Officer
Strategic oversight and governance of the Enterprise Zones	Business Board		Director of Business and Skills, Monitoring Officer and S73 Officer
Programme delivery of Enterprise Zone projects	Enterprise Zone Alconbury Weald Programme Board and Cambridge Compass Enterprise Zone Project Boards S73 Officer Chief Executive	Director of Business and Skills	Individual Enterprise Zone Project Boards for each site, set-up at officer level and responsible for delivering the programmes and projects associated with the regeneration and development of each Enterprise Zone site.
Governance			
Accountable Body Business Board and the Greater South East Local Energy Hub	Combined Authority Board S73 Officer	Director of Business and Skills	
Assurance Framework	Joint approval by Combined Authority Board and Business Board	Monitoring Officer and S73 Officer	Director of Business and Skills responsible for the delivery of Business Board functions within the assurance framework
Submission of Growth Deal monitoring report to Government	Combined Authority Board	Business Board	Director of Business and Skills S73 Officer
Annual Delivery Plan	Business Board		Director of Business and Skills responsible for the delivery of annual delivery plan within agreed budgets
Business Board Constitution and delegations to other bodies or Officers	Combined Authority Board	Business Board	Director of Business and Skills. Monitoring Officer and S73 Officer
Membership of the Business Board – Private Sector members	Board's appointments panel		Director of Business and Skills
Diversity Statement	Business Board		Director of

Function	Approved by	Recommendation by	Supported by
			Business and Skills
Contract Standing orders and financial regulations	Combined Authority Board		Monitoring Officer and S73 Officer
Urgent Decisions	Business Board urgency procedure and reported to next Meeting of Business Board		Director of Business and Skills Monitoring Officer and S73 Officer
Risk Management for Business Board Projects	Business Board		Director of Business and Skills Senior Information Risk Officer (SIRO) - The Monitoring Officer is the SIRO for Information Governance
Final accounts	S73 Officer and Audit and Governance Committee		
Annual Governance Statement	Mayor, the Business Board Chair and the Chief Executive	Audit and Governance Committee	
Growth Company	Combined Authority Board	Business Board	Director of Business and Skills. Monitoring Officer and S73 Officer

10. Appendix 3 – Governance Framework and Publication Checklist

	Chapter	Link to scheme	Documents that must be published under National Framework
1	Assurance framework		
		National Assurance Framework	✓
		Cambridgeshire and Peterborough Assurance Framework	✓
2	Strategic Documents		
		Cambridgeshire and Peterborough Devolution Deal	✓
		Cambridgeshire and Peterborough Independent Economic Review	✓
		Local Industrial Strategy	✓
2.1		Mayor's growth ambition statement	✓
2.2		Cambridgeshire and Peterborough Business Plan 2019-2020	✓
2.3		Combined Authority Medium-Term Financial Plan 2019-2023	✓
3	Accountability and Transparent Decision making		
3.2	Combined Authority	Constitution of the Mayoral Combined Authority	✓
		Combined Authority Members	✓
3.3	Business Board	Constitution of the Business Board	✓
		Business Board Members	✓
		Cambridgeshire and Peterborough Combined Authority and Business Board Joint Statement (See Appendix 1)	✓
		Eastern Agri-Tech Growth Initiative & Agri-Tech Programme Board	✓
		Eastern Agri-Tech Growth Initiative Guidance Notes and	✓

		Pre-Qualification Questionnaire	
		Enterprise Zones Alconbury Weald and Cambridge Compass Enterprise Zones	✓
		Greater South East Energy Hub & Energy Hub Board	✓
		RCEF guidance notes and Expression of Interest form (to be published)	✓
3.4			
		Officer Decision Notices	
3.6	Statutory Committees		
	Overview & Scrutiny Committee	Terms of reference (Constitution)	
	Audit & Governance Committee	Terms of reference (Constitution)	
		Audit Reports 2019 - Business Board - Internal Audit annual internal Audit letter	✓
3.7	Data Protection	Data Protection Policy	✓
4	Accountability and Transparency – Supporting Policies and Procedures		
		Combined Authority Agendas and minutes	✓
		Business Board Agendas and minutes	✓
		Annual report and delivery plan	✓
4.2	Financial information	Annual accounts, external audit letter and annual governance statement 2017/18	✓
		Quarterly return to BEIS on Growth Fund projects, spend and performance	✓
		Funding programme with description of the scheme, promoter and funding award	✓
4.3	Remuneration and Expenses	Interim Business Board Expenses Scheme	✓
		Allowances and Expenses paid 2018/19	✓
		Salaries of senior officers earning more than £50,000 (published annually); together with the numbers of staff who earn over £50,000, in bands	
4.4	Freedom of Information	CACP Freedom of Information Policy, publication scheme and published FOI requests and responses	✓
4.5	Conflicts of Interest	Code of Conduct for Business Board Members	✓
		Code of Conduct for staff	✓

		Declarations of Interest forms	✓
		Register of interest for Chief Executives	✓
4.6	Gifts and Hospitality	The register of gifts and hospitality declared by Business Board	✓
4.7	Complaints and Whistleblowing	CACP Complaints Policy	✓
		CACP Whistleblowing Policy	✓
		CA Business Board Complaints Policy	✓
		CA Business Board Whistleblowing Policy	✓
		CA Business Board Confidential reporting of complaints	✓
		Making a complaint	✓
		Fraud and Corruption Policy	
4.8	Diversity Statement	CA Business Board Diversity Statement	✓
4.9	Government Branding	Guidance for signage, social media, press notices and other marketing materials for every Government funded project (to be published)	
5	Robust Decision making		
5.3	Expressions of Interest/Open Calls	Local Growth Fund, expressions of interest under the Growth Prospectus	✓
5.5	Business Cases	10-point guide on Project Management – See Appendix 3	✓
5.7	Ensuring Value for Money	Monitoring and Evaluation Framework	
6	Delivery Phase		
		Growth fund and investment update reports	✓
		Risk Management	

11. Appendix 4 - 10 Point Guide to Project Management



**CAMBRIDGESHIRE
& PETERBOROUGH**
COMBINED AUTHORITY

Agenda Item No: 4.2

Climate and Strategy Business Cases November 2022

To:	Cambridgeshire and Peterborough Combined Authority Board
Meeting Date:	30 November 2022
Public report:	Yes
Lead Member:	Councillor Bridget Smith, Lead Member for the Environment and Climate Change
From:	Steve Cox, Associate Director
Key decision:	Yes
Forward Plan ref:	KD2022/055
Recommendations:	<p>The Combined Authority Board is recommended to:</p> <ul style="list-style-type: none">a) Approve the Business Case for Waterbeach Renewable Energy Network project and approve £2.7m from the subject to approval line in the medium-term financial plan (MTFP).b) Approve the Business Case for the Greater Cambridge Chalk Stream project and approve £300,000 capital and £120,000 revenue from the subject to approval line in the MTFP.c) Approve the revised expenditure profiles as set out in the Business Cases.
Voting arrangements:	<p>A simple majority of all Members present and voting.</p> <p>To be carried, the vote must include the vote of the Mayor, or the Deputy Mayor when acting in place of the Mayor.</p>

1. Purpose

- 1.1 To seek approval for Business Cases and approve funding allocations from the subject to approval lines of the medium term financial plan (MTFP).
- 1.2 The Full Business Cases can be found at Appendix 1: Waterbeach Renewable Energy Network Business Case and Appendix 2a: Greater Cambridge Chalk Stream Business Case.
- 1.3 If approved, the projects will have approved funding to move into the delivery phase of the project. Monitoring and evaluation will continue throughout the delivery phase.

2. Background

- 2.1 The below sets out the process these projects have been through to get to this stage.
- 2.2 **Prioritisation and Business case development**
 - 2.2.1 Bids for inclusion in the CPCA budget were submitted by 31 December 2021 in response to the MTFP consultation.
 - 2.2.2 Projects that passed through this stage were included within the MTFP as subject to approval allocations following Board approvals in early 2022.
 - 2.2.3 An HMT Green Book compliant Business Case template was issued that included guidance to support project managers.
 - 2.2.4 The aim of the process has been to ensure the Business Cases evidence value for money whilst also ensuring the document is proportionate to the size of the project and not overly burdensome to complete.
- 2.3 **Project Summary**
 - 2.3.1 Waterbeach Renewal Energy Network

The Greater Cambridge Shared Waste Service (GCSWS) for Cambridge City Council and South Cambridgeshire District Council (SCDC) has made a firm policy commitment to decarbonise the fleet of refuse collection vehicles by 2030. Both Cambridge City and SCDC have declared a Climate Emergency, and each has established targets and an Action Plan to reach zero carbon by 2050. The project scope is to develop an integrated renewable energy and storage solution to serve the electric Refuse Collection Vehicles (eRCVs) within the overall fleet at Greater Cambridge Shared Waste Service (GCSWS) Depot at Waterbeach.

2.3.2 Greater Cambridge Chalk Streams

Economic growth (and associated housing supply) in the Greater Cambridge area faces a constraint due to water supply, which is reliant on groundwater extraction from chalk aquifers. This need for water extraction combined with climate change is having a

detrimental impact on sensitive habitats of chalk streams. Chalk streams are internationally rare habitats. In Cambridge, Bin Brook, Cherry Hinton Brook, Coldham's Brook, Hobson's Brook and Vicar's Brook are all chalk streams. The chalk aquifer they emerge from, to the southeast of the city, is a main source of water for residents and businesses.

2.3.3 This project supports action to tackle impacts on chalk streams through a programme of individual schemes by restoring river channels to a more natural shape and size. Done well, flow rate will be increased enough to keep the gravel clean, flow diversity will increase, and the river will behave more naturally, increasing biodiversity requiring less maintenance.

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

3. Assessing Value for Money

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

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

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

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

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

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

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

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

use of resources.

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

4. Timescales and next steps

- 4.1 If approved the above projects will have funding to move into the delivery phase of the project. Monitoring and evaluation will continue throughout the delivery phase.

5 Financial Implications

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

6. Legal Implications

- 6.1 There are no legal implications anticipated with the project that are not addressed herein

7. Public Health Implications

- 7.1 Please refer to individual business cases.

8. Environmental and Climate Change Implications

- 8.1 Please refer to individual business cases.

9. Appendices

- 9.1 Appendix 1 – Waterbeach Renewable Energy Network Business Case
- 9.2 Appendix 2a – Greater Cambridge Chalk Stream Business Case

9.3 Appendix 2b: Chalk Streams Indicative Projects

10. Background Papers

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

10.2 [Combined Authority Board March 2022](#)

11. Accessibility

11.1 An accessible version of the information contained in the appendices to this report can be obtained on request from democratic.services@cambridgeshirepeterborough-ca.gov.uk



Business Case Template

Business Case template (optional) to be used as guidance for structuring business cases for the Combined Authority

Version 3: 25 October 2022V

Document version	Publication date	Description of changes	Modified by
1	March 2019	Business Case Template	Programme Office
2	25 March 2022	Refresh of template based on feedback	Programme Office
3	25 October 2022	Updated programme tables	Programme Office
	Next review March 2023		

CONTENTS

Business Case Template Guide

Business Case template

- Executive Summary

- Introduction

- Strategic Case

- Economic Case

- Financial Case

- Commercial Case

- Management Case

BUSINESS CASE TEMPLATE GUIDE

Purpose of a Business Case

A business case is a document that captures the rationale for investing in a project, how it fits into the overall strategic context of the Combined Authority, as well as the benefits it will deliver. The business case also captures how the project will be financed, procured, and managed.

The template covers the common standard of requirements to align with HM Treasury's Five Case business case model. It should be used alongside [HM Treasury's Green Book Guidance](#) and other key Government guidance documents, including:

- [Business case project guidance](#)
- [DfT Transport appraisal guidance](#) (where relevant)

The development of a business case should not be considered a hurdle to be overcome, or simply a 'box to tick'. It is a key document that allows you to make good decisions by structuring and capturing your thinking for a project, ensuring all stakeholders understand and are aligned on the why, what, and how of the project. It can help you to quantify the opportunity, prioritise your activities and capture key assumptions and risks.

How many Business Cases to produce?

The number of Business Cases that need to be produced will be project specific. For some projects it may be proportionate to produce one Full Business Case, whereas for other projects it may progress from a Strategic Outline Business Case to an Outline Business Case and then to a Full Business Case.

For an infrastructure project it would likely be the latter and more of an incremental development, e.g. start off with a full list of options then develop that into a short list and then a preferred option and/or begin with preliminary designs and then move on to detailed designs. In this example it would be proportionate to split the project into multiple stages (multiple Business Cases) and have gateway reviews and consult with stakeholders and/or the public on the different options and designs. For other types of projects it may be proportionate to produce one Business Case with all the information within and then ask for funding to go straight to delivery.

At a minimum there must be at least one Business Case for every project prior to delivery/construction.

Value for Money

A large capital project will likely need to show it has value for money through a Benefit Cost Ratio through quantifying the project benefits. However not all projects are able to do this, particularly where the data does not exist.

The National Audit Office say that good value for money is the optimal use of resources to achieve intended outcomes. This includes ensuring that:

- There is balance of inputs, outputs & outcomes
- 'optimal' is the most desirable possible, given restrictions or constraints
- You have answered the question - what does good look like?

Therefore the minimum requirement is that the above have been answered within the business case and the project manager has shown enough evidence that it is an optimal use of resources. As the above shows this is not just through a BCR, it can also be evidenced through illustrating a link between the outputs, outcomes, impacts and to the CPCA strategic objectives.

The Combined Authority Assurance Framework states that we must achieve value for money through ensuring all projects contribute to the objectives of the Combined Authority via adherence to the Green Book principles. This means all business cases must demonstrate a strong fit with the strategic objectives of the Combined Authority Board.

To do this we require at a minimum the development of a Logic Model, a Green Book Outcome Profile Tool and Appraisal Summary Table. Not all projects will be able to complete all tabs of the appraisal table, but at a minimum the 'Value for Money Summary' tab must be completed.

A logic model is a graphical representation of your project and is a key part of project evaluation through creating a baseline of for inputs, outputs, outcomes and impacts, as well as key metrics. It is a key part of project evaluation and is about continuous improvement. The Programme Office will also provide you with a template.

If the project is a Transport project then please see transport DfT TAG guidance - [click here](#)

WATERBEACH RENEWABLE ENERGY NETWORK (WREN)

EXECUTIVE SUMMARY

STRATEGIC CASE

Meeting Net Zero by 2050 and the recommendations from Cambridgeshire and Peterborough Combined Authority's Independent Climate Change Commission requires radical change to how we deliver public sector services.

The decarbonisation of the refuse vehicle fleet, the highest contributor to South Cambridgeshire District Council (SCDC) and Cambridge City Council (Cambridge CC) emissions, requires electrification and innovative energy infrastructure. The [CPCA's Climate Action Plan 2022 – 2025](#) includes the Waterbeach Renewable Energy Network (WREN) project within the 'Waste' theme, highlighting the strategic case for pilot projects to power our waste fleet with alternatives to diesel.

The WREN project will enable SCDC and Cambridge CC to reduce their Scope 1 emissions and showcase renewable energy micro grid deployment. In order to continue their fleet decarbonisation programme to meet the Councils' 2028 and 2030 net zero targets, there is an urgent need for an on-site solution to enable charging of electric Refuse Collection Vehicles (e-RCVs).

Without the WREN project, SCDC and Cambridge CC will be unable to meet the Independent Commission on Climate's key recommendation for the waste sector to "roll out zero carbon collection vehicles" and their own net zero goals. The WREN local grid option will achieve significant carbon reduction. This is circa 1,700 TCO₂, or 70%+ abatement.

ECONOMIC CASE

Following a long-listed options assessment and a techno-options assessment, this business case concludes that the preferred way forward is the WREN local grid option in order to deliver strategic carbon reduction outcomes against the counterfactual.

Commercial investment yield is not the key driver for this project and that is evident in the business case, with or without the capital contribution from CPCA. Notwithstanding, the local grid is a demonstrable improvement on the counterfactual option, effectively offsetting a substantial 'sunk cost' to deliver EV charging infrastructure. This is evident through the Levelized Cost of Energy (LCOE), the total cost per unit of energy over the lifespan of the project, which shows advantage to the local grid despite greater capex.

The 'total cost of ownership' analysis shows the local grid represents a better long-term investment than the counterfactual. This is true even without the CPCA contribution, albeit by a narrow margin. The IRR ranges from -3% (without CPCA contribution or social cost of carbon) to 2% (with CPCA contribution, with social cost of carbon) over the lifespan of the project. This is considered as an isolated investment decision given the significance of the 'sunk cost' associated with the counterfactual option. With the CPCA's investment (A1 – with CPCA contribution, without social cost of carbon, A3 – with CPCA contribution, with social cost of carbon), the Net Present Value (NPV) hovers around neutral, a 'break even'. However, without CPCA's investment, the NPV is significantly negative, regardless of sensitivity scenario configuration or social cost of carbon monetisation.

FINANCIAL CASE

The capital requirements for the WREN local grid option are total project cost £5,981,896. However, the counterfactual costs are £2,671,397 and are considered 'sunk', as these are essential in order to achieve the strategic case and Net Zero Carbon. Therefore, the local grid case is £3,210,499 with the counterfactual costs as sunk.

With regard to affordability and funding, £2.7m has been requested from the CPCA with the residual £3.28m from SCDC and Cambridge CC. Both Councils' have given their support for the project and funding. The business case has also been modified to reflect construction and commodity cost increase by conducting value engineering. There is also a need to proceed swiftly with the project to confirm the costs secured through procurement, which are outlined in the Commercial Case.

COMMERCIAL CASE

SCDC and Cambridge CC are utilising the Energy Performance Services framework agreement between Cambridgeshire County Council and Bouygues E&S Solutions Limited and TESGL Limited. This framework was established in March 2021, following OJEU compliant full tender process and thus provides a cost competitive basis for undertaking required works. A Call-Off Contract 1 is in place for the development of the business case and full Investment Grade Proposal and then a Call-Off Contract 2 JCT Design and Build Contract will be in place for the delivery of the scheme. Bouygues E&S Limited will act as Principal Designer and Principal Contractor. Bouygues are a global leader in renewable energy deployment and with this sizeable order book is an ability to purchase common components at competitive costs.

MANAGEMENT CASE

The project will be managed through SCDC's Transformation: Green to our Core Programme Management with the following key personnel:

Programme Management Sponsor - Bode Esan
Project Sponsor - Dave Prinsep
Project Manager - Alex Snelling-Day
Deputy Project Manager - Luke Waddington

An Employer's Agent and Clerk of Works will provide additional support for the project team in order to sign off works undertaken by the Principal Design and Contractor.

INTRODUCTION

PROJECT BACKGROUND

The Greater Cambridge Shared Waste Service (GCSWS) for Cambridge City Council and South Cambridgeshire District Council (SCDC) has made a firm policy commitment to decarbonise the fleet of refuse collection vehicles by 2030. Both Cambridge City and SCDC have declared a Climate Emergency, and each has established targets and an Action Plan to reach zero carbon by 2050. A key part of the decarbonisation programme is to replace the fleet of existing diesel RCVs (Refuse Collection Vehicles) as the current stock accounts for 1,800 tonnes of CO₂ per year. The first electric RCV has been in operation since 2020 and the Councils have ordered two further vehicles to be operational in 2022/23.

The Shared Waste Service operates from Waterbeach Depot, Dickerson Industrial Estate, Cambridge CB5 0PG, off the A10, in between the Cambridge Research Park and Waterbeach Waste Management Park. The local electricity network has insufficient capacity to meet the charging requirements of the Councils' fleet – the maximum grid capacity will be reached when all three eRCVs are operational by Q3 2022/23.

This is in alignment with the recommendation of the Independent Commission on Climate, established by CPCA, for the waste sector to “roll out zero carbon collection vehicles”.

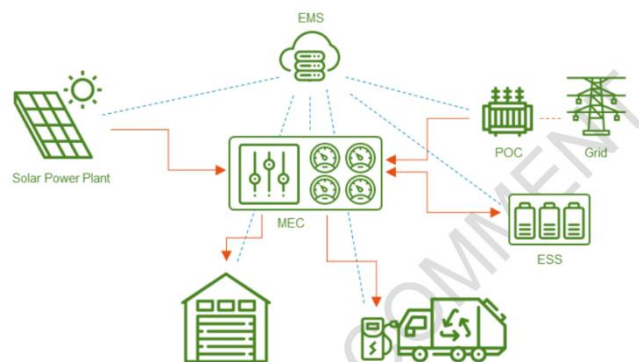
In order to continue the fleet decarbonisation programme to meet the Councils' 2028 and 2030 net zero targets, there is an urgent need for an on-site renewable energy solution to enable charging of electric RCVs.

PROJECT SCOPE

The project scope is to develop an integrated renewable energy and storage solution to serve the electric Refuse Collection Vehicles (eRCVs) within the overall fleet at Greater Cambridge Shared Waste Service (GCSWS) Depot at Waterbeach.

This includes the implementation of the following:

- Solar Photovoltaic Array 825kWp ground-mounted solar
- Local grid infrastructure including Local grid energy Centre (MEC)
- Electric Refuse Vehicle Chargers (ERVCS)
- Energy/Power Management system (EMS)
- Energy Storage System (ESS) 1MWh / 500kW
- Mains Point of Connection to the UKPN electricity distribution network (POC)



ABOUT THE BUSINESS CASE

This final business case builds upon previous initial optioneering during the concept stage and agreed position. This business case demonstrates that there is added value from investing in the WREN local grid option in comparison with the counterfactual (grid connection and charging infrastructure only). This business case has included CAPEX, OPEX, LIFEX, Levelised Cost of Energy (LCOE) with sensitivity on the inputs and considered three cost summaries:

- A1 - local grid with reference inputs, CPCA contribution and no social cost of carbon
- A2 – local grid with reference inputs, no CPCA contribution and no social cost of carbon
- A3 – local grid with reference inputs, CPCA contribution and reference social cost of carbon

A1 provides pure economic assessment of the project with A2 showing why CPCA contribution is important and needed in order to progress the project, and A3 demonstrating the true cost of the project in terms of the strategic case with the social cost of carbon included.

STRATEGIC CASE

INTRODUCTION

The project is tested against the CPCA's strategic priorities and Sustainable Growth Ambition Statement, as well as local, regional and national policy alignment. The attached Project Outcome Profile Tool shows the project outcomes in alignment with the CPCA's Sustainable Growth outcomes and measures.

STRATEGIC PRIORITY

The Cambridgeshire & Peterborough Independent Commission on Climate (CPICC 2021) includes the following recommendation:

Roll-out of zero carbon collection vehicles should start in urban areas, as existing vehicles need replacement, aiming for full replacement by 2030. This will be aided by Government development of a national framework for the procurement of zero carbon collection vehicles, providing information on suppliers who can meet requirements (in the same way it currently has such a framework for diesel vehicles).

Therefore, there must be an assumption that electrification of the RCV fleet must be progressed, and this requires either grid reinforcement (the counterfactual) or the WREN local grid option. The WREN local grid option shows greater alignment with the strategic objectives with regard to carbon abatement, and Levelised Cost of Energy (LCOE) is lower with the local grid than the counterfactual.

This project aligns with the [Sustainable Growth Ambition Statement](#) as it reflects "the increased awareness of the need to protect our environment and the impact our actions are having on the climate." The project positively contributes to the following dimensions:

- Climate and Nature – address the impact of climate changes and develops a solution to reducing the carbon emissions associated with waste and recycling collection vehicles, given the current refuse collection fleet accounts for 1800 tonnes of Co2 emissions per year
- Infrastructure – showcases an example of a local energy grid to support successful future electrification of key systems and processes, in this instance, waste and recycling collection.

The Waterbeach Depot's local electricity network has insufficient capacity to meet the charging requirements of the Councils' fleet – the grid capacity will be reached once the three eRCVS are operational by Q3 22/23. There is an urgent need for on-site renewable energy supply to enable charging of electric RCVs and continuation of the fleet decarbonisation program. The Commission's recommendation cannot be met without this project.

The project will benefit the wider CPCA area as the WREN project will provide facilities at Waterbeach which can be accessed by East Cambridgeshire District Council, who currently also use the Waste Treatment Park and vehicle garage services at Waterbeach. The charging facilities will be available to all other Cambridgeshire Councils by agreement and with notice. Furthermore, lessons learned, and expertise gained by GCSWS will be shared across the region, to assist other Authorities seeking to implement similar schemes through the RECAP partnership.

The purpose of the renewable energy network is to locally generate renewable energy from solar and then 'private wire' it into the GCSWS Depot in order to maximise the use of renewable energy and ensure transparency. The network design will distribute electricity into the Depot from the solar array and form its own local grid distinct from existing infrastructure across the Dickersons Industrial Estate.

The network will also include a battery storage system so that when electricity is generated at times

when we aren't charging it can be retained for use within the Depot i.e. for eRCV charging once collection rounds are finished. Access to the electricity generated is for GCSWS Depot users, as well as local public sector partners as mentioned within the PID, however it is not openly available for other organisations located in the vicinity of the Depot.

CASE FOR CHANGE

The existing 'business as usual' is that the RCV fleet consumes circa 695,000 litres of diesel fuel / year resulting in 1,800 tonnes of CO₂ / year. The long-term goal of the project, all phases, is full replacement of the fleet – this would thus result in total avoided emissions of up to 1,800 tonnes of CO₂ / year. These avoided emissions, Scope 1 for both Councils, would be a major milestone achievement for their climate action goals. From the circa 50 vehicles within the fleet, the project will focus on 20 vehicles transitioning to eRCVs. The other vehicles are likely to require alternative fuel sources as their operations are not suitable for the current eRCVs available. The local grid infrastructure is also designed so that additional 'generating assets' such as further solar or wind power can be added.

Both Greater Cambridge Shared Waste Service Councils have made policy commitments which are their key drivers for change to decarbonise their RCV fleet as below:

SCDC (May 2020): "For our estate and operations, over which we have direct control, we aim to deliver a reduction on 2018-19 levels of at least 45% by 2025, and at least 75% by 2030; this includes for our fleet of vehicles, a 50% reduction by 2025 and a 90% reduction by 2030".

Cambridge City (June 2020): "To procure Ultra Low Emission Vehicles (ULEV) when replacing vans and trucks in the Council's fleet (where there is a suitable ULEV alternative, and the infrastructure allows). This could lead to a fully electric van and truck fleet by 2028; Will seek to replace all RCVs with low carbon alternatives (electric or hydrogen) at the point when they are due for replacement".

Both Councils were the first to embark on a RCV fleet replacement program in the CA area. Without the WREN Project, the program will stall due to unavailability of electricity capacity from the local grid to charge the eRCVs. The detailed design will seek to ensure that the generation of renewable energy and the operational deployment reflects the fleet replacement programme as well as the energy demand. There is a committed programme for replacement which can be shared with the CPCA when required.

The following information details the Fleet Replacement Programme for the GCSWS. Please note, the profile over the programme period is subject to change, due to lead-in times for purchase of e-RCV vehicles, change in options available of e-RCVs, and availability of supply of electricity/charging infrastructure (which is the issue that the WREN project is aiming to address).

	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	Totals
Existing Fleet Replacement (No. vehicles)	1	0	4	6	14	13	3	5	46
New vehicles – to accommodate growth (No. of vehicles)	0	0	1	1	1	0	0	1	3
e-RCVs	1	0	2	2	11	4	0	0	20
Alternative fuels	0	0	0	0	0	9	3	3	15

Table 1: GCSWS Fleet Replacement Programme, correct October 2022

CLIMATE CONSIDERATIONS

The Independent Climate Commission established by CPCA made a key recommendation for the waste sector (W4) to "roll out zero carbon collection vehicles". The WREN project is fundamental in meeting this regional aim and the net zero goals of SCDC and Cambridge City Council

The RCV fleet consumes circa 695,000 litres of diesel fuel / year resulting in 1,800 tonnes of CO₂ / year. The focus of the local grid project is on the first 20 vehicles and thus would result in total avoided emissions of up to 1,700 tonnes of CO₂ / year. These avoided emissions, Scope 1 for both Councils, would be a major milestone achievement for their climate action goals and complying with the recommendations of the ICC regarding fleet decarbonisation.

Using HMT's Greenbook (June 2021) Valuation for Energy Use & Greenhouse Gas Emissions, an estimate of the monetary value of worldwide damage done by carbon dioxide emissions can be reached. Using the factors in tables 1 and 3 of the Greenbook, the carbon value of renewable energy generation associated with WREN has been calculated as £438,768 across the lifetime of the project. The business case shows both with and without the cost of carbon so that isolated economic impact can be seen alongside, true cost of carbon business case.

If granted, funding would enable both Councils to reach these emissions goals sooner and so decarbonise further than would otherwise be the case. Should the Councils need to find other sources of funding or divert additional funding to the WREN project, then as a minimum the project would be delayed, and the opportunity for further avoidance of carbon emissions missed.

Diversion of funds may also have the effect of slowing down the acquisition of eRCVs and the overall decarbonisation of the GCSWS refuse vehicle fleet. Given the leading role that GCSWS are playing in this field within the region, acceleration of the WREN project would bring forward these benefits and the wider knowledge sharing by GCSWS, in turn assisting the earlier decarbonisation of refuse fleets elsewhere in the region.

The project will include a biodiversity enhancement plan to maximise opportunities for doubling nature and achieving biodiversity net gain within the site where possible, through grassland habitat enhancement and other biodiversity enhancement measures surrounding the solar PV array site.

SMART OBJECTIVES

1. Discharge Planning Consent conditions and secure any further consents/variations, once scheme design finalised, from the Local Planning Authority by Q4 22/23
2. Agree Heads of Terms draft land leasehold with landowner by Q4 22/23
3. G99 application to UKPN for grid connection and receive offer/response by Q4 22/23
4. Approval to draw down funding from the committed funds for the residual project costs from Cambridge City and SCDC respectively by Q3 22/23
5. Review and approve a Full Business Case with fully designed local grid solution by Q3 2022 with implementation from Q4 22/23

SPECIFIC DELIVERABLES/OUTPUTS

- Full Business Case / Investment Grade Proposal
- Contractor's Proposal Documents
- Conditions Discharge Consent / Non-Material Amendment Approval
- G99 Connection Offer (UKPN)
- Solar Power Plant 825 kWp ground-mounted solar
- Local grid infrastructure including Local grid energy Centre (MEC)
- Electric Refuse Vehicle chargers (ERVCs)
- Power Management system (PMS)
- Energy Storage System (ESS) 1MWh / 500kW
- Mains Point of Connection (POC)
- Operations & Maintenance Plan
- Measurement & Verification Plan – part of the Energy Performance Contract including energy performance guarantees.

PROJECT OUTCOMES/IMPACTS

See attached Project Outcome Profile Tool.

The Defined Performance Parameters for the business case are:

- Minimum Average Projected Renewable energy Generation 897,202kWp per annum over the first 15 years of the project's operation
- Minimum CO2e savings of 1104.39 tCO2e per annum over the first 15 years of the project's operation

The key measures of success will be ability to generate the renewable energy generation and deploy energy storage in order to service electricity requirements for 20 eRCVs year-round that achieves the carbon abatement within the funding envelope and with financial performance for lifecycle cost analysis.

In the medium term the project will enable the significant reduction in carbon emissions from refuse collection function across the Greater Cambridge area and enable the fleet transition to electric RCVs. In the longer term, the project will enable both SCDC and City to achieve their net zero plans and their interim milestones in 2030 and ultimate target of 2050.

The project has been assessed against the CPCA's key metrics:

CPCA criteria	Score from prioritisation assessment	Rationale
GVA	3	Procured contractors has commitments to local sourcing of goods and services during the construction phase and operation/maintenance phase
Climate Change	4	Significant reduction in carbon emissions and enables authorities to meet 2030 and 2050 net zero targets.
Nature	3	Net zero contribution to natural capital. However, opportunities will be sought to enhance in accordance with SCDC Doubling Nature strategy – biodiversity net gain of 22% on-site.
Manufactured capital / infrastructure	3	Improve the electrical infrastructure capacity and addresses significant capacity issues across Cambridgeshire.
Human capital / health	2	Improved environmental air quality and reduced noise pollution due to facilitating the transition to electric RCVs.
Human capital / skills	2	Moderate improvement in skill of knowledge for small group of individuals involved in project delivery, operation and maintenance. Opportunity to provide replication workshops to other collection authorities across CA area.
Social capital / inequalities	3	Improvement to public sector delivery of the waste/refuse function resulting in greater service efficiency.
Financial capital / finance and systems	3	Generating electricity on-site will facilitate greater resilience in terms of the supply and cost of energy. The cost of energy will be known across lifespan of project and enable greater resilience against fluctuations in energy prices.

DESIGNS

The overarching concept remains largely unchanged from that originally proposed – the core solution comprises the following key components:

- 1) A ground-mounted solar photovoltaic (PV) array, to be located on a parcel of land to the Northwest of the depot site. This system is to be the main source of renewable electricity
- 2) An Energy Storage System (ESS), to balance electricity generation with site electricity demands
- 3) A Power Management System (PMS), to control distributed energy resources, optimise performance and monitor equipment
- 4) An array of Electric Vehicle Chargers (EVC), to serve the proposed Electric Refuse Collection Vehicle (ERCV) fleet
- 5) Associated electricity distribution, communications and civil infrastructure
- 6) A new / upgraded point of connection to the electricity distribution network

The first phase of detailed design and business case development has offered the opportunity to explore design and technology options to:

- 1) Maximise the utilisation of renewable electricity generated on site
- 2) Conversely, minimise import of grid-based electricity and critically, peak tariff electricity (notionally, daytime electricity demands)
- 3) Meet 100% of the Electric Refuse Collection Vehicle's demands through both renewable and grid-based electricity
- 4) Accommodate for local electricity network constraints, including both power import and export restrictions
- 5) Establish an economic, safe and operationally feasible layout for the Electric Vehicle Charging infrastructure, contemplating spatial constraints, vehicle transit routes, future site expansion possibilities
- 6) Ability to accommodate future demands and generation sources.

RISKS

See attached Risk Register generated at the beginning of the project. Risk Register and Issue Log reviews take place every two weeks with dynamic risk monitoring on an on-going basis.

CONSTRAINTS

Delivery is scheduled to start from Q1 23/24 so that the solar array is operational by Q3 23/24. The design team has been working to the constraint of providing electricity for 20 eRCVS and their associated collection round patterns. The project will need to be delivered while the Depot remains operational. Early construction phase plans are being drafted to ensure a long lead in to finalise buildout that will incorporate the on-going operational needs of the site and service.

DEPENDENCIES

The WREN project is linked to the Fleet Replacement Strategy for GCSWS. Mike Parsons who is part of the operational team overseeing fleet replacement is also part of the WREN Project Team, as the Senior User. Also, our accountant for the GCSWS is part of the WREN Project Team to also provide information pertinent to both WREN project and Fleet Replacement activity.

WREN project is located adjacent to the GCSWS depot at Dickerson Industrial Estate off the A10. The CPCA's A10 Upgrade Project Manager, Robert Jones, has made contact to identify dependencies and sensitivities. Within the A10 Upgrade OBC, the WREN project has been identified as a committed interfacing project. The scheme options are being developed and managed by Cambridgeshire County Council Highways and the team is in contact with SCDC and GCSWS representatives.

The current advertised timeline for A10 Upgrades to start on site is not before 2026 whilst WREN is targeting a buildout to be completed by end of Q2 23/24. The A10 Upgrade team will be in contact with WREN team (and wider GCSWS representatives) regarding road traffic generation and other impacts during construction as well as in operation.

ECONOMIC CASE

INTRODUCTION

In 2020, Cambridgeshire County Council in partnership with SCDC, Cambridge City and other local authorities, an OJEU tender process was completed to establish the Framework Agreement for Energy Performance Services. This process tested value for money from potential providers across the Energy Performance Contracting sector. The tender was awarded to Bouygues E&S Solutions Limited and TESGL Limited (trading as SSE Enterprise Energy Solutions) who demonstrated the best value for money through the tender scoring and evaluation process.

Bouygues E&S solutions is large multi-national organisation operating globally. With that order book value comes the ability to competitively secure goods and services utilising this bulk purchasing power, and knowledge of global supply chain that can help manage inflationary increases. All procurement via Bouygues involves open book and therefore value for money as be checked at granular detail in addition the checks completed throughout the framework/tender process. Benefit Cost Ratios will be included for options within the Full Business Case.

The costs have also been through a value engineering / value for money exercise to look for opportunities within the design to refine the costs. However, it must be considered that given cost/commodity increases, total project cost has increased from the outline business case. The costs will follow those outlined as part of the competitive tendering process undertaken when establishing the framework agreement.

APPROACH TO ECONOMIC CASE

The previous business case reviewed long-list options including Depot relocation and tested 7 technical designs against the counterfactual which is solely grid connection/reinforcement option without renewable energy generation, energy storage or a power management system.

This business case has focused on the WREN local grid option (the final preferred technical option) and the counterfactual which is grid reinforcement and the EVCPs.

A review of the capital cost estimates of the project has been undertaken, to establish any significant shifts in project budget estimates. This exercise is based on a revision to account for evolutions to the project's design, as well as factoring for price and technology movements. The scenarios are based on 30 year project life span with key parameter of returns within 15 years from year 1 of project operation.

Importantly assumptions have been included for price and carbon footprint of electricity from the grid, factoring in decarbonization of the electricity network. The economic case and sensitivity also rely on modeling the electricity demands from actual and up-to-date data from the rounds and data collected from the eRCVs onboard monitoring systems.

In order to compare options, the cost of energy over the lifespan of the project has been shown, which takes in to consideration capex and opex, and reflects cost of grid export energy and cost of energy generated from the solar pv array maximized by energy storage and optimizes by the power management system.

The counterfactual case shows the capex / opex / repex / energy cost of the project without the addition of the local grid. This effectively provides the authorities with a reference against which the local grid may be measured (in terms of both economic and carbon outcomes). Whilst the investment yield is not the key driver for this project, the economic case has been assessed focusing on the IRR, NPV and Levelised Cost of Energy (LCOE).

LONG-LIST OPTIONS ASSESSMENT

Do Nothing

Without intervention, there will be no means to charge the ordered eRCVs and implement the next stages of the fleet decarbonization (further ordering of vehicles as per the forward plan). The maximum electricity grid capacity will be reached, and with our grid reinforcement, no further export from the grid will be possible. The Do-Nothing scenario would result in the inability to meet net zero / climate action goals including the 2028 (Cambridge City) and 2030 (SCDC) targets. This would show a failure of leadership on net zero and climate action.

Do Minimum

An option to look at solely increasing electricity grid capacity (counterfactual option), without renewable energy generation, energy storage or power management, appears to be a 'do minimum' option. However, in reality, seeking an export connection for the capacity required for 20 eRCVs would mean a large upfront capital cost due to the high grid export requirements. The offset from the reduced diesel costs would be overshadowed by the upfront capital for the grid connection. The counterfactual provides no long-term return on investment and the Levelised Cost of Energy (LCOE) shows more costly than the local grid option, despite the additional CAPEX.

Relocation

The relocation scenario has been reviewed and it is highly unlikely that there is another site in Greater Cambridgeshire that meets the operational needs of the waste and recycling operations, has unconstrained electricity capacity, could be operational within the timeframe required to meet net zero targets and could deliver the current co-location benefits.

Firstly, the local electricity distribution network operator, UKPN, is behind schedule with grid upgrades across the whole of the Greater Cambridge area. Therefore, most other locations would be highly constrained (i.e. no guaranteed capacity at the times when operationally it would be needed for charging) and as the fleet replacement programme progresses would also require the new renewable energy network infrastructure.

Secondly, it is highly unlikely that another location could be found that meets the site requirements and is on brownfield land or outside of designated green belt. Therefore, this would mean very low likelihood of securing planning permission at an alternative location.

Thirdly, and most importantly, the current depot location at Waterbeach provides significant environmental, operational and cost benefits, enabling GCSWS to reduce its overall carbon footprint by minimizing travel cost and time to garage services and treatment facilities. The vehicle parking, cleaning, and charging is co-located adjacent to the waste collection, recycling and treatment operations as well as the vehicle maintenance garage.

Furthermore, there is an opportunity at the current location to explore further deployment of renewable energy sources including feasibility of landfill gas as an energy source, viability of wind energy (subject to planning policy) and expanding the solar PV plant generation capacity.

In summary, the existing Depot location is strategically important and there would be significant disbenefits moving to an alternative location, if one could be found.

FINAL BUSINESS APPRAISAL SUMMARY

Capital Cost

A review of the capital cost estimates of the project has been undertaken, to establish any significant shifts in project budget estimates. This exercise is based on a revision to account for evolutions to the project's design, as well as factoring for price and technology movements.

The estimated capital cost of the project has generally increased with direct correlation to macroeconomic factors and economic instability over the last month in particular. To counter these increases there has been significant design rationalisation and value engineering, overall the total WREN local grid option cost is £5,981,896. However this figure must be considered in the context of the 'sunk' counterfactual cost of £2,671,397.

Revenue / Saving Projection

The economic benefit is driven principally through the avoidance of import of grid-based electricity, compared with a counterfactual grid-connected solution. In other words, the power generated by the solar PV array and distributed by the local grid is used to serve the ERCVs – the counterfactual option is based on a conventional grid-connected solution with no on-site generation, thus the entire electricity demand of ERCVs is met through import from the grid. The avoidance of cost associated with the grid-based import gradually repays the additional capital and operational costs of the local grid, compared with the counterfactual.

Consequently, the level of import offset achieved by the local grid holds a direct relationship with the economic outcome of the project. The higher the offset achieved, the greater the economic benefit and hence, the stronger the business case and vice versa. In addition, the 'tariff' paid for each unit of grid-based electricity is also of key importance. The higher the tariff, the higher the level of saving through offset avoidance and vice versa. This is of particular relevance given the present rise in tariffs linked to rise in fossil fuel prices, which is likely to continue.

Over the 30-year lifespan of the project, for A1 – economic case without social cost of carbon shows WREN local grid has a Levelised Cost of Energy (LCOE) of 26p versus the counterfactual LCOE being 35p. When the social cost of carbon is included the LCOE for the counterfactual is more costly at 38p versus the WREN local grid at 27p.

Economic Outcomes

The attached pdf 'WREN CPCA Business Case Dashboard 221024.pdf' shows the appraisal summary. The following results and conclusions can be observed:

- The local grid is a demonstrable improvement on the counterfactual option, effectively offsetting a substantial 'sunk cost' to deliver EV Charging infrastructure. This is evident through the Levelized Cost of Energy (LCOE), which considers the total cost per unit of energy over the lifespan of the project. This proves that there is a benefit to the investment into the local grid.
- When assuming the entire project's economic outcomes, the IRR ranges from -3% (A2) to 2% (A3) over the lifespan of the project. This is considered as an isolated investment decision given the 'sunk cost' associated with the counterfactual option.
- With CPCA's investment (A1, A3), the Net Present Value (NPV) is neutral / break-even. However, without CPCA's investment, the NPV is significantly negative, regardless of sensitivity scenario configuration or carbon abatement monetisation, yielding the project commercially unviable. This would mean that the viability of the project would depend on CPCA facilitation of the broader fleet electrification benefits, or a strategic case, as opposed to economics.

OUTCOME PROFILE TOOL

See attached excel spreadsheet

ECONOMIC BENEFITS

The WREN project enables the GCSWS to deliver the following economic benefits:

- Reduced reliance on fossil fuel pricing which is likely to continue to rise
- Reduced reliance on imported grid electricity with pricing also linked to fossil fuel pricing
- On-site renewable energy generation, reduced requirement for importing grid electricity with the modelling showing the cost of energy will be lower for the local grid preferred option

DISPLACEMENT AND DEADWEIGHT

Given the maximum grid capacity having been reached, and the localized need for electricity in the Depot location, the WREN project would not displace benefits from elsewhere. The main rationale is to increase capacity and deliver a new source of energy generating asset. There are no other local energy generating assets that would deliver the capacity required, that could guarantee supply and compete economically with the local grid option.

NON-QUANTIFIABLE BENEFITS

These benefits include environmental improvements to the working conditions in and around the Waterbeach Depot in response to increased eRCVs and the resulting reduction in noise and emissions. Additional biodiversity measures such as biodiverse grass and flower species will be provided on the solar PV site adjacent to the Depot, to provide Biodiversity Net Gain in accordance with Greater Cambridge Planning policies. The solar PV site is adjacent to Landbeach Pits Willow Wood County Wildlife Site, and there is an opportunity to further support species at that site through appropriate biodiversity net gain measures at the solar PV site. There may also be an improvement to the air quality around the Depot location, which although directly a result of the eRCVs, would be curtailed without the WREN project.

In terms of region-wide benefits, the lessons learned, and expertise developed within GCSW as a result of the WREN Project will be shared with other Local Authorities in the region to assist their own fleet decarbonisation programmes. There is also potential for the eRCV charging facilities to be used by other Local Authorities in the region that have compatible fleet vehicles. In addition, pressure that would otherwise be placed on the electricity network through a grid connection, would be alleviated through use of the micro grid, relieving capacity on the local network for others to use.

SUMMARY

The counterfactual grid connection only cost presents no financial return for the investment. However the WREN local grid option with the CPCA contribution enables investment in the local grid, which in turn provides a long-term return on investment. Whilst this does not achieve typical commercial investment thresholds, it provides a 'break even' on an otherwise sunk cost and is the only approach by which the Councils (SCDC and CCC) can achieve theirs and the CPCA's net-zero carbon goals. The WREN project also shows lower cost of energy over the lifespan of the project in comparison with the counterfactual scenario. The counterfactual option is not available to the Councils' today as there is no grid capacity and still requires £2.67m investment.

COMMERCIAL CASE

INTRODUCTION

With global and national goals to reach net zero carbon, this project is attractive for the growing energy services and project delivery sector. The Commercial Case sets out the development and utilisation of the Energy Services and Project Delivery Contracting Framework, established by Cambridgeshire County Council and Partner Authorities (including SCDC and Cambridge City).

PROCUREMENT OPTIONS

The project will be delivered with an established delivery partner consortium who have been pre-selected by Cambridgeshire County Council and Partner Authorities (including SCDC and Cambridge City) via the Cambridgeshire Energy Performance Services Contracting Framework following an OJEU competitive tender selection process. The consortium is led by Bouygues E&S Solutions with TESGL (trading as SSE Enterprise Energy Solutions).

City Council, SCDC and County have delivered previous energy schemes with the delivery partner Bouygues, including several solar Photo Voltaic (PV) projects for the County Council and a major programme for SCDC at the main offices, South Cambs Hall, which includes a solar PV plant and several energy efficiency improvement retrofits.

DELIVERY OF THE PROJECT

The project is collaboration between Cambridge City and SCDC together as the Greater Cambridge Shared Waste Service. SCDC is the lead authority for the shared service operating in the Greater Cambridge area on behalf of SCDC and Cambridge City Council. In addition to initial budget provision (which has come from existing shared service budget) residual funding will be secured from City and SCDC respectively. CPCA will be a funding partner.

Project delivery will be by SCDC, as the Shared Service Lead for GCSWS, using Bouygues E&S Solutions as the Delivery Partner for end-to-end project design, development and delivery. An Operations and Maintenance contract will also be in place for the lifetime of the project and is fully committed to in the on-going budget for GCSWS.

The Client-Side Project Manager will be Alex Snelling-Day from SCDC. Alex has had PRINCE2 training and has experience of developing and delivering energy projects including South Cambs Hall Greening Project. To ensure this project has robust management and direction as well as collaboration from all partners, Dave Prinsep from Cambridge City will be Project Sponsor/Director with Bode Esan, SCDC and GCSWS, as Programme Level Director.

The project team will include senior users and technical managers, including Waste Operations Manager from GCSWS and Corporate Energy Manager from City Council. The project team will also include a programme manager, Chris Bolton, represented from the Combined Authority.

PROCUREMENT STRATEGY

The majority of the project can be procured utilising the aforementioned Energy Services framework, utilising a call off contract 1 and 2 for the investment grade proposal and then the works contracts, respectively. Legal services for review of call off contract 2, utilising JCT form of contracts, will be procured by 3C Legals Lawshare framework.

Both procurement exercises will include requirements to deliver social value in the form of supporting local economy, making subcontracting opportunities available for local businesses, declaring their own carbon reduction initiatives supporting net zero and sustainable policies.

FINANCIAL CASE

INTRODUCTION

The financial case outlines the budget provision to date and the rationale for financial investment at this stage.

APPROACH TO FINANCIAL CASE

There is currently no central government allocated funding for pilot schemes or development funding for similar local grid and fleet schemes. Therefore, both SCDC and Cambridge City Council have sought CPCA funding in order to complement their own capital contributions and accelerate development of the WREN project. The development will be completed in the shortest time period possible to avoid impacts from inflation. In additional procurement exercises will be undertaken in a timely way to ensure prices can be locked in. As delivery partner Bouygues are a global operator with worldwide supply chains and are consequently able to advise and take action to manage inflationary risks, and have delivered successful similar projects in the UK and Cambridgeshire. An optimism bias has been factored into the costs with every scenario and option having a high, medium and low cost options.

FINANCIAL OPTIONS ASSESSMENT

The project is on behalf of GCSWS and therefore the respective councils of SCDC and City Council will be providing capital contributions. As this project aims to showcase best practice in local grid infrastructure to accompany fleet decarbonization, and it meets several local strategic objectives, the project has been put forward for CPCA funding.

PROJECT COSTING TABLE

Financial Year		2020-21	2021-22	2022-23	2023-24
Project Costs	Revenue				
	Capital			600,000	5,381,896
	Total			600,000	5,381,896

Financial Year		2020-21	2021-22	2022-23	2023-24
Funding Stream	Gainshare				2,700,000
Medium Term Financial Plan	Approved to spend				
	Subject to approval				2,700,000

Table 3: Project Costing table showing project costs and CPCA funding information.

Committed Cambridge City and SCDC to Project Budget

The total project costs are £5,981,896. After the CPCA capital funding of £2.7m this leaves a residual project cost of £3,281,896 capital.

SCDC, as the lead authority for the shared service, has fully committed the total residual funding in the forward programme and all expenditure will initially be incurred by SCDC. SCDC will be utilising funds from the Renewables Reserve, which is ring-fenced income from business rates paid by owners of renewable energy projects across the District. CPCA funding is fixed at £2.7m and SCDC and Cambridge City Council will meet the shortfall. Cambridge City Council has secured approval for their contribution towards the projects costs, with the decision having gone through Environment and

Community Scrutiny Committee on 6 October 2022. However, please note, a project tolerance will be applied to acknowledge that until commercial contracts are signed, there is a small risk to project increase within this tolerance.

Land leasehold costs

The land lease costs are in addition to the capital project costs as they relate to existing and on-going lease arrangements. The costs are estimated as £3,000 pa. These costs are fully committed in the forward programme for GCSWS.

WREN Operations and Maintenance Programme

The Full Business Case will include options for the operations and maintenance contract. These costs will be from the committed operations budget for GCSWS.

Fleet Replacement Programme

The costs relating to the fleet replacement are not part of this project. Both councils are fully committed to the fleet replacement programme and have committed funding to an on-going programme which started in 2020/2021. Further information relation to the timeline and costs can be shared when required.

PROJECT COST BREAKDOWN TABLE

Sources	Value	Uses	Value
Combined Authority	£2,700,000	Operating Costs and Management Fees	£(5,831,896)
Public sector co-funding	£3,281,896	Development Costs	£(150,000)
Private sector co-funding	£0m	PWLB Interest Paid	£(0)m
Revenue	£0m	PWLB Loan Repayment	£(0)m
PWLB Drawdown for capital costs (if applicable)	£0m	...	
...	£0m	Total Uses	£(5)m
	£0m	Retained Cash Balance	£(0)m
Total Sources	£5,981,896	Total Uses less Retained Cash Balance	£(5,981,896)

AFFORDABILITY ASSESSMENT

SCDC will be utilising capital reserves and Cambridge CC is utilising their Council's Climate Change Fund and General Fund Reserves, without borrowing and therefore no constraints regarding cost flow.

MANAGEMENT CASE

INTRODUCTION

The following information shows how the project will be delivered to budget, programme and agreed quality acceptance criteria.

PROJECT TIMELINE

Headline Activity	21/22				22/23				23/24			
Key Deliverable Milestone	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
OBC / IGP Development												
Consents												
Permitted Development (Cert. of Law.)												
Pre-Comm conditions discharge												
Non-material amendment												
G99 Budget Application												
G99 Connection Agreement												
ANM Feasibility Study												
Leasehold Agreement												
IGP / OBC Deliverables												
Concept Design Report												
Outline Business Case												
Permitted Development Opinion												
G99 Budget for application												
Draft leasehold Heads of Terms												
Risk Register												
Design Development Report												
Procurement Plan												
Conditions Discharge Application												
G99 Application for Connection												
Leashold Heads of Terms												
Updated Risk Register												
Investment Grade Proposal												
Contractor's Proposal Documents												
Conditions Discharge Approval												
G99 Connection Offer												
Draft Leasehold Agreement												
Capital Build												
Solar Power Plant												
Local grid Infrastructure												
Electric refuse vehicle chargers												
Energy Management System												
Energy Storage System												
Mains Point of Connection												
Commissioning												
Client Handover												
O&M Contract Start												

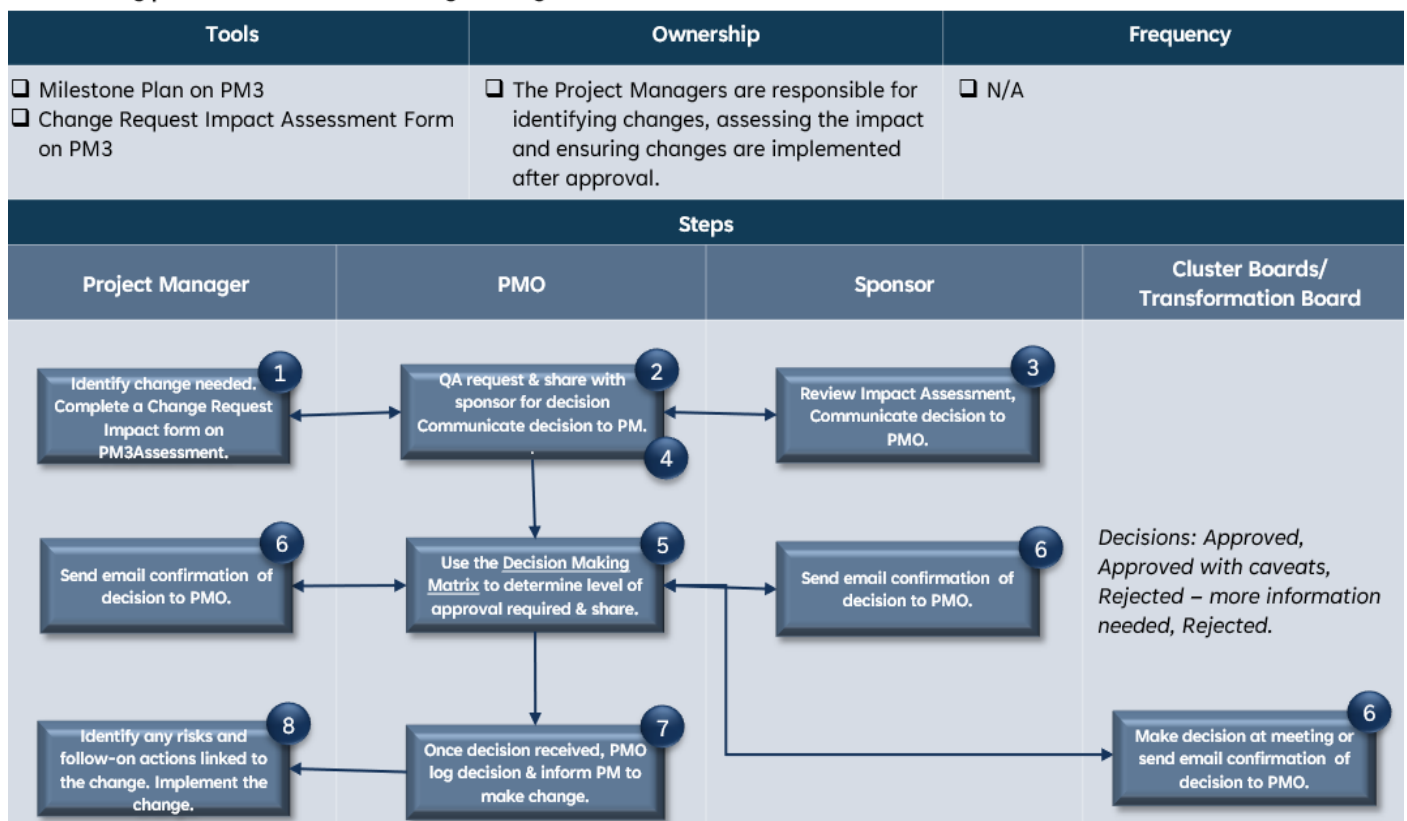
EXIT STRATEGY

The first part of the Exit Strategy is to ensure that the Senior User / End User is part of the Project Team during the initiation, Full business Case and Delivery phases of the project. Principally this will be Mike Parsons, Waste Operations Manager at GCSWS. This will enable visibility throughout from the operational team to help shape the design, avoid unnecessary costs/impacts and ensure that during commissioning and handover there is a well-developed level of knowledge about the technology involved in the project. GCSWS have an existing annual budget for operation and maintenance of the fleet, the new costs for the renewable energy network and the new e-RCVs replace the previous costs and therefore are covered in the existing budget allocation.

The approach to be taken with Bouygues E&S Services will be to follow a Commissioning Method Statement including pre-commissioning checks and notices. Upon satisfactory completion inspections, a handover meeting will be held covering all elements of the project with accompanying documentation. Following build out and commissioning, there will be an Energy Performance Contract in place to ensure the performance of the renewable energy network. There will also be an operations and maintenance plan in place which will ensure end users have access to a dedicated specialist team. Costs associated with this post-commissioning activity have been factored into GCSWS annual budgets and will not form part of the capital project costs and therefore will be wholly funded by GCSWS and not CPCA funding.

CHANGE MANAGEMENT

The following process will be used for Change Management



The tolerances are included in the Decision-Making Matrix:

	Project Manager	Project Sponsor	Cluster Board	Transformation Board
Schedule	Changes to Project Activities.	Approve changes to delivery timeline up to 10%, where no impact to overall project timeline.	Approve changes to delivery timeline up to 20%, where no major impact to overall project timeline.	Approve changes to delivery timeline up to 50%, where there is a major impact to overall project timeline.
Scope	n/a	Approve any changes to project Outputs/Deliverables of up to 10% variance from the delivery of the business objectives.	Approve any changes to project Outputs/Deliverables of up to 20% variance from the delivery of the business objectives.	Approve any changes to project Outputs/Deliverables of up to 50% variance from the delivery of the business objectives.
Cost	Approve any changes up to 5% over agreed budget or up to £5,000 in any financial year.	Approve any changes up to 10% over agreed budget or up to £50,000 in any financial year.	Approve any changes up to 20% over agreed budget or up to £300,000 in any financial year.	Approve any changes up to 50% over agreed budget or up to £500,000 in any financial year.
Benefits	n/a	Approve overall Success Criteria and measures for Projects.	Approve any small changes to overall business case benefits.	Approve any major changes to overall business case benefits.

PROJECT MANAGEMENT

Programme Sponsor/Director: Bode Esan, GCSWS and SCDC

Project Sponsor/Director: Dave Prinsep, Cambridge City Council

Project Manager: Alex Snelling-Day, SCDC

Supplier: Miles Messenger from Bouygues E&S Solutions

The Waterbeach Renewable Energy Network (WREN) will be administered by SCDC as a “Green to Our Core” (Cluster Project) under the Transformation Programme. The Cluster Board will drive operational delivery by generating a clear focus on project deliverables and making key decisions required to ensure successful project adoption into relevant service areas. The Cluster Board is in turn under the direct supervision and oversight of a Transformation Board.

The Transformation Programme Team is made up of the Management Team (Head of Transformation & Transformation Programme Manager) and a Project Management Office Team (PMO). The PMO govern the project delivery lifecycle and provide portfolio level reporting to the Transformation Board and Leadership Team. The Transformation Board is chaired by SCDC’s Chief Operating Officer, and the Board reports directly to SCDC’s Leadership Team.

The PMO sets, maintains and ensures standards for project management across the organisation, including best practices, project status, efficiency in planning, tracking progress and direction, etc. The PMO Team consists of The PMO Manager, Project Managers, Business Analysts, Interaction Designers and a Project Support Office.

The Transformation Programme utilises a customised Project Management Methodology based on the Prince2 Methodology and is aligned to the Portfolio Project Management Tool PM3.

R = Responsible A = Accountable C = Consulted I = Informed	Organisational Role	Director (Senior Responsible Officer) Bode Esan	Project Director Dave Prinsep	Project Manager Alex Snelling-Day	Consultant Team Miles Messenger - BYES	Project Board	Members Group Steering Committee
Decisions/Activities							
<i>Project initiation</i>		A	A	R	R	C	C
<i>Delivery of the project</i>		A	A	R	R	C	I
<i>Changes to cost and programme (subject to Decision Making Matrix)</i>		A	A	R	R	C	I
<i>Compliance and assurance of operational data</i>		A	A	R	R	C	I
<i>Technical assurance of the content and quality of data throughout the life of the project</i>		A	A	R	R	C	I
<i>Content and quality of information data on a day to day basis</i>				R	R	C	
<i>Project closure</i>		A	A	R	R	C	I

STAKEHOLDER PLAN

Stakeholder Analysis			
Role & Name	Power/Influence (High or Low)	Interest/Impact (High or Low)	Engagement
Project Manager	High	High	Project Board Project Team Meetings Green to Our Core Cluster Board GCSWS Steering Group
Combined Authority	High	High	Project Board Performance and Risk Committee Monthly Highlight and Finance Reporting
Greater Cambridge Shared Waste Service Steering Committee (Members and Senior Officers)	High	High	Updates to/Project Manager to attend GCSWS Steering Committee
SCDC Members	High	High	Climate & Environment Advisory Committee
Landlord – Alboro Development	High	Interest High	Update via established Liaison Meeting and further special meetings where required.
Waterbeach Parish Council	Low	High	Pre-construction and during construction re impacts

AMEY/Waterbeach Community Liaison Group Members ¹	Low	High	Attend / give updates at established Forum. Maintain clear communication channel.
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Communications Plan

Meeting & Purpose	Delivery method	Owner/ communicator	Frequency	Audience/Stakeholders
Project Team	IRL / Teams	Project Manager	Bi-weekly	Project Manager Project Team Members Senior Users Project Support Consultancy Team Representatives
Project Board	IRL/ Teams	Project Manager	Monthly	Project Team (as above) Project Sponsor
Combined Authority		Project Manager	Monthly	Highlight and Finance Reporting
Green to Our Core Cluster Board	IRL/ Teams	Project Manager	Monthly	Cluster Board – Programme Level Director
Transformation Board	IRL/ Teams	Programme /Project Directors supported by Project Manager	Monthly	SCDC Leadership Team
SCDC Leadership Team	IRL/ Teams	Programme/Project Directors/ Manager	Monthly	SCDC Leadership Team
SCDC Climate and Environment Advisory Committee (CEAC)	IRL/ Teams / Public Meeting	Project Manager	Quarterly	Elected South Cambs Members
Greater Cambridge Shared Waste Steering Committee	IRL / Teams	Programme / Project Directors / Manager		Elected Member representatives from City and SCDC alongside senior leadership officers from City and South Cambs.
CPCA Board and Committees	IRL / Teams	Project Director / Manager	As directed by CPCA	CPCA

¹ The proposed solar PV project in Waterbeach will be located adjacent to an existing Waste Treatment Park, operated by Amey. The waste park has an established local community engagement forum, the Waterbeach Community Liaison Group (CLG) which meets regularly to discuss topics of interest. The meetings are organised by Amey.

ASSURANCE

The project will follow SCDC project assurance processes, including review of the business case information provided by third party/independent party.

SUPPLY SIDE CAPACITY AND CAPABILITY

None

KEY CONTRACTUAL AGREEMENTS

Consent Required	Authority	Stage Required	Responsible Organisation	Description	Risk of Refusal	Status	Action
Pre-Comm. Conditions Discharge	Greater Cambridge Shared Planning	3	Bouygues E&S	Solar farm planning consent includes conditions that must be discharged.	Low	Preparation	TBC
G99 Budget Application (no longer required)	UK Power Networks	N/A	N/A	N/A	N/A	N/A	N/A
G99 Connection Agreement	UK Power Networks	3	Bouygues E&S	For the connection of the local grid to the Distribution Network	High	Submitted – awaiting outcome 12 Nov	TBC
ANM Feasibility Study (no longer required)	UK Power Networks	N/A	N/A	N/A	N/A	N/A	N/A
Leasehold Agreement	Albora Developments	3	GCSW	Draft HoTs	Low	In final stage	Final scheme timeline

In addition, the design and delivery by Bouygues is subject to Call Off Contract 1 and a Call Off Contract 2. CoC1 is currently in place for the delivery of the Investment Grade Proposal and CoC2 will be drafted for close in Q4 22/23 following successful completion and approval of the final business case.

MONITORING AND EVALUATION

Benefits Realisation Plan will be developed, as set out by SCDC PMO. In addition, the project will use a logic model, as outlined by CPCA, after the project is initiated.

An integrate part of the plan will be the Defined Performance Parameters which are set out in the Full Business Case (Investment Grade Proposal). This is a key part of the Energy Performance Contract with the delivery partners. To evaluate performance against the parameters an Annual Monitoring Report is produced by the Delivery Partner. The Benefits Realisation Plan will also include measuring impact of the project on our GHG reporting and carbon footprint for both SCDC and Cambridge City Council.

The plan will measure against the 6 capitals scoring

The Benefits Realisation Team at SCDC will have oversight and responsibility for checking the evaluation is completed. The Project Manager is responsible for checking the Defined Performance Parameters are maintained or improved through the project delivery with the Senior User once the solution is commissioned. Bouygues E&S Solutions will Measurement and Verification Team will undertake the Annual Monitoring Reports.

The project is delivered with an Energy Performance Contract (EPC). The Key Performance Outcomes which will form the EPC:

- Project Maximum Capital Cost (£)
- Maximum Payback Period (years)
- Renewable Energy Generation (kWh/yr)
- Carbon Emissions Saving (TCO₂/yr)
- Minimum Savings Guarantee (kWh/yr)

The following process will be used to identify, capture and manage Benefits that pertain to programme and project delivery.

Tools		Ownership	Frequency
<ul style="list-style-type: none"> • Benefits Realisation & Transition Plan • Business Case • Project Initiation Document (PID) 		<ul style="list-style-type: none"> • The Project Manager for the lifecycle of the project • The Senior User for the project • Benefits Realisation resource • Policy & Performance 	<ul style="list-style-type: none"> • Throughout the duration of the project • Benefit Realisation review after project closure
Definition & Types		Process	
A Benefit is a positive and measurable impact of change.		Define	High level discussions around project benefits are documented in the business case by the project manager & senior user.
Benefits Management is the identification, definition, planning, tracking and realisation of benefits.		Initiation & Planning	All known benefits (incl. measures and targets) are identified and signed-off by the project manager and senior user alongside Policy & Performance.
Benefits Realisation is the process for the identification, definition, tracking, realisation and optimisation of benefits ensuring that potential benefits arising from a programme of change are actually realised.		Delivery (Execution/Monitoring & Control)	The project manager and senior user start to populate the Benefits Realisation & Transition Plan for unknown benefits and conversations around targets & measures commence and are documented here. This goes on for the rest of the project lifecycle.
Global Benefits	Local Benefits	Close	
Benefits that will be delivered through multiple current or future projects. Closely aligned to strategic objectives.	Benefits that are likely to be specific to one or a very small number of projects. Less closely aligned to strategic objectives.	Benefits Realisation	The project manager and senior user alongside Policy & Performance, complete and sign off the Benefits Realisation & Transition Plan, with active involvement from the stakeholders who are the benefit recipients. Once targets & measurements have been agreed by Policy & Performance, the project manager & the senior user, benefits will monitored and reported on by Policy & Performance on PM3. Targets & measurements cannot be changed without all 3 parties in agreement.



**CAMBRIDGESHIRE
& PETERBOROUGH**
COMBINED AUTHORITY

Agenda Item 4.2 – Appendix 2a

Business Case – Chalk Streams

VERSION CONTROL

Document version	Publication date	Description of changes	Modified by
1	25 March 2022	Template	Programme Office
2	25 October 2022	Business Case updated	Adrian Cannard
3	03 November 2022	Incorporated comments from Sub-PARC and from Project Applicant	Adrian Cannard

EXECUTIVE SUMMARY

STRATEGIC CASE

Economic growth (and associated housing supply) in the Greater Cambridge area faces a constraint due to water supply, which is reliant on groundwater extraction from chalk aquifers. This need for water extraction combined with climate change is having a detrimental impact on sensitive habitats of chalk streams. Chalk streams are internationally rare habitats. In Cambridge, Bin Brook, Cherry Hinton Brook, Coldham's Brook, Hobson's Brook and Vicar's Brook are all chalk streams. The chalk aquifer they emerge from, to the southeast of the city, is a main source of water for residents and businesses.

This project supports action to tackle impacts on chalk streams through a programme of individual schemes in particular by restoring river channels to a more natural shape and size. Done well, flow rate will be increased enough to keep the gravel clean, flow diversity will increase, and the river will behave more naturally, increasing biodiversity requiring less maintenance.

Addressing potential negative impacts of growth on the environment aligns with the Six Keys of the Sustainable Growth Ambition Statement. It aligns directly with the Statement's natural capital Key: *"Climate and Nature: restoring the area's depleted natural capital and addressing the impact of climate change on our low-lying area's special vulnerabilities"*

It also directly responds to the infrastructure Key on water system infrastructure:

"Infrastructure: build public transport networks, improve digital connectivity and deliver energy and water system infrastructure".

The project also contributes to the CPCA endorsement of the Vision for Nature and Environmental Principles for the OxCam Arc, which includes the doubling of nature and other environmental outcomes.

ECONOMIC CASE

The project is at its core providing natural capital benefits. By tackling some of the environmental impacts of economic growth and climate change the project also supports that agenda, potentially reducing delays or barriers to growth. There are potential carbon sequestration, and social volunteering benefits. Most of these benefits are not monetised so this Economic Case uses the outcome appraisal tool to establish the link to strategic objectives and assess the 'optimal' approach to the project.

FINANCIAL CASE

The project is for £420k grant, split £300k capital and £120 revenue delivered over a 3 year programme. There are opportunities for combining specific elements of funding with grant programmes of other partners, including water company, Nature England and the Environment Agency.

COMMERCIAL CASE

The City Council will project manage and deliver the project (which is a programme of individual projects). The individual projects will be based on the Greater Cambridge Chalk Streams Audit report was commissioned in 2020 as an audit of chalk streams in the upper Cam catchment. It identifies potential projects. These projects range from well researched plans to project ideas and long-term ambitions. Procurement of works will be in line with the councils systems.

MANAGEMENT CASE

The Greater Cambridge Chalk Streams Audit provides evidence base for individual project selection. Advice from Natural England and the Environment Agency will inform specific designs. Start on site will taken place in autumn 2022 (subject to ground conditions) and complete in autumn 2023. Surveys of biodiversity before and after the project will provide the evaluation framework.

INTRODUCTION

Chalk streams are mainly spring-fed watercourses rising from a chalk aquifer. Rainwater percolates slowly down through the chalk to the water table. Groundwater moves through the chalk bedrock and emerges at springs; there are often multiple springs along the course of a stream. The filtering and purifying action of the chalk means that water from chalk springs is characteristically “gin clear”, mineral rich, slightly alkaline, with a relatively stable flow. The stream bed is generally made up of flint gravel, because chalk geology contains flint deposits, with very little clay or sand. The unique characteristics of chalk stream water are linked to a unique ecology, supporting a wide range of flora and fauna. There are only around 200 chalk streams, found exclusively in England and northern France. In the Combined Authority area they are focused around Greater Cambridge.

Chalk streams in the area suffer from low flows. Future economic growth (and associated housing supply) in the Greater Cambridge area faces a constraint due to water supply, which is largely reliant (at least in the short term) on groundwater extraction from the chalk aquifers. This need for water extraction combined with climate change is already having a detrimental impact on sensitive habitats of chalk streams. The water resources situation is akin to the climate crisis – as a society we need to use water more sustainably and make changes to how we abstract, store and manage water, reducing abstractions that impact the environment. Addressing these long-term issues is essential but outside the scope of this project. However, in the shorter term there is activity that can be done through this project to reduce impacts on chalk streams, in particular by restoring river channels to a more natural shape and size, and adding gravel to create new riffle areas. Done well, flow rate will be increased enough to keep the gravel clean, flow diversity will increase, and the river will behave more naturally, requiring less maintenance

This project seeks bring forward the priority projects identified in an audit of potential interventions, helping to mitigate the biodiversity and climate crisis, whilst contributing towards the Cambridge Nature Network ambitions, the CPCA/Natural Cambridgeshire’s ‘Doubling Nature Vision’ and OxCam Arc Principles.

It is proposed that subject to consultation and necessary permissions the initial works are procured for delivery starting in 2023.

STRATEGIC CASE

INTRODUCTION

The purpose of the strategic case is to demonstrate alignment with local, regional and national policy objectives. Specifically, the strategic case should test the project fit with the CPCA's Sustainable Growth Ambition Statement.

The strategic case demonstrates the fit of the Chalk Streams project with CPCA, local and national policies.

STRATEGIC PRIORITY

Addressing potential negative impacts of growth on the environment aligns with the Six Keys of the Sustainable Growth Ambition Statement. It aligns directly with the Statement's natural capital Key:

"Climate and Nature: restoring the area's depleted natural capital and addressing the impact of climate change on our low-lying area's special vulnerabilities"

It also directly responds to the infrastructure Key on water system infrastructure:

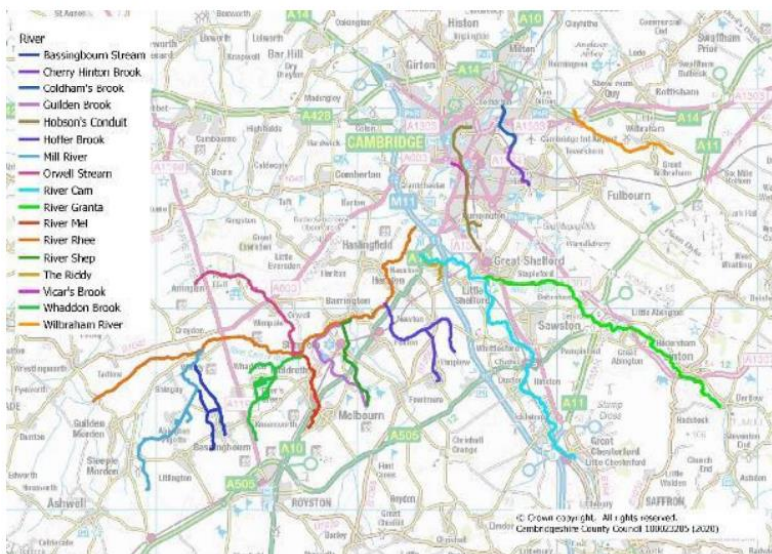
"Infrastructure: build public transport networks, improve digital connectivity and deliver energy and water system infrastructure".

The project also contributes to the CPCA endorsement of the Vision for Nature and Environmental Principles for the OxCam Arc, which includes the doubling of nature and other environmental outcomes.

CASE FOR CHANGE

The Greater Cambridge Chalk Stream Audit¹ sets out the case for change and potential interventions. The scope of the streams is shown below:

There is some discussion about exactly which watercourses to consider as chalk streams in this area, as rivers may rise from the chalk but then flow over clay. They receive water from runoff and treatment works in addition to groundwater, and display chalk stream characteristics in varying degrees. The map below shows the watercourses covered in this report.



¹ Greater Cambridge Chalk Streams Project Report - Cambridge City Council

The Audit was prepared by the Wildlife Trust in 2020, with support from Cambridge City Council and South Cambridgeshire District Council, Cambridge Water and the Wild Trout Trust. It sets the environmental cost of not tackling the issues the chalk streams face. The emerging Local Plan also highlights the potential impacts of economic growth and associated housing on the need for water from the existing aquifer, and the constraints that places on growth levels. Whilst longer-term investments are proposed to address the water supply issues, in the short term there is activity that can prevent, or reduce, chalk stream impacts.

If the project is not implemented, then the rare habitats of the chalk streams will be less able to adapt to the changing climate/demand for water and biodiversity impacted. Wider opportunities to enhance the streams for habitat, climate, flood resilience, recreation and increased wellbeing benefits will not be realised.

CLIMATE CONSIDERATIONS

The direct impact of the project on the quantum of Combined Authority carbon emissions is likely to be modest. Improvements proposed in the Audit may reduce the need for additional pumping of water to maintain flows, which will generate a carbon saving. Lessons learnt from adopting nature-based solutions can be applied to other chalk stream environments.

Any extension of habitat can provide long term source of carbon sequestration, but construction (especially any transport of aggregate materials) will have associated carbon emissions.

The project does respond to the need for climate adaptation, through making the habitats more resilient.

The contracting process will request measures to reduce carbon impacts but use of diesel fuelled machinery/transport is likely to be unavoidable.

SMART OBJECTIVES

- Deliver a programme of projects selected from the Chalk Streams Audit over the period to FY 24/25 to maximise biodiversity benefits and reduce the need for pumping water to maintain flows, subject to any detailed amendments as an outcome of the further public consultation undertaken.
- To engage with external partners to seek to leverage funding through the delivery of nature-based solutions.

SPECIFIC DELIVERABLES/OUTPUTS

The outputs:

- Deliver projects from the Chalk Streams Audit to a total value of £300k capital investment
- Public engagement in the programme to increase awareness and support of the habitat interventions, and encourage water demand management. Appoint a project officer. Reengage with all stakeholders, including the Wildlife Trust, Cam Valley Forum, EA, South Staffs Water and catchment partnership to review and update the 2020 baseline report and projects (as additional projects, partnerships and catchment modelling has occurred over the past 2 years). Early discussions with EA suggested that significant match funding may be available for unlocking once combined authority funds secured.

Looking at their chalk stream drivers will help prioritise and increase the number and scale of projects that can be delivered

- Provide lessons learnt to enable other similar interventions to be developed for other chalk streams
- Provide evidence for the forthcoming CPCA Local Nature Recovery Strategy

PROJECT OUTCOMES/IMPACTS

Successful outcomes will be the increased river quality of the chalk streams; increase in biodiversity; scalable deliverables that can be applied elsewhere; enhance the riparian habitats which form a key link in the Cambridge Nature Network; sustainable economic growth.

The works will be complemented by existing chalk stream interventions.

CPCA performance management metrics

The Project will deliver an outcome monitored under **CPCA performance metric 8: Climate and Nature - Land Area Providing Nature Rich Habitat (PNRH) by District**. A sub-measure is proposed on linear data i.e. length of watercourse enhanced.

DESIGNS

See Appendix A for list of potential projects.

RISKS

1. Proposals not supported through public consultation or regulatory applications. MITIGATION: This is deemed unlikely due to previous engagement and support from local community. Community engagement a key part of the delivery.
2. Inflation costs for delivery. MITIGATION: The number of individual projects can be managed by the Project Board to reflect cost pressures.
3. Extreme weather event impacts on chalk streams. MITIGATION: partly what the interventions are for; scheme designs will take into account climate related risks

CONSTRAINTS

Works may be restricted to certain times of the year due to habitat and species considerations.

DEPENDENCIES

None.

ECONOMIC CASE

INTRODUCTION

This financial case includes a Logic Model, a Green Book Outcome Profile Tool linked to our Sustainable Growth Ambition Statement and a summary of economic benefits.

APPROACH TO ECONOMIC CASE

The project will transform habitats provided by chalk streams to protect and enhance their biodiversity value.

The project is at its core providing natural capital benefits (with some short term employment via the construction), with some social volunteering. Value for money is therefore covered by the Green Book Supplementary Guidance on 'Enabling a Natural Capital Approach' ². Natural capital is focused on natural assets in ecological terms (their quantity, condition and sustainability) and the social and economic benefits that derive from those assets. Most of these benefits are not monetised so this Economic Case uses the outcome appraisal tool to establish the link to strategic objectives and assess the 'optimal' approach to the project.

OPTIONS ASSESSMENT

A 'do minimum' approach would be to not undertake interventions. As the Audit already identifies pressures on the chalk stream habitats this could lead to further damage on those habitats unless other measures were forthcoming. The 'do something' approach is to consider interventions via capital works.

The preferred option is to prioritise from the individual schemes identified to undertake targeted, impactful works that increase the resilience of the habitats and reduce the need for pumping of flows.

APPRAISAL SUMMARY TABLE

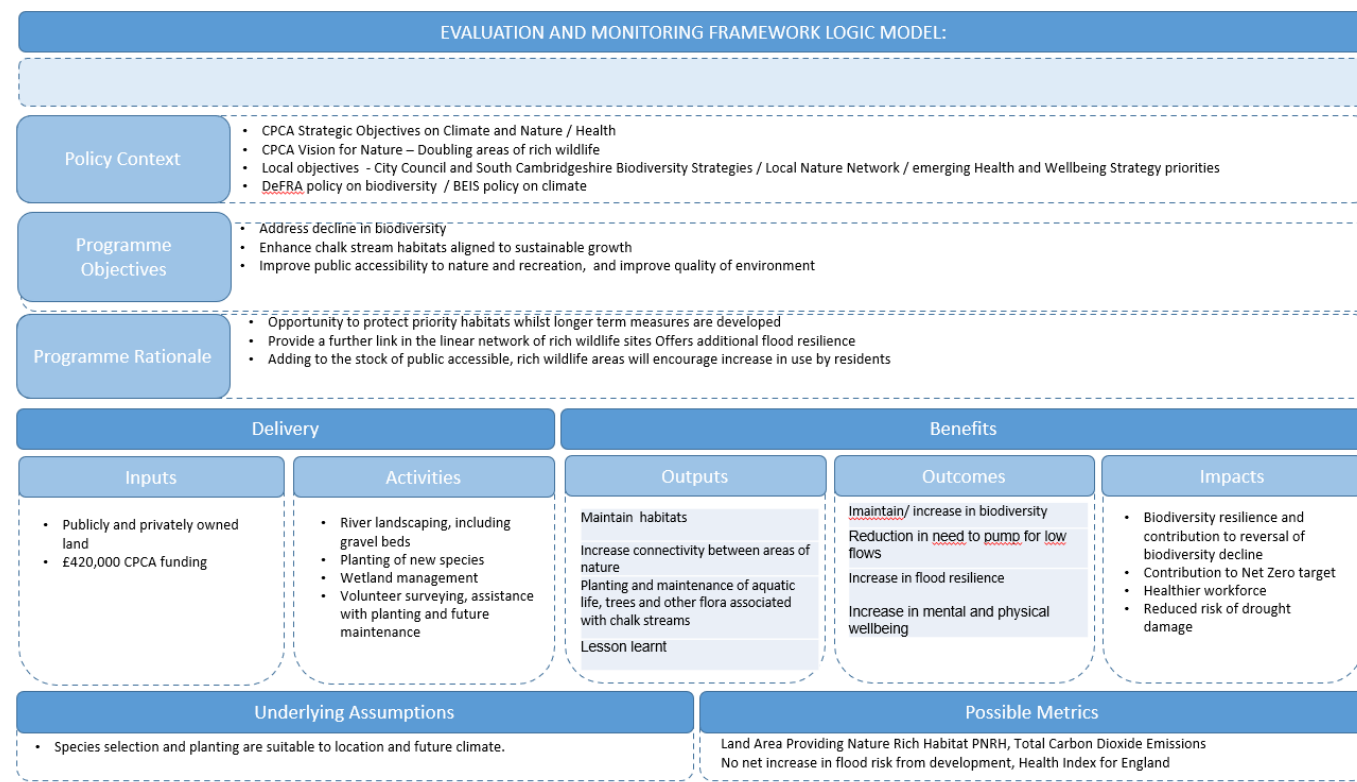
The Business Case uses the Outcome Profile Tool and Logic Model rather than an Appraisal Summary Table. See next section.

² [Enabling a Natural Capital Approach guidance - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/674212/Enabling_a_Natural_Capital_Approach_guidance.pdf)

OUTCOME PROFILE TOOL

Sustainable Growth Outcomes	Climate and Nature	Health and Skills
Other Programme Outcomes (optional)	Climate Action Plan (CPCA) Cambridge City and South Cambridgeshire District Biodiversity Strategies; CPCA Vision for Nature; Local Nature Network Cambridgeshire Flood Risk Management Strategy	Health and Wellbeing Strategy 2022-2030
Project outcomes	Maintain / Increase in biodiversity Reduce low flow pumping requirements Increase in flood resilience	Increase in mental and physical wellbeing
Project outputs	Protect habitats Connectivity between areas of nature Management of aquatic life, trees and other flora associated with chalk streams	Increase in residents accessing nature
Project measures	Land Area Providing Nature Rich Habitat PNRH Land Area Providing Nature Rich Habitat PNRH Total Carbon Dioxide Emissions No net increase in flood risk from development	Health Index for England
Limitations	1. Habitat will take time to increase species presences and biodiversity	Mental health benefits of access to nature are documented. However, attributing any impact of the project will be difficult to distinguish at the local scale due to other socio-economic factors on residents health.

LOGIC MODEL



ECONOMIC BENEFITS

Biodiversity is a core component of natural capital with multiple effects on social and economic welfare. Biodiversity:

- is core to the ecological condition and quality of ecosystems that support the services provided to people
- directly benefits people through species existence, through nature-based solutions and by enriching other benefits (like nature-based recreation)
- underpins the resilience of ecosystems to shocks and can provide insurance value

The project, as well as enhancing priority habitat, maintains the links in a 'chain' of rich wildlife sites. This magnifies the biodiversity opportunities and benefits. Although DeFRA's Biodiversity Metric allows comparison of before and after habitat changes the government is yet to set the national benchmark cost for individual biodiversity credits. A financial CBR has not therefore been calculated. A scoring assessment was done against the Six Keys (1-5, with 5 being the most positive).

GVA	Six Key Themes							
	Climate and Nature		infrastructure	Knowledge	Health & Skills		Social	Finance and systems
	Climate Change	All Other			Health	Skills		
3	2	5	2	3	3	3	3	2

DISPLACEMENT AND DEADWEIGHT

None.

ECONOMIC COSTS

The economic costs have been derived from the requirements for landscaping and planting. These have been benchmarked against comparable projects.

NON-QUANTIFIABLE BENEFITS

There are benefits to physical and mental health through access to nature. The chalk streams can be accessed in various locations by local residents walking and cycling, promoting active travel modes.

SUMMARY

The project shows a clear link from the strategic objectives of the CPCA (and the local councils) to the solution proposed. There are quantifiable and non-quantifiable benefits arising from the project.

COMMERCIAL CASE

INTRODUCTION

This section sets out the commercial objectives and constraints for the project mainly relating to procurement. The project will be project managed by Cambridge City Council.

PROCUREMENT OPTIONS

Cambridge City Council will be responsible for securing consents and delivery of the project under its adopted procurement rules and guidelines, working with the relevant landowners and environmental regulators.

DELIVERY OF THE PROJECT

Cambridge City Council will take responsibility for delivery of the project, working with appropriate contractors. Revenue spend is part of the grant and will assist in project management and engaging with landowners and agencies.

Residents and landowners have been engaged through the Audit work in 2020. Additional engagement will be needed as priority interventions are determined. Regular updates on the scheme will be available on the City Council webpages and via the social media.

PROCUREMENT STRATEGY

The contractual works will be advertised as Tender/s based on price and quality to ensure value for money.

WIDER CONSIDERATIONS

None.

FINANCIAL CASE

INTRODUCTION

The financial case is to deliver the preferred option and follows the appraisal set out in the Strategic and Economic Cases.

APPROACH TO FINANCIAL CASE

The Audit provides indicative costs for a range of interventions. The Project Board will prioritise these using appropriate criteria, and the interventions will fit with the funding envelope.

PROJECT COSTING TABLE

Financial Year		2022-23	2023-24	2024-25	2025-26
Project Costs	Revenue	40	40	40	0
	Capital	0	60	120	120
	Total	40	100	160	120

Financial Year		2022-23	2023-24	2024-25	2025-26
Funding Stream	CPCA	40	100	160	120

PROJECT COST BREAKDOWN TABLE

Sources	Value	Uses	Value
Combined Authority	£0.42m	River works, Landscaping/Planting, Project Management and Engagement	£0.42m
Total Sources	£0.42m	Total Uses	£0.42m

AFFORDABILITY ASSESSMENT

The project is to start in 2022/23 and has been costed as such. The revised capital profile compared to the MTFP Subject to Approval allocation reflects the need to reengage with stakeholders on the individual projects before commencing capital works. Short-term inflationary pressures are assumed within the financial profile, and the projects can be varied to fit available budget.

CHARGING MECHANISM / CLAIM/INVOICE PROCESS

Capital works: invoicing in arrears.

Revenue funding: annual payment in advance

MANAGEMENT CASE

INTRODUCTION

The purpose of management case is to test that robust arrangements are in place to manage the delivery of the project. The project will be managed and delivered by Cambridge City Council.

PROJECT TIMELINE

A Project Board will be convened as soon as possible post the approval of business case (Winter). Appoint Fixed term Project Officer (December 2022, review audit with stakeholders and prioritise projects for impact and deliverability Jan _ March 2022. Devise schemes and gain consents for delivery August 2023 – December 2025. Existing habitats and species will be surveyed and protected during works as part of the planning process.

EXIT STRATEGY

The new habitats are designed to be low maintenance but the future maintenance will fall to landowners/riparian owners.

CHANGE MANAGEMENT

The City Council as project manager will implement a suitable change management process and approach to tolerances/risk management. Cost increases would be the responsibility of the City Council as the CPCA is providing a fixed budget.

PROJECT MANAGEMENT

External Project Director: Alistair Wilson – Streets & Open Spaces Development Manager
alistair.wilson@cambridge.gov.uk

External Project Manager: Guy Belcher, Streets and Open Space – **Biodiversity Officer**, Cambridge City Council

Internal CPCA Project Manager: Adrian Cannard, Strategic Planning Manager

<div><div>R = Responsible</div><div>A = Accountable</div><div>C = Consulted</div><div>I = Informed</div></div>	Organisational Role	CPCA Director (Senior Responsible Officer)	External Project Director	Internal Project Manager	External project manager		Community Group
Decisions/Activities							
Project initiation		C	A	C	R		I
Delivery of the project		I	A	C	R		C
Changes to cost and programme		I	R	A			
Compliance and assurance of operational data		I	A	I	R		
Evaluation		I	A	C	R		
Project closure		I	A	C	R		
[Include more or delete decisions as appropriate]							

RISK MANAGEMENT STRATEGY

The project has strategic and management support, and has been subject to public engagement on deliverables. A suitable risk management approach will be put into place. Initial risks have been highlighted in the Strategic Case section.

STAKEHOLDER PLAN

Landowners, agencies, water company and local residents have been and will continue to be engaged. Community groups will support with promotion of the project including social media, site notices and leaflet dropping. Signage will be posted on site to advise users of project progress and any necessary public access closures during construction.

ASSURANCE

The project will be progressed in line with the City Council's assurance framework. Regular reporting via a monthly Highlight Report to the CPCA is required.

SUPPLY SIDE CAPACITY AND CAPABILITY

The delivery relies on successful tender processes and capacity in the sector. The current challenges to global supply chains and the impacts locally are recognised.

KEY CONTRACTUAL AGREEMENTS

Landowners and statutory permissions required.

MONITORING AND EVALUATION

Baseline habitat condition assessment, invertebrate and protected species surveys will inform the works and allow end of project repeat surveys to assess impacts..

The Project will contribute to an outcome monitored under **CPCA performance metric 8: Climate and Nature - Land Area Providing Nature Rich Habitat (PNRH) by District**. The sub-measure is the linear amount of chalk streams habitat improved. Allowance will need to be made for the biodiversity outcome to vary over time, as habitats take time to adapt.

Appendix 1: Project Summary List

River	Type	Status	Cost	Detail
Bassingbourn stream	Investigation	R	£5k	Approach landowners and carry out walkover survey especially of reaches rarely accessed. Combine with information about the stream and reasons to buffer (potential joint project with FWAG East)
Bassingbourn stream	Restoration	R	£15k	Bank reprofiling and stabilisation, gravel placement, desilting around the springs
Bassingbourn stream	Restoration	R	£10k	Lower reaches (longer term) to have gravel placement, brash ledges to enhance in-channel sinuosity and tree hinging
Bassingbourn stream	Daylighting	R	£20k	Work with Bassingbourn Barracks (longer term) to improve habitat and where possible remove culverts on development site
Cam Gt Chesterford-A505	Investigation	R	£2k	Assessment of the barrier to fish movements posed by the mills and other structures
Cam Gt Chesterford-A506	Restoration	R	£10k	Dig 'n dump in combination with levee removal and bank re-grading to push the banks down into the channel margins
Cam Gt Chesterford-A507	Restoration	A	£2k	Community-based habitat improvement work at Wellcome Trust site
Cam Gt Chesterford-A508	Tree work	R	£2k	Tree work to increase cover at, and below, water level (tree-hinging)
Cam A505 - Hauxton	Investigation	R	£10k	Feasibility study for wetland creation on the Huawei site near the railway line, intercepting water from the ditch before it reaches the river
Cam A505 - Hauxton	Restoration	R	£15k	Gravel placement downstream of gravel riffle on Huawei site to extend existing habitat, coupled with tree hinging/LWM placement
Cam A505 - Hauxton	Restoration	R	£10k	Gravel placement elsewhere (several suitable sites exist)
Cam A505 - Hauxton	Tree work	R	£500-£2k	Tree hinging and placement of LWM (many suitable sites) especially where pools and riffles are developing naturally
Cam A505 - Hauxton	Investigation	R	£10k	Assess water levels at Dernford Fen, in particular whether there is a control structure. If not, install a water control structure. Dernford Fen is suffering from drying out, but a steady stream of water was seen coming from the fen in September 2020
Cam A505 - Hauxton	Restoration	R	£10k	Create 2-stage channel upstream of Pampisford Mill (there are also other suitable sites for this)
Cam A505 - Hauxton	Floodplain reconr	R	£10k	Reconnect river with floodplain upstream of Hauxton Mill back to M11
Cam A505 - Hauxton	Restoration	R	£50k+	Remove concrete channel lining at Huawei site and reshape channel, adding gravel and LWM
Cam A505 - Hauxton	Investigation	R	£15k	Feasibility study for using historic channel to bypass Dernford Mill (would require moving gauging station)
Cam A505 - Hauxton	Investigation	R	£10k	Feasibility study for removing / notching structures to enable fish passage
Cam A505 - Hauxton	Investigation	R	£10k	Feasibility study for wet woodland creation
Cherry Hinton Brook	Maintenance	A	£5k	Maintenance of existing restored sections at Cherry Hinton Hall and near Brookfields
Cherry Hinton Brook	Restoration	G	£10k	Additional gravel placement in various locations (working with local volunteers), combined with some sensitive desilting work downstream of Cherry Hinton Hall
Cherry Hinton Brook	Investigation	R	£10k	Feasibility study of options for connection to the Coldham's Brook
Cherry Hinton Brook	Investigation	R	£10k	Feasibility study for removal / notching the weir at Cherry Hinton Hall
Cherry Hinton Brook	Investigation	R	£10k	Assessment of road run-off to brook, including flood risk and water quality, and potential projects
Cherry Hinton Brook	Investigation	A	£2k	Find a solution to prevent trespass to the lakes across the brook. The need to avoid creating crossing points severely limits restoration options on this reach
Coldham's Brook	Investigation	R	£10k	Flood storage and habitat creation work at Coldham's Common (feasibility study)
Coldham's Brook	Restoration	G	£15k	Channel restoration and realignment at Stourbridge Common
Coldham's Brook	Restoration	R	£2k	Fixing of LWM at discrete locations to increase scour and habitat
Coldham's Brook	Investigation	R	£10k	Connection to the Cherry Hinton Brook (feasibility study)
Granta	Investigation	A	£10k	Flood storage and habitat creation work at Leadwell Meadows, Linton (feasibility study)
Granta	Restoration	A	£10k	Levee removal combined with dig and dump work above Stapleford over ~100m (on hold until Cambridge Rapid Transit route is known)
Granta	Restoration	A	£10k	Re-visit dig and dump work at Granta Park previously scoped by WT and EA

River	Type	Status	Cost	Detail
Granta	Floodplain recon	A	£20k+	Floodplain re-connection at BRC needs to be worked-up into a Env Permit for delivery along with many other site opportunities
Granta	Restoration	G	£2k	Linton Friends of the River Granta are waiting to be led on habitat works
Granta	Restoration	G	£5k	Fencing and large woody material placement at Hildersham extending work already done
Granta	NFM	A	£5k each	NFM-type projects on small tributaries to improve aquifer recharge
Guilden Brook	Investigation	R	£1k	Assess the free passage for fish along the entire length of the brook
Guilden Brook	Restoration	R	£5k	Extend the 3 known spawning areas with the addition of further gravel
Guilden Brook	Tree work	R	£2k	Undertake tree planting
Guilden Brook	Investigation	R	£2k	Assess the feasibility of delivering a 2-stage channel in the brook's lower reach where it becomes backed-up by the Rhee
Guilden Brook	Restoration	A	£2k	Use brushwood ledges to enhance flow sinuosity alongside L-Moor
Hobson's Brook	Restoration	R	£10k	Gravel placement for bed raising and habitat creation (several possible locations)
Hobson's Brook	Restoration	R	£10k	Bank reprofiling to create areas of 2-stage channel or even inline wetland areas (if there is enough water) along the arable reaches of the brook
Hobson's Brook	Vegetation mana	R	£5k	Vegetation management at Nine Wells to open-up the spring heads, allow monitoring, and possibly create an area of chalk grassland (with volunteer help).
Hobson's Brook	Vegetation mana	R	£5k	Vegetation management (hedge cutting, tree pollarding and crown lifting, scrub management) to open-up some of the more shaded sections of brook
Hobson's Brook	Restoration	R	£10k	Improve flow diversity and narrow the channel with LWM where appropriate. This could be combined with a careful desilt, particularly on the lower reaches
Hobson's Brook	Restoration	R	£10k	Where hard channel edges are failing, replace with soft engineering. Fix pre-planted coir rolls in front of intact hard edges
Hoffer Brook	Restoration	R	£10k	Add gravel to unrestored sections of the lower reaches, where there is a suitable hard bed. Regrade banks to create a more natural bank profile
Hoffer Brook	Investigation	A	£10k	Feasibility study to avoid / seal sinkholes below Fowlmere Road (Newton) and Whittlesford Road (Newton), and to create a wetland on low-lying land at the junction of Brook Road with B1368
Hoffer Brook	Re-wetting	R	£10k	Move augmentation point on Thriplow Meadows so that water flows over the land rather than by-passing it
Hoffer Brook	Grazing	A	£2k	Re-work cattle drinks nearby on the Rhee (no longer functional due to drop in river levels) or install pasture pumps to reduce poaching on the lower parts of the brook
Hoffer Brook	Tree work	A	£2k	Continue to manage the pollard willows along the brook
Lt Wilbraham River				None
River Mel	Restoration	G	£5k	Habitat enhancement and scrub management at the rear of Meldreth church
River Mel	Restoration	A	£7k	Continuation of bed raising works at the rear of Melbourn playing fields
River Mel	Access	A	£2k	Management of dog access points through the use of dead hedging and additional gravel
River Mel	Investigation	A	£2k	Scoping of habitat enhancement projects to private land from the British Queen to Topcliffe's Mill
River Mel	Investigation	R	£2k	Scoping of habitat restoration in the straight open reach connecting to the River Rhee
River Mel	Tree work	R	£2k	Re-pollarding of veteran willows
Mill River	Land advice	R	£5k	Contact the relevant landowners to discuss management of the adjacent land, and particularly buffering the Mill River
Mill River	Tree work	R	£2k	There are several places where hinging small trees or tree limbs into the river would be beneficial
Orwell Stream	Restoration	R	£10k	Reprofile lower section of watercourse to create a 2-stage channel and use LWM to create in-channel diversity
Orwell Stream	Restoration	R	£10k	Add gravel and LWM to the section upstream of Orwell
Orwell Stream	Restoration	R	£2k	Add LWM and investigate possibility for further NFM measures in woods on Wimpole Estate
Orwell Stream	Grazing	R	£2k	Add gravel to create stable cattle drink areas or fence and provide a pasture pump
Orwell Stream	Land advice	R	£500	Work with local farmers to increase field margin width along brook

River	Type	Status	Cost	Detail
Rhee Harston-Hauxton	Investigation	R	£2k	Scoping of gravel placement to lead to extensive bed raising
Rhee Harston-Hauxton	Restoration	R	£2k	Tree hinging and LWM tethering, in combination with brushwood ledge creation, to enhance flow diversity
Rhee Harston-Hauxton	Investigation	R	£2k	Scoping of floodplain connection opportunities
Rhee Harston-Hauxton	Tree work	R	£2k	Re-pollarding of veteran willows
Rhee Harston-Hauxton	Investigation	R	£2k	Scoping of backwater creation and wetland projects, such as at Clock Holt, Haslingfield
Rhee Guilden Morden - Malton	Restoration	R	£2k	Increase flow diversity by adding LWM to channel (requires a supportive landowner, such as near Wendy)
Rhee Guilden Morden - Malton	Restoration	R	£5k	Tree hinging / LWM in other location
Rhee Guilden Morden - Malton	Restoration	R	£5k	Reprofile banks at site of old cattle drink near Arrington Bridge (or other location / old channels) and potentially create wetland areas
Rhee Guilden Morden - Malton	Restoration	R	£10k	Fish refuge creation and habitat work in side ditches
Rhee Guilden Morden - Malton	Tree work	R	£10k	Programme of pollarding a selection of veteran willows
Rhee Guilden Morden - Malton	Restoration	R	£15k	Bed raising with gravel near Tadlow Bridge (or near Wendy)
Rhee Guilden Morden - Malton	Restoration	R	£10k	Adding gravel to existing fords
Rhee Guilden Morden - Malton	Investigation	R	£5k	Feasibility study for creating areas of floodplain wet woodland
Rhee Guilden Morden - Malton	Investigation	R	£10k+	Look at fish passage at Arrington gauging weir with Environment Agency
Rhee Guilden Morden - Malton	Investigation	R	£5k	Investigate options for removal of private dam while maintaining river-fed pond
Rhee Guilden Morden - Malton	Investigation	R		Check whether recent works have solved the problem of untreated sewage overflowing onto Potton Road, into drains and from there to the river (not solved 2017).
Rhee Guilden Morden - Malton	Land advice	R	£5k	Landowner advice including the importance of wide field margins and keeping fire sites and muck heaps away from the river
Rhee Guilden Morden - Malton	Investigation	R	£10k	Feasibility study for large-scale bed-raising
Rhee Malton - Harston	Fish passage	R	£20k each	Fish passage at the two road bridges
Rhee Malton - Harston	Investigation	A	£10k	Barrington Mill feasibility study
Rhee Malton - Harston	Investigation	A	£10k	Shepreth Riverside Walk backchannels feasibility study
Rhee Malton - Harston	Grazing	A	£10k	Shepreth Riverside Walk fencing / cattle drink project
Rhee Malton - Harston	Grazing	R	£5k	Cattle drink and fencing project upstream of Harston
Rhee Malton - Harston	Restoration	R	£5k each	Restoration of defunct channels as fish refuge / flood storage
Rhee Malton - Harston	Restoration	R	£10k	Wet meadow survey and restoration near the confluence with Hoffer Brook
Rhee Malton - Harston	Tree work	R	£10k	Willow pollarding of selected trees
Rhee Malton - Harston	Investigation	R	£10k	Feasibility study for large-scale bed raising of lower reaches
Rhee Malton - Harston	Restoration	R	£5k	LWM and bank reprofiling to stabilise lower reaches
The Riddy	Investigation	R	£1k	Visit middle the reach of Riddy to assess the scope for addressing the siltation that occurs to the over-deep reach
The Riddy	Tree work	R	£5k	Tree work near former factory site to allow marginal vegetation to establish
The Riddy	Restoration	R	£2k	Improve flow characteristics between pool and riffle alongside the former factory to aid fish passage in low flow periods
The Riddy	Investigation	R	£500	Re-visit the stream in mid-January to look for trout redds
River Shep	Investigation	A	£2k	Scoping of a community-based habitat improvement scheme for Angle Lane
River Shep	Restoration	R	£4k	Gravel placement and bank re-grading along the Manor Farm reach
River Shep	Invasive species	R	£2k	Signal crayfish mitigation work
River Shep	Restoration	A	£5k	Riffle enhancement and extension at Tyrell's Hall
River Shep	Restoration	A	£2k	Delahay's Mill Pond desilting
River Shep	Restoration	R	£2k	Gravel placement in lower cut downstream of railway line
River Shep	Investigation	R		Exploration of fish passage issues at mills
Vicar's Brook	Restoration	G	£5k	Dig 'n dump in combination with bed raising using imported gravel, and marginal habitat enhancement

River	Type	Status	Cost	Detail
Vicar's Brook	Restoration	G	£2k	Community-based habitat improvement work
Vicar's Brook	Tree work	G	£2k	Further tree works (such as crown lifting)
Vicar's Brook	Investigation	R	£1k	Further assessment of the connectivity to Hobson's Brook
Whaddon Brook	Restoration	R	£10k	Reprofile sections of bank at the lower end of the brook to create a wider pool or 2-stage channel. There is a potential small area where a strip of land is not cropped, near the confluence with another tributary stream
Whaddon Brook	Investigation	R	£5k	Feasibility study for restoration / wetland creation in the grounds of Kneesworth House. If wetland creation is possible, it could improve water quality for the rest of the brook
Whaddon Brook	Investigation	R	£5k	Feasibility study for NFM measures near Fountain Farm to hold back some water within the existing deep channel

Status key:

R	Not started
A	Some preliminary work complete
G	Some or all planning complete, due to go ahead soon



**CAMBRIDGESHIRE
& PETERBOROUGH**
COMBINED AUTHORITY

Agenda Item No: 4.3

Local Nature Recovery Strategy Grant

To:	Cambridgeshire and Peterborough Combined Authority Board
Meeting Date:	30 November 2022
Public report:	Yes
Lead Member:	Councillor Bridget Smith, Lead Member for the Climate and Environment Change
From:	Steve Cox, Associate Director
Key decision:	No
Forward Plan ref:	n/a
Recommendations:	<p>The Combined Authority Board is recommended to:</p> <p>Approve the creation of an expenditure budget to enable payment of £16,304 to Cambridgeshire County Council towards preparation for a Local Nature Recovery Strategy.</p>
Voting arrangements:	<p>A simple majority of Members present and voting</p> <p>To be carried, the vote must include the vote of the Mayor, or the Deputy Mayor when acting in place of the Mayor.</p>

1. Purpose

- 1.1 The Combined Authority has received a grant of £16,304 from the Department of Food and Rural Affairs for local capacity building for the preparation of a Local Nature Recovery Strategy. It is recommended to passport this grant to Cambridgeshire County Council to lead the preparatory work on behalf of the Combined Authority.

2. Background

- 2.1 Local Nature Recovery Strategies (LNRS) are a new mandatory system of spatial strategies for nature established by the Environment Act 2021. They are designed as tools to encourage more coordinated practical and focused action and investment in nature. They are part of a broader, strengthened duty on local authorities to conserve and enhance biodiversity. At their core, LNRS need to deliver two main outputs: a list of priority opportunities for habitat improvement and restoration in the strategy area; and a local habitat map which contains existing nature sites and habitats, with locations of the priorities for future habitat improvement and restoration.
- 2.2 Government has indicated that there will be circa 50 LNRS areas across England each with a 'responsible authority'. The Combined Authority has been proposed as the responsible authority for the area covering Cambridgeshire and Peterborough. Confirmation on the areas and the specific guidance on production is awaited from government.
- 2.3 Leaders agreed earlier this year to endorse the County Council as the operational lead on the LNRS on behalf of the CPCA (because of the capability on ecology), with the need for a steering group representative of all councils. Production of the LNRS would involve working closely with Natural Cambridgeshire, as our Local Nature Partnership.
- 2.4 Government want a 'working document' LNRS in place to influence the start of mandatory Biodiversity Net Gain (November 2023). Government have yet to issue their guidance on LNRS production and what constitutes an appropriate working document. This is important because one of the roles of LNRS is to interact with the planning system regarding 'extra' credits for Biodiversity Net Gain in priority habitats.
- 2.5 Government has committed to funding LNRS production as a new duty arising from the Environment Act. It has provided an initial capacity grant of £16,304. This report seeks approval to passport this LNRS capacity grant to County Council for it to set in place the project management of the LNRS and initial engagement on scope.

Significant Implications

3. Financial Implications

- 3.1 The Combined Authority has received a grant for this activity from DeFRA to the sum of £16,304. The Board is requested to approve the expenditure budget to enable the funds to be spent.

- 3.2 Further funding for LNRS production (not yet determined) has been indicated by government in recognition of this as a “new duty” on local authorities.

4. Legal Implications

- 4.1 A Memorandum of Understanding will be agreed with Cambridgeshire County Council on usage of the capacity funding for initial stages of scoping the LNRS .

5. Public Health Implications

- 5.1 The capacity funding has a neutral impact on public health. The LNRS when developed has the potential to improve access to nature, which has positive impacts on public health

6. Environmental and Climate Change Implications

- 6.1 The LNRS process is designed to have positive impacts on the natural environment. Depending on the type of habitat improvements there may be positive impacts on climate change issues.

7. Other Significant Implications

- 7.1 None.

8. Appendices

- 8.1 None.

9. Background Papers

- 9.1 None.



**CAMBRIDGESHIRE
& PETERBOROUGH**
COMBINED AUTHORITY

Agenda Item No: 4.4

Market Towns Programme Financial Update November 2022

To: Cambridgeshire and Peterborough Combined Authority Board

Meeting Date: 30 November 2022

Public report: Yes

Lead Member: Deputy Mayor Councillor Anna Smith

From: Domenico Cirillo, Business Programmes and Business Board Manager

Key Decision: Yes

Forward Plan ref: KD2022/043

Recommendations: The Cambridgeshire and Peterborough Combined Authority Board is recommended to:

- a) Note the latest financial position for the Market Towns Programme and approve revised project delivery profiles and extended completion forecasts as set out within the latest Market Towns Programme Delivery Tracker.
- b) Approve the reallocation of £195,000 from the cancelled Whittlesey Heritage Centre project to fund the four proposed community projects, subject to external appraisal and sign-off from the CPCA Performance and Risk Committee (PARC).
- c) Approve the submission of a funding application from Fenland District Council to the Combined Authority Board in January 2023 to consider the allocation of £255,750 towards progressing a Strategic Outline Business Case for Whittlesey Southern Relief Road.
- d) Approve the reallocation of any underspend from 'closed or completed' projects to cover the funding gap for the Chatteris Museum and Community Centre project, and any other 'in delivery' projects requiring additional funds within the Programme portfolio, subject to sign-off from the CPCA Performance and Risk Committee (PARC) and Chief Finance Officer.

Voting Arrangements: A simple majority of all Members

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

1. Purpose

- 1.1 To update the Cambridgeshire and Peterborough Combined Authority Board (CPCA Board) on the latest financial position and progress being made in delivery of the Market Towns Programme as of September 2022. This report has been deferred from the October Combined Authority Board meeting.
- 1.2 To seek CPCA Board approval of revised project expenditure profiles and project completion forecasts, and the reallocation of underspend from 'closed or completed' projects within the Market Towns Programme portfolio.

2. Background

- 2.1 The CPCA is committed to helping its region's market town to thrive and is investing to ensure towns remain vibrant and thriving places. This commitment included the production of a Masterplan for each of the key market towns (based on new research and analysis required to deliver bold growth ambitions) and identified interventions that enshrined the importance of inclusive growth.
- 2.2 In July 2021, CPCA funding of £13.1m was allocated across the market towns, with district authority leads able to bid for capital funds for each town. Proposals were invited to support the mobilisation of each Masterplan and against activities which addressed the needs and those interventions required to drive targeted growth and sustained regeneration for each town, especially in a post Covid-19 economy.
- 2.3 To date, there have been eight funding calls under the Programme resulting in 47 projects approved by the CPCA Board, awarding a total of £11,297,850 in grant funding (and bringing in over £12m of match investment).
- 2.4 Table 1 below sets out the current total CPCA funding defrayed; to date, a total of £2,620,901 (23% of the total budget) has been paid under the Programme:

Table 1: Market Towns Programme - Grant Funding Defrayed (Aug 2022)			
Town	Actuals 2021-22	Actuals 2022-23 (as of Aug 2022)	Claims Received (August 2022)
St Neots			
St Ives	£186,935	£86,000	
Huntingdon	£186,935	£86,000	
Ramsey			£190,000
March	£32,240		
Wisbech	£253,300	£178,000	£147,500
Whittlesey	£85,900	£113,159	
Chatteris	£404,334	£122,000	
Ely	£265,187		£16,367
Soham	£106,190	£5,000	£155,854
Littleport			
	£1,521,021	£590,159	£509,721

- 2.5 There is remaining budget for East Cambridgeshire (£1m for Littleport) and Huntingdonshire (£802,150 for Huntingdon and St Ives) to support project proposals expected by March 2023 for CPCA Board approval.

3. Project Delivery Update

- 3.1 Unfortunately, post Covid issues around contractors and increased material costs have impacted on project delivery across the Programme. This has been further exacerbated by the recent 'cost of living' crisis affecting the cost of goods and services.
- 3.2 Project leads are having to deal with increased lead-times and costs for materials and labour. Most projects have been able to minimise this impact through extending delivery and completion dates. CPCA officers have been working closely with each project lead to discuss and update delivery and expenditure profiles and forecast completion dates.
- 3.3 The Programme Delivery Tracker, which monitors delivery performance and sets out the status for each project, is attached as Appendix 1.
- 3.4 The CPCA Board is asked to approve the updated position and the revised forecast project completion dates. The Tracker confirms that 25 projects are now complete or nearing completion (53%), and 22 projects are 'in delivery' – 10 of which will be completed before March 2023 and 12 before March 2024.
- 3.5 Table 2 below sets out the revised Programme expenditure forecasts by town:

Table 2: Market Towns Programme - Expenditure Forecasts (by Town)			
Town	Forecast 2022-23 (Sept-March 2023)	Forecast 2023-24	
St Neots	£930,000	£2,170,000	
St Ives	£325,990	£401,075	
Huntingdon	£325,990	£401,075	
Ramsey	£210,000	£600,000	
March	£867,760	£100,000	
Wisbech	£321,200	£100,000	
Whittlesey	£218,169	£582,772	
Chatteris	£373,666	£100,000	
Ely	£718,446		
Soham	£282,956	£450,000	
Littleport		£1,000,000	
	£4,574,177	£5,904,922	

- 3.5 As a result of the current economic conditions affecting the construction market, alongside the abnormal UK inflation, build projects have been particularly impacted due to these unforeseen issues encountered during the build. Two key construction projects (Whittlesey Heritage Centre and Chatteris Museum & Community Space) have reported significant issues impacting delivery.

4. Proposed Reallocation of Programme Funding

- 4.1 **Whittlesey Heritage Centre (project 6)** – the project team has considered the location and the gap in funding, alongside market conditions and believe that continuing with the project at this time is unlikely to produce a facility in a timely, affordable manner. The project will not give good value for money to the taxpayer and work on the heritage centre has been suspended. As the heritage centre either in its original form and location, or in a reduced form and different location has now been halted, local elected Members have discussed other options for the remaining funding to improve community assets within Whittlesey.
- 4.2 To date, a total of £49,250 has been expended against the £500,000 funding award. This leaves £450,750 of remaining budget allocated to the town of Whittlesey. Fenland District Council have requested this funding be recycled against other priority projects for the town.
- 4.3 Following the meeting of the Town Team on 26 October, agreement settled on several community focussed projects that they wish the funding to be allocated to. These projects either reflect priorities within the Whittlesey Growing Fenland Market Towns Masterplan (attached as Appendix 2) or issues that are important to the community and have arisen since that report was originally developed. The Combined Authority Board is asked to approve the reallocation of £195,000 towards the following 4 projects, subject to external appraisal to assess value for money and being signed-off by the CPCA Performance and Risk Committee (PARC):
- 1) Community basketball / tennis / netball facilities; lighting upgrade and secure fencing (£55,000)
 - 2) Add to the existing solar PV provision on the Manor Leisure Centre swimming pool building to improve sustainability (£110,000)
 - 3) Improvements to the market place, removal of trip hazards, and consideration of improved power supplies for community events and the market (£20,000)
 - 4) Development of a heritage display in the local library featuring one of the Must Farm Long Boats or a replica, and other items from the dig alongside interpretation boards telling the story of Must Farm and as part of Whittlesey's heritage (£10,000).
- 4.4 The Town Team have also identified the Whittlesey Southern Relief Road as a major infrastructure priority for the town. As part of the public consultation for the 2022-23 CPCA Budget review, more than 80% of the responses received called for the Whittlesey Relief Road to be progressed. Following a positive inception report with the recommendation that the scheme be progressed, and a request is made that the remaining £255,750 be allocated towards developing the Strategic Outline Business Case. If accepted by the Combined Authority Board, this would be subject to Fenland District Council completing an application which would be assessed against value for money and strategic fit. This would then be considered for approval by the Combined Authority Board in January 2023.
- 4.5 Furthermore, the Combined Authority Board is reminded that the Whittlesey Southern Relief Road scheme was identified within the Whittlesey 'Growing Fenland' Masterplan and strategically fits under the Market Towns Programme. Fenland District Council have confirmed the cost of the SOBC would be classified as capital expenditure.
- 4.6 In terms of delivery timeframes, all these projects are deliverable in the short term and completion by March 2023.

- 4.7 **Chatteris Museum & Community Centre (project 41)** - due to the impact of Covid-19 on the costs of materials and labour, Chatteris Town Council has reported that there is likely to be a significant shortfall in the amount of funding currently available to deliver the entire project as envisaged at the time when the project specification was originally approved.
- 4.8 Chatteris Town Council will explore making amendments to value engineer the existing project specification, but the likely funding gap is estimated at around £300,000. Central to the project has been the purchase of the former Barclays Bank building which has been achieved. Listed building planning consent is awaiting approval and building contractors have been appointed in readiness to start work on the museum from September 2022 and forecast to finish in February 2023. The museum's grand opening is planned for September 2023. Residential flats are forecast to be available for rental at town council offices in January 2024.
- 4.9 CPCA officers have committed to explore what funding options might be available to bridge the gap in funding and to enable the project to continue as planned, especially given the investment already made to date.
- 4.10 The Board is asked to approve the reallocation of any underspend from 'closed or completed' projects to cover the funding gap for the Chatteris Museum & Community Centre project, and any other 'in delivery' projects requiring addition funding within the Market Towns Programme portfolio. Any decision to reallocate funds between projects would require sign-off from both the CPCA Performance and Risk Committee (PARC) and Chief Finance Officer.

Significant Implications

5. Financial Implications

- 5.1 Updated expenditure profiles are within approved budgets and March 2024 spend deadline.

6. Legal Implications

- 6.1 Legal funding agreements will be put in place for each of the four approved projects. The Combined Authority maintains the legal agreements with each project delivery body and regularly monitors delivery and performance.

7. Environmental & Health Implications

- 7.1 No implications.

8. Other Significant Implications

- 8.1 No other significant implications.

9. Appendices

- 9.1 Appendix 1: Market Towns Programme – Project Delivery Tracker (October 2022)
9.2 Appendix 2: Whittlesey Growing Fenland Market Town Masterplan

10. Background Papers

10.1 None.

Market Towns Programme - Delivery Tracker								
Project	Project Name	Local Authority	Project Status (Live or Completed)	Date Application Approved	Funding Awarded	Expected Project Completion Date	Any Key Obstacles that could Affect Completion Date	Date(s) Grant Funding will be claimed and how much per Claim
1	St Neots FHSF	HDC	Live	01 September 2020	£ 3,100,000.00	31 March 2024	This was initially delayed due to Covid 19 restrictions. Preliminary Design commenced in Autumn 2021 with a team of Cambridgeshire County Council (CCC) undertaking the PM role and WSP as Design Consultants. Preliminary design now complete and about to commence Detailed Design in September 2022 and Procurement thereafter. While target date for completion remains spring 2024 there may be need to adjust this target. We anticipate any significant change will become clearer in the coming months.	Spring 2023: will claim 30% of funds. Summer 2023: will claim 30% of funds Autumn 2023: 40% of funds
2	St Ives Footfall Cameras	HDC	99% complete	01 September 2020	£ 42,400.00	30 November 2022	This project has been implemented and almost complete	Final claim made by 31st October 2022
3	Huntingdonshire Feasibility Development Work	HDC	99% complete	01 September 2020	£ 300,000.00	30 November 2022	99% complete. The Three Masterplans for the Market Towns are at Draft Stage. These are currently being consulted upon across each of the three towns, Ramsey, Huntingdon and St Ives. Target date for final engagement feedback is 28th October 2022.	Final claim made by 31st October 2022
4	Wisbech Market Place Improvements	Wisbech TC	Completed	01 September 2020	£ 200,000.00			
5	Whittlesey Interactive Flood Signs	FDC	Completed	01 September 2020	£ 57,500.00		Operational	
6	Whittlesey Heritage Centre	Whittlesey TC	Live	01 November 2020	£ 500,000.00	19 October 2022		Project Change Request received (CA Board - September 2022)
7	Whittlesey Heritage Walk	FDC	95% complete	01 November 2020	£ 218,169.00	30 November 2022	Video & Mayoral launch October 22	
8	Chatteris Town Centre Renaissance Fund	Chatteris TC	Live	01 November 2020	£ 92,000.00	31 March 2023		
9	Ely Town Centre Covid-19 Recovery	ECDC	95% complete	01 November 2020	£ 105,000.00	30 September 2022	None	£40,784 left to claim, dates to be confirmed
10	Ely Digital Connectivity	ECDC	Live	01 November 2020	£ 195,000.00	28 February 2023	None	£22,630 left to claim, dates to be confirmed
11	Ely Evidence Strategy	ECDC	Completed	01 November 2020	£ 20,000.00		Not Applicable	
12	Soham Town Centre Covid-19 Recovery	ECDC	Live	01 November 2020	£ 95,000.00	31 March 2023	None	£45,810.56 left to claim, dates to be confirmed
13	Soham Digital Connectivity	ECDC	Live	01 November 2020	£ 95,000.00	31 March 2023	None	£44,000.00 left to claim, dates to be confirmed
14	Soham Evidence Strategy	ECDC	Completed	01 November 2020	£ 20,000.00		Not Applicable	
15	Ely Steeple Row	ECDC	Live	01 November 2020	£ 96,000.00	31 March 2023	None	£96,000.00 left to claim, dates to be confirmed
16	Market Trader Pop Ups	HDC	95% complete	01 January 2021	£ 35,000.00	30 November 2022	95% complete but final claim still to be made	Final claim made by 31st October 2022
17	Modern Waste Solutions	HDC	Completed	01 January 2021	£ 66,348.00			
18	Modern Simplified Street Furniture	HDC	95% complete	01 January 2021	£ 45,000.00	30 November 2022	95% complete but final claim still to be made	Final claim made by 31st October 2022
19	Replacement Public Toilets	HDC	95% complete	01 January 2021	£ 260,000.00	30 November 2022	95% complete but final claim still to be made	Final claim made by 31st October 2022
20	Parklets Beyond Barriers	HDC	95% complete	01 January 2021	£ 206,000.00	30 November 2022	95% complete but final claim still to be made	Final claim made by 31st October 2022
21	Sites for SMEs	HDC	95% complete	01 January 2021	£ 37,300.00	30 November 2022	95% complete but final claim still to be made	Final claim made by 31st October 2022
22	Town Walks	HDC	95% complete	01 January 2021	£ 34,000.00	30 November 2022	95% complete but final claim still to be made	Final claim made by 31st October 2022
23	Places To Dwell	HDC	95% complete	01 January 2021	£ 55,000.00	30 November 2022	95% complete but final claim still to be made	Final claim made by 31st October 2022
24	Bicycle Kitchen (now part of project)	HDC	95% complete	01 January 2021	£ 15,000.00	30 November 2022	95% complete but final claim still to be made	Final claim made by 31st October 2022
25	Cycle Storage Infrastructure	HDC	95% complete	01 January 2021	£ 126,000.00	30 November 2022	95% complete but final claim still to be made	Final claim made by 31st October 2022
26	Electric Vehicle Charging Infrastructure	HDC	95% complete	01 January 2021	£ 89,500.00	30 November 2022	This project is 95% complete but still to claim final funds. Given the success of this project and the increasing need for EV and similar energy efficiency interventions, HDC is currently considering, subject to HDC agreement, adding a further phase of EV charging project through re-allocating the underspend of funds from other completed projects	Final claim made by 31st October 2022
27	Smarter Towns	HDC	Live	01 January 2021	£ 91,300.00	30 June 2023	This project is still live. Due to limited staff resources it has been difficult to progress this particular. Recent recruitment to the HDC Market Towns Programme (MTP) team means that this project will be delivered but requires an extension until June 2023	1st Claim (50%) in January 2023. Second claim (50%) by March 31st 2023
28	Wayfinding and Information	HDC	Live	01 January 2021	£ 200,000.00	30 June 2023	This project had been progressed significantly but was paused by the previous HDC administration, however it is highly likely that this project will be re-commenced in Autumn 2022 with an anticipated completion date of June 2023	1st Claim (50%) in January 2023. Second claim (50%) by March 31st 2023
29	Wisbech Footfall Counters	Wisbech TC	Completed	01 January 2021	£ 19,500.00	28 February 2022		
30	Wisbech Shop Watch Radio Scheme	Wisbech TC	Completed	01 January 2021	£ 33,800.00	28 February 2022		
31	Wisbech Business Capital Grants Scheme	FDC	95% Complete	01 January 2021	£ 124,331.00	30 November 2022	Minor sums available to distribute	Final claim made by 31st October 2022
32	Whittlesey Business Capital Grants Scheme	FDC	95% Complete	01 January 2021	£ 124,331.00	30 November 2022	Minor sums available to distribute	Final claim made by 31st October 2022
33	March - FHSF	FDC	Live	01 January 2021	£ 900,000.00	31 July 2024	Project progressing on track	March 2023 - claim for full sum (£900,000)
34	Fenland District Civil Parking Enforcement	FDC	Live	01 January 2021	£ 400,000.00	31 March 2024	Signs & lines audit completed	Claim dates to be confirmed for full sum (£400,000)
35	Ely Wayfinding and Digital Signage	ECDC	Live	01 January 2021	£ 240,000.00	28 February 2023	None	£10,468 claimed (August 2022). £229,532 left to claim, dates to be confirmed
36	Ramsey - Great Whyte Civic and Business Hub	HDC	Live	01 March 2021	£ 300,000.00	28 February 2023	Structural Engineer recently recommended piling building floor, may delay completion by 4 weeks	£190,000 claimed (August 2022). £110,000 left to claim, dates to be confirmed
37	Ramsey Pedestrianisation Zone	HDC	Live	01 March 2021	£ 295,000.00	30 June 2024	HDC has made an application to CPCA Local Growth Fund for a Great Whyte Enhancements project which will include the delivery of a Market Produce Hub and this Pedestrianisation project. These two elements will add significantly to the regeneration of the Great Whyte. As such we anticipate that the actual roll out of this project is likely to be over the 2023/24 period. Recognising potential delays etc (procuring construction contractors, supplies and materials) it would be prudent to set a final date for completion to June 2024	1st Claim £100k by September 2023. 2nd Claim £195k by June 2024.
38	Wisbech Water Park	FDC	Completed	01 March 2021	£ 147,500.00	15 August 2022	Opened on 15 August 2022	August 2022 - whole grant award claimed
39	Chatteris Local Skills Development	MetalCraft Ltd	90% Complete	01 March 2021	£ 36,179.00	30 November 2022	All computer equipment has arrived but won't be installed until either September or October after West Suffolk College has taken occupancy of the building and fitted out the classrooms. Furniture has started to arrive and will all be delivered by 31 August, so completion not far away!	£3,939 left to claim (expected October 2022).
41	Chatteris Museum & Community Space	Chatteris TC	Live	01 June 2021	£ 771,821.00	31 January 2024	Because of the impact of the COVID-19 pandemic on the costs of materials and labour, there is likely to be a significant shortfall in the amount of funding currently available to deliver the entire project as envisaged at the time that the project specification was produced and submitted.CPCA will explore what funding options might be available to bridge the gap in funding. If unsuccessful, Chatteris Town Council will explore making amendments to existing project specification, Central to the project has been the purchase of the former Barclays Bank building which has been achieved. Listed building planning consent is awaiting approval. Building contractors have been appointed in readiness to start work on museum building in September 2022 and forecast to finish in February 2023. Museum grand opening planned for September 2023. Residential flats available for rental at town council offices in January 2024.	Total grant defrayed £367,844 (2 claims paid so far totalling £359,993.66. Claim 3 for £1,200 and claim 4 for £6,650 submitted for payment). £403,977 left to claim. Potential funding gap of c.£300,000 against original scope.
42	Ely CCTV Network Expansion	ECDC	Live	01 November 2021	£ 120,000.00	31 March 2023	Have just started the procurement process but still anticipating the completion date to be 31.3.23	£120,000 to be claimed, dates to be confirmed
43	Ely Town Centre Capital Investment Fund	ECDC	Live	01 November 2021	£ 100,000.00	31 March 2023	None	£100,000 left to claim, dates to be confirmed
44	Ely Street Furniture Upgrades	ECDC	Live	01 November 2021	£ 124,000.00	31 March 2023	None	£124,000 left to claim, dates to be confirmed
45	Soham Agritech Business Centre	ECDC	Live	01 January 2022	£ 145,000.00	31 July 2023	NIAB Project, with reported delay in planning permission being granted. So project yet to start	£55,854 claimed (August 2022). £89,146 left to claim, dates to be confirmed.
46	Soham Station 'Spencer Mill' Business Centre	ECDC	Live	01 January 2022	£ 325,000.00	31 July 2023	Unfortunately there were significant delays in applicant receiving paperwork from CPCA, which delayed the project start date considerably. As this is holiday season, engaging professionals such as Architects continues to be a challenge and may cause slight delay in submission of planning application. However this is not expected to be significant	£100,000 claim (August 2022). £225,000 left to claim, dates to be confirmed.
47	Soham to Wicken Fen Cycle Way	ECDC/Soham	Live	01 March 2022	£ 330,000.00	Q2 02 2024		



Whittlesey – A Market Town fit for the Future

Final Report



CAMBRIDGESHIRE & PETERBOROUGH
COMBINED AUTHORITY



Fenland District Council



Cambridgeshire
County Council



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Introduction

What is Growing Fenland?

The recently published Cambridgeshire and Peterborough Independent Economic Review (CPIER) identified that within the Combined Authority there are three distinct sub-economies. There is the Greater Cambridge economy, which includes the many towns where people commute from into Cambridge. There is the Greater Peterborough economy, and its surroundings. But in an important classification, there is also the fen economy, which includes much of our district of Fenland, as well as parts of East Cambridgeshire and Huntingdonshire.

A lot of strategy has historically focused on making cities work well, and assuming the rest will follow. But because our economy is separate, and in some ways quite isolated with sub-standard transport links, this approach won't work for us. We need a strategy for each of our towns, which helps them prosper, and delivers best quality of life for people who live here. This must acknowledge where we have links to other towns or cities, while seeking to build strength in our places. The Combined Authority is committed to doubling economic output across Cambridgeshire and Peterborough by 2040 – to do this, all areas are going to have to succeed, not just the Cambridge economy.

To make this happen, following the CPIER analysis, the Combined Authority has decided to support a process of creating market town plans for each town in our district – Chatteris, March, Whittlesey, and Wisbech. These plans will be used to bid for funding from the Combined Authority and other funding providers, based on the vision for the town.

To develop these plans, each town has established a town team, consisting of representatives from business, local government, schools, and others. The town team has looked at life in the town from every angle, and has developed a vision for each town. They have also worked on ideas which could make a real difference.

The Growing Fenland project tries to capture a balance. On the one hand, each of these towns is unique, with its own particular opportunities, as well as challenges. On the other hand, there are some areas where by working together we can have more of an impact. Therefore, we are publishing four separate reports for each of the towns, but under the same banner – and if you read all four, you will see some crossover.

The process to produce this report

To produce this report, we have gone through several stages of information gathering to ensure our recommendations will work for Whittlesey. These are:

- 1) Data collection, using a variety of sources (appendices showing the full data packs created at the back)
- 2) Meetings with the Whittlesey town team, which has had representation from the town and district councils, businesses, and educational establishments.
- 3) Public meetings to allow residents to express views on the town, and ideas as they have developed
- 4) Interim reports, which set out a summary of key ideas for the town
- 5) Continued consultation and an online survey to refine and develop ideas, and
- 6) Production of final reports, to generate support for our plans and leverage in funding from the Combined Authority

We would like to thank all those who participated in producing the reports, and offer our particular gratitude the Town Team representatives from each area who were so generous in sharing their time, thoughts and insights.

Whittlesey – an overview of the town

Whittlesey is a great place to live and learn. We want to build on these strengths to make Whittlesey a market town that thrives on its heritage and is fit for the future.

Whittlesey is a town with many strengths. It is a popular and attractive place to live, with a strong community spirit. We have good and continuously improving schools. Our programme of annual events, including the Straw Bear festival, attracts people from far and wide. We have some excellent restaurants and shops that draw people into the town.

As a place we are always looking to improve and make necessary changes to thrive. Most recently, for example, the relocation of the bus station has brought new life to the centre of town and creates the opportunity to do even more with the square, the area in which it was previously located.

We also benefit from our proximity to Peterborough. As reflected in the CPIER, Whittlesey is considered much more a part of the Greater Peterborough economic geography, compared to the rest of Fenland. This creates opportunities for residents to work, study, and shop, while we still maintain a proudly independent identity and distinct local culture.

We can offer the ‘best of both worlds’ to current and future residents: the sense of community, the calm and closely to the countryside offered by a market town, alongside the benefits of proximity to a city, with everything that it has to offer.

A High Street in need of regeneration

We have some high-quality shops in Whittlesey which are popular with locals and visitors alike. However, as shown in the graph to the left, the amount of retail floorspace in the town has declined.

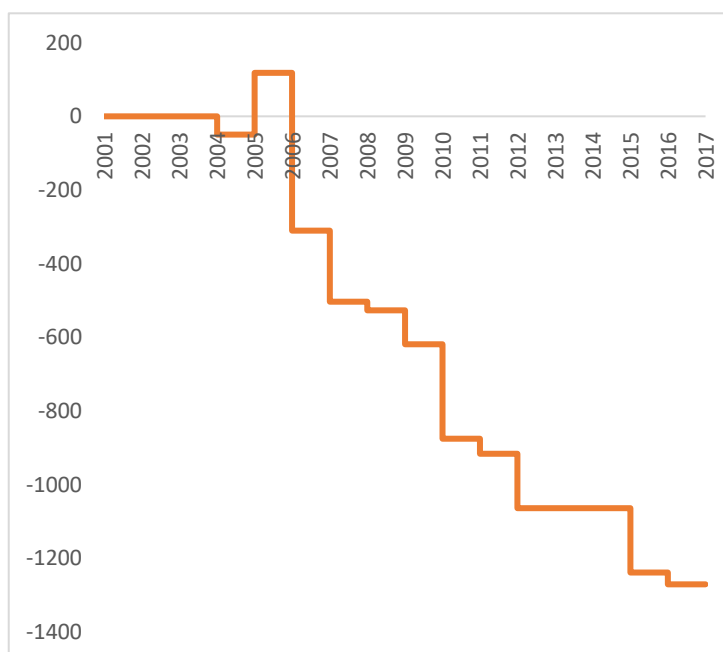


Fig. 1: A1 space (shops) in Whittlesey (m2) – change since 2001

Source: Analysis of Cambridgeshire County Council data

There are not enough shops in and around the town centre, and the overall retail offer is not diverse or distinctive enough to compete with the wider range of shops available elsewhere, particularly in Peterborough.

The decline of the traditional high street is very much a national trend. However, as a historic market town, such changes force us to think radically about what our high street and town centre is for. As a priority we want to encourage more specialist markets, such as antique fairs and famers’ markets, that will attract more people to the town.

We also need to think about how we move with the wider shift from buying things to having experiences on the high street.

Rich heritage and culture

An aspect of the town which is attracting more and more people is our rich heritage and culture. Whittlesey is mentioned in Anglo-Saxon documents that precede the Domesday Book. At the centre of town is the 17th Century Buttercross. Must Farm, an excavation site describe by the BBC as “Britain’s Pompei” containing the “best-preserved Bronze Age dwellings ever found”, is a precious town asset.¹ Flag Fen Archaeology Park houses a perfectly preserved wooden causeway that is over 3,000 years old. The Mud Walls, dotted across town, date back 200 years and were an innovative local way to avoid the unpopular Brick Tax.²

That rich history inspires a vibrant local culture, as reflected in a full calendar of events and celebrations. These include music and dance festivals including the famous Straw Bear, the annual Whittlesey festival, ‘BusFest’ vintage vehicle gathering, and our Christmas Extravaganza.

We want to share these assets with the world. We therefore make recommendations in this report for improvements to the market square and town centre that will set the stage for us to do that.

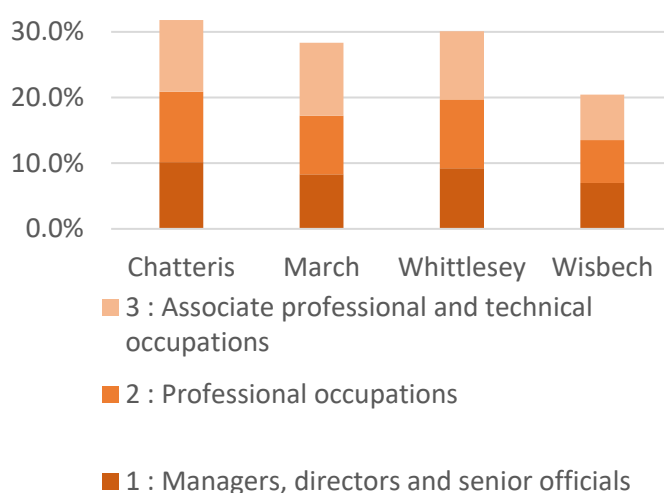
A well-educated population – but not enough jobs in the town

Our schools perform well. At primary level, each school has improved further in recent years, while pupils at Sir Harry Smith perform above the national average in terms of GCSE results, the Ebacc average points score and A Level completion.

“Schools in Whittlesey are regarded as among the best locally.”

Our schools’ performances have helped develop a population that is better educated than other parts of Fenland. As show in Fig. 2 below, just under one in three people in Whittlesey is in a professional, managerial or director-level job. This is a major

Fig 2: Managerial, professional and technical occupations in the Fenland towns



asset for our ambition to lead the way as the market town of the future.

It is true that many of our residents live here and work in Peterborough (45.3% of workers, at the time of the last census). And, according to a 2017 survey, conducted in support of the Neighbourhood Plan, 78% of Whittlesey residents acknowledged that younger people tend to leave the town to find work.

Nonetheless, we have several important local employers such as Forterra and McCain Food.

¹ <https://www.bbc.co.uk/news/uk-england-cambridgeshire-36778820>

² <https://historicengland.org.uk/whats-new/in-your-area/east-of-england/mud-walls/>

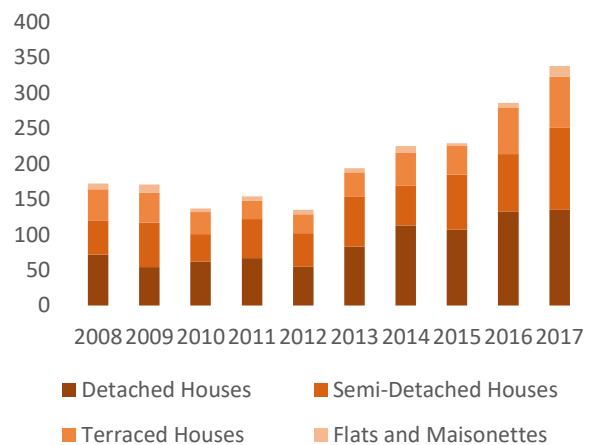
Furthermore, recent data also reveals a large increase in the number of professional, scientific and technical jobs in recent years³.

In future, we want even more of our young people to live and work in Whittlesey. We will do this by exploring with local partners, including new businesses, what specific, targeted measures might further spur the growth of local enterprises.

Good quality homes – a mixed picture of connectivity

As well as good schools, another reason that people move to Whittlesey is that we build a range of good quality homes. This includes family homes and affordable homes for teachers and other young professionals. The past five years have seen a strong increase in both house prices and completions; and in the past two years alone we built more homes than any other part of Fenland.

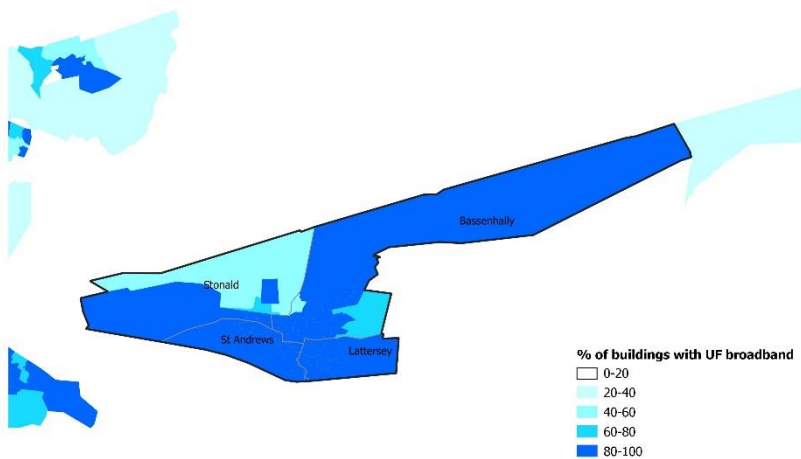
Fig 3: Whittlesey housing sales since 2008



“Whittlesey is a boom town in building terms.”

Source: ONS House Price Statistics for Small Areas (HPSSA)

Fig. 4: Access to Ultra-Fast Broadband



People living in these homes also have access to ultra-fast broadband, as reflected in the map to the right. In a world of digital by default, households need broadband to access services and companies need it to research, trade and promote themselves. The blanket access to high speed broadband is a powerful competitive advantage.

In contrast to our online connectivity, we face some transport challenges. While this is true of many parts of

Source: Analysis of Ofcom Connected Nations Data

Fenland, three quarters of people here rely on the car to get to work; this is higher than the Cambridgeshire and England averages.

³ Analysis of the ONS Business Register and Employment Survey (BRES)

There is a train station at Whittlesey, but it is on the far edge of the town and is felt by some residents to be poorly lit and potentially unsafe at night. In the past, people using the trains have complained that services did not stop at Whittlesey and the overall services was unreliable. Improvements to the station are currently being implemented, but to not to the agreed timetable.

As with the other market towns in Fenland, public transport services in Whittlesey do not run frequently enough at all times, finish too early in the evening, and offer an insufficient range of travel options in and out of town. Overall, most people in Whittlesey still opt to drive above all other options.

People in Whittlesey experience somewhat worse health outcomes than the rest of the country.

Incidences of cancer, emergency hospital admissions and rates of self-harm are all above the national and Cambridgeshire averages. Healthy eating amongst adults is below national levels, while deliveries to teenage mothers are above the national averages.

It also important to note that **we have a close relationship with Peterborough**, in terms of connectivity, commuting patterns, the housing and job markets, retail options etc. This is unlikely to change, and in fact brings us many benefits; having a city so close by creates opportunities for our residents. The question is how we can further benefit from that connection while also offering something distinct as a place to visit and spend time.

***83% of respondents say they would make journeys by public transport, walking and cycling if services are improved.
(Neighbourhood Plan Scoping Report)***

Whittlesey – what residents are telling us

Our work consulting the community brought out the following key themes.

Likes

The sense of community linked to the “genuine friendliness” of local people was cited as the best things about life in Whittlesey. Respondents linked the sense of community to activities and events, especially the Straw Bear festival. Also linked to this sense of having a good community spirit, people described the place as quiet, safe and a good place to raise a family. Good quality local schools were also identified, which would fit with the feeling of Whittlesey as a good place for families. While people were positive about the small town feel of the place, they were also positive about the easy access to Peterborough.

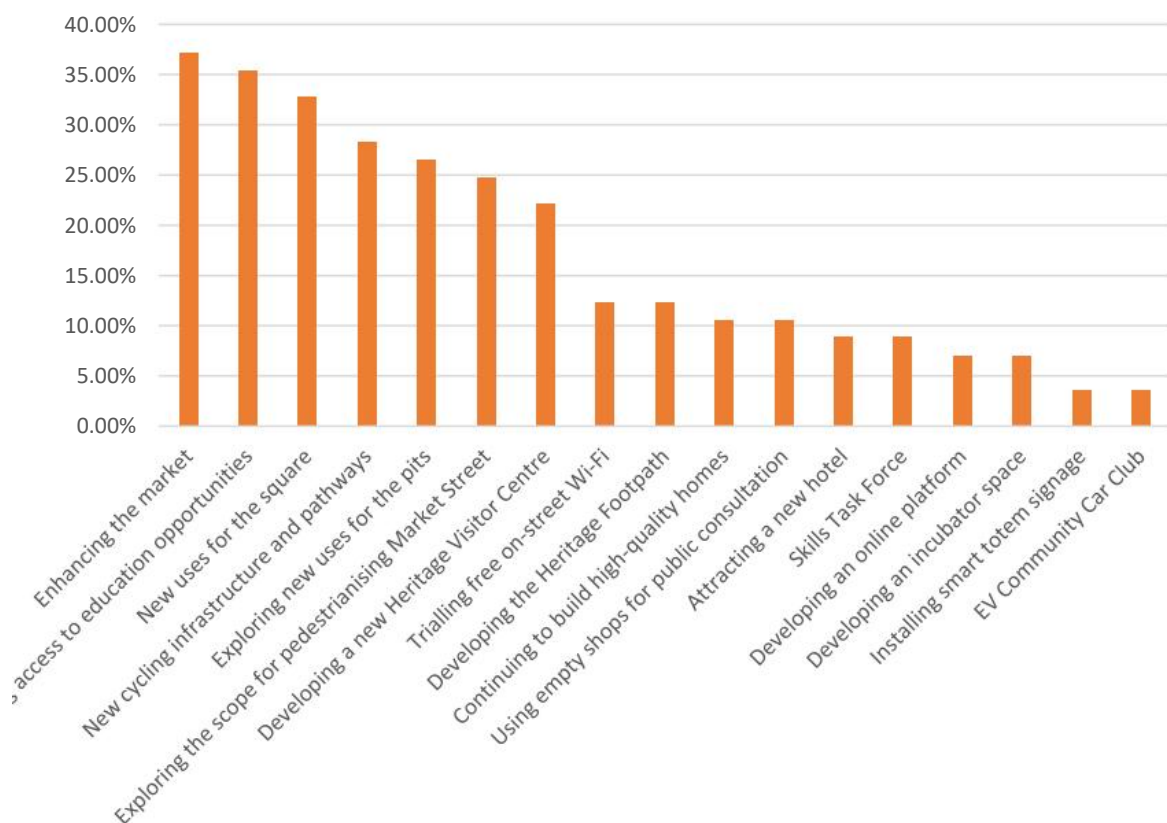
Dislikes

Residents didn’t identify many things they disliked about Whittlesey. The main issues that people referenced negatively were general transport and accessibility issues, with calls for more public transport in and out town. High school students identified a lack of things to do for their age group.

Improvements

The main aspects for improvement to emerge from resident feedback were the range of local shops, with calls for more specialised shops and large supermarket. Some residents also identified a need for additional amenities such as GP surgeries and a re-opened police station.

Favourite ideas from the interim report



Source: Analysis of Fenland District Council data. Height of bars shows the proportion of residents who chose an idea in their top three.

When asked to identify their favourite ideas, respondents opted for a fairly wide spread of preferences, with no one option emerging as the clear favourite. The three options with most preferences were: enhancing the market (37%); improving access to education opportunities (35%); and new uses for the square (33%).

The second grouping of expressed preferences, garnering around a quarter of responses were: new cycling infrastructure and pathways (28%); exploring new uses for the pits (27%); exploring the scope for pedestrianising Market Street (25%); and developing a new Heritage Visitor Centre (22%).

Whittlesey – a market town fit for the future

Whittlesey has so many assets that inspire local pride. We want to build on these and draw on our rich heritage to make Whittlesey a **market town fit for the future**.

We will do this by improving the heart of our town by bringing new life to its centre. We will do this through a programme of enhancements to the market so it becomes an even more important part of life in the town and an extra reason to come and visit. In parallel, we will work with local traders to encourage more activities and events in the square.

Future-facing market towns have a unique and distinctive reputation and 'offer' to the rest of the world. That might be connected to food, music or a famous son or daughter of the town. Whittlesey's offer is our heritage. Whittlesey is mentioned in the *Cartularium Saxonicum* of 973 A.D. and the Domesday Book. Must Farm, "Britain's Pompeii", magnificent bronze age settlement has been discovered, is precious asset of the town.

We will promote our heritage offer and the other things we have to offer through a new website for the town.

The third way we will ensure we are fit for the future is through increasing skills. We will work with partners to improve transport access to educational opportunities and develop a local skills partnership that will bring together partners to ensure local people can access the skills they need.

Eight proposals for Whittlesey

We have identified a package of eight connected interventions that will make a lasting difference Whittlesey:

1. Enhancing the market

We will explore an alternative location to the market, provide additional support to traders, and better promote the market to residents and visitors.

2. New uses for the square

We will encourage more events and activities on the square, especially in spring and summer, to create a more vibrant 'piazza' feel.

3. Heritage Visitor Centre

We will start to develop a new visitor centre that showcases local artefacts and tells the story of Whittlesey, and Fenland more generally, from the Bronze Age to the modern day.

4. Developing the Heritage Walk

Alongside the visitor centre, the Walk will provide residents with a fascinating guided tour through key landmarks in the town and beyond.

5. New town website

We will promote these new activities and assets, plus existing events like the Straw Bear festival, through a new website.

6. Access to educational opportunities

We will explore with partners short- and long-term opportunities to make it easier for people to access educational institutions in Peterborough and Alconbury Weald.

7. Local skills partnership

We will create a new forum for all those with an interest in skills in the town, including businesses, to ensure that provision matches future skills demands.

8. Transport improvement package

A coordinated set of improvements in and around the town that will facilitate greater mobility and connectivity.

We unpack each of these in detail below.

Some interventions are short term, some medium term, and some longer-term. For each intervention, we set out outline version of the strategic case, the financial case, and the management case.

In most instances, the financial case includes an estimate of costs. We see the CPCA as the primary source of funding, to provide full funding or to provide sufficient funding to enable us to make a strong case to unlock other sources of support. In the latter case, we will also be looking to national government, and its various town support funds.

While we may not attain funding for every intervention immediately, the proposals we set out are 'shovel ready' and could be used as and when further funding from different sources becomes available in future.

1. Enhancing the market

Strategic case

The market is, of course, an important part of Whittlesey's history and identity. Compared to other towns, the market does well. However, as set out in this masterplan, we are ambitious about the future and want to build on that success by further improving the market offer.

While retail patterns are changing, markets still have an important part to play in the future of small towns. They "contribute to the economic, social and political health of towns and cities" and shape the identity of a place by offering something "unique, quirky, unusual and always a bargain".⁴ The weekly market is a fixture of life in Whittlesey. It is popular with residents and brings activity and buzz to the Market Place on a Friday.

As we develop the heritage offer of Whittlesey as a whole, we want the market to be a central feature of that offer to visitors. We want to explore with the market traders and others who may be affected, ways to enhance the market. These are:

- The potential for moving the location of the market to the High Causeway. A pedestrianised high street containing shops, this could mean increased footfall as more shoppers could combine visiting the market with using other shops and facilities. A move would also facilitate our proposal to create a 'piazza' feel on the Market Place by working with local bars and cafés to put tables outside.
- Stall appearance. Successful market stalls attract people's attention with striking, appealing branding. We could work with a specialist agency in high street and market brand to develop high-quality signs and an improved visual presence for each stall.
- Attracting more specialist markets, such as antiques fairs, farmers' markets, and fine food markets. This could be done through outreach to potential traders, including local entrepreneurs, and identification of what changes to facilities (see below) might enable a wider range of uses.
- Wider marketing and online presence. As well as supporting the traders to develop better marketing for their stalls, the market as a whole needs to be branded and promoted. Currently, the market does not have its own website. As part of the development of the digital platform for the town as a whole, we could develop a stand-alone page that promoted what was on offer on the market. We would also invest in bold, high-quality signage to be used on market days.
- Customer retention schemes. One way to keep customers returning is to offer them rewards for doing so; such as buy five coffees and get the sixth for free. We would identify ways in which the traders could introduce similar incentives and provide practical assistance for doing so e.g. help with printing high-quality loyalty cards.
- Improving market infrastructure. We would review the scope for improving the practical facilities available on market days and whether they could be improved e.g. the need for more or better refrigeration if that would help stall-holders to offer a wider range of produce.
- A local 'First Pitch' scheme. As well as working with existing stallholders, we would reach out to local entrepreneurs and invite them to take an empty pitch on the market and sell what they have to offer. The National Market Traders Federation ran a national 'First Pitch' scheme

⁴ <https://www.placemanagement.org/media/19883/markets-matter-final.pdf>

between 2013 and 2014. This gave opportunities to people who, for examples, were baking cakes or making jewellery at home to get out and sell directly to the public. As well as giving local entrepreneurs a boost, a similar scheme will bring new offers to the market.

A proposal to come through the public consultation was moving market day to Saturday, on the basis that more people are free on the weekends. The potential downside of this proposal is that we may end up attracting fewer people by competing with other Saturday markets. It may be possible to attract specialist, niche market activity on a Saturday to avoid this risk.

Financial case

Based on advice from support providers, a package of support could cost between £30k - £50k including a pot of funding for things like printing business cards, improved refrigeration etc.

Management case

The most effective sequence for this proposal would be:

- Initial consultation with traders on the scope of the enhancement programme.
- Commissioning a specialist package of support from an experienced supplier.
- Delivery of the package of support over 3 – 4 months.
- Launch of new branding and marketing as part of the launch of the online platform for the town.

The market traders are the essential partner in this. Experience shows that enhancing local markets works best when traders feel they are central to the process instead of being 'done to'.

If the relocation were to go ahead, it would also be important to work with current businesses on the High Causeway including communication of how the move can increase footfall for everyone.

2. New uses for the square

Strategic case

We will make it easier for local bars and restaurants to serve food and drink outside, and work with those businesses to develop a programme of annual events. The overall purpose is to create a 'piazza' feel in the square, attracting locals and visitors alike, to eat, drink, mingle and relax, especially in the spring and summer months.

The Market Square is in many ways at the heart of life in Whittlesey. Moving the bus stop from the square has already given it a new lease of life; improving the air quality and making it more pedestrian friendly.

To the sides of the square can be found well-regarded and in some cases award winning restaurants, pubs and hotel including the Grade II listed George Hotel pub, which is part of the Wetherspoons chain. The latter does have a licensed outside drinking area.

Beyond the George's small outside licensed drinking area, the venues on and near the square do not use the whole space. This means we have created the capacity for more activity in the square, by moving the bus stop, but have yet to fully take advantage of that.

As a result, the square is an under-used asset with the exceptions of the weekly market, some monthly events, and of course the annual Straw Bear.

To make even greater use of the square, we will develop an annual programme of locally sourced events, including themed evenings and weekends, that will catalyse the kind of vibrancy described above. We would not prescribe the programme in advance. Instead, as described below, we would work with existing venues and, in parallel, source ideas for new square uses from local organisations, artists and others.

Financial case

We would look for funding of between £150k and £200k to bring in the specialist agency, deliver an extensive programme of promotion, and purchase additional equipment. This would be relatively modest amount of money for a programme that could generate significantly increased visitor numbers and footfall through the year.

Making it happen / Delivery

The sequence for making this happen would be to:

- Undertake initial consultation with local businesses
- Deliver a programme of identified improvements to enhance the square amenity, including making the surface more level and user friendly
- Commissioning an event management agency to coordinate and oversee an annual programme of events
- Through the agency, engage local organisations, artists, musicians and others on potential uses the for square
- Work with the existing businesses to ensure that they understand what they can do on the square and address any barriers they identify and to source ideas for what additional events / evenings they would like to run

- Deliver an extensive campaign of promotion locally and more widely in conjunction with local businesses
- Purchase any equipment needed to support the events programme e.g. canvassing and tents.

Throughout, we would work closely with existing square users.

The key partners will be the existing square businesses, and local organisations and individuals who could use the square.

3. Heritage visitor centre

Strategic case

Market towns in the modern day need a distinctive 'offer' to the outside world. A unique appeal that is rooted in the character and identity of the town. Our offer is our heritage. Whittlesey is mentioned in the *Cartularium Saxonicum* of 973 A.D. and the Domesday Book. On our doorstep is Must Farm, "Britain's Pompeii", where six bronze age boats have been discovered. The vessels are currently being restored and conserved outside of the town.

There is scope for doing more with our heritage. According to the 2017 Neighbourhood Plan scoping report, a majority of people felt that Bronze Age heritage should be promoted as a tourist attraction. Fenland District Council is also currently working with Arts Council England to develop a culture strategy that will have a strong heritage element.

A new Heritage Centre would be built essentially to tell the Story of Whittlesey from Bronze Age to present day. This would have the added advantage of introducing more visitors to the Kings Dyke Nature Reserve. A network of local organisations such as museums, societies and community groups would be invited to use the facilities for exhibition purposes.

The location has been identified and links with Must Farm. The site utilises land given free of charge by Forterra (formerly Hanson Brick) close to the original Must Farm location and directly adjacent to the Kings Dyke Nature Reserve on the A605 with adequate parking facilities. This project was considered in detail by Fourth Street undertaking feasibility. It is acknowledged that exhibiting Must Farm artefacts alone is not sustainable in the long term.

Financial case

A new heritage centre should bring additional income to the town. According a recent report commissioned by Historic England, England's heritage sector generated GDP of £13.1 billion in 2016, equivalent to 0.75 per cent of UK's total GVA. The sector also accounted for 196,000 jobs. Our initial assumption is a comprehensive activity plan of around 50 events per year split over small (30 -50 attendees), medium (100 -150 attendees) or large (300 – 500 attendees) events. The plan would be coordinated by a Community Engagement Officer, supported by a part time assistant and volunteer input.

The anticipated initial expenditure costs are modest at £61,000 with a projected income of £32,000, leaving a deficit of £29,000 in the first year. As interest grows in the Heritage Centre from both a visitor and educational view through schools and colleges the project is anticipated to be financially viable and self-supporting, drawing increased visitors into both Whittlesey and Fenland beyond.

However, up-front funding of around £50k is needed for a further feasibility and options study, including outline business planning.

Management case

As above, the next step is to commission a further feasibility and option study that will:

- Articulate the amount and type of artefacts these sites could hold, including preservation requirements.

- Identify potential visitor numbers and segment the potential audience (Whittlesey resident, Fenland resident etc).
- Develop outline budgets, drawing on those visitor projections.
- Identify benchmark examples and identify ways in which the centre can complement existing Fenland museums.

We would then develop a detailed business plan, subject to the findings of this work.

We would engage national partners at an early stage in this work, including Historic England and Arts Council England to ensure our thinking fits with the emerging culture strategy.

At the local level, as already emphasised, we would work closely with local stakeholders.

4. Heritage Walk

Strategic case

As set out in the summary business case for the visitor centre, there are powerful reasons for us to expand our heritage offer:

- Market towns in the modern day need a distinctive 'offer' to the outside world.
- The economic rationale is strong, with heritage growing as a sector and more and more people visiting parts of the UK
- Fenland District Council is investing in a culture strategy which will have a strong heritage aspect.

In this context, there are several reasons why a Walk would be an effective investment:

- It would complement very well the proposed new visitor centre, offering an opportunity for visitors to see for themselves the elements of the story described in the centre.
- It will encourage healthier living amongst residents by giving them a safe and interesting route to explore.
- It will help address the issue of poor-quality pathways in parts of the town and, for routes out of town, accommodate a cycle lane.

At the moment, existing signage and general wayfinding is generic and does not direct local people or visitors to our assets.

We therefore propose to create a new Walk that would include historic landmarks in the town such as St Andrew's and St Mary's churches, the Buttercross, Portland House and the Mud Walls.

The Walk would be designed around the highest quality wayfinding standards. The route would be consistently and strikingly branded, with markings on the pavement and signage along the way. Each landmark on the way would include equally consistently branded information points.

As well as introducing new signage, the installation of the route is an opportunity to improve pavements, footpaths, railings and street furniture on the way.

We would speak to local business about ways they can benefit from the pathways e.g. placing adverts on route maps.

Funding

We are looking for £150k for the combined package of work described above.

Management case

The sequence for delivering this proposition is:

- Agreement of a final route and key landmarks, developed in consultation with local organisation and the landmarks, along with the centre to be accommodated at a later stage.
- Commissioning a wayfinding strategy.
- Delivering a combined package of wayfinding installation and improvements to pavements and street equipment.

- Promotion of the Walk, including a dedicated section on the new town website which is also recommended in this report.

The partners for this proposal are very similar to those who would be engaged in the centre. There should be an opportunity to engage partners on both proposals at the same time to avoid replication.

5. New town website and social marketing strategy

Strategic case

Successful market towns have a positive, friendly 'brand' that they communicate to world. Towns such as Skipton and Ludlow have used this approach to great effect.

The new town website will:

- Promote the brand of Whittlesey as a destination, especially to outsiders, and in relation to our heritage offer in particular.
- Provide a central repository for local information, such as forthcoming events, business opening hours, and local discounts. While this information is available, it is usually spread across different sources, such as local magazines and Facebook groups, which local residents may not be aware of or subscribe to and outside visitors are very unlikely to know about.
- Link to local organisations to raise their profile and connect them to new members, customers, users.
- Provide information to residents about how to access services online.

We therefore propose to create a new website, clearly branded in line with the vision set out in this master plan, which will provide the information described above. This could be done with a local professional web designer.

While setting up a website is technologically straightforward, with the tools to do so widely available, several factors need to be high quality:

- High quality design, including appropriate and high-quality images, well-written and accurate copy, and ease of navigation – it is vital that the site looks professional and reflects well on the town.
- Just as importantly, the site needs to be kept up to date to be of value and to avoid disappointing visitors with inaccurate information. This information would need sourcing from liaison with local group and businesses.
- Active management of any discussion boards or discussions forums, including developing a set of rules, and responding to any queries directed to the site.
- Search engine optimisation (known as SEO) so that site appears prominently in response to search terms.

As above, while it easy to set up a website, setting up and maintaining a good quality site of which the town can be proud requires effort and commitment.

We would develop a proactive social media strategy to promote the town via the website. This would involve coordinated messaging across different social media channels (Facebook, Twitter, Instagram and new platforms), and the smart use of analytics to target tailored content at different audiences (such as shoppers, tourists and young people).

Financial case

A small amount of funding would be needed at the beginning to design, test and launch each site. This can be between £5k and 10k depending on functionality and whether the contractor would be required to provide the copy or if this would be provided.

Ongoing resources would be needed to maintain the site. This could be a modest cost if the site were updated on a voluntary basis, or through an existing resource, meaning the only cost would be the required licensees for the software including the Content Management System (CMS) and services such as back-up and security. This could be £500 per year.

Management case

While each site would be different and distinct, tailored to the branding and messaging of each town, Fenland District Council should play a role in ensuring there is consistency of tone and voice in relation to the Growing Fenland brand.

Each town team could then work with a local website designer(s) to develop, test and launch the site. Different skills are required at different points in this process e.g. designing the look and navigation of the site is different from ongoing management. It may be possible to find an organisation with all these skills that can enter into a single contract. Alternatively, different arrangements could be made e.g. one contract to design, test and build up to the point of launch, and another to maintain and promote on an ongoing basis.

There would also be value in engaging a small group of local stakeholders in the development and testing process. This is useful to the technical process of designing and generate buy-in to idea of the site and generate some momentum behind local organisations putting their information on the platform.

As above, there would need to clear and agreed arrangements for keeping the site regularly up to date. This could be done through as part of a contract or through a local volunteer.

The first result when searching for “Ludlow” on Google is the town’s website <https://www.ludlow.org.uk/> This presents high quality and attractive images from the town, has a single strapline – “A bustling market town”, lists for forthcoming events, and provides two short paragraphs summarising the town’s assets and appealing features. It then then provides more detail on each of these aspects – where to stay, things to do, food and drink etc.

6. Improving access to education

Strategic case

Our local schools provide a good quality education at all ages. However, some pupils at age 16 and 18 will be looking for other opportunities to further develop their education outside the town. Adults already in work may want to develop their skills and gain new qualification in order to progress in their careers.

For too many people, these opportunities are out of bounds. Whittlesea train station is on the very edge of the town, the service has a poor reputation for reliability, and the station, until recently, was felt by some to be dark and unsafe.

Residents' dissatisfaction with local bus services emerged clearly from the responses to the online consultation on the interim version of this document. There are insufficient buses out of the town in the morning and in or out of town in the evening (services out might be used for people accessing evening classes). As a result of these restrictions, we have people of all ages being frustrated from developing their full potential.

As part of the Fenland-wide strategy document, which makes recommendations across the four market towns, there is consideration of the scope for franchising bus services. This is made in reference to the Cambridgeshire and Peterborough Strategic Bus Review, which noted that franchising "may be most easily applied to rural initiatives, and would probably be critical to the holistic approach identified as it gives greater control to the CPCA to integrate bus services with wider rural transport initiatives in areas where there are few (if any) commercial bus operators to partner with."⁵

As part of that discussion, we will make the case for increased bus capacity, through more regular and reliable routes, to be built in to a new and improved timetable.

While discussions are ongoing, there is scope to develop a dedicated shuttle bus service, running in the mornings and late afternoon / early evening, west to Peterborough and south to Alconbury Weald.

Given the time it takes to get to Peterborough during morning or afternoon rush hour, it makes sense to run a single service with sufficient capacity e.g. single decker bus to the city. Given the further distance, it also makes sense to run a single service to Alconbury Weald, although demand will be lower and could be accommodated through a mini-bus.

This service could be developed to demonstrate and define more precisely the level of demand and later be integrated into a new timetable.

Financial case

Funding a new service would need to be negotiated as part of any wider re-organisation of bus services, including the scope for franchising.

Management case

⁵ Cambridgeshire and Peterborough Strategic Bus Review, p65

The case for changing the current timetable will need to be made with and through the CA, which commissions local bus services. We will continue these discussions over the next few months in line with the strategic recommendations being developed through the Growing Fenland process.

Creating a new service would require the CA to procure an additional service from a registered transport supplier through a separate contract.

As above, the key partner in relation to this proposition is the CA and, through them, Stagecoach, which is the dominant supplier of bus services in Fenland.

Discussions would be held with relevant educational institutions, to ensure they supported the service and to address practical matters like appropriate drop-off and collection points. There may also be scope to explore whether the institutions had uses for the coaches in between the morning and afternoon service.

7. Skills Task Force

Strategic case

As explored in the portrait of Whittlesey above, our town generally performs well in relation to education and skills. Our schools perform well and our population is more highly skilled than some other parts of Fenland. There has also been an increase in recent years in the number of people in highly skilled professional and technical professions.

We want to build on these strengths and ensure that more residents have access to skills and development opportunities. In turn, this should ensure that businesses will have greater access to highly qualified apprentices, trainees and employees. This is vital to pursuing our ambition of making Whittlesey a hub for highly skilled companies and enterprises.

A specific issue we face is that there is currently no mechanism or structure through which partners in the area of skills development can come together. This means we have no way of ensuring, for example, that the courses on offer locally actually met employers' needs, either now or in future.

We therefore propose the formation of a voluntary grouping to provide that liaison between different stakeholders. Its purpose would be to share information and stimulate action on:

- Horizon-scanning future skills demand. This could be done through light-touch engagement, such as short surveys with local employers on their current and future skills needs.
- Facilitating conversations with providers about the suitability of current provision in light of future demand.
- Identifying work experience / placement / apprenticeship opportunities at local businesses – this element of the work would be coordinated with the Combined Authority's apprenticeship brokerage programme.
- Identifying opportunities to re-train and up-skill adult workers. This could include using local institutions to provide courses to adults and finding findings practical ways to open up existing provision to a wider range of people. This will help individuals progress and contribute to the development of a more highly-skilled and flexible workforce.

The group would not have formal power to effect change. Its role would be to convene partners to take mutually beneficial actions. For example, it is the interests of providers to provide the kinds of courses that meet demand.

The group should also feed into the proposed Education Opportunity Area (please see overarching strategic document) which will look, amongst other things, at ways to improve the linkages between different providers at key points.

This idea is very much in line with the Cambridgeshire and Peterborough Local Industrial Strategy. This includes, among its strategic objectives, the goal of:

Bringing employers and skills providers together to understand the current and future skills needs, and planning provision to meet them.⁶

6

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/818886/Cambridge_SINGLE_PAGE.pdf

It equally in line with the underlying case for CPCA's emerging Skills Strategy. The independently produced Skills Strategy Evidence Base Report asserted that the CPCA's role is to "commission, to test, and to facilitate collaboration between learners, employers, providers and organisations." We want to see this kind of collaboration developed, even pioneered, here in Whittlesey.

Funding

As a voluntary partnership, the group would not require funding, but partners would need to commit resource i.e. time and attention to make the group work. If the town council is to provide active development of the group, this too would need to be resourced.

Management case

As a voluntary arrangement, making it happen would be dependent on the commitment of partners to work together. To assist this, the town council could proactively engage partners to introduce the idea and the rationale for it. It would be important for those identified partners to be able to shape a simple Terms of Reference, or equivalent, so they felt some ownership over the idea.

The group could then meet on a quarterly basis, with smaller sub-groups looking at specific issues in between meetings.

There may be value in identifying and agreeing a knowledgeable and trusted Chair, to mitigate any potential concern about the group being driven by one partner / agenda.

Potential partners include:

- Combined authority
- Cambridgeshire County Council
- District council
- Town council
- Sir Harry Smith Community College
- FE and HE institutions
- Local employers that should cover different sectors
- Skills providers including voluntary as well as commercial providers

It should be clear that partners are not participating as 'delegates' or 'representatives' from their own organisation. Instead they are there to work together as described above to improve access to high-quality skills development for Whittlesey residents.

As above, the group should be plugged in to the proposed Education Opportunity Area.

8. Transport improvement package

Strategic case

As set out in this paper, we want Whittlesey's economy to continue growing sustainably. We want more people to visit and enjoy our rich heritage and cultural offer. We want our residents, of all ages and at different stages in their career, to access opportunities to improve their CV and boost their career.

For these things to happen, we need a coherent package of improvements to make it easier to get in and out of Whittlesey, at all times of day, through an improved range of options.

We propose five interventions:

- **More frequent and reliable bus services.** The Growing Fenland strategy paper, which makes district-wide proposals, makes the case for rethinking the model of bus delivery in Fenland through franchising. As this approach is developed, we will work with our partners on the introduction of more, and more regular, services. This should include services in and out town, to the other market towns and beyond, and within town, including more service to and from the train station.
- **More train services throughout the day and later in the evening.** In parallel to improving bus services, we will work make a strong case for more train to stop at Whittlesey, especially in the evening. This would be obviously complementary to more bus services going to the station.
- **A new park and ride scheme from the town centre to Peterborough** would alleviate pressure on town centre parking spaces that are currently being taken by commuters. It would free those spaces during the day for residents to use local shops and amenities; boosting those businesses and generally contributing to a more vibrant and active feel to the centre of town in the middle of the day.
- **New bridge over the railway crossing.** The level crossing at King's Dyke is widely recognised to have been a cause of "significant delays to traffic travelling between Whittlesey and Peterborough for years". There remains a strong case for completion of a new bridge over the crossing. With a final design and price for the construction phase of the project already submitted by the chosen engineer, we will continue to work with partners on the completion of the project.
- **A new relief road** from Coates to the Morrisons / Cardea Roundabout so that Heavy Goods Vehicles (HGVs) can access industrial sites from the east rather adding to the congestion of residential routes, particularly along Inhams Road and Station Road. As well as adding to the congestion, HGVs degrade the quality of the road and street surfaces and contribute to the problem of air pollution.

Financial case

The immediate financial asks are for

- £50k for a feasibility and options study into the new relief road. This would look at options for the route and related changes e.g. the introduction of roundabout and other impacts e.g. on the national cycle way.
- £30k for a similar study into the park and ride scheme.

Management case

We recognise that these proposals are a mixture of short and long term. We will continue to work with our partners on the successful delivery of the package as a whole over time.

The Overall Strategy for Fenland

Because some of the challenges we face are common across all four towns, we have published alongside this a Fenland-wide strategy to set out what some of the real “game changers” will be for our district. The key ideas coming forward from this are:

1. Nene River Barrier
2. Opportunity for full bus franchising
3. A47 Dualling
4. Wisbech Garden Town
5. A New Deal for Education
6. A New Partnership for Skills
7. Early Years Support
8. A Health Action Area
9. The Manufacturing Launchpad
10. Cambridgeshire Jobs Compact
11. A Mayoral Implementation Taskforce

It is at this level that we hope to tackle challenges around health and education, where the opportunities from acting at a district level are much greater.

Next steps

We have set out a vision for Whittlesey, showing what interventions can make a real difference to our town, in the context of the overall strategy for Fenland.

We now look forward to working constructively with the Cambridgeshire and Peterborough Combined Authority (CPCA), and its Mayor, James Palmer, to implement these ideas. This will require both direct support from the Combined Authority, and the resources needed to take these ideas to key government funds such as the Stronger Towns Fund as and when they come forward.

This work will be overseen by the CPCA, FDC and other key partners working in conjunction with the Town Team which was put together for this work.



**CAMBRIDGESHIRE
& PETERBOROUGH**
COMBINED AUTHORITY

Agenda Item No: 4.5

Combined Authority Gainshare Equity Fund

To:	Cambridgeshire and Peterborough Combined Authority Board
Meeting Date:	30 November 2022
Public report:	Yes
Lead Member:	Deputy Mayor Councillor Anna Smith
From:	Steve Clarke, Interim Associate Director Business
Key decision:	Yes
Forward Plan ref:	KD2022/071
Recommendations:	<p>The Combined Authority Board is recommended to:</p> <ul style="list-style-type: none">a) approve the Full Business Case for the Growth Works Equity Fund and approve the drawdown of £10million Gainshare currently 'subject to approval' in the medium term financial plan (MTFP)b) delegate authority to Interim Associate Director Business in consultation with Chief Finance Officer and Monitoring Officer to complete procurement and contract with delivery partners to commence delivery of the fund.
Voting arrangements:	<p>A simple majority of all Members present and voting</p> <p>To be carried, the vote must include the vote of the Mayor, or the Deputy Mayor when acting in place of the Mayor.</p>

1. Purpose

- 1.1 To seek approval for the Full Business Case and approve release of the funding allocation from the subject to approval line of the medium term financial plan (MTFP).
- 1.2 To seek approval of delegation to Officers to procure delivery partners and commence delivery of the project.
- 1.3 If approved the project will have £10million approved comprising £9.5million Capital and £500,000 Revenue funding to move into the delivery phase of the project. Monitoring and evaluation will continue throughout the delivery phase.

2. Background

- 2.1 Lack of access to funding for small to medium sized businesses has been consistently recognised as a key issue to be overcome in stimulating and sustaining business growth across Cambridgeshire and Peterborough, both in the 2019 Cambridgeshire and Peterborough Local Industrial Strategy and now in the 2022 Cambridgeshire and Peterborough Combined Authority (CPCA) Economic Growth Strategy. This issue is most pressing for businesses outside of the Cambridge City area.
- 2.2 The CPCA Economic Growth Strategy also sets out high-growth potential and current key priority sectors for the region, that should be prioritised due to their ability to contribute and sustain high-quality local jobs. Given the regional need for support to transition to Net Zero, businesses focusing on products and services that contribute to Net Zero agenda should also be prioritised.
- 2.3 In the context of this business need and the strategic priorities set out in the Economic Growth Strategy, the CPCA Board earmarked £10m of gainshare funding to be used to support local business growth, potentially through equity investment as a mechanism. At the same time, a mayoral priority was highlighted to also provide funding to third sector companies (social impact focused firms that have a business or trading element, as opposed to charitable organisations), in the context of addressing the issues facing residents through encouraging the presence of more compassionate employers, socially responsible employment and tackling inequalities.
- 2.4 This full business case builds on the strategic outline business case approved in July 2022, and a project initiation document submitted to the CPCA Board in Spring 2022. It further develops the structure, commercial, procurement and management models for the fund.
- 2.5 The objectives for this intervention are:
 - 1 To provide a credible source of growth funding (£100,000 – £500,000) for 20-40 small to medium businesses that cannot otherwise access it, in key sectors including IT, Life Sciences, Agri-Tech and Advanced Manufacturing as well as the emerging green-tech sector.

- 2 To provide a credible source of smaller amounts of funding (up to £100,000) to support local third sector businesses providing new or continued community and social products and services.
- 3 To increase growth of existing businesses in key sectors including IT, Life Sciences, Agri-Tech and Advanced Manufacturing as well as the emerging green-tech sector.
- 4 To create new jobs and sustainment of existing jobs and community offers in areas in C&P which have the highest levels of deprivation and the lowest paying wage levels.

2.6 The Business Growth Fund project will deliver the following Key outcomes:

- Increase in business growth in key sectors, particularly outside of Cambridge where access to funding is more limited
- Creation of high value jobs in green tech
- Advancement of businesses towards net zero

2.7 The Business Growth Fund project will have the following Key Metrics:

- Number of jobs created or retained in growth potential businesses in CPCA priority sectors including green-tech - Estimated 500 jobs
- Number of jobs created or retained in third sector social enterprises - Estimated 85 jobs
- Number of indirect and induced jobs created in business supply chains and wider economy – Estimated 185 jobs
- Reduction in Greenhouse Gasses (tonnes of CO2 equivalent) – Estimated 9,000 tonnes p.a.
- Turnover growth of businesses in priority sectors
- Financial returns – estimated £9.8million based on the financial model

2.8 The Project has been through the following process steps to get to this final approval stage.

Step 1: Prioritisation

2.9 Bids for inclusion in the CPCA budget were submitted by 31 December in response to the MTFP consultation.

The PID scored very well compared to all other projects against the six keys in the Combined Authority Growth Ambition Statement with an average of 2.8 collated score, where the average for all projects was 2.4 with a minimum of 2 and a max of 3.1.

GVA	Climate Change	All other	Infrastructure	Knowledge	Health	Skills	Social	Finance
4	2	2	2	4	2	4	2	3

The project was ranked joint 9th out of over one hundred submissions.

This project was passed through that stage and included within the MTFP as subject to approval allocation following Board approvals in January and March 2022.

Step 2: Project Initiation Documents (PID)

- 2.10 The initial design and scope of project was developed with consultation with selected Members of the Business Board and Local Authorities plus wider stakeholders working in the business and social finance arena.

The PIDs were taken to the April and June Performance and Risk Committee (PARC) meetings, internal officer review meetings, where each were assessed, and relevant changes made. This project within the scope of this paper has an approved PID.

Step 3: Business Case

- 2.11 A HMT Green Book compliant Business Case template has been used to develop and complete the full business case.
- 2.12 This Project completed a Strategic Outline Business Case which went to PARC in July 2022 and was approved by that Committee and was invited by the Combined Authority PMO to move straight onto Full Business Case development.
- 2.13 The Business Board has been formally consulted on the final Full Business Case and this has been fully endorsed by the Business Board to be recommended to the Combined Authority for approval.
- 2.14 The Full Business Case can be found as an appendix to this report.

3. Assessing Value for Money

- 3.1 The CA Programme Management Office has reviewed the Combined Authority Assurance Framework, HMT Green Book (2020) and National Audit Office (NAO) guidance and met with the Chief Finance Officer when deciding on guidance for evidencing Value for Money.
- 3.2 The full business case for this project has been considered against the Assurance Framework and does demonstrate a strong fit with strategic objectives of the Combined Authority Board and Business Board.
- 3.3 The NAO guidance states that there must be a balance of inputs, outputs & outcomes, that 'optimal' is the most desirable possible given restrictions or constraints, for this particular full business case the question of 'what does good look like?' has been satisfactorily answered.
- 3.4 Within the Strategic Case of the Business Case the scope of the project has been fully developed and there is a case for change section which assesses what do nothing looks like and what good looks like, linking to CPCA strategic objectives.
- 3.5 Within the Economic Case a Green Book Project Profile Tool was adapted for each project to link outputs to outcomes to impacts and to CPCA strategic objectives and metrics. A logic model has also been developed. Also included in the Business Case is a Monitoring and Evaluation section that includes an evaluation plan and how progress against these inputs, outputs and outcomes will be measured.
- 3.6 Within the Economic Case there is also an assessment of options against costs and benefits including do nothing and do minimum which aims to assess which is the optimal

use of resources. The project has a Benefit Cost Ratio (BCR) of 5.66 which is classed as very high and even after sensitivity testing remains in the high category.

- 3.8 The Chief Finance Officer has reviewed this Business Case and has assessed to represent Value for Money against the above criteria.

4. Timescales and next steps

- 4.1 If approved the project will move into the delivery phase of the project, starting with procurement of delivery partners and final design of the scheme prior to launch financial year 2023/24. Monitoring and evaluation will continue throughout the delivery phase. CPCA will explore options for joining the management efforts across the district councils who are delivering or planning to launch similar funds. Co-investment opportunities will also be sought to promote collaboration and maximise the outputs across the region.

Significant Implications

5. Financial Implications

- 5.1 The Combined Authority Board approved, as part of the 2022/23 Revenue Budget, Capital Programme 2022/23 to 2025/26 and Medium-Term Financial Plan (MTFP) 2022/23 to 2025/26, a list of projects, presented on 26 January 2022.
- 5.2 The initial allocation of subject to approval budget within the MTFP was agreed at this Board and is shown in the tables below, ensuring that funding would be available for these projects, should they be approved via the gateway stages and provide evidence as value for money.

MTFP - Business and Skills Capital Budget	2022/23	2023/24	2024/25	2025/6	2026/27
	£'000	£'000	£'000	£'000	£'000
Growth Works Additional Equity Fund (cap)					
Subject to Approval	950	2,850	2,850	2,850	

MTFP - Business and Skills Revenue Budget	2022/23	2023/24	2024/25	2025/6	2026/27
	£000's	£000's	£000's	£000's	£'000
Growth Works Additional Equity Fund (rev)					
Subject to Approval	50	150	150	150	-

- 5.3 There are financial implications arising from the recommendations in this report where the MTFP budget profile for the project has changed from that approved shown above. Below is the new revised budget profile from the Full Business Case.

MTFP revised budget profile from Full Business Case					
	Total	FY (2022 /2023)	FY (2023 /2024)	FY (2024 /2025)	FY (2025 /2026)
Capital	£ 9,500,000	£ -	£ 2,850,000	£ 3,325,000	£ 3,325,000

Revenue	£ 500,000	£ 60,938	£ 156,250	£ 156,250	£ 126,563
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6. Legal Implications

- 6.1 If the FBC is approved then CPCA will carry out a competitive process to identify and commission the right fund partner to manage the Fund, in accordance with the requirements set out in this business case. This will follow the standard CPCA procurement process and contract for delivery.

7. Public Health Implications

- 7.1 The proposed project will have a positive impact on public health regarding the creation of key employment, skills or social impact outcome improvements across the Combined Authority area. Good work and personal skills development are a key determinant of positive health outcomes.

8. Environmental and Climate Change Implications

- 8.1 Please refer to the Full Business Case appended which outlines positive impacts and outcomes derived for environment and climate change measures such as carbon reduction from delivery of the project.

9. Other Significant Implications

- 9.1 There are no other significant implications

10. Appendices

- 10.1 Appendix 1 – CPCA Business Growth Fund Full Business Case

11. Background Papers

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

12. Accessibility

- 12.1 An accessible version of the information contained in the tables in this report and appendix are available on request from democratic.services@cambridgeshirepeterborough-ca.gov.uk



**CAMBRIDGESHIRE
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COMBINED AUTHORITY

Full Business Case Business Growth Fund November 2022

V1	07.09.2022	Working draft for submission to PARC sub committee
V2	03.11.2022	Approved draft from PARC

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INTRODUCTION

Lack of access to funding for small to medium sized businesses has been consistently recognised as a key issue to be overcome in stimulating business growth across Cambridgeshire and Peterborough (C&P), both in the 2019 Cambridgeshire and Peterborough Local Industrial Strategy and now in the 2022 Economic Growth Strategy. This issue is most pressing for businesses outside of the Cambridge City area.

The Economic Growth Strategy also sets out high-growth potential and current key sectors for the region, that should be prioritised due to their ability to contribute and sustain high-quality local jobs. In particular, given the regional need for support to transition to Net Zero, businesses focusing on products and services that contribute to this agenda should also be prioritised.

In the context of this business need and the strategic priorities set out in the Economic Growth Strategy, the CPCA Board recommended a £10m of gainshare funding should be used to support local business growth, potentially through equity investment. At the same time, a mayoral priority was highlighted to also provide funding to third sector companies (socially focused firms that have a business or trading element, as opposed to charitable organisations), in the context of addressing the issues facing residents through encouraging the presence of more compassionate employers, socially responsible employment and tackling inequalities.

This full business case builds on the strategic outline business case approved in July 2022, and a project initiation document (PID) submitted to the CPCA Board in Spring 2022 which was scored and subsequently approved for budget in the Medium-Term Financial Plan (MTFP).

The PID scored very well compared to all other projects against the six keys in the Combined Authority Growth Ambition Statement with an average of 2.8 collated score, where the average for all projects was 2.4 with a minimum of 2 and a max of 3.1.

GVA	Climate Change	All other	Infrastructure	Knowledge	Health	Skills	Social	Finance
4	2	2	2	4	2	4	2	3

The project was ranked joint 9th out of over one hundred submissions.

This full business case further develops the structure, commercial, procurement and management models for the fund.

STRATEGIC CASE

INTRODUCTION

The purpose of this strategic case is to establish the case for intervention and alignment of the proposed intervention to regional policy objectives.

STRATEGIC PRIORITY

The 2022 Cambridgeshire and Peterborough Combined Authority (CPCA) Economic Growth Strategy is clear that accelerating business growth is key to achieving sustained economic renewal and success across Cambridgeshire and Peterborough (C&P). This and other CPCA strategies are also clear that economic growth alone is not the objective; reducing inequality and delivering improvements across all six forms of capital must be core to how and where economic growth is achieved. The purpose of investing in business growth is to support those wider objectives.

The Vision

*Cambridgeshire and Peterborough is the place where unique business, natural and research assets tackle world problems whilst creating **good jobs and healthy lives for all our residents in all our places**. We are globally leading and competitive, and also more equal and sustainable.*

The additional objectives set out in the strategy to achieve this vision are:

- Reduce inequalities
- Transition to a green, low-carbon economy
- Deliver good quality jobs in high performing businesses
- Support better quality skills
- Accelerate local placemaking and renewal

As such, the CPCA aims to see an increase in business growth in a way that balances encouraging growth in high-value sectors, whilst ensuring benefits are felt by the communities and places in the greatest need and prioritising and contributing to local energy transition.

Intervening to support business growth is also aligned with the Sustainable Growth Ambition Strategy's objectives:

- Accelerate business growth; through giving funding opportunities to businesses currently not able to access funding for growth.
- Good quality jobs in high-performing businesses; creating new, quality jobs through enabling faster growth in invested in businesses.
- Accelerate local place making and renewal; offering local 'Levelling-Up' by providing funding for businesses in all three sub-economies, not just in Cambridge.
- Reduce inequalities; creating more jobs and safeguarding existing roles in businesses placed on a more assured financial footing, including in social enterprises that typically offer more inclusive employment opportunities for disadvantaged individuals.
- Ensure transition to green, low-carbon economy; with a targeted funding pot intended to support growth in low carbon technology businesses.

Both of these strategic documents and the priorities and objectives stated within them, are clearly aligned to the current national agendas around encouraging economic growth, reducing inequality or 'Levelling Up' and transitioning to Net Zero.

CASE FOR CHANGE

Challenges facing businesses in C&P

As businesses of all kinds emerge from the combined impact of Brexit and the Covid-19 pandemic, they now face even more fundamental and complex challenges. Recent global events have driven up input costs, in particular with regards to energy and commodities, with inflation also driving up the cost of finance. C&Ps highest value and globally competitive sectors of IT, Life Sciences, Agri-Tech and Advanced Manufacturing are high-input cost businesses and so are feeling the impact of these challenges the most. This has been seen in the rates of turnover growth these sectors, which, outside of Cambridge, was significantly lower in 2021 than in the year previous.

Figure 1: Turnover growth of Knowledge Intensive businesses by district (2020 and 2021) ¹.

Authority	Turnover Growth 2020	Turnover Growth 2021
Cambridge	2.1%	8.4%
East Cambridgeshire	15.1%	2.1%
Fenland	2.7%	3.8%
Huntingdonshire	5.8%	-3.3%
Peterborough	7.0%	0.7%
South Cambridgeshire	9.9%	-1.1%

Between 2016 and 2021, turnover growth of knowledge intensive businesses was highest in Cambridge. Investment in businesses outside of Cambridge offers the opportunity to reduce the disparity in growth, unlocking economic and social benefit for the wider area.

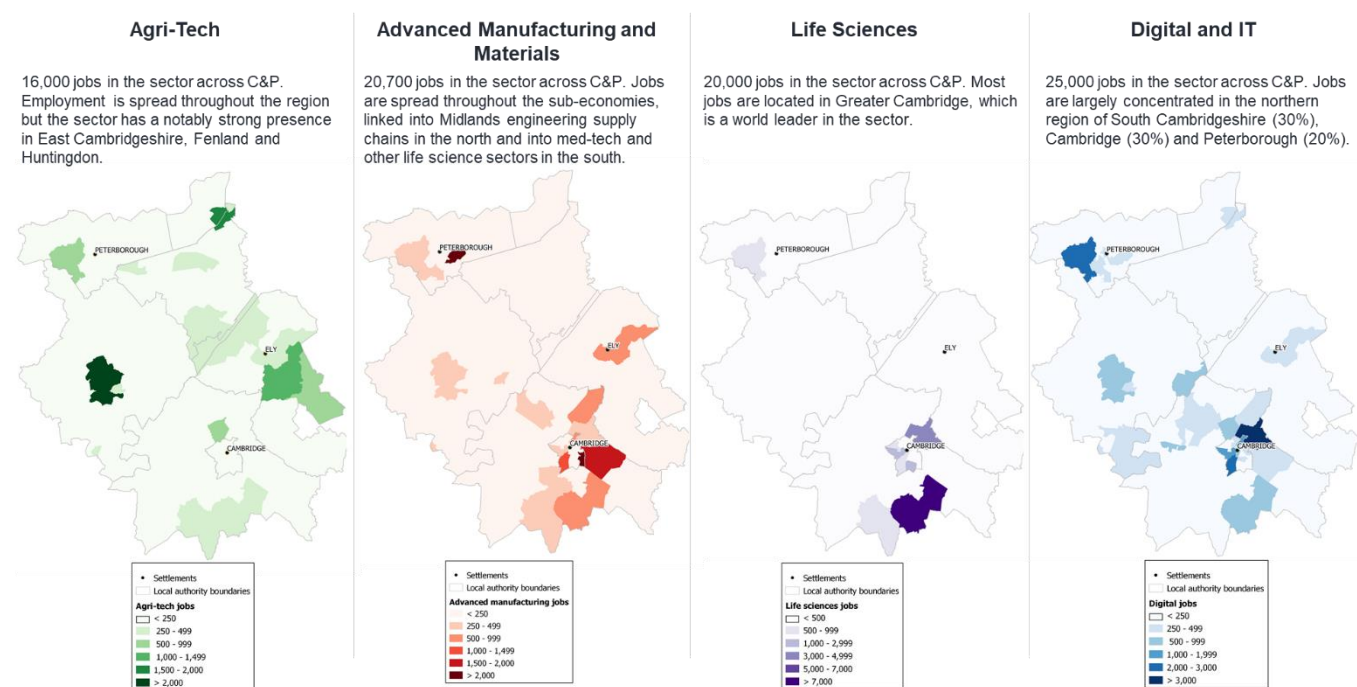
Figure 2: Knowledge intensive business turnover growth (2016-21)



¹ Cambridge Ahead – Cluster Insight dashboard

At the same time, high employment but relatively lower paid sectors, including retail, leisure, logistics and care, are also facing pressures from contracting consumer spend, for some increasing costs and labour shortages. The latest Quarterly Economic Survey for the East of England highlights the significance of the labour market challenge, indicating that 80% of manufacturing and 64% of services companies have tried to recruit to positions in the last three months.

Figure 3: Employment in the priority sectors identified in the C&P Independent Economic Review²



Overall, the transition to zero carbon is a major priority for all sectors. C&P has an encouraging base of SME businesses focused on developing energy transition innovation and technologies. Examples of this include green engineering in Peterborough, Agri-Tech and water management in The Fens. These firms are key to driving green growth and energy transition locally which is a clear policy priority.

The continued advance towards net zero, although extending across all industries and across broad occupational types, is more acutely felt in those industries which already have a higher carbon footprint and are therefore experiencing rapid transformation as they transition to net zero. Accompanying this transition is growing demand for 'green jobs'. An estimated 10.6% of jobs in Great Britain require upskilling to become green jobs³. In Cambridge, this number is lower, at 7%, however there is a disparity with the rest of the C&P area which averages 12% of jobs requiring upskilling, highest in Fenland at 12.5% of jobs.

Furthermore, as the economy and our communities enter a new period of slow or flat growth and residents living standards are under increased pressure, there is a need to ensure that community and social enterprises of all forms (socially focused firms that have a business or trading element, as opposed to charitable organisations) can continue to offer new approaches, products and services that may increasingly fail to secure investment from traditional capital.

Data from the Charities Commission for England and Wales shows 2,300 charities classified as either Education and Training, Arts and Science, Environment and Conservation, or general charitable purposes, operating in C&P. Consultation suggests that some social enterprises and particularly smaller

² C&P Economic Strategy 2022

³ PCAN Just Jobs Tracker 2021

local community groups are unlikely to be registered to this database and so this number is likely to underplay the scale of charities and social enterprises operating in these sectors within C&P.

Current business support provision

The need for equity funding to support business growth has been highlighted across C&P since 2019, when this was noted as an action in the C&P Local Industrial Strategy and continues to be described as one of the top three challenges for businesses last surveyed by the Growth Works business support service in December 2021. Growth Works provide business growth services and funding across the region, currently through a £5.25m local growth fund designated for Equity investment which is due to conclude in 2023. In terms of reach, this fund has a deliberately tight focus on high-growth companies with a proven aptitude for growth and experience of previous support. This is highly consistent with one element of the CPCA economic growth strategy – to drive up the number of scaling businesses.

A European Investment Bank report into SME's access to finance from 2015⁴ estimated that 24% of SMEs in the East of England we're 'looking for finance', with this proportion rising to 32% of small businesses (10-49 employees), and 36% of Medium sized businesses (50-249 employees). Medium sized businesses however had the least difficulty accessing finance, with only 30% of those seeking finance reporting difficulties, compared to 50% of micro businesses (0-10 employees), and 39% of small businesses.

At the same time, the ending of wider ERDF support, changing economic pressures and the growing need to support the transition to zero carbon in a much wider section of business and places, suggests that there is a gap in provision that is not being met by existing funding. In terms of private sector funding, the market is good at serving start up and later stage growth firms in and around Cambridge and in established firms more widely but is less effective in reaching smaller and different types or newer firms elsewhere.

Case for intervention

Overall, businesses that are key to sustainable and inclusive economic growth in C&P are facing new and compounding challenges, that risk negatively impacting their growth potential due to lack of funds for investment and inability to recruit staff. In order to sustain momentum and facilitate growth in the key priority and green sectors, there is a case for providing growth funding for those firms that cannot currently access this support.

Given the underpinning cost of living challenges and local place-making priorities set out in the Economic Growth Strategy, there is also a case for supporting businesses with a strong social purpose and inclusive governance and employment approaches, as well as requiring good local employment practices from the key sector businesses mentioned above. The impact of not intervening will be a continued lack of vital funding for businesses that could make an important economic, social and environmental contribution to the local and national economy.

Due to the mix of businesses and organisations being targeted through this intervention, there is a requirement to make available a variety of financial products from the overall £10m amount. Based on evidence from similar sized and scoped funds, this should include equity investment and loans of £100,000 - £500,000 to support business growth and smaller loans or grants of less than £75,000 to support third sector businesses and organisations.

The options appraisal carried out as part of the development of this full business case indicates the best option is two separate funds financed from the overall £10m pot. These funds will provide funding to the two distinct categories of businesses being targeted, as follows:

⁴ Using Financial Instruments for SMEs in England in the 2014-2020 Programming Period – European Investment Bank, Regeneris Consulting

- **Fund 1** – a growth fund aimed at providing equity or debt funding to high growth potential businesses that do not have access to funding from other sources. The first priority sector for Fund 1 will be green-tech businesses.
- **Fund 2** – a fund aimed at providing grants or loans to third sector businesses that do not have access to funding from other sources.

The appraisal of this option as the preferred way forward is set out in the economic case of this full business case.

Policy Alignment

The proposition is aligned with national, regional and local policy objectives to support productivity growth while capitalising on net zero opportunities, and has the potential to support the following policy objectives:

To increase productivity

As part of the Devolution Deal the CPCA has a target to double GVA by 2040 (against a 2015 baseline). The Cambridgeshire and Peterborough Local Industrial Strategy (LIS) (2019) also includes the ambition to create a globally competitive economy and labour market grounded in high-skilled and better-paid jobs, increased productivity, and stronger sustainable communities. The LIS further outlines four priority sectors for future growth - Agri-Tech, Life Sciences, Digital and Artificial Intelligence (AI), and Advanced Manufacturing and Materials.

Business growth and increased productivity is an ambition mirrored across the constituent Local Authorities' Local Plans and Growth strategies.

To achieve net zero

Reducing carbon emissions and transitioning to net zero is a key goal of regional and local climate change strategies. East Cambridgeshire for example declared a climate emergency in autumn 2019, a stance also held by other district councils. The CPCA have a Climate Change Commission with the aim of identifying challenges and opportunities related to achieving a target of eradicating emissions by 2050.

Supporting businesses to reduce carbon emissions through creation of new products or improving business operations is also directly aligned with the ambition set out in the Cambridgeshire & Peterborough Local Economic Recovery Strategy (LERS) to build back better and greener following the Covid-19 pandemic by accelerating high tech jobs and cluster growth, focussing on green, digital and net zero technologies.

At a national level, the 10 Point Plan for a Green Industrial Revolution (2020) sets out the government's ambitious plan to 'build back better', support 250,000 green jobs by 2030 and accelerate the path to net zero by 2050. This includes a £166.5m funding package into green technology to find solutions to decarbonise existing industries. The funding is expected to create an initial 60,000 new green jobs.

To reduce inequality and regional disparity by levelling up and adhering to the principals of inclusive growth

The Cambridgeshire and Peterborough Local Industrial Strategy (2019) highlights the fact that, at the local level, growth within the C&P area has not been evenly spread. There is an opportunity to increase the sustainability and broaden the base of economic growth through the targeted support outlined in this FBC.

Nationally, the government has published the Levelling Up White Paper later with a focus on supporting those at risk of being ‘left behind’, with skills and knowledge playing a pivotal role. Creating new high-quality jobs in knowledge intensive sectors will increase the accessibility of these roles to local residents.

Stakeholder engagement and support

Following the development of the CPCA Economic Growth Strategy, discussions were held at the Business Board about how to support business growth across C&P. Business Board discussed the concept of a CPCA funded business growth fund, with an aligned fund to support third sector businesses, the latter being a current mayoral priority. During the subsequent development of the PID, SOBC and this FBC, several stakeholders have been engaged, and are supportive of this venture. These are shown in the table below.

Stakeholder group	Engagement and response
Business Board members	Board discussions and informal engagement has indicated widespread support for equity investments to enable business growth.
Providers of similar funds	Informal research discussions with managers and providers of similar sized funds have indicated that the structure, aims and size of the equity fund could make the desired impact.
Political stakeholders	Mayoral priorities indicated earlier in the year and subsequent discussions indicate a key focus on supporting third sector businesses.

Key delivery and strategic partners are:

Stakeholder	Interest area
District and City Councils and LEPs	Strategic partners – role in promoting the funds across business base
Federation of small businesses	Strategic partners – role in promoting the funds across business members
Chambers of commerce	Strategic partners – role in promoting the funds across business members
Business groups / networks	Strategic partners – role in promoting the funds across business members
Sector and trade bodies	Strategic partners – role in promoting the funds across business members
Universities	Strategic partners – role in promoting the funds across business base
UEA consulting	Potential partner – currently delivering Low Carbon Fund 2. Co-investment option as part of Fund 1 for green growth businesses subject to budget and CPCA investment committee approvals.

Engagement with local high growth potential and third sector businesses will take place as part of the establishment of the fund, in the form of market testing.

CLIMATE CONSIDERATIONS

Investment in businesses that provide or are developing products, technologies and services to support transition to Net Zero will in turn make a positive impact on climate and environmental challenges.

SMART OBJECTIVES

The objectives for this intervention are:

- To provide a credible source of growth funding (£100,000 – £500,000) over the next ten years for 20-40 small to medium businesses that cannot otherwise access it, in key sectors including IT, Life Sciences, Agri-Tech and Advanced Manufacturing as well as the emerging green-tech sector.
- To provide a credible source of smaller amounts of funding (up to £100,000) over the next ten years to support local third sector businesses providing new or continued community and social products and services.
- To increase growth of existing businesses from year 5 of the fund in key sectors including IT, Life Sciences, Agri-Tech and Advanced Manufacturing as well as the emerging green-tech sector.
- To increase the creation of new and sustainment of existing jobs and community offers in the next 10 years in areas in C&P which have the highest levels of deprivation and the lowest paying wage levels.

SPECIFIC DELIVERABLES/OUTPUTS

The deliverables below are categorised by those that relate to Fund 1 - equity or loans of £100,000 to £500,000 for business growth funding, and those that relate to Fund 2 - smaller grants or loans of £10,000 - £75,000 for third sector businesses. This further refines the fund structure developed at the SOBC stage. The overall capital funding pot will be focused 75% on Fund 1 and 25% on Fund 2. The below provides just a summary of the products with more detail is provided in the economic, commercial, financial, and management case.

Overall value and timeframe

Fund 1 - The fund will consist of c.£7.125m of gainshare funding available over a 3-year investment period, a timeframe based on best practice to allow for demand generation, investment, and return. Repayment terms will need to be discussed with the applicants, but we assumed 7 years for the loans to be repaid. For equity investment, we assumed a 7 year investment horizon. This means exit after 7 years after making a profit on the investment. The fund will aim to become evergreen after 10 years.

Fund 2 – The fund will consist of c.£2.375m of funding available over a 3-year funding period with similar assumption as Fund 1 for the loans investment and repayment frame.

Administration to cover the 2 fund streams has been set at £500k for the term of scheme.

After the project 10-year duration (3 years investment plus 7 year repayment/ exit period) the fund will have been returned to CPCA for re-investment. The expectation is that funds will be reinvested in further rounds, subject to approval from the CPCA Board at a later date and based on the performance of the schemes. Financial projections have been made in the financial case.

Available products

Fund 1 - The fund will provide equity investments or loans of £100,000 to £500,000 to individual businesses. Research and local examples indicate this amount is the right amount to offer small to medium enterprises⁵, to make a return within the timeframe. Amounts of £250,000 and over would require special approval. For the purpose of this business case various financial assumptions have been made to profile loans repayment, interest gained and equity returns (see financial case). For loans, interest rates would be set at the time of approval based on market rates and risk profile of the company.

Fund 2 - Smaller amounts of £10,000 - £75,000 for third sector businesses should be provided as grants or loans, with values of over £25,000 to be offered as loans only.

⁵ EIB, 2015. Using Financial Instruments for SMEs in England in the 2014-2020 Programming Period. A study in support of the ex-ante assessment for the deployment of EU resources. Annex Two – Area Overviews, East of England.

Delivery model

Fund 1 – A specialist, dedicated third party fund manager will be procured to administer the fund on behalf of CPCA. This fund manager must have the right experience, systems and processes to manage risk and provide assurance, as well as specialist knowledge of the local high growth potential sectors. The contract with the third-party delivery partner will be managed and overseen by an appointed CPCA in-house fund manager.

Fund 2 – An in-house fund manager will be established to administer this fund, as grants and loans of this size and nature have been delivered by the combined authority and so there is likely to be existing expertise and experience. During the fund design phase, CPCA will explore options for joining the management efforts across the district councils who are delivering or planning to launch similar funds⁶. Co-investment opportunities will also be sought to promote collaboration and maximise the outputs across the region.

Detailed fund managers requirements, roles and responsibilities are set out in the management case of this FBC.

Governance and performance management

CPCA Board will oversee the performance of both funds against the agreed outputs and outcomes. This will require quarterly reporting against agreed KPIs and associated metrics by the third-party fund manager and the in-house fund manager, for review by the board.

An advisory panel or investment committee will also be set up to support the investment decision making for both funds. The panel will be resourced with those who have previous fund management or provider experience, to bring the right level of understanding and challenge.

Fund monitoring

Fund 1 - The public money that will make up this fund warrants a robust approach to describing and managing the expected performance and outcomes from each agreed financing package. This could include building on smart money principles increasingly seen in private funding, to target and monitor the contribution made to social outcomes such as local job creation. As above, performance monitoring information should be provided to the advisory board for review and action on a quarterly basis.

Fund 2 - For third sector businesses, a similarly robust approach to describing and managing the expected outcomes from each grant awarded will be required, to monitor the social impact of the work the grants enable. Performance monitoring information should be provided to the advisory board for review and action on a quarterly basis.

Investment policy (fund 1)

As an intervention fund drawn from public money, there is a need for a clear investment policy. The key components of this policy at this stage are:

- **Market gap** – The fund will target businesses specifically where there is a market gap in growth funding i.e., businesses which cannot otherwise access the funding they require from alternative sources.
- **Sector focus** – The fund will also target high growth potential businesses in the emerging green-tech sector as the first priority, and then key C&P sectors of IT, Life Sciences, Agri-Tech and Advanced Manufacturing as the second priority. High growth potential in this case is defined as businesses with a track record of growth in employment and/or turnover, and a strong business

⁶ Cambridge City Council is currently working together with Achievegood and It Takes A City CLT to look at how social impact investment, blended finance and partnership across a range of organisations from the public, private and third sectors can address local challenges including housing and homelessness, inequality, skills and sustainability. The team is currently exploring how to deliver a place-based impact fund to invest in impact-driven third sector organisations alongside aligned grants and other resources to achieve positive socio-economic impact within key communities in Greater Cambridge (reduce inequalities, increase educational opportunities and increase employment chances). This fund could represent good alignment with CPCA fund 2 and opportunities for combined delivery or co-investment approach will be explored.

model with potential for future scalability. Green-tech is defined for the purposes of this fund as businesses providing or creating services, products and innovation that support the transition to Net Zero.

- **Geographical focus** – The market gap requirement means that the investment policy will have a spatial focus, due to the large proportion of current growth funding being available to businesses based in or near the Cambridge area. The Economic Growth Strategy further suggests the need for focus outside of Cambridge to encourage inclusive growth in areas that are less prosperous in the region.
- **Stage of funding** – The fund will predominately offer Seed A funding, as opposed to start-up or stage 2 funding. Insight indicates there is the largest market gap for this stage of funding, and that this stage of funding aligns with the estimated funding amounts of up to £500,000. However, there is a case for start-up stage funding up to this value to be provided through the funding, where this is shown to be required by businesses that fall within then targeted sectors.

Go-to-market approach

A demand generation approach is required to successfully identify and support businesses in the target sectors and geographies, given that many businesses may be in their emerging stages of development. Examples from elsewhere suggest this could include place-based hubs, for example in Peterborough, where fund teams actively engage with the market to raise awareness and identify and target need.

Investor match and co-investment approach

An investor matching approach will be ideally taken for fund 1 equity investments and loans, matching funding for businesses already appraised for investment by another funder to increase growth-enabling funding and improve efficiency. To comply with subsidy control regulations, evidence of a commercial match will be required for equity investments (i.e. evidence that private monies are being invested on same or equivalent terms) and loans must be priced using a reference matrix, to estimate risk. This will ensure that businesses share the risk and are incentivised to invest. Match can include co-investment from other funds and angel investors. For the market gap addressed by this fund, it is expected that the match will mainly come from angel investors as there are only a small number of specialist venture capitalist firms which provide funding this early. Moreover, it is not possible to get commercial banks to match this funding. This will more likely come later once credit record established and profitable.

PROJECT OUTCOMES / IMPACTS

Key project outcomes and metrics are summarised below. These have been informed by the Theory of Change and assessed as part of the Economic case later in this document.

Key outcomes

- Increase in business growth in key sectors, particularly outside of Cambridge where access to funding is more limited
- Creation of jobs in green tech
- Advancement of businesses towards net zero

Key Metrics

- Number of jobs created or retained in high growth potential businesses in CPCA priority sectors including green-tech - Estimated 500 jobs
- Number of jobs created or retained in third sector social enterprises - Estimated 85 jobs
- Number of indirect and induced jobs created in business supply chains and wider economy – Estimated 185 jobs
- Reduction in GHG (tonnes of CO2 equivalent) – Estimated 9,000 tonnes p.a.
- Turnover growth of businesses in priority sectors
- Financial returns – estimated £9.8m based on financial model

Other linked metrics

- New products created and/or brought to market

- Number of engagements with, and strengthened relationships between, public sector, third and voluntary sector organisations

DESIGNS

Not applicable.

CONSTRAINTS

The fund is constrained by the overall available £10m from gainshare funding, placing an upper limit on loans or investment that can be made through the fund and therefore the stage of investment targeted.

DEPENDENCIES

The success of the fund is dependent on continued support and prioritisation by the CPCA Board, given the potential financial and reputational risks highlighted in the management case.

ECONOMIC CASE

INTRODUCTION

The Economic Case below has been conducted in line with HMT Green Book guidance and:

- identifies a **long-list and shortlist of options** based on factors identified in the Strategic Case
- assesses these options against the critical success factors
- sets out the **costs associated with the shortlisted options** (including private leveraged match)
- describes the approach taken to **identify and quantify the potential benefits** of the shortlisted options
- based on the above, sets out the **benefit cost ratio** (BCR) of the shortlisted options.

APPROACH TO ECONOMIC CASE

Based on the challenges and opportunities set out in the strategic case, a fund targeting high growth potential SMEs (fund 1) as well as third sector businesses (fund 2) has been identified as a proposed solution to address the funding gap facing business in key sector operating across the CPCA area, particularly outside of Cambridge. The objectives of the fund will be to:

- Support the scale up of high growth potential businesses in green-tech and other CPCA priority sectors by addressing the current financing gap (particularly of loans and equity investment in the £100-500k range outside of Cambridge, as discussed in the Strategic Case)
- Support CPCA's transition to net-zero by supporting businesses to create products or develop new business practices which reduce their carbon emissions
- Create and safeguard jobs in the Third Sector, enabling wider social benefits
- Increase productivity in the CPCA by enabling businesses to invest in new technologies and products that they otherwise would not be able to.

CRITICAL SUCCESS FACTORS

The potential options for delivery of the fund must address the rationale for intervention and meet intended objectives and outcomes as stated in the Strategic Case, as well as aligning with local and regional strategies. They must also represent value for money, be deliverable, affordable and commercially viable.

The following critical success factors (CSFs) are used to assess each delivery option:

Strategic fit: How well the option meets needs and service requirements, and the CPCA's spend objectives. The options must address the net zero agenda, sustainable growth and recovery goals, and deliver growth in the green, knowledge intensive, and third sectors.

Value for money: Options must be additional and complementary to wider activity, have the potential to offer public value and represent good use of CPCA investment.

Supplier capacity and capability: Options must be deliverable by potential suppliers. For example, options are likely to be limited if there is a lack of experts to deliver tailored business advice.

Affordability: Options must be aligned with resourcing constraints and be commercially viable e.g., demonstrate robust cashflow projections and match funding availability.

Deliverability: Options must be deliverable within the parameters of the 3-year initial investment timeframe, and there must be sufficient organisational capacity and capability to support this.

OPTIONS ASSESSMENT

A detailed options appraisal was carried out in the preparation of this Full Business Case. A summary of the long-listed options considered are shown in the table below.

Option	Description	Shortlisted?
Do nothing	No action taken beyond existing Growth Works business advice and support provision	Yes. Although this option doesn't directly address the funding gaps identified in the strategic case, business advice and support is ongoing through Growth Works (up to end of December 2023) and other regional bodies and there is no specific requirement for the CPCA to provide and additional intervention.
Do minimum	£10m used to expand and extend Growth Works business advice provision	Yes. Although this option doesn't directly address the funding gaps identified in the strategic case, business advice could be used to help businesses identify other funding options as well as to offer 1-to-1 advice on scale up, which would address the critical success factors.
Intermediate option 1	£10m distributed as business grants	No. Finance gaps for high growth potential scale up identified in the strategic case require equity investment and loans of the scale that grants would not cover. Additionally, there are already existing business grant schemes operating in the area (although not always accessible by third sector organisations).
Intermediate option 2	£10m equity investment fund	No. Although this option would address some of the funding gaps identified in the strategic case, third sector businesses and some small businesses are unlikely to require or permissible for equity investment and so this option does not meet the strategic requirements for all prioritised sectors
Intermediate option 3	Mixed equity, loan, grant funding with single delivery vehicle for all funding streams.	No. This is a credible option however delivery of all funding streams under one vehicle is a less commercially viable option than in-house delivery of small loans & grants with external management of equity and loan investments.
Intermediate option 4 (Preferred option)	Mixed equity, loan, grant funding with sperate delivery of equity/loans for high growth potential scale up, and loans/grants for third sector	Yes. This option meets all the critical success factors and constitutes the preferred option.

Do maximum	This option is a variant of the preferred way forward which includes additional resourcing for an 'investment readiness' function.	Yes. This option also meets all the critical success factors and could help reduce the potential default rate of loans/help screen investment options. However, impact on costings are to be further considered in the Financial and Management Cases.
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OPTIONS SHORTLIST

The assessment of the long list of options produced the following shortlist:

Option 1 - Do Nothing: Growth Works existing provision

Option 2 - Do Minimum: £10m extension to business advice provision at Growth Works

Option 3 - (Preferred option): £10m mixed fund (equity, grants, and loans) delivered under two funding streams

Option 4 – Do Maximum: Option 3 plus an 'investment readiness' programme

Option 1 - Do Nothing: Growth Works existing provision

The do-nothing option would not require any expenditure and would be the easiest option to deliver given it is a continuation of current provision. It doesn't directly address the needs identified in the strategic case however has been taken forward to shortlist stage as there is no specific requirement on CPCA to provide an additional intervention beyond the baseline so the 'do nothing' approach is a viable option.

Under this option there is not benefit beyond the ability to redeploy the proposed £10m investment elsewhere.

The consequences of the do-nothing approach is set out below:

- Growth Works provision of advice and support is set to end in 2023
- Continued funding gap for capital investment in high growth potential businesses, particularly outside of Cambridge, missing out on large scale productivity benefits accrued through business scale up and investment in new opportunities. This scenario is likely to continue and be exacerbated by current global financial pressures which will put further pressure on the businesses books, reducing likelihood of scaleup investment without support.
- No opportunity to expand focus to include third sector business, missing out on addressing the funding gap for these businesses, potentially losing jobs and vital social benefits in the economy.
- In the long term this option will lead to a continued inequality between Cambridge and the rest of the CPCA as discussed in the strategic case.

Overall appraisal score against CSFs: **11**

Option 2 - Do Minimum: £10m extension to business advice provision at Growth Works

This option would involve providing advice to businesses in the target sectors, including key sectors, green-tech and the third sector, to support them to overcome challenges, seek investment or implement new ways of working to grow their businesses.

One key benefit of this approach is that CPCA currently commissions Growth Works to provide business advice as part of the package of measures aimed at encouraging business growth in the area. As such, there is an existing delivery model that could be used to provide further and increased growth advice to local businesses in the target sectors.

Additionally, ERDF evaluation of the unit cost of job creation through public investment⁷ showed that lower intensity business support schemes, such as that suggested under this option, have a lower cost per job created than more intensive capital schemes. This would suggest that there is potential for more jobs to be created/safeguarded under this option than other options. However, the evaluation report also suggests that this type of project comes with a high level of displacement (businesses could seek advice elsewhere) and so the value for money is reduced.

Challenges of this option are set out below:

- Under this option there is no ability to leverage private investment to support further job creation and innovation which would lead to further growth.
- Feedback from businesses and other intelligence suggests that advice only will not be sufficient to overcome the significant barriers to growth facing businesses, such as high input costs and labour market challenges.
- The provision of business advice does not offer the potential for financial returns which could be reinvested to support further businesses, and therefore represents reduced value for money.
- Given the range of sectors that will be targeted, it could be challenging for any current provider to have in depth knowledge and expertise to advise the breadth of key sector companies, green-tech and third sector businesses.
- Provision of business advice with a growth focus may not meet the requirements of some third sector businesses looking for lower-level funding which may not be intended to support growth.
- Business advice would be more challenging to monitor in terms of wider impacts such as job creation.

Overall appraisal score against CSFs: **12**

Option 3 - (Preferred option): £10m mixed fund (equity, grants, and loans) delivered under two funding streams.

Based on the options appraisal scores, this option has been taken as the preferred option as it addresses all the critical success factors, particularly by offering the ability to target all the sectors and business types addressed in the Strategic Case.

Equity investment is likely to be sought by high growth potential firms in key sectors and from the green-tech sector, including those looking for Seed A funding to promote growth. As such, this option would meet the requirements of the strategic case for these key sectors.

Grant funding is likely to be sought by third sector businesses which, although not offering the same financial returns as equity and loans, still support job creation and safeguarding in the third sector as well as supporting a wide array of social returns through their work helping local communities.

By offering a **mix of funding options** this option therefore targets all sectors identified in the strategic case.

High value for money as offers the potential for financial returns over time to be reinvested in the fund, and so could continue to support businesses within the CPCA.

⁷ England ERDF Programme 2014-20: Output Unit Costs and Definitions

Under this option the £10m (£9.5m capital, £0.5m revenue) will be split into two funding streams:

Fund 1 (£7,125,000 capital for investment): which will provide equity and loan investments to high growth potential businesses in green-tech and other priority sectors

- Managed by an external fund manager
- An indicative split of 70% equity and 30% loans has been set for this fund, subject to market testing performed at fund creation stage by the fund manager
- Loans or Equity investments between £100-500k
- Investments will match up to 50% of eligible project costs
- Returns will look to be reinvested in the fund as further funding rounds or follow up investments.

Fund 2 (£2,375,000 capital for investment): which will provide loans and grants to support third sector businesses

- Managed internally by CPCA
- Indicative split of 70% grants and 30% loans subject to market testing performed at fund creation stage by the fund manager
- Loans or grants between £10-75k
- No requirement for a business to match the funding
- No returns from grants but returns from loans will again look to be fed back into the fund

It is proposed that the investments under both funds are made over an initial three year period. A full breakdown of indicative costs is set out in the Financial Case.

The equity and loans fund will be designed in detail once the external fund manager has been appointed.

Challenges of this option include:

- Delivery of this option is more complicated as there are multiple types of funding stream to manage using different skills and expertise. Fund management company fees may exceed the allocated revenue budget so a percentage of returns may have to be agreed upon at procurement stage to cover excess costs.
- There is a risk that this fund has too broad an offer, and so is not fully understood and taken up by the market.

A full risk register is included in the “Risk Management Strategy” section of the Management Case.

Overall appraisal score against CSFs: **15**

Option 4 - Do Maximum: Option 3 plus investment readiness programme

This option is functionally the same as option 3 except that it also includes provision of an ‘investment readiness programme’ which would deliver business training activities on subjects such as: investment processes, how to raise private sector funds, how to raise business financial credibility, etc. This type of programme has been successful in increasing applications and application successfulness to other investment fund implementations (such as UEA Low Carbon Fund 2) to support small businesses new to the investment process, which otherwise may not apply, or be unsuccessful.

This programme would require an additional 1 to 2 specialist business advisors to deliver the activities and so represents an additional cost beyond the current revenue funding availability. Within this FBC this 'investment readiness programme' is discussed as an optional additional resource to the preferred option, subject to further revenue resources becoming available and evidence of need following market testing at the fund creation stage.

Overall appraisal score against CSFs: **14**

Shortlist options appraisal scores against critical success factors (scored 0 to 3)

	Meets spending objectives	Strategic fit	Offers Vfm	Supplier capacity and capability	Deliverability	Affordability	Total
Option 1 - Do nothing: Existing Growth Works provision	1	0	3	1	3	3	11
Option 2 - Do Minimum: Targeted business advice through extension to Growth Works provision	2	2	2	2	2	2	12
Option 3 - (Preferred option): £10m mixed fund delivered under two funding streams	3	3	3	2	2	2	15
Option 4 - Do Maximum: Extend Option 3 to include investment readiness programme	3	3	3	2	2	1	14

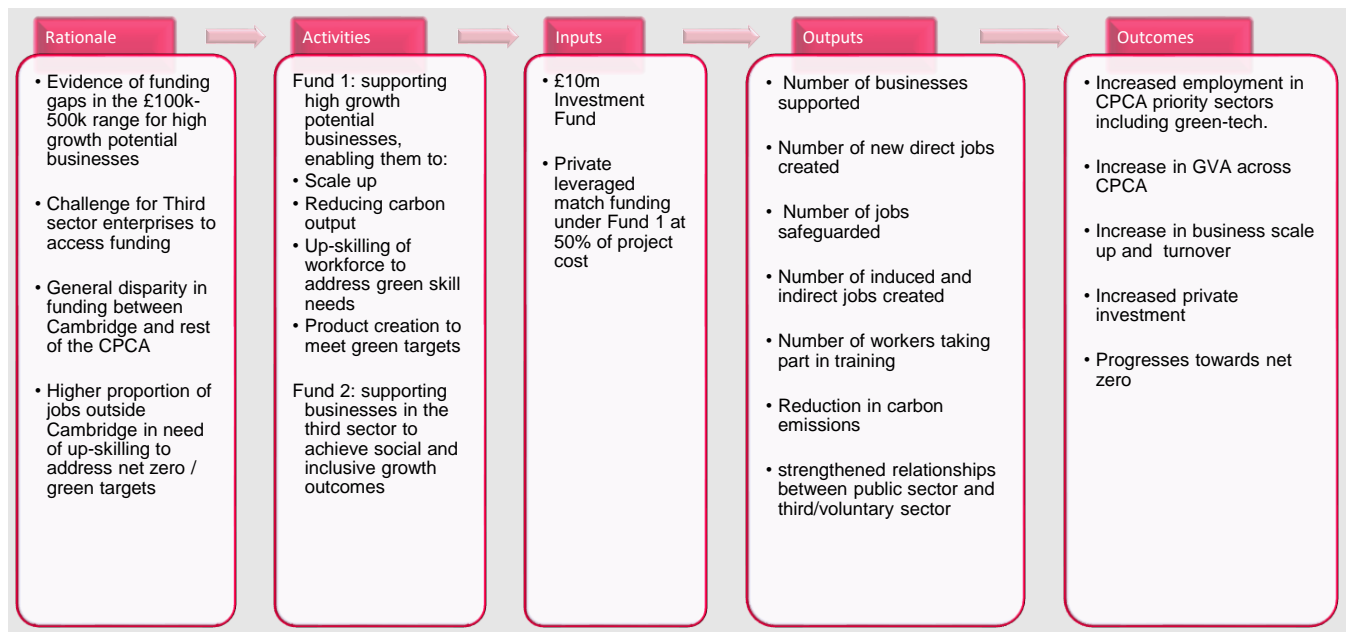
APPRAISAL SUMMARY TABLE

The Outcome Profile Tool has been used to further assess the business case. The use of the Appraisal Summary Table will be considered for the individual investments as the project progresses.

OUTCOME PROFILE TOOL

Sustainable Growth Outcomes	Economic Growth	Climate and Nature
Project outcomes	183 net new direct jobs in high growth potential businesses in CPCA priority sectors (including green-tech) 31 net new jobs created/safeguarded in the third sector 134 net indirect and induced jobs created in business supply chains and wider economy.	25,000 tonnes reduction in carbon emissions
Project outputs	Investment in green/knowledge intensive businesses Investment in third sector organisations	Reduction in GHG output of businesses Creation of new green products
Project measures	Employee jobs by district and by industrial code Employment in sector by district	Total Carbon Dioxide Emissions by district
Limitations	The project measures listed above can be considered alongside investment by investment monitoring data.	Data directly from businesses about emissions can be compared to the district data. The benefit associated with uptake of green products released to market is harder to measure and will need to be considered on a project by project basis.

LOGIC MODEL



ECONOMIC ASSESSMENT

The assessment of economic benefits vs costs has been undertaken in line with the best practice principles set out in HM Treasury Green Book and DLUHC Appraisal Guidance.

Assumptions

- Allocation of £10m (£0.5m of which is set as revenue for management of the funds under Options 3 and 4)
- All benefits have been adjusted to reflect current prices based on the discount rate of 3.5% in line with standard HMT Green Book guidance
- An appraisal period of 10 years has been used, starting in 2023/24
- Under all options, spending is assumed to occur over the initial 3 years of the appraisal period with employment and emission related benefits accruing equally over years 3 to 10.
- Persistence of 3 years has been applied to employment related benefits.
- Assumed private leveraged match equal to investments made under Fund 1 (i.e. public investments will fund up to 50% of project costs)
- Estimated returns from loans and equity investments are considered in line with the financial model set out in the Financial Case.
- Additionality (deadweight, displacement, and leakage) have been considered and applied in line with BEIS additionality guidance.

ECONOMIC COSTS

The economic appraisal undertaken in this Economic Case is based on the £10m allocation set out in the SOBC.

Option 1 Costs - Do Nothing: Growth Works existing provision

Under this option there are no associated additional costs beyond the do-nothing scenario.

Option 2 Costs - Do Minimum: £10m extension to business advice provision at Growth Works

Under this option, £10m would be used by Growth Works to extend and expand their business advice provision, with a particular focus on CPCA priority sectors.

Option 3 Costs - (Preferred option): £10m mixed fund (equity, grants, and loans) delivered under two funding streams.

Full details of the capital and revenue costings of this option are provided in the Financial Case. A summary is shown below.

The fund cost has been set at £10m in line with affordability and value for money expectations, and based on consultations which, combined with research outlined in the Strategic Case, highlighted the scale of need in the proposed target sectors.

Given the nature of an investment fund and the set allocations involved, it is not likely that the costs will increase. However, for the purpose of demonstrating the robustness of the case for investment, a sensitivity analysis of costs and benefits is also considered in the benefit cost ratio section later in the Economic Case to highlight the resilience of the value for money of this project to changes in costs or expected benefits.

Summary fund costings

Under this option, the gross capital cost is £9.5m and the gross revenue cost is £0.5m for a total cost of £10m. This cost is based on the costing agreed at SOC stage.

Revenue costs include management costs for both fund 1 and fund 2. Options for management of the funds and preferred management way forward are described in the commercial case and include:

- In-house management
- Procuring a supplier from an existing Framework
- Using the existing procured contract with Growth Works
- Procuring a fund manager via a competitive tender process.

For the purpose of the economic case, we assumed a maximum fixed revenue budget of £0.5m for revenue costs (to include management fees and/or internal staff salaries/growth works services).

Capital costs are split into two funding streams:

- Fund 1 (£7,125,000 capital for investment): which will provide equity and loan investments to high growth potential businesses in green-tech and other priority sectors
- Fund 2 (£2,375,000 capital for investment): which will provide loans and grants to support third sector businesses

It is proposed that the investments are made over an initial three year period. A summary of the capital cost splits by fund and by year is set out below.

Fund 1: High growth potential businesses in green-tech and other priority sectors

	Total	FY 0 (2022 /2023)	FY 1 (2023 /2024)	FY 2 (2024 /2025)	FY 3 (2025 /2026)
Equity (70%)	£4,987,500	£0	£1,496,250	£1,745,625	£1,745,625
Loan (30%)	£2,137,500	£0	£641,250	£748,125	£748,125
TOTAL	£7,125,000	£0	£2,137,500	£2,493,750	£2,493,750

Fund 2: Supporting the third sector

Grant (70%)	£1,662,500	£0	£498,750	£581,875	£581,875
Loan (30%)	£712,500	£0	£213,750	£249,375	£249,375
TOTAL	£2,375,000	£0	£712,500	£831,250	£831,250

Returns from loans and equity investments based on the details and assumptions of the Financial Model set out in the Financial Case are as shown below:

	FY 1 (2023 /2024)	FY 2 (2024 /2025)	FY 3 (2025 /2026)	FY 4 (2026 /2027)	FY 5 (2027 /2028)	FY 6 (2028 /2029)	FY 7 (2029 /2030)	FY 8 (2030 /2031)	FY 9 (2031 /2032)	FY10 (2032 /2033)
Loans	£51,629	£186,194	£353,068	£463,973	£490,940	£490,940	£490,940	£387,683	£221,808	£53,935
Equity								£1,985,882	£2,316,862	£2,316,862
Total	£51,629	£186,194	£353,068	£463,973	£490,940	£490,940	£490,940	£2,373,565	£2,538,671	£2,370,797

Option 4 Costs - Do Maximum: Option 3 plus investment readiness programme

This option is functionally the same as option 3 with the same capital costing breakdown except that it would also include provision of an 'investment readiness programme' which would need to be an additional revenue cost subject to further revenue resources becoming available and evidence of need following market testing.

For the economic assessment, an estimated additional revenue cost of £250,000 has been applied to this option to cover for business advisors' salaries to deliver the investment readiness programme.

Comparison of costs (assuming the costs of option 1 are zero):

	Option 2 - Do minimum	Option 3 - Preferred Option	Option 4 – Do maximum
Capital costs			
Capital – Gross	£10m	£9.5m	£9.5m
Capital – Net (gross capital minus income from loans and equity)	£10m	£-0.31m	£-0.31m
Capital – PVC (Costs adjusted to present value using 3.5% discounting p.a.)	£9.3m	£1.37m	£1.37m
Revenue costs			
Revenue - Gross	-	£0.5m	£0.75m
Revenue – PVC (Costs adjusted to present value)	-	£0.45m	£0.66m
Total costs			
Total – Gross	£10m	£10m	£10.25m
Total – PVC	£9.3m	£1.8m	£2.1m

ECONOMIC BENEFITS (INCLUDING ASSESSMENT OF DEADWEIGHT, DISPLACEMENT, AND LEAKAGE)

The benefits included in this section are:

- Jobs created/safeguarded through business scale up of high growth potential businesses
- Private sector funding leveraged as match under Fund 1
- Reduction in carbon emissions through funding of green-tech related businesses and projects
- Business supported in the third sector safeguarding and creating jobs
- GVA growth in CPCA
- Indirect and induced jobs created in supply chains and wider economy as a result of business growth.

Summary of benefits shown **after the application of additionality** (deadweight, displacement, leakage)
 Note, it is assumed that option 4 – do maximum has the same benefits as option 3 – preferred option

Benefit Category	Description	Option 2 – Do minimum	Option 3 – Preferred option
Employment	Direct jobs created / safeguarded through business scale up and business support	84	214 Fund 1: 183 Fund 2: 31
Employment	Indirect and induced jobs created in supply chain and wider economy	52	134 Fund 1: 115 Fund 2: 19
Environmental	Reduction in Carbon emissions	-	25,283 tonnes (Fund 1)

These benefits directly relate to the strategic case as they relate to jobs created and safeguarded in the sectors identified as facing challenges with funding availability, and meeting net zero targets.

There are also monetary returns related to income from loans and equity investments, this has been taken into account in the 'Economic costs' section.

Benefit 1: Direct jobs created

The **additionality assumptions applied to direct jobs** created is shown below:

Direct jobs additionality assumptions (Option 2)		
Deadweight	47.2%	In line with BEIS additionality guide sub-regional averages for 'Business development & competitiveness' interventions.
Displacement	75%	ERDF programme evaluation highlighted high levels of displacement associated with lighter touch business support schemes. Given that other advice services operate in the area currently it would be expected that a high proportion of resulting benefit would be displaced.
Leakage	16.3%	Although businesses benefitting from advice would be within the CPCA, some resulting jobs may be filled by people living outside the CPCA so leakage has been applied in line with BEIS additionality guide sub-regional averages for 'Business development & competitiveness' interventions.

Direct jobs additionality assumptions (Option 3 & 4)		
Deadweight	47.2%	Robust appraisals of business case applications will take place to reduce deadweight but for the economic appraisal a conservative estimate of deadweight has been applied in line with BEIS Additionality guide sub-regional averages for 'Business development & competitiveness' interventions.

Displacement	19.5%	Given the identified lack of funding available in the proposed range it is appropriate to apply displacement in line with BEIS Additionality guide sub-regional averages for 'Business development & competitiveness' interventions.
Leakage	16.3%	Although businesses benefitting from the grants, loans, and equity investments would be within the CPCA, some resulting jobs may be filled by people living outside the CPCA so leakage has been applied in line with BEIS Additionality guide sub-regional averages for 'Business development & competitiveness' interventions.

The methodology applied to calculate and monetise **direct job-related benefits**, and the total NPV of the benefit for each option is shown below:

Rationale:	MHCLG appraisal guidance recognises the GVA impact that creation of a job has on the local economy.		
Method:	<p>Gross unit cost of job creation estimates were sourced for each option from England ERDF programme evaluation⁸. For option 3 – preferred option, the gross cost of capital investment schemes was used and for Option 2 – Do minimum, the gross cost for advice-based business support schemes was used. Applying additionality as shown in the tables above resulted in 84 net direct jobs under option 2 and 214 net direct jobs under the preferred option (of which 183 are attributable to Fund 1 and 31 are attributable to Fund 2).</p> <p>These jobs were then monetised based on the average output per job sourced from ONS regional labour market statistics for the East region.</p>		
Persistency of benefit:	3 years		
Value:	Option 2 – Do minimum £13,398,126	Option 3 – Preferred option £34,203,007	Option 4 – Do maximum £34,203,007

Benefit 2: Indirect and Induced jobs

100% additionality was applied to indirect and induced employment as it was calculated based on the direct job numbers with discounts for deadweight, displacement, and leakage already applied.

The methodology applied to calculate and monetise **indirect and induced job-related benefits**, and the total NPV of the benefit for each option is shown below:

Rationale:	DHLUC Green Book guidance recognises the wider impacts that an increase in employment has on the economy, in particular the creation of indirect jobs in the supply chain and induced jobs in the wider economy.
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⁸ England ERDF Programme 2014-20: Output Unit Costs and Definitions

Method:	<p>Type 1 (indirect) and Type 2 (induced) employment multipliers were sourced from the Scottish Supply, Use, and Input-Output tables (2018), taking an average across green-tech, research, and other professional services.</p> <p>This gave a Type 1 multiplier of 1.4 and Type 2 multiplier of 1.6.</p> <p>Applying this to the direct jobs identified above gives an additional 52 indirect and induced jobs under Option 2, and 134 indirect and induced jobs under Option 3 – preferred option (of which 115 are attributable to Fund 1 and 19 are attributable to Fund 2).</p> <p>These jobs were then monetised based on the average output per job sourced from ONS regional labour market statistics for the East region.</p>		
Persistence of benefit:	3 years		
Value:	Option 2 – Do minimum £8,380,023	Option 3 – Preferred option £21,392,693	Option 4 – Do maximum £21,392,693

Benefit 3: Reduction in carbon emissions.

The **additionality assumptions applied to carbon reductions** is shown below:

Direct jobs additionality assumptions (Option 2)		
Deadweight	47.2%	In line with BEIS additionality guide sub-regional averages for 'Business development & competitiveness' interventions.
Displacement	19.2%	In line with BEIS additionality guide sub-regional averages for 'Business development & competitiveness' interventions.
Leakage	16.3%	In line with BEIS additionality guide sub-regional averages for 'Business development & competitiveness' interventions.

The methodology applied to calculate and monetise **carbon reduction related benefits**, and the total NPV of the benefit for each option is shown below:

Rationale:	DHLUC Green Book guidance recognises impacts that a reduction in carbon emissions has on the environment.
Method:	<p>Data from the project evaluation of the Low Carbon Investment Fund was used to calculate the amount of carbon reduction created per £ spent. This value was then applied to an indicative spend of 30% of Fund 1 of the preferred option going directly towards green-tech related projects seeking to reduce carbon emissions through development of new products/business practices and supporting transition to net zero.</p> <p>Applying the additionality assumptions shown above results in a net reduction in carbon emissions of 25,283 tonnes under option 3 – preferred option.</p> <p>This was monetised using the Green Book carbon price per tonne of £241.</p> <p>Given Option 2 – Do minimum has no direct investment in green-tech, no carbon reduction has been attributed to it.</p>

Persistence of benefit:	1 year		
Value:	Option 2 – Do minimum £0	Option 3 – Preferred option £6,093,304	Option 4 – Do maximum £6,093,304

SUMMARY BENEFITS TABLE

A summary of the monetised value of the benefits of each option is shown in the table below. The final row shows total benefits in today's prices (Net Present Value – NPV).

Benefit	Option 2 Do minimum	Option 3 Preferred option	Option 4 Do maximum
Direct jobs	£13,398,126	£34,203,007	£34,203,007
Indirect and induced jobs	£8,380,023	£21,392,693	£21,392,693
Carbon reduction	£0	£6,093,304	£6,093,304
Total benefits	£21,778,150	£61,689,004	£61,689,004
Total benefits (PVB)	£16,884,491	£47,990,592	£47,990,592

BENEFIT COST RATIO

Analysis of the costs and benefits as described above, and in line with HMT Green Book and DHLUC guidance over a 10-year appraisal period, result in the BCRs shown in the table below.

Please note that since Option 1 – 'Do nothing' does not directly yield any additional benefits or incur any costs it is not included in this table.

	Option 2 - Do minimum	Option 3 - Preferred Option	Option 4 – Do maximum
NPV Benefits	£16,884,491	£47,990,592	£47,990,592
NPV Public Costs	£9,322,638	£1.8m	£2.01m
NPV Private Costs	-	£6.64m	£6.64m
Total NPV costs	£9,322,638	£8,474,017	£8,707,083
BCR	1.81	5.66	5.51

The preferred option delivers a Benefit Cost Ratio of **5.66**, the highest of all options considered. This represents a very high return on investment according to government guidance and benchmarks which defines the value for money (VfM) category as:

BCR	Value for Money
Less than 1.0	Poor
Between 1.0 and 1.5	Low
Between 1.5 and 2.0	Medium
Between 2.0 and 4.0	High
Greater than 4.0	Very High

Value for money must be considered alongside the 'do minimum' reference case which yields a BCR of 1.81 compared to 5.66 of the preferred option. This disparity is attributable to fewer net jobs created, lack

of financial returns which offset the initial investment cost, and lack of carbon reduction associated with the 'do minimum' option.

The 'do minimum' approach would also result in an ongoing absence of funding opportunities for businesses in the green-tech, knowledge intensive, and third sector, particularly outside of Cambridge, and especially as some existing funding streams come to an end. The 'do minimum' option misses out on the opportunity to reduce inequality in access to finance across the CPCA, enhancing priority sectors through boosting employment opportunities as well as creating extensive social benefits.

Option 4 – Do maximum also yields a strong BCR of 5.51. This shows that if additional revenue funding for an 'investment readiness' programme was to be made available, the extension of option 3 to include the programme would still yield very high value for money. There is also the chance that, as described earlier, were the programme to increase yields from loans and equity investments, the BCR for this option would also increase.

SENSITIVITY ANALYSIS:

Sensitivity tests were carried out to test how sensitive the BCR of the preferred option is to cost increases or reduced benefits from the expected level of the project. Although, given the set costings, an increase in cost as shown in the tests below is unlikely, the sensitivity test are still useful to understand the robustness of the BCR.

Sensitivity test 1: Reduction of 25% of benefits

Sensitivity test 2: Increase of 25% of costs for both public and private sector

Sensitivity test 3: Reduction of 25% of benefits and increase of 25% of costs

The results of these tests are shown in the table below:

Sensitivity analysis	Core scenario	Sensitivity test 1	Sensitivity test 2	Sensitivity test 3
BCR	5.66	4.25	4.53	3.40

Switching analysis shows that given the cost remains at £10m, the benefits of the preferred option would need to reduce by 65% to yield a medium VFM (BCR less than 2).

The results of sensitivity analysis combined with the options appraisal show that, even allowing for significant downside risks, the preferred option outperforms other options. A strongly positive net present value and BCR is sustained for the project even if the benefits of the project were to be significantly reduced. Even under such a scenario there remains a strong economic case for completing investment in the project in line with the preferred option.

NON-QUANTIFIABLE BENEFITS

Overall, this project delivers significant economic and social value through job creation and safeguarding both in the green, and knowledge intensive sectors, but also in third sector social enterprises, as well as advancement of C&P towards net-zero.

Wider non-monetised benefits of this project include:

- Increased engagements with, and strengthened relationships between, public sector, third and voluntary sector organisations.
- New products brought to market by supported businesses

- Social return on investment through support of third sector organisations to enhance their community offer.
- Reduced inequality between Cambridge and wider C&P both of business' access to finance and people's access to high quality jobs.

COMMERCIAL CASE

INTRODUCTION

The objective of this commercial case is to set out the procurement options, preferred option and procurement strategy for the fund set out in this business case, in particular for Fund 1. The commercial model is described in the financial case of this document.

PROCUREMENT OPTIONS

Fund 1

The options that have been considered for Fund 1 are shown in the table below. Option 5 is recommended due to the specialist skills and experience required, however feedback from key stakeholders indicates that option 4, to utilise the existing contract with Growth Works could also be viable. A final decision should be taken once the tender or contract specification is finalised.

#	Option	Response
1	Do nothing	This option is not recommended as the needs highlighted in the strategic case of this business case would not be met.
2	Manage the fund in-house	An in-house delivery model was considered, but not recommended. This is due to the high level of specialist expertise and experience required.
3	Procure a supplier from an existing Framework	No existing framework agreement has been identified with a relevant supplier, and so this option is not recommended.
4	Use the existing procured contract with Growth Works	The current contract allows a maximum of £80m of additional contracted spend on activity with Growth Works. This option is not recommended as the future service provision has a broader focus on high growth and green tech companies than the current Growth Works offer.
5	Procure a fund manager via a competitive tender process	This option is recommended to provide the best outcome given and specialist and expert nature of the services required from the delivery partner.

Fund 2

It is recommended that Fund 2 is managed in house, due to existing capabilities. The delivery and related procurement options are shown in the table below.

#	Option	Response
1	Do nothing	This option is not recommended as the needs highlighted in the strategic case of this business case would not be met.
2	Manage the fund in-house	This option is recommended as there is likely to be existing capacity and capability to manage this fund in-house, based on similar grant programmes having been delivered in recent years.
3	Procure a fund manager via a competitive tender process	This option is not recommended due to the likely existence of the required skills and experience to deliver this fund in house, and the associated additional cost that this would incur.

PROCUREMENT STRATEGY

As above, it is recommended that CPCA will carry out a competitive process to identify and commission the right fund partner to manage Fund 1, in accordance with the requirements set out in this business

case. This will follow the standard CPCA procurement process, using the key activities and timeline shown in the table below. No procurement process is necessary for Fund 2.

Procurement timeline – Fund 1		
Draft ITT	Nov-22	Nov-22
Invitation to tender	Dec-23	Dec-23
Tender period	Jan-23	Feb-23
Tender evaluation	Feb-23	Feb-23
Approval to proceed	Feb-23	Feb-23
Contract awarded / Appointment of fund partner	Mar-23	Mar-23

An anecdotal assessment of the market suggests there are some specialist suppliers currently operating in the local and regional market, with current or recent experience of managing similar funds. The intention is to ensure that suitable suppliers are identified, and the supplier appointed has the expertise and competence to deliver the requirements of the project. It is also necessary to ensure that the procurement process is undertaken in accordance with the proposed timeframe to meet political and board level expectations, and to make a positive impact on businesses experiencing barriers to growth. To this effect, the opportunity will be advertised via the CPCA procurement portal. Any existing suitable organisations identified will also be informed of the opportunity to tender to maximise the likelihood of a successful outcome.

High-level contract specification

At a high-level, the following requirements would be made of the fund manager. The fund manager be required to ensure full FCA compliance in managing the fund and be responsible for:

- Sourcing investment opportunities
- Support to businesses in developing viable business/investment propositions
- Evaluating applications
- Due diligence and business case preparation
- Investment appraisal
- Investment decision making and allocating funds
- Valuation services (as required)
- Portfolio and fund management
- Performance monitoring

Procurement of an appropriate fund partner would consider:

- Ability to mobilise and commence on-lending to SMEs quickly following appointment;
- Management team and key personnel, recent and relevant experience and successful track record in fund management, including SME Loan book;
- Loan origination strategies such as:
- Structure and location of the management, origination and portfolio management team;
- Track-record of ability to originate loans;
- Expected drawdown profile;
- Pipeline of near-term lending opportunities; and

- Approach to portfolio diversification and risk management.
- Proposals that evidence robust and tested systems and processes are in place for making and managing loans (e.g., documentation, back-office systems, monitoring and governance arrangements, management information reporting).
- Proposals demonstrating the following are in place:
 - Appropriate permission, registrations and authorisations;
 - Capacity to carry out due diligence and anti-money laundering checks to applicable legal and regulatory standards;
 - Systems, controls and procedures for identifying making investments and controlling risks; and
 - Reporting systems and compliance with GDPR.
- Information submitted on:
 - Expected gross and net annual return
 - Details of any expected costs and fees charged
 - Evidence that any proposed fees or costs are commensurate with market rates
 - How the fee structures clearly and appropriately align the interests of CPCA
 - Protection and recovery of the CPCA's investment in the event of default
- Additional benefits and added value in areas such as:
 - Social value outcomes
 - Thinking skills
 - Apprenticeships
 - Opportunities for care leavers
 - Getting targeted age groups back into work

Contract management

The fund manager will have a direct operational relationship with CPCA Economic Development team. On behalf of the fund advisory board, a dedicated fund manager from this team, who will also fund manage Fund 2, will oversee the operation of the contract, carry out monitoring of the agreed workplan, milestones and targets, administer quarterly performance reviews with the fund manager, provide relevant reports to the board, and ensure that recommendations of the board are implemented. The initial term of the contract will be for 3 years.

Mobilisation Arrangements

Whilst the contract will be awarded in early to mid-March 2023, the contract start date is anticipated to be on or before 1 March 2023, factoring in discussions, pre-inception meetings and other such clarifications.

Existing policies

The following existing policies will be embedded into the procurement strategy.

Social Value

CPCA is committed to maximising the social value benefits available from its commissioning and procurement activities. All CPCA procurements shall always include forthwith as of the date of the current procurement policy version (November 2021) a criterion regarding social value requirements

compliance. The third-party delivery partner is expected to ensure that its contract delivers positive impacts and outcomes by:

- Supporting local employment and maximising the employment generated for CPCA residents
- Supporting local businesses and local business growth
- Embedding and promoting good governance and working with the CPCA's other Strategic Partners

Additionally, and in line with the Authority's commitments for accreditation as a Living Wage Employer by the Living Wage Foundation, all CPCA procurements shall always include forthwith as of the date of the current procurement policy version (November 2021) a criterion regarding Real Living Wage⁹ compliance and this criterion shall receive the maximum weighting permitted by current legislation, to the reasonable assessment of the procurement and legal teams.

Innovation

CPCA is committed to maximising the benefits available from its commissioning and procurement activities and will encourage delivery solutions which includes innovation as a means of providing added value services, including actions to promote a sustainable equity and loan fund beyond the funding period. The third-party delivery partner is expected to include details of innovation and financial sustainability methods as far as possible and demonstrate how it can be achieved.

Net Zero

Subject to all requirements in Chapter 16 (paragraph 25) of the CPCA Constitution and in the spirit of recent drive of the UK government for environmental protection as an increasingly important criterion for public procurements, all CPCA procurements shall always include forthwith as of the date of the procurement policy (November 2021) a criterion regarding Net Zero¹⁰ compliance and this criterion shall receive the maximum weighting permitted by current legislation, to the reasonable assessment of the procurement and legal teams.

Equality Impact Assessment

An Equality Impact Assessment will be completed at the procurement stage to ensure that the third party complies with CPCA requirements on Public Sector Equality Duty under the Equality Act 2010. The third-party delivery partner will be assessed for compliance to meeting the CPCA range of measures including Equality and Diversity, this being part of the Due Diligence process that will be undertaken independently on every project prior to being confirmed with any funding approval. The contract will contain obligations to provide and maintain compliance to statutory requirements including but not limited to the following: Equality, Diversity and Equal Opportunities, Health and Safety, Whistleblowing and confidential reporting, anti-fraud, bribery and corruption, Information and data security. The delivery partner will be required to comply with the Equalities Act 2010 and will need to demonstrate a policy is in place for protected groups.

Equality Impact Assessments will be also required by anyone who seeks funds from the Combined Authority and will be a key consideration in the assessment of loans, equity and grant funding applications.

FUND APPLICATION AND IMPLEMENTATION PROCESS

⁹ Defined as 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.

¹⁰ Defined as the 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.

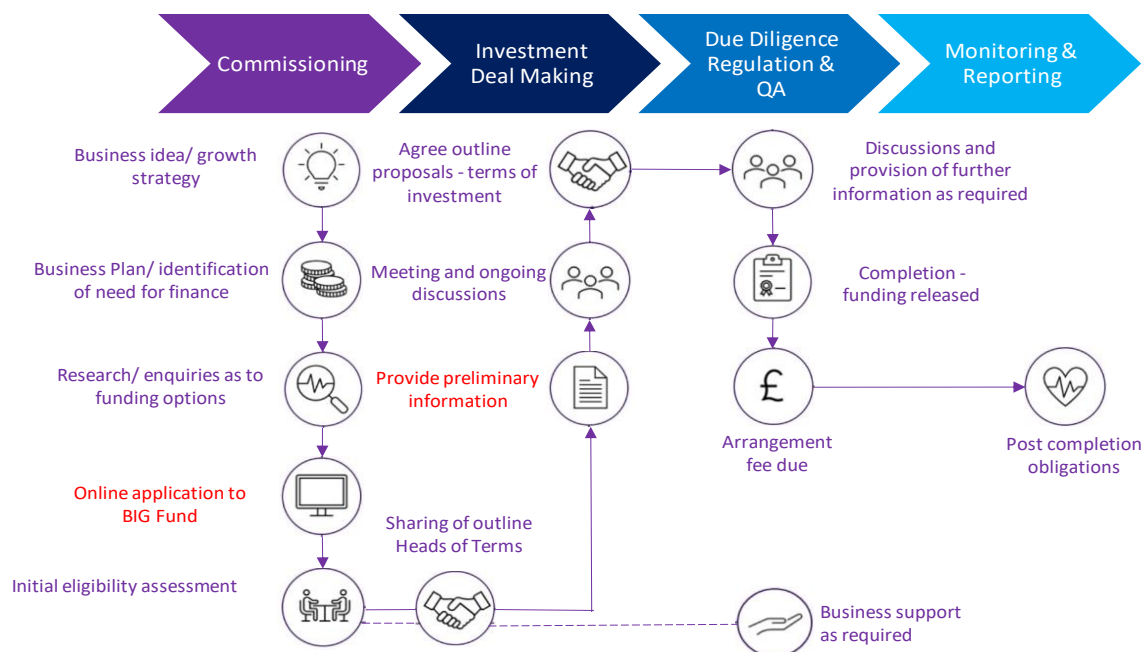
Fund Application Process

Fund 1

The current preferred model is that a dedicated third-party fund manager would manage the fund on behalf of CPCA (as the Accountable Body), ensuring FCA compliance as necessary. For governance purposes, due diligence, investment challenge and regulation will be carried by the appointed fund manager's investment team, to ensure that eligibility criteria are met and any additional financial standing checks, a business plan review and company due diligence checks as well as confirming again the availability of resources.

Detailed design of the fund itself, in terms of how it will be administered, will be done with the fund manager once appointed. At this stage, it is envisaged that the fund will be administered through a bidding process, led and managed by the fund partner. As shown in the diagram below, this will entail online submissions from prospective businesses, an evaluation of submissions against agreed criteria followed by discussions and analysis to validate the case for financing. This process will be enabled by a demand-generation approach, with geographical and/or sector specific hubs set up to engage with target businesses to drive demand in the areas with then greatest need.

Suggested fund application process



Details such as the criteria for selecting investments, requirements of prospective bids and candidate businesses will be defined with the fund manager and agreed with the advisory board or Business Board.

Fund 2

For Fund 2, a similar approach will be taken, with the dedicated in-house fund manager (to be recruited) managing the fund and reporting to an advisory board. An agreed set of criteria will be used to evaluate funding bids into the fund, and quarterly reports will be provided to the advisory board to monitor progress and agree any changes to the grant provision policy or approach. There will be a similar process of online submissions from prospective third sector businesses and an evaluation against the agreed criteria. As above, operational details such as the criteria, bid requirements and other items relating to the detailed design of the fund itself will be defined and led by the in-house team, once identified, and agreed with the advisory board, CA Board or Business Board.

Fund Assessment Process

Applications must:

- Meet applicant eligible criteria (business sector, size, location, etc.);
- Meet eligible costs (undertake capital spend in the CPCA region) and investment match requirements;
- demonstrate how to meet the outputs requirements (e.g. Create jobs and social outcomes in the CPCA region)

Detailed eligibility criteria and requirements will be designed with the appointed fund manager.

Fund Decision Making Process

- Due diligence approach based on standard commercial loan finance checks on maturity and detail of plan, liquidity and asset base, market analysis, management experience and resource, sensitivity etc
- Additional consideration of job quality, sector of investment and productivity
- Report & recommendation for support created in 6 weeks
- Sign off < £250,000 by advisory panel
- Sign off > £250,000 by advisory panel and business board
- All applications assessed, decision undertaken, and contract provided (where relevant) within xx weeks of completed application submission

Fund Award Contractual Arrangements

- Contractual offer letter provided for funding based on standard terms
- Contract based on capital, employment and social value outputs
- Contract sets out grounds for immediate repayment against standard clauses
- Appropriate legal guarantees required to ensure repayment in event of a default

Drawdown of fund and monitoring

- Managed by fund manager
- Funds paid in arrears as capital spend is undertaken in line with application – and social value activity is evidenced
- Funding claims show audited and certified statement on capital and jobs
- Applicants visited during project to understand progress and verify social value activity
- Final audited report required at the end of a monitoring period (3 years after project complete)

SUBSIDY CONTROL

As grants and loans will be advanced on below-market terms, there will be an element of Subsidy control. The aid received by the applicant is limited to the difference in the overall cost of the loan provided compared to the overall cost that would have been incurred if the finance had been provided in the market. This subsidy element received by successful applicants is expected to fall within the de minimis threshold and safeguards will be put in place to ensure that businesses certify their ability to receive de minimis funding within the thresholds. Legal advice will be provided by the CPCA legal team of necessary.

WIDER CONSIDERATIONS

None.

FINANCIAL CASE

INTRODUCTION

The purpose of the financial case is to assess the financial implications of the options as laid out within the strategic case and consider financial risk. This Financial case is based on the preferred option of a fund comprising of multiple products with different sector targets, based the appraisal set out in the strategic and economic cases

APPROACH TO FINANCIAL CASE

The financial case for this project is fairly simple in scope as the cost of the project is fixed at £10m as per the agreement by the CPCA board. Time devoted to management of the fund will fall within the management company fees therefore there is not an overrun risk associated with management costs.

Future renewal of the fund has been considered alongside the potential for the fund to become evergreen through the return of monetary returns associated with investments.

FUNDING BREAKDOWN

An agreement from CPCA business board has dedicated £10m of gainshare funding to meet the requirements and support business growth in C&P. As such, no other options have been considered as the main source of funding, although private sector match offers an opportunity to increase the overall funding made directly available to businesses.

Sources	Value	Uses
Combined Authority Gainshare Capital funds	£9,500,000	Equity Investments, loans and grants
Combined Authority Gainshare Revenue funds	£500,000	Operating and management costs
Private sector match (leveraged)	£7,125,000 expected (equal match for fund 1)	Equity Investments
Total sources	£10m+	As above

COSTS

The breakdown of costs over time for this project is shown below.

	Total	FY 1 (2022 /2023)	FY 2 (2023 /2024)	FY 3 (2024 /2025)	FY 4 (2025 /2026)
Revenue	£500,000	£54,167	£161,667	£161,667	£122,500
Capital	£9,500,000	£0	£2,850,000	£3,325,000	£3,325,000
Total	£10,000,000	£54,167	£3,011,667	£3,486,667	£3,447,500

Revenue costs breakdown

Revenue costs have been allocated as follow:

				Total	FY 1 (2022 /2023)	FY 2 (2023 /2024)	FY 3 (2024 /2025)	FY 4 (2025 /2026)
Fund 1 + 2	Management	Salaries incl.	Fund Manager (Internal, 0.5 FTE)	£113,750	£16,250	£32,500	£32,500	£32,500

Fund 1		overhead s						
		Managem ent Fees	Fund Management Company (External)	£356,250	£29,688	£118,750	£118,750	£89,063
Fund 1	Procurement / legal costs	Fees	Procurement advice and preparation of agreement/ contract	£15,000	£15,000	£0	£0	£0
Fund 1 + 2	Investment Readiness Programme (Optional)	Salaries	Business Advisors / Consultants	Optional - to be delivered initially by the fund manager partner				
Fund 2	Marketing & Comms	Salaries	Comms / Marketing Officer	In house existing resources				
		Promotion and events	Website, etc.					
Fund 2	Other	Fees	FCA fees, Auditors, etc. (incl. any internal debt management of outstanding Fund2 loans)	£15,000	£0	£5,000	£5,000	£5,000
TOTAL				£500,000	£60,938	£156,250	£156,250	£126,563

- Fund Manager salary (Internal, 0.5 FTE) – to contract manage the grant scheme it has been assumed in post for 3.5 years.
- Fund Management Company fees (External) – to manage fund 1 delivery. Assumed management fees equal to 5% of fund 1 capital value; plus recommended 20% performance fee taken from exited equity investments (80% return on equity investment to be retained by CPCA). The business board might want to take a decision for the introduction of a hurdle rate (typically 8-10% return) that CPCA must receive before performance fees can be received by the third-party equity fund manager. Performance fees motivate the private equity firms to generate superior realised returns. These fees are intended to align the interests of the third-party fund management firm and CPCA.
- Procurement and legal fees - covering procurement and legal advice and preparation of agreement/ contract fees
- Business Advisors / Consultants salary (optional) – for the delivery of an Investment Readiness Programme. This cost has not be factored in, and will be subject to further revenue resources becoming available and evidence of need following market testing)
- Comms / Marketing Officer salary (Internal, existing resources) – marketing and comms activities for fund 2 delivered in house; marketing and comms activities for fund 2 to be delivered as part of the third-party fund manager partner's fees.
- FCA fees, Auditors, etc. – fees related to FCA registration, internal debt management of outstanding Fund 2 loans, etc. (debt management for fund 1 to be administered by the external fund partner)

Capital costs breakdown

Capital costs have been allocated as follow:

FUND 1: Support High Growth Businesses	75%	£	7,125,000
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FUND 2: Support Third Sector / Social Enterprises / CICs	25%	£	2,375,000
TOTAL		£	9,500,000

Yearly breakdown:

				30%	35%	35%
		Total	FY 1 (2022 /2023)	FY 2 (2023 /2024)	FY 3 (2024 /2025)	FY 4 (2025 /2026)
Fund 1	Equity (70%)	£4,987,500	£0	£1,496,250	£1,745,625	£1,745,625
	Loan (30%)	£2,137,500	£0	£641,250	£748,125	£748,125
	TOTAL	£7,125,000	£0	£2,137,500	£2,493,750	£2,493,750
Fund 2	Grant (70%)	£1,662,500	£0	£498,750	£581,875	£581,875
	Loan (30%)	£712,500	£0	£213,750	£249,375	£249,375
	TOTAL	£2,375,000	£0	£712,500	£831,250	£831,250
TOTAL		£9,500,000	£0	£2,850,000	£3,325,000	£3,325,000

FINANCIAL ASSUMPTIONS AND MODELLING

The equity and loans fund will be designed in detail once the external fund manager has been appointed. However, for the purpose of this business case, we made the following assumptions which will need to be revised and reassessed by the appointed third-party fund management firm:

- **Investment capital:** The schemes will provide equity¹¹ or loans with low-interest repayable finance to firms with investment projects in businesses which have high growth potential (Fund 1) and grants and loans with low-interest repayable finance for third sector organisations (Fund 2).
Fund 1 will make £4,987,500 available in equity finance and £2,137,500 available in loan finance. Fund 2 will make £1,662,500 available in grant and £712,500 available in loan finance.
- **Investment period:**
 - The grant, loan and equity schemes will operate over three years, with (indicatively) 30% of the fund available awarded in Year 1, 35% available for Year 2 and 35% for Year 3. Assuming a reasonable lead-in time (as outlined above and in the management case) and active project development by the CPCA and its external delivery partner, this timescale should not be challenging.
 - Assuming the first grants, equity investments and loans are disbursed in Q2 23/24, we assume that the initial capital is all spent by Q4 25/26.
 - Once the loans are awarded, the loans are defrayed in (on average) two instalments, with two-thirds in Year 1 (66%) and one-third in Year 2 (33%). This should prevent funds from being provided excessively in advance of need and lower the risk for CPCA.

¹¹ Equity finance is also referred to as 'Entrepreneurial Finance' or 'Patient Capital' reflecting its use in funding new and innovative ventures. For equity investors, the returns rely on increases in company (and share) value as the firm develops, and the investee does not have the immediate servicing requirement (repayment schedules) associated with loan finance.

- **Repayment period:** We assumed all loans fund to be committed within 3 years, with loans defrayed over 4 years. Repayment terms will need to be discussed with the applicants, but we assumed 7 years for the loans to be repaid.
- **Exit period:** We assumed all equity fund to be invested within 3 years, with 7-year investment horizon. This means exit¹² after 7 years after making a profit on the investment.
- **Re-investment rounds:** After the project 10-year duration (3 years investment plus 7-year exit period) the revolving equity will have increased and been returned to CPCA for re-investment. The expectation is that funds will be reinvested in further rounds, subject to approval from the Business Board at a later date and based on the performance of the schemes. At this stage, we have only modelled the first funding round.
- **Follow-on investments:** It is recommended that from year 6, some of the initial returns from equity and loans repayment and interest earned, is used for follow-on investment, recognising that successful commercialisation can require further injections of capital to overpass the so-called 'valley of death' before full commercial returns to investment can be realised. Follow-on funding, to support the growth of the businesses in the current portfolio, will be subject to funds availability and investment committee decision. Detail returns forecasts will need to be developed by the external fund management partner during the fund design phase, after market testing has been undertaken and the portfolio of products been validated.
- **Private sector leverage and co-investment:** fund 1 loans and equity will be offered up to 50% of eligible project costs. The balance will need to be met by borrowers and investees from non-public sources. This will ensure that businesses share the risk and are incentivised to invest. Match can include co-investment from other funds and angel investors. Where possible, co-investment opportunities will be sought with the Low Carbon Innovation Fund (LCIF)¹³ to support businesses aiming at reducing greenhouse gases.

No private match will be requested from third sector businesses applying for fund 2.

- **Interest rate:** Loans will be offered on subsidised terms. It is proposed that interest will be charged at a flat rate of the Base Rate plus 2pp make the product compelling for applicants. The Base Rate (at September 2022) is 1.75%, so the proposed interest rate will be 3.75%. It is proposed that loans will be repaid over an average of two years following a six-month repayment holiday (which we assume is interest-free).
- **Default rate:** For a conservative estimate we have used an upper estimate of 9% default rate based on some other repayable finance schemes¹⁴. However, there should be scope to reduce this through good management and by building in business advisory support before and during the loan period, minimising the risk of default. This should be delivered by the third-party fund manager and can be further enhanced by CPCA, subject on further revenue resources becoming available, through the implementation of an investment readiness programme¹⁵.

¹² The main type of exits from investments for UK Private Equity and Venture Capital fund is through trade sales, This involves selling the holding company of the group to a third-party trade purchaser. Most government equity funds in the UK look for exit within five to seven years. However, in those businesses involving several years R&D prior to trading, it may be up to ten years before the fund is able to exit.

¹³The Low Carbon Innovation Fund is a co-investment initiative aimed at SMEs operating in the East of England developing or deploying environmentally beneficial technologies. Currently as it second round, The Low Carbon Innovation Fund 2 (LCIF2) is seeking to invest £11m to help early and late stage ventures that make measurable reductions to Greenhouse Gas emissions. The fund is managed by Turquoise, with limited partner being a joint venture of Norfolk Country Council (NCC) and University of East Anglia (UEA). <https://lcif.vc/>

¹⁴ Scottish Loan Fund, funded by Scottish Enterprise with co-financing from several commercial institutions and managed through a private sector fund manager reported a default rate of 9%

¹⁵ Ref. management case

- **Loans repayments and equity returns:** Repayments are then modelled as being paid over 7 years but with a 6-month repayment holiday at the outset. Equity investments are expected to be exit after 7 years. It is intended that these will be reinvested in the Fund (although as the Fund offers a low rate of interest and exit period might take more than 7 years in certain circumstances, there is likely to be attrition over time). As specified above, for the equity fund, we assumed that 20% from exited equity investments will be retained as performance fees by the third-party fund management firm. This should motivate the private equity firms to generate superior realised returns.
- **Grants, Loans and equity size:** These have been assumed in the following ranges:

Fund 1		
Equity or loan size	low range	£100,000
	high range	£500,000
Number of businesses receiving support ¹⁶	Min	14
	Max	71

Fund 2		
Grant or loan size	low range	£10,000
	high range	£75,000
Number of businesses receiving support	Min	32
	Max	238

FINANCIAL RETURN PROJECTIONS

Full financial projections provided in Appendix.

Grant

No financial return expected.

Loan repayments

Applying the above interest, default rate and repayment assumptions, we estimate total repayments of around £2,393,000 for fund 1 and £798,000 for fund 2, with the final repayments made in 32/32. This would provide a substantial sum to recycle, should the CPCA decide to do so.

Equity returns

An average annual growth rate of 7.5% has been assumed for the equity investments, with returns received in the 7th year after investment. This is considered to be a conservative estimate with evidence from investment firm Cambridge Associates suggesting potential annual growth much higher (10-15%), particularly with robust pre-investment testing to establish a firms' high growth potential¹⁷?

FINANCIAL NPV and ROI

The financial present value of benefits (PVB) is £7,237,681 which, subtracted from the present value of cost (PVC) of the funds gives a **total NPV of £1.8m**. This total NPV accounts for the public spend minus the monies regained from loan repayments and equity investment returns, with annual discounting applied to give the value in today's prices.

¹⁶ Usually private sector equity practice is for investment managers to hold investments in no more than 15 to 20 companies in a given fund, to achieve diversification of risk but keep the number manageable.

¹⁷ <https://www.cambridgeassociates.com/insight/growth-equity-turns-out-its-all-about-the-growth/>

The financial model shows, over the 10 years appraisal period, a financial ROI (PVB / PVC) of:

- Grants (fund 2): no return
- Loans (Fund 1 and 2): 1.01,
- Equity (fund 1): 1.04,
- Whole fund (inclusive of spend on grants which don't yield any return): 0.85

By the end of year 10, the total returns would equal £9.8m which could be reinvested. The value of this in today's prices (PVB) is £7.2m, which divided by the PVC of £8.5m the overall financial ROI of 0.85. If less conservative assumptions for equity return are made (e.g. 13.7% return generated on equity), a financial ROI equal to 1.13 can be achieved for the whole fund (inclusive of spend on grants which don't yield any return). In this scenario, by the end of year 10, the total returns would equal £9.5m in today's price, which means that the fund would be fully replenished to same initial amount available for re-investment.

FINANCIAL TABLES

Grant

FUND 2 (grant)	Total	FY 0 (2022 /2023)	FY 1 (2023 /2024)	FY 2 (2024 /2025)	FY 3 (2025 /2026)	FY 4 (2026 /2027)	FY 5 (2027 /2028)	FY 6 (2028 /2029)	FY 7 (2029 /2030)	FY 8 (2030 /2031)	FY 9 (2031 /2032)	FY10 (2032 /2033)
Total grant awarded	£712,500	£0	£498,750	£581,875	£581,875							

Loan

FUND 1 (loan)	Total	FY 0 (2022 /2023)	FY 1 (2023 /2024)	FY 2 (2024 /2025)	FY 3 (2025 /2026)	FY 4 (2026 /2027)	FY 5 (2027 /2028)	FY 6 (2028 /2029)	FY 7 (2029 /2030)	FY 8 (2030 /2031)	FY 9 (2031 /2032)	FY10 (2032 /2033)
Total loans awarded	£2,137,500	£0	£641,250	£748,125	£748,125							
Total loans defrayed	£2,137,500	£0	£427,500	£712,500	£748,125	£249,375						

Total repayments	£2,393,333		£38,721	£139,646	£264,801	£347,979	£368,205	£368,205	£368,205	£290,762	£166,356	£40,451
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Cashflow	£255,833	£0	-£388,779	-£572,854	-£483,324	£98,604	£368,205	£368,205	£368,205	£290,762	£166,356	£40,451
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NPV **£3,255**

FUND 2 (loan)	Total	FY 0 (2022 /2023)	FY 1 (2023 /2024)	FY 2 (2024 /2025)	FY 3 (2025 /2026)	FY 4 (2026 /2027)	FY 5 (2027 /2028)	FY 6 (2028 /2029)	FY 7 (2029 /2030)	FY 8 (2030 /2031)	FY 9 (2031 /2032)	FY10 (2032 /2033)
Total loans awarded	£712,500	£0	£213,750	£249,375	£249,375							
Total loans defrayed	£712,500	£0	£142,500	£237,500	£249,375	£83,125						

Total repayments	£797,778		£12,907	£46,549	£88,267	£115,993	£122,735	£122,735	£122,735	£96,921	£55,452	£13,484
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Cashflow	£85,278	£0	-£129,593	-£190,951	-£161,108	£32,868	£122,735	£122,735	£122,735	£96,921	£55,452	£13,484
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NPV **£9,765**

Equity

	Total	FY 0 (2022 /2023)	FY 1 (2023 /2024)	FY 2 (2024 /2025)	FY 3 (2025 /2026)	FY 4 (2026 /2027)	FY 5 (2027 /2028)	FY 6 (2028 /2029)	FY 7 (2029 /2030)	FY 8 (2030 /2031)	FY 9 (2031 /2032)	FY10 (2032 /2033)
Total equity invested	£4,987,500	£0	£1,496,250	£1,745,625	£1,745,625							
Returns	£8,274,508	£0	£0	£0	£0	£0	£0	£0	£0	£2,482,352	£2,896,078	£2,896,078
Return less management fees	£6,619,606	£0	£0	£0	£0	£0	£0	£0	£0	£1,985,882	£2,316,862	£2,316,862
Cashflow	£1,632,106	£0	-£1,496,250	-£1,745,625	-£1,745,625	£0	£0	£0	£0	£1,985,882	£2,316,862	£2,316,862
NPV	£194,064											

AFFORDABILITY ASSESSMENT

Providing growth funding for priority sector and third sector businesses has been recognised as a strategic and political priority of the CPCA for a significant period of time, and as such this project is supported at a senior level to continue over the desired lifecycle.

As stated above, a set amount of gainshare funding has been agreed to fund this project. The fund will look to become evergreen in the second half of its initial 10-year lifecycle, with the aim of replenishing the fund through returns for further business growth support. Performance against this objective will be monitored as part of regular performance reviews. Affordability of prospective businesses will be tested as part of the investment bidding process.

The delivery fund manager partner is required to deliver a robust, sustainable financial model that will deliver the service requirements over the term of the contract. The delivery partner should provide and deliver against profiles that are realistic, achievable and sustainable throughout the delivery period. It is expected that the financial modelling exercise will take into consideration any contributory factors such as:

- the maximum budget available
- maintenance of satisfactory funding levels in the CPCA bank account throughout the delivery
- profiled delivery costs, with a view to minimising these costs in order to ensure longevity and efficiency of the loan and equity fund
- profiled volume of quarterly lending / investing across the business types
- profiled income generated, demonstrating sustainability of the loan and equity fund delivery using financial forecasts including a narrative and assumptions made.
- bad debt and repayment levels
- the interest rates and equity return (80% which will be paid to and retained by CPCA in the fund bank account)
- any innovation that will enable the loan fund to meet or exceed the requirements of the service, add value, and ensure the financial sustainability of the service over the long-term

The delivery partner will be responsible for monitoring and maintaining agreed levels in the CPCA fund bank account in order to sustain the equity and loan fund delivery. This includes managing the cash flow in accordance with agreed profiles and advising on the timing of the transfer of funds in order to deliver an effective service. The aim is to sustain the fund as much as possible by seeking to make the fund as resilient as possible to loss (e.g. through the minimisation of write-offs) and covering delivery cover costs & losses. This objective may be achieved by the appointed delivery partner primarily through:

- include efficiency savings measures in the profiled delivery costs (this should be profile to include the performance fees paid to the appointed delivery partner from the profiled equity return, which is dependent on the profiled volume of investment made;
- maximising income from interest charged on loans by ensuring the required levels of lending are maintained
- introduction of arrangement fee on loans if required
- effective collection/recovery of the debts

Both funds will need to be effectively managed to ensure appropriate lending to relevant businesses and satisfactory collection of loan repayment, which enables funds to be recycled for further loans to be made. In addition, clients will need to be supported as necessary, both before and after they receive loans or equity investment, through the provision of a business mentoring service.

CHARGING MECHANISM / CLAIM/INVOICE PROCESS

Funds will be provided to the fund partner from CPCA to a dedicated company once the LP-GP structure has been put in place. The funding will then be issued on an investment-by-investment basis.

MANAGEMENT CASE

INTRODUCTION

The purpose of the management case is to set out a high-level strategy, framework and plans for successful project delivery through a controlled, well managed and visible set of activities to achieve the desired results and benefits.

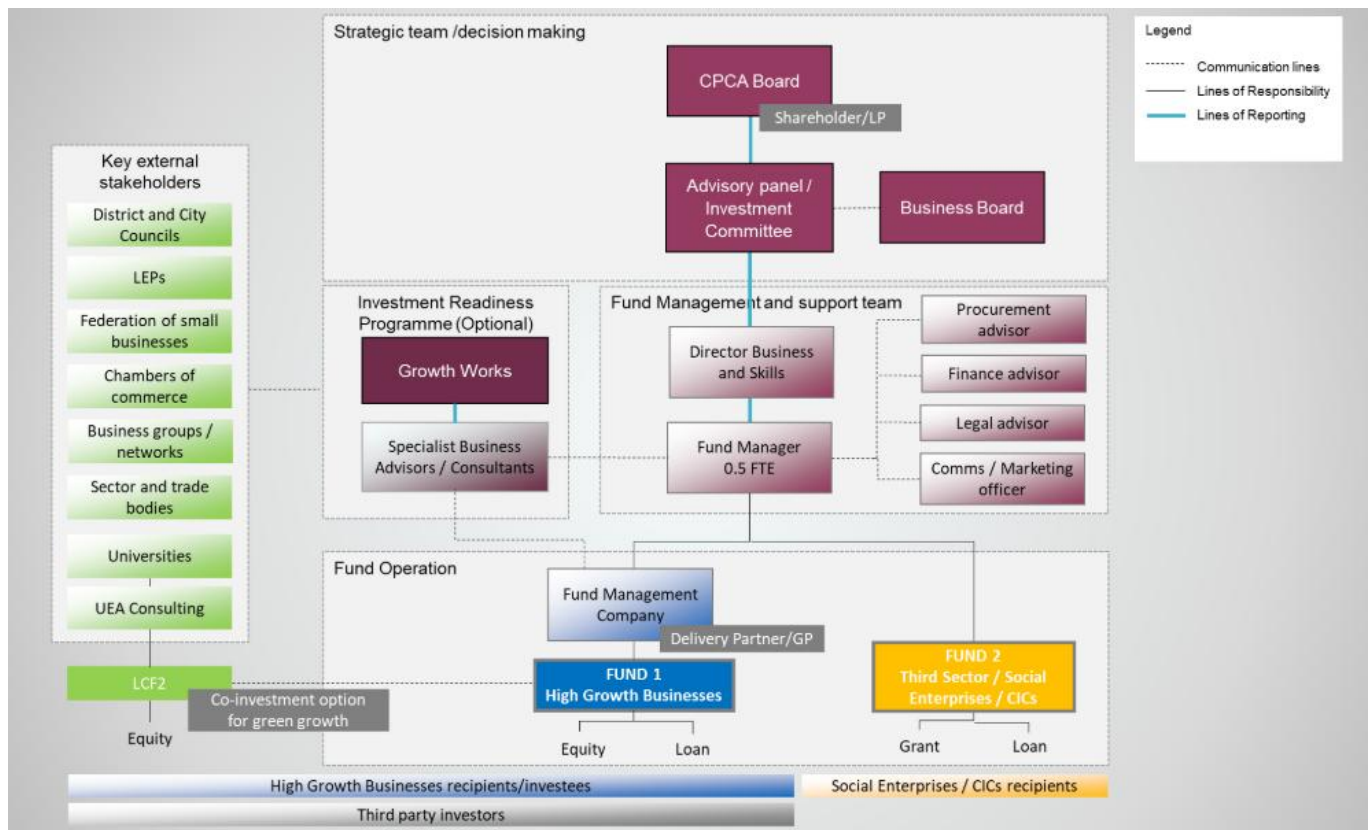
PROJECT TIMELINE

A summary of the key milestones is shown below.

Milestones	Start date	End Date
Business Case Development		
PID Development		Mar-22
SOBC development	Jun-22	Jul-22
FBC development	Aug-22	Oct-22
FBC approval		Oct-22
Governance and Management set up		
Establish formal project steering group / advisory panel	Oct-22	Nov-22
Staff Recruitment / Secondment appointment	Oct-22	Nov-22
Procurement (for FUND 1 only)		
Draft ITT	Nov-22	Nov-22
Invitation to tender	Dec-23	Dec-23
Tender period	Jan-23	Feb-23
Tender evaluation	Feb-23	Feb-23
Approval to proceed	Feb-23	Feb-23
Contract awarded / Appointment of fund partner	Mar-23	Mar-23
Mobilisation		
Market Testing / business survey to assess business requirements to guide the investment fund design	Mar-23	Mar-23
Fund Design	Apr-23	Apr-23
Fund Prospectus Draft	May-23	May-23
Fund Launch	May-23	
Marketing & Promotion Campaign	Apr -23	Jul-23
Funds Operation / Delivery		
Investments made (Round 1)	Jul-23	Mar-26
Investment funds returned	Apr-26	Mar-33
Further investment Round (s) / follow-up investments	Jul-29	Mar-33
Review / Monitoring and Evaluation		
Project Progress and Monitoring Reports	quarterly	
Evaluation	Apr-33	May-33

PROJECT GOVERNANCE AND MANAGEMENT STRUCTURE

CPCA has the project management structure, skills and track record in place to be able to successfully deliver this investment fund. The governance arrangements set out in the diagram below provide strategic leadership and ensure collective governance to inform the coordinated delivery, management and operation of the fund.



Key Project Roles and Responsibilities

Strategic team / decision making

The CPCA board will be responsible for strategic governance and oversight of the fund. The Board is chaired by the elected mayor of Cambridge and Peterborough and consists of the leaders of the seven constituent councils, the chair of the Business Board and co-opted members. Board meetings will occur once every two months. The Board will provide direction and be accountable for the delivery of the fund, being ultimately responsible for maintaining adequate governance and compliance, along with signing off the financial information/returns (compiled by the fund manager) to the external regulators, including Companies House and FCA.

The primary remit of the Board is to:

- Monitor progress on key milestones and that the fund is delivered within the agreed timescales and allocated budget;
- Monitor the performance of the fund management partner;
- Provide strategic direction to the project and ensure complementarity/Strategic Added Value is maximised with other ongoing investment programmes;
- Agree fund objectives and funding envelope, provide decision and approval of variations and scope change requests provided by the project management team;
- Ensure investment decisions adhere to Council decision-making requirements;

Monitor key Risk and Issues and provide mitigation guidance for risks and issues which exceed tolerances, and which would have a material impact on the delivery of the package;

The **Advisory Panel or Investment committee** will be established by the fund partner with delegated places held by CPCA appointees. These will include advisory experts from the third-party fund management firm, CPCA senior finance officers and representatives from the CPCA **Business Board** which include Private Sector and District members Representatives. The panel will have responsibility in

assisting with the strategic direction of the fund and support investment decisions. Once completed, all investment or loan business cases will be presented to the advisory panel, Additional approval will be required by the CPCA Board for bids above £250,000.

Fund Management and Supporting team

The management and supporting team will include the following roles:

- **Director of Business and Skills** (existing role – Steve Clarke, Interim Associate Director Business: Responsible for providing oversight on overall project delivery and project compliance and reporting to the Business Board, providing strategic direction, financial risk and mitigation controls, providing procurement sign-off.
- **Fund Manager** (to be recruited) – responsible to co-ordinate the delivery of activities and outputs to time and budget. Key responsibilities are:
 - **For FUND 1** – Administering third party fund manager partner appointment and contract; overseeing the operation of the contract; carrying out the monitoring of the agreed work plan, milestones & performance targets on a day to day basis, which includes reviewing quarterly performance reports; Facilitating opportunities for joined-up and partnership working, by sign-posting the third party partner to other relevant services, including any complementary internal CA initiatives, or external projects; working collaboratively with the appointed delivery partner to support the marketing and promotion of the service.
 - **For FUND 2** – Being responsible for the day-to-day operation and delivery of fund 2 (both grants and loans), including activities to promote the fund, applications appraisals, issuing grants and loans, setting up repayment systems for the loans, managing the collection of debt, monitoring and evaluation.

Other responsibilities across the two funds include:

- Establishing communication and management protocols with the CA's Business Board, Investment Committee and Fund Management partner, managing the integration and flow of information
- Recording, managing and monitoring risks and reporting them to the director and business board
- Providing regular performance updates to the CPCA Business Board.
- Managing stakeholders' engagement;
- **Support team** - Specialist technical expertise (from existing internal resources) has also been allocated to the project to support the Project Manager and include senior officers from CPCA Procurement, Finance, Legal and Comms team:
 - *Finance officer*: The finance officer will be an existing member of the CA's finance team and will support the fund manager to oversee and manage the financial returns of the loans for fund 2 and debt management.
 - *Legal advisor*: The legal advisor will be an existing member of the CA's legal team and will ensure the project is compliant with all statutory and legal obligations and support the preparation of agreement/ contract arrangements with the fund management company.
 - *Procurement advisor*: The procurement advisor will be an existing member of the CA's commissioning and procurement team and will oversee the procurement of the external fund management company and ensure that it adheres to the CA's procurement procedures.

- *Comms officer*: The comms manager will support the fund manager with promotion and event activities to advertise the launch of fund 2. For fund 1 this activity will be delivered by the fund management company as part of the contract arrangements.

Input from the support team will be sought as required by the CA's fund Manager.

Investment Readiness Programme (Optional Resources)

Subject to additional revenue resources becoming available and been approved and demonstrated evidence of need, the project board will be called in to take investment decisions in regard to the implementation of an Investment Readiness Programme. Such programme has been successful in other investment fund implementations (such as UEA Low Carbon Fund 2) to support small start-ups new to the investment process. Such programme could sit under Growth Works and might require 1 or 2 specialist business advisors to deliver activities such as: businesses training on investment process, how to raise private sector fund, how to raise business financial credibility, etc. The need for this type of programme will be assessed after initial market testing has been undertaken and fund design delivered and can be re-assessed following the first year of delivery based on business requirements.

Fund Management organisations may also have processes that provide support to prospective investment clients for instance offering online sessions, guidance and supporting material for companies seeking investment. The possibility to include this service will be assessed during the procurement of the fund manager partner.

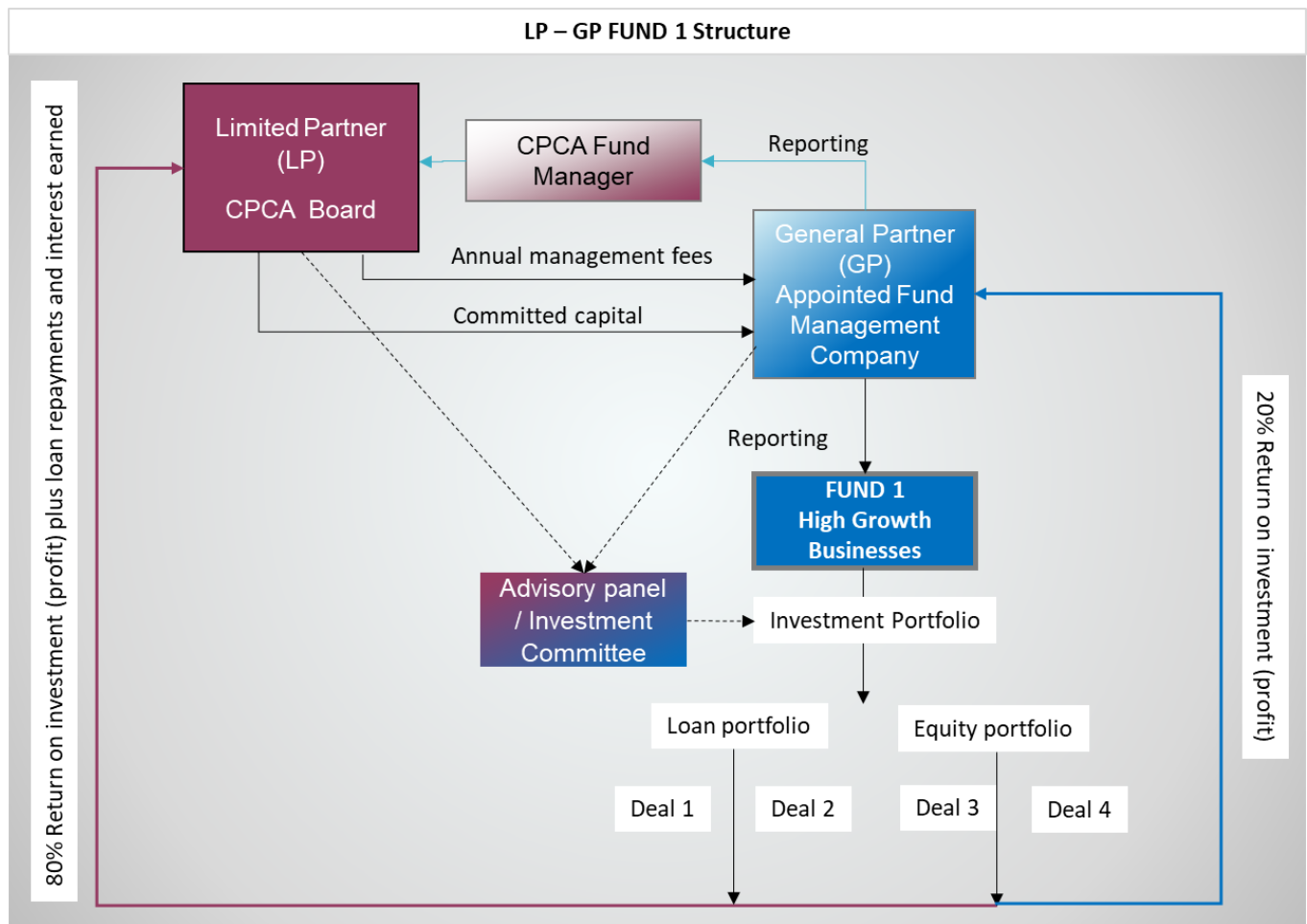
RACI Assessment

Organisational Role	Business Board	Advisory Panel / Investment Committee	Project Director	Fund Manager	Fund Management Partner
<div> R = Responsible A = Accountable C = Consulted I = Informed </div> Activities					
<i>Project initiation</i>	C		A	R	
<i>Business Case development</i>	I		A	R	
<i>Delivery of the project</i>	C	C	A	R	R
<i>Changes to cost and programme</i>	I	I	A	R	C
<i>Compliance and assurance of operational data</i>	I	I	A	R	R
<i>Assessment of applicant eligibility</i>	C	R		C	A
<i>Full due diligence of applications</i>	C	R		C	A
<i>Confirmation of investments</i>	C	R	I	C	A
<i>Technical assurance of the content and quality of data throughout the life of the project</i>	I		A	R	R
<i>Content and quality of information data on a day-to-day basis</i>			A	I	R
<i>Project closure</i>	C	C	A	R	R

DELIVERY MODELS

Fund 1

An external fund management partner will be procured to manage the implementation and delivery of the fund 1 (equity and loans) via a LP-GP structure:

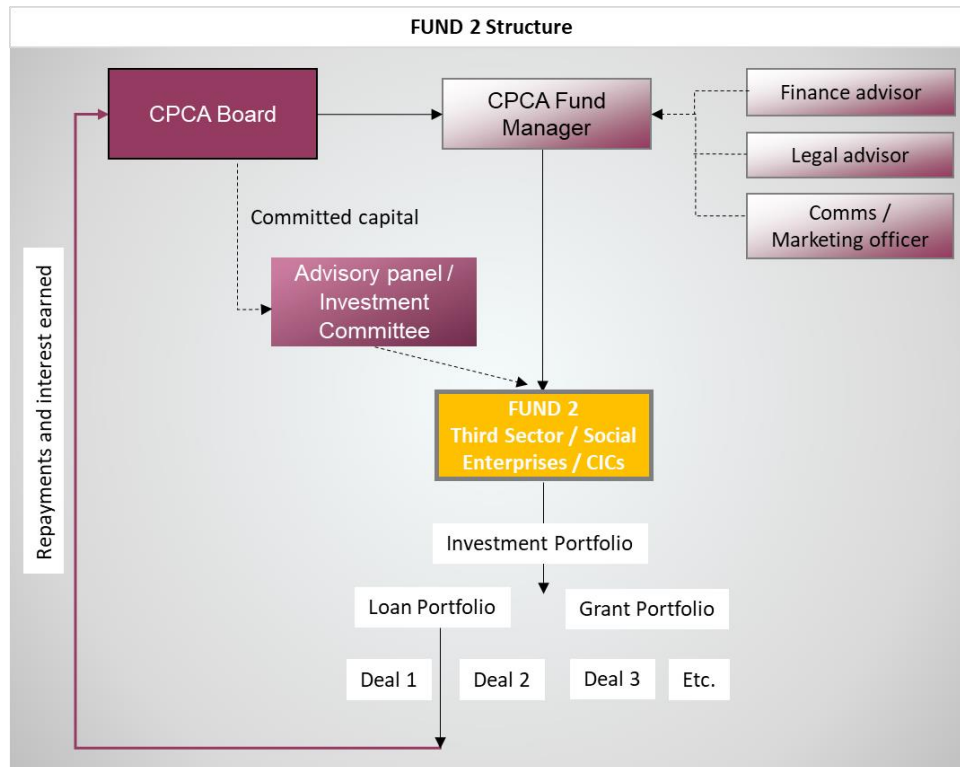


The appointed delivery partner has the responsibility for making investment decisions according to rigorous commercial criteria and make a commercial return on investment on the equity fund. They will expect to incorporate the following areas in its delivery of the service:

- **Designing the fund** in partnership with CPCA: undertaking market testing to test the assumptions made in this business case and make recommendations on the fund operation and financial modelling;
- **Promoting the fund**: Providing outreach and promotional activities to reach the target audience and engaging with eligible high-growth businesses
- **Finance readiness**: Conducting an assessment of all applicants upon receipt of a completed application and supporting documentation. This is in order to evaluate their state of finance readiness, eligibility, viability and the likely level of support required at an early stage to manage expectations. When applicants are ineligible for this investment funds, or gaps are identified in the applicants' skill set/business planning, referrals should be made to appropriate intermediaries and business partners (preferably locally) or via Growth Works.
- **Issuing loans and equity investments** in accordance with the agreed profiles, in order to support the viability of the loan and equity fund; assessing and recommending loans and equity for approval from the investment committee.
- **Managing Loans/Good/Bad & Doubtful Debts**: managing and maximising the collection and recovery of debts to ensure that we maintain the longevity of the fund.
- **Partnership Development** to enhance existing relationships with the banks, accountants, capacity building organisations and other financial intermediaries located in the borough. In addition, maintaining or improving the relationships with local bodies, business support organisations/networks, including the CA and support their events, which in turn help in reaching our target audience, along with achieving broader project objectives. This could involve participation in regular partnership development activities.

Fund 2

CPCA internal fund manager will be responsible for the implementation and delivery of fund 2 (grants and loans) with similar tasks as Fund1. In this, he/she will be supported by the CA support team described above.



During the fund design phase, CPCA will explore options for joining the management efforts across the district councils who are delivering or planning to launch similar funds. Where this is not possible, co-investment opportunities will be sought to promote collaboration and maximise the outputs across the region¹⁸.

RISK MANAGEMENT STRATEGY

CPCA will establish a risk management approach that addresses risk, through its governance processes for fund (including the reporting and monitoring via relevant governance functions and individual investment risk, through the fund partner.

A full risk register will be kept, monitored, updated and reported upon. Risks will be;

- **Identified** – The risk must be described, and possible consequences outlined;
- **Assessed** – Each risk must be ranked in terms of its estimated impact and immediacy;
- **Controlled** – Appropriate responses to risks must be identified, owners assigned, and responses must be monitored over time.

¹⁸ For instance, Cambridge City Council is currently working together with Achievegood and It Takes A City CLT to look at how social impact investment, blended finance and partnership across a range of organisations from the public, private and third sectors can address local challenges including housing and homelessness, inequality, skills and sustainability. The team is currently exploring how to deliver a place-based impact fund to invest in impact-driven third sector organisations alongside aligned grants and other resources to achieve positive socio-economic impact within key communities in Greater Cambridge (reduce inequalities, increase educational opportunities and increase employment chances).

Initial risks and mitigations are listed below. These will be updated, expanded and ranked for potential severity and project impact at full business case stage.

Throughout the life of this project, the fund manager will be responsible to regularly update the risk register and report any major risk to the Director and Business Board.

the fund manager will periodically review the risk register to ensure that the project remains on track and that any new arising risks are understood and appropriately mitigated. Any changes to the risk register will be reported to Wirral Council as part of the project reporting.

Risk Register

Risk Type	Risk Description	Risk Level	Likelihood	Impact	Score	Mitigation	Risk Owner	Status
Procurement Risk	Poor third party fund manager quality or no tender responses	Low	1	3	3	a) The competitive tendering process will aim to have strong engagement with the wider UK CDFI sector or equivalent, particularly those who serve London CPCA region. b) Publicise to known referral networks c) Ensure the tendering process is inclusive and promotes the opportunity to a wide range of eligible organisations	CPCA	Open
Operational Risk	At corporate level; opportunity cost of funding the project greater than ROI	Low	1	3	3	Robust PID and business case development to demonstrate value for money.	CPCA	Open
Operational Risk	Duplication of criteria causing competition with existing financial instruments / lack of coordination with other support products	Low/Medium	2	3	6	Fund designed to fill gaps in current financial options available to SMEs. Close working with other financial instrument providers to ensure synergy rather than competition.	CPCA	Open
Operational Risk	Lack of awareness and visibility of investments causing low take up.	Low/Medium	2	3	6	High quality and comprehensive marketing strategy and plans put in place for both fund 1 (delivered by external delivery partner) and fund 2 (delivered by CPCA project management team with the support of comms team)	CPCA / External delivery partner	Open
Operational Risk	Failure to target firms effectively	Low/Medium	2	3	6	Details such as the criteria for selecting investments, requirements of prospective bids and candidate businesses will be defined with the fund manager and agreed with the advisory board or Business Board, following a soft market testing during the fund design phase. Marketing and promotional activities will be undertaken by the third-party fund manager and supported by CPCA comms teams and delivered through the early months preceding and following the fund launch.	CPCA / External delivery partner	Open
Delivery Risk	Poor performance from 3rd party delivery partner against agreed targets	Low	1	4	4	· At procurement phase, the external partner will be asked to demonstrate strong track record of delivery of similar CDFI activity. This will be specified within the bids' evaluation assessment including gross job outcomes and segmented debt management. We will include element of output related funding and a proportion of the external partner fees will be expected to come from returns. · The CPCA fund manager will be responsible to monitor External partner's delivery regularly against KPIs	CPCA Fund Manager / Procurement advisor	Open
Delivery Risk	Lack of CA capacity to project manage/ administer Fund resulting in fewer businesses being financed	Low	1	4	4	CA will only direct manage fund 2 which include small loans and grant to third sector. The CA has a strong track record of delivering such schemes and will appointed an experienced fund manager to deliver fund 2 and manage the application approval process, as well as oversee the contract for fund 1. CA will also set up an investment committee with the role of providing strategic advice on investment decisions.	CPCA Fund Manager / External delivery partner	Open

Delivery Risk	Timescale - ability to lend all capital committed within the timeframe	Low	1	4	4	Timescale and funding modelling undertaken during business case development will need to be tested and revised by the fund manager during the fund design phase and market testing to ensure / test ability to invest during the established time. third party fund manager to run robust marketing campaign supported by CPCA comms teams to ensure businesses are aware of the fund's schemes. CPCA Fund Manager to liaise with LAs, growth hubs, FSBs, CoC to promote the funds to businesses.	CPCA Fund Manager / External delivery partner	Open
Financial Risk	Inappropriate investments made / Applicants distort financials to receive funding where not eligible	Low/Medium	2	5	10	Due diligence and robust underwriting processes developed from outset by fund partner and CPCA built on best practice and regularly reviewed, re-visited and re-vised as necessary. An investment committee / advisory panel will be established together with the fund partner with delegated places held by CPCA appointees. The role of the panel will be to approve investment decisions.	CPCA / External delivery partner	Open
Financial Risk	Higher level of demand or bad debts/default rate than anticipated / fund not returned (or shortfall / delays)	Medium	3	5	15	Due diligence processes by fund partner and CPCA built on best practice and regularly reviewed and re-vised as necessary. Investments monitored thoroughly and remedial actions taken when/if needed. Fund will be designed with wastage calculation built in and differing equity return profiles accommodated (e.g., between private and third sector investments). The 3rd party delivery partner will provide quarterly report to the CPCA fund manager who will report to the business and skills director and escalate any risk to the business board; the fund manager will be responsible to arrange contingency for elements of the service to be delivered in-house (e.g debt collection/management)	CPCA / External delivery partner	Open
Financial Risk	Eligibility criteria / market test / data evidence not accurate resulting in fewer businesses applying and/or being financed. Fund being too restrictive or too complex	Low/Medium	2	4	8	Third party fund manager to undertake market testing before/during fund design phase to test businesses needs and inform fund design / eligibility criteria.	CPCA / External delivery partner	Open
Financial Risk	High level of riskier loans drawn down by SMEs	Medium	3	4	12	The CPCA fund manager will work closely with the 3rd party delivery partner, inward investment team, Comms team and strategic partners such as district councils, FSB, CoC and business networks to ensure reach and targeted promotion of the fund. The investment committee will review application and make investment decisions based on evidence provided.	CPCA / External delivery partner	Open
Reputational Risk	Reputational and financial risk if the fund underperforms.	Low/Medium	2	4	8	Rigorous due diligence and selection of the fund partner to support the best investment decisions. Robust internal review and governance.	CPCA / External delivery partner	Open
Reputational Risk	Reputational damage to CPCA if the fund is managed inappropriately.	Low/Medium	2	4	8	Rigorous due diligence and selection of the fund partner. Robust internal review and governance. The CPCA fund manager will be responsible to update and monitor risks and escalate to the Business and skills director and business board for mitigation actions.	CPCA / Fund Manager	Open

PROJECT ASSURANCE AND MANAGEMENT ARRANGEMENTS

An appropriate assurance process will be agreed with CPCA and the selected fund partner as part the contractual agreement.

Procurement compliance

The CPCA fund manager is responsible for ensuring that the fund management partner procurement is in line with CPCA requirements for best value. He will be supported by CPCA's Procurement team.

The Fund Manager will be responsible to retain relevant documentation including:

- Copy of specification and invitation to quote for professional services and construction services;
- Copy of quotes received;
- Copy of purchase orders;
- Copy of decision justification and relevant correspondence.

Legal compliance

The Fund manager will consult with CPCA's legal team to ensure legal compliance of the contract agreement with the Fund Management partner.

Finance compliance

CPCA is its own Accountable Body for all funds received by Government including Gainshare funds and is the Accountable Body for the Business Board.

The CPCA fund Manager will be responsible for ensuring that the fund is delivered on time and according to budget.

The CPCA Finance officer will support the fund manager to oversee and manage the financial returns of the loans for fund 2 and debt management, provide any relevant information including financial /procedures and compliance support to:

- Ensure best practice standards are maintained
- Ensure full FCA approval for related activities and compliance is maintained by fund manager and the delivery partner, including ensuring other legal/regulatory requirements or standards required (e.g. Data Protection; ISO 9000 accreditation).

Managing Delivery

The Fund Manager will use robust project management system to ensure that the funds deliver according to time and budget.

The project manager will be responsible for the delivery and operation of fund 2 and for ensuring that the external partner delivers fund 1 as per contract arrangements. The fund manager will manage the risks for the project following best-practice guidelines: this will be an iterative process where risks are proactively monitored and managed throughout the delivery of the project using a five-stage process of identification, analysis, evaluation, action and monitoring. This is recorded in a working risk register (provided above), for which the appointed Fund Manager has day to day responsibility.

Any project level risks which implicate time delay and cost increase will be reported to the Business and Skills Director who, if necessary, will escalate to the CPCA Business Board officer for mitigating action decisions.

Change management

Project has the same change management process and tolerances set out in the 10-point guide and Risk Management Strategy. Change and risk will be managed by the fund partner to CPCA's requirements across the portfolio.

CONTRACTUAL ARRANGEMENTS

CPCA will agree a contract with the selected fund partner. A LP-GP fund structure will be put in place as described above.

DELIVERY TRACK RECORD

CPCA Capacity and Capability

CPCA has all the expertise to be able to run fund 2 in house, which includes grant and loan schemes delivery for third sector organisations. Example of proven delivery of similar schemes is reported below:

Name of Scheme	Delivery dates	Value	Description
Covid 19 - micro grants	2020	£500,000.00	Capital grant funding to support businesses during covid to adapt business delivery models
Covid 19 - capital grants	2020-21	£3,000,000.00	Capital grant funding to support investment in businesses to continue growth during the covid outbreak
Restart & Recovery	2020-21	£220,000.00	Specific capital investment in business post covid
Visitor Economy Grants	2020-21	£145,000.00	Specific capital investment in visitor economy post covid

External Fund Manager Capacity and Capability

The appointed fund manager partner will be an experienced fund management organisation and with proved track record of delivery similar schemes. The Fund manager partner will have to demonstrate capacity and capability to delivery against fund 1 objectives and requirements which include: managing the delivery of the fund to include equity and loan issue, managing debt collection and recovery, undertaking marketing, dealing with client enquiries and providing client advice, administering applications submission, chairing and participating at the investment committee meeting. The fund manager partner will also need to provide support to businesses, or signpost businesses, where required, to develop their business plans, ahead of investment, and any support required thereafter to encourage successful growth and returns.

STAKEHOLDER PLAN

This business case has been informed by stakeholder views from the Business Board and wider investment fund providers. Research with key stakeholders has validated the existence of the market gap being addressed and the stage of funding available, as shown in the strategic case, and has supported the case for exploring other fund partner options, such as existing business accelerators.

Going forward, effective operation of the fund will require communication within CPCA and engagement with outside stakeholders who may introduce or signpost potential investment opportunities, to ensure the objectives of the fund and the types of finance available, criteria for investment are clearly understood.

Internal stakeholders will include CPCA's members and relevant committees, and all Directorates.

As outlined in above, regular reporting to and communication with the business Board, in their advisory role, and to the Business Board members acting as delegates on the Investment Committee will be critical.

External stakeholders include businesses, representative business bodies, district and City councils and other public sector and quasi-public sector organisations including the Chamber, FSB, sector and trade bodies', relevant national organisations and Further and Higher Education.

A detailed marketing strategy, recognising FCA regulation, will be developed that sets out the nature of the fund, its focus and priority areas and the nature of the investment it is likely to make. This will promote the fund locally and be used to source investment opportunities.

A communication and engagement strategy will be developed to form part of the Marketing Strategy that will set out the types of communication and engagement required to support the CPCA EF to ensure the ongoing sourcing of opportunities remains effective.

The communication and engagement strategy will be complemented by a communications programme to raise awareness and build the reputation of the fund with its key stakeholders.

The marketing strategy will consider a launch event for the fund, advertisement, and the establishment of an online web presence to promote and support the sourcing of investment opportunities and support the investment application process.

The key aspects of the marketing, communication and engagement strategy that are required as part of the set-up of the fund and a key element in Year 1 will be as follows:

- Internal Website – CPCA's own web page dedicated to the Fund with links including case studies or example investments
- External fund standalone website, including case studies or example investments
- A brochure or prospectus providing an overview of the Fund, key investment criteria and instructions on how to apply;
- Portal for online applications; and
- Digital Outreach PR and marketing programme to launch the fund.

Key channels of information, including events, for the launch and in the ongoing marketing, communication and engagement of the fund planned are:

- PR and marketing outreach programme
- Trade and local government press;
- Digital outreach – LinkedIn, Newsletter and targeted marketing campaign;
- Inclusion within the Finance Finder tool on the GOV.UK website which provides information on grants and schemes provided by the public sector
- Inclusion within the British Business Bank Finance Hub – an independent information Hub to help investees understand and identify suitable available finance options;
- Meet the Provider events plus utilising other existing annual events (e.g., GrowthWorks activities and British Business Bank events).

MONITORING AND EVALUATION

The evaluation will be in accordance and aligned with CPCA Monitoring and Evaluation Framework. A logic model will be developed at inception. Monthly reporting is to be completed by the outsourced fund partner and reported upon to Director of the Business & Skills Directorate and the nominated Programme Manager, initially SRO LGF and Market Insight & Evaluation. Monitoring will be in accordance with the Analysis and Evaluation Manager for the Combined Authority.

Number of investments, investment value, geographic spread and, analysis by business type/sector/age/ownership will be considered.

Progress against all the key metrics will be evaluated through analysis of data supplied by the fund partner and other metrics, such as engagement, assessed through surveys.

CPCA staff, members and stakeholders involved with the project will be surveyed with a percentage of them interviewed, and anecdotal intelligence will be collected through interviews with the fund partner personnel (for case study and recommendation use). Businesses receiving investment will be surveyed and interviewed to establish impact, outputs and satisfaction levels.

Metrics evaluated will be:

- Jobs retained
- New jobs created
- Number of high-quality jobs created
- GVA per head in invested in companies and up-lift over CPCA average
- Total GVA up-lift
- Carbon reductions (tonnes of CO₂)
- New products introduced to invested in companies and new products to markets



**CAMBRIDGESHIRE
& PETERBOROUGH**
COMBINED AUTHORITY

Agenda Item No: 5.1

Call-in of decision by the Transport and Infrastructure Committee: Demand Responsive Transport

To: Cambridgeshire and Peterborough Combined Authority Board

Meeting Date: 30th November 2022

Public report: Yes

Lead Member: Deputy Mayor Councillor Anna Smith

From: Steve Cox, Associate Director
Edwina Adefehinti, Chief Officer - Legal and Governance & Monitoring Officer (Interim)

Key decision: No

Forward Plan ref: n/a

Recommendations: The Combined Authority Board is recommended to:

- a) Confirm the decisions made by the Transport and Infrastructure Committee in relation to Demand Responsive Transport on 16 November 2022.
- or*
- b) Amend the decisions made by the Transport and Infrastructure Committee in relation to Demand Responsive Transport on 16 November 2022.
- or*
- c) Rescind the decisions made by the Transport and Infrastructure Committee on 16 November 2022 and either:
 - i. send the issue back to the Transport and Infrastructure Committee to make a new decision or decisions.

- ii. replace the decisions made by the Transport and Infrastructure Committee with a new decision or decisions.

Voting arrangements: A vote in favour by at least two thirds of all Members (or their Substitute Members) appointed by the Constituent Councils who are present and voting, to include the Members appointed by Cambridgeshire County Council and Peterborough City Council, or their Substitute Members or

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

1. Purpose

- 1.1 The Board needs to consider a call-in of decisions made by the Transport and Infrastructure Committee on 16 November 2022 in relation to Demand Responsive Transport.

2. Background

- 2.1 The Transport and Infrastructure Committee (TIC) considered a report on Demand Responsive Transport at its meeting on 16 November 2022.
- 2.2 The [published report](#) invited the Committee to retrospectively authorise the expenditure to continue to procure the Ting service for the period 17 July to 16 October 20223, and to retrospectively authorise the tender and award of a new Ting DRT bus service contract in West Huntingdonshire starting 27 November 2022 for up to three years (1 year + 1 year + 1 year) at a cost of £424,950 per annum.
- 2.3 These recommendations were amended at the meeting by officers to seek authorisation of Year 1 only of the new Ting contract. There is a pre-approved envelope that funds the contract, which put this decision within TIC's remit and procurement had already taken place with the contract awarded. Without TIC approval, the CPCA would have been exposed as the contract was due to start three days before the Combined Authority Board would meet on 30 November 2022. The Committee noted that approval for funding for Years 2 and 3 of the contract would be sought at a later date from the CA Board.
- 2.4 The revised recommendations were approved unanimously by TIC.
- 2.5 The Constitution states that:

Three Members of the Board may call-in a decision of the committee by notifying the Monitoring Officer. The power to call in an executive decision should only be used in exceptional circumstances. The decision will not be implemented and will be referred to the Combined Authority Board for review and decision.

On receipt of a call-in request, the Monitoring Officer shall:

- (a) notify the Mayor, Members of the Combined Authority Board, Members of the Committee and Members of the Overview and Scrutiny Committee, of the call-in; and
- (b) either call a meeting of the Board or refer the matter to the next scheduled Board meeting.

- 2.6 Notice of a call-in of TIC's decision by Councillor Bailey as the lead signatory and Cllrs Fitzgerald and Boden as the additional signatories was received by the Monitoring Officer on 21 November 2022. Implementation of the decisions has been suspended pending the Board's decision in accordance with the Constitution.
- 2.7 The Board has three options open to it:
- 1. Confirm the decisions of TIC, in which case the decisions stand
 - 2. Amend the decisions
 - 3. Rescind the decisions, which can either then either be sent back to TIC to make a

new decision, or replaced with a new decision or decisions.

Significant Implications

3. Financial Implications

- 3.1 The cost of the Ting service in year 1 was £479,500 which was funded out of the Bus Trial Services budget line. The annual cost of Ting on the new contract from 28th November 2022 will be £424,950, a saving of around £55,000 per annum. It is funded by the Bus Trial Services budget to end of this financial year.
- 3.2 In 2023/24 onwards the Ting service will be part of the Bus Service Support Budget within the MTFP. The funds to operate the service for the initial 12 months to November 2023 are confirmed to be available.
- 3.3 It is intended to release £260,000 of Section 106 money for operating Ting around St Neots as the DRT format meets all the local service requirements in a single package. When this happens, it will reduce the cost-of-service provision over three years.

4. Legal Implications

- 4.1 From time to time, an executive committee or the CA Board may take a decision that causes concern to some councillors to such an extent that they believe the decision should be changed.
- 4.2 The Local Government Act 2000 requires every local authority to establish a mechanism which allows for executive decisions made but not yet implemented to be 'called in' for consideration by scrutiny. This includes decisions taken by committees and the Board (collective or individual) or decisions delegated to Chief Officers.
- 4.3 Call-in is intended to be used in exceptional circumstances for decisions believed to be contrary to the authority's decision-making principles. By its nature it acts as a delaying mechanism. The process is essentially a power to delay a decision and make the executive 'think again' about the decision.
- 4.4 It was proposed that a new contract with Vectare will be entered into from 27th November 2022 for a period of up to 3 years to deliver the TING service. In light of the call-in of this decision, the service will have to be suspended pending a decision of the board. This may have legal implication for the CPCA.
- 4.5 The contractor has relied on the award of the contract and would have grounds in law to sue the CPCA for breach of contract and/or loss of earnings. Furthermore, the new contractor may decide not to go ahead with the contract and sue the CPCA for fundamentally breaching the contract.
- 4.6 If the Board decides to rescind or amend the decision, the earliest the contract can be implemented will be five days after 30 November. However, if the decision of TIC is confirmed the contract can start immediately.

5. Public Health Implications

5.1 None.

6. Environmental and Climate Change Implications

6.1 The CPCA is considering the opportunity to agree to two of the new Ting fleet being small zero emission electric minibuses

7. Appendices

7.1 None.

8. Background Papers

8.1 [Combined Authority reports 20 November 2020](#)

8.2 [Report to the Transport and Infrastructure Committee 16.11.22 - Demand Responsive Transport](#)

8.3 [Transport and Infrastructure Committee 16.11.22 - Decision Statement - Item 2.5](#)



**CAMBRIDGESHIRE
& PETERBOROUGH**
COMBINED AUTHORITY

Part 5: Recommendations from the Transport and Infrastructure Committee meeting on 16 November 2022

Agenda Item 5.2:	Bus Strategy (KD2020/058)
Recommendation(s):	<p>The Combined Authority Board is recommended to:</p> <ul style="list-style-type: none"> a) Approve the Bus Strategy to allow for a 6-week public consultation. b) Delegate the responsibility to the Interim Head of Transport in consultation with the Chief Finance Officer and Monitoring Officer to submit the final Bus Service Improvement Plan to central government in a timely manner.
Voting arrangements:	<p>Recommendation a) requires a simple majority of those Members present and voting.</p> <p>Recommendation b) requires a vote in favour by at least two thirds of all Members (or their Substitute Members) appointed by the Constituent Councils, to include the Members appointed by Cambridgeshire County Council and Peterborough City Council, or their Substitute Members.</p> <p>To be carried, the vote must include the vote of the Mayor, or the Deputy Mayor when acting in place of the Mayor.</p>
Purpose:	<p>To update the Board on the draft Bus Strategy, which will be strongly aligned to the vision, aims and objectives of the Local Transport and Connectivity Plan (LTCP). Subject to the Board's approval, the draft Strategy will be issued a six-week consultation period.</p> <p>In addition, the paper outlines the progress to date around some of the delivery mechanisms for the Bus Strategy, including work on the relative business cases for an Enhanced Partnership and Franchising; the Greater Cambridge Partnership's City Access work; and the development of the Bus Service Improvement Plan.</p>

	<p>An additional appendix has been provided outlining feedback received on the draft Bus Strategy. This feedback has been received from officers and members alike, including from the Transport and Infrastructure Committee. In addition, this appendix outlines more information on the proposed consultation process.</p> <p>The Board needs to be advised that the second recommendation (B) that was agreed unanimously by the Committee needs to be amended. The agreed recommendation was to, <i>'Delegate authority to the Interim Head of Transport and the Chair of the Transport and Infrastructure Committee to submit the final Bus Service Improvement Plan to central government in a timely manner.'</i> This recommendation does not align with the constitution as the Combined Authority cannot delegate to a Member.</p> <p>The Combined Authority Board is invited to amend the recommendation so that it reads <i>"Delegate authority to the interim Head of Transport in consultation with the Chief Finance Officer and Monitoring Officer to submit the final Bus Service Improvement Plan to central government in a timely manner."</i> The power resides with the Combined Authority Board (as per Chapter 4 of the constitution, para 1.13 and 1.14) to amend the recommendation</p>
Strategic Objectives:	<p>The Bus Strategy strongly aligns with the existing Local Transport Plan's three overarching objectives of economy, environment, and society. In addition, there is a golden thread with the six objectives within the emerging Local Transport and Connectivity Plan (namely productivity, connectivity, health, safety, environment, and climate). This is demonstrated within the Bus Strategy's vision of:</p> <p><i>A comprehensive network of bus services across Cambridgeshire and Peterborough that people find convenient, easy to use, reliable and good value for money, that is inclusive and offers a viable alternative to the car.</i></p>
Appendices:	<p>Appendix 1: Draft Bus Strategy (updated with tracked changes)</p> <p>One additional appendix:</p> <p>Appendix 2: Comments from constituent Council members and officers (including TIC)</p>
Background papers and supporting documents:	<p>Since the publication of the TIC papers there are now two additional appendices:</p> <ul style="list-style-type: none"> • Outlining the feedback from constituent Council members and officers; and

	<ul style="list-style-type: none"> Revised Bus Strategy (with track changes) to demonstrate how these suggested changes/amendments have been incorporated.
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Agenda Item 5.3:	A16 Norwood Improvements Outline Business Case (KD2022/042)
Recommendation(s):	<p>The Combined Authority Board is recommended to:</p> <p>a) Approve the drawdown of £1.2 million from the Medium-Term Financial Plan for the development of the Full Business Case and to delegate authority to the Interim Head of Transport to enter into a Grant Funding Agreement with Peterborough City Council following consultation with the Monitoring Officer and Chief Financial Officer.</p>
Voting arrangements:	<p>A vote in favour by at least two thirds of all Members (or their Substitute Members) appointed by the Constituent Councils who are present and voting, to include the Members appointed by Cambridgeshire County Council <u>and</u> Peterborough City Council, or their Substitute Members</p> <p>To be carried, the vote must include the vote of the Mayor, or the Deputy Mayor when acting in place of the Mayor.</p>
Purpose:	To seek Member approval for the drawdown of subject to approval funding for the development of the Full Business Case.
Strategic Objectives:	To help achieve the CPCA ambitions outlined within the LTP and emerging LTCP, the business case has aligned within a Policy Framework to provide a clear pathway to delivering on the ambitious and transformational agenda for the region. The alignment of the A16 Norwood Improvement scheme is clear with specific and strong alignment with productivity (including housing and employment growth) and connectivity.
Appendices:	Appendix 1 - A16 Norwood Outline Business Case
Background papers and supporting documents:	n/a

Agenda Item 5.4:	Transforming Cities Fund (KD2022/035)
Recommendation(s):	The Combined Authority Board is recommended to:

	<p>a) Agree the recommended capital replacement schemes for the Transforming Cities Fund.</p> <p>b) Delegate authority to the Chair of the Transport and Infrastructure Committee to inform the Department for Transport of the revised TCF programme with the expectation that the fund will be allocated in full.</p> <p>c) Delegate authority to the interim Head of Transport in consultation with the Chief Finance Officer and Monitoring Officer to ensure the timely sign off for the Grant Funding Agreements with the County Council and other delivery partners, thereby reducing any potential delay in the programme.</p>
Voting arrangements:	<p>Recommendation a) requires a vote in favour by at least two thirds of all Members (or their Substitute Members) appointed by the Constituent Councils, to include the Members appointed by Cambridgeshire County Council or Peterborough City Council, or their Substitute Members.</p> <p>Recommendations b) and c) requires a simple majority of Members present and voting.</p>
Purpose:	<p>To agree the capital replacement schemes for the Transforming Cities Fund that will be undertaken to take up the shortfall in forecast spend.</p> <p>The rescheduling of the Transforming Cities Fund is key in ensuring that the Combined Authority continue to deliver its capital programme for the people and businesses of Cambridgeshire and Peterborough. The discussion at the Transport and Infrastructure Committee was positive and there was agreement with the revised programme and the need to continue to work closely with the Department for Transport to ensure the schemes are delivered in a timely manner. With a deadline for the work of the end of the next financial year it was imperative that agreement of the programme is achieved at this Committee and the subsequent Board.</p> <p>The Board needs to be advised that the second recommendation (B) that was agreed unanimously by the Committee needs to be amended. The agreed recommendation was to “<i>Delegate authority to the Chair of the Transport and Infrastructure Committee to inform the Department for Transport of the revised TCF programme with the expectation that the fund will be</i></p>

	<p><i>allocated in full</i>". This recommendation does not align with the constitution as the Combined Authority cannot delegate to a Member.</p> <p>The Combined Authority Board is invited to amend the recommendation so that it reads "<i>Delegate authority to the interim Head of Transport in consultation with the Chief Finance Officer and Monitoring Officer to ensure that the Department for Transport of the revised TCF programme with the expectation that the fund will be allocated in full</i>". The power resides with the Combined Authority Board (as per Chapter 4 of the constitution, para 1.13 and 1.14) to amend the recommendation.</p>
Strategic Objectives:	The overarching programme (including the capital replacement schemes) have all be assessed against the schemes' strategic fit against the goals, aims and objectives of the TCF and the emerging Local Transport and Connectivity Plan.
Appendices:	<p>Appendix 1 - CPCA Update to the Department for Transport</p> <p>Appendix 2 - Capital Replacement Scoring Mechanism</p> <p>Appendix 3 - Prioritised (Scored) Capital Replacement Schemes</p>
Background papers and supporting documents:	n/a

Agenda Item 5.5:	Wisbech Rail Next Steps (KD2022014)
Recommendation(s):	<p>The Combined Authority Board is recommended to:</p> <p>a) Approve the drawdown of £80,000 from the Medium-Term Financial Plan for the development of an Options Assessment Report and to delegated authority to the Interim Head of Transport to enter into a Development Services agreement with Network Rail following consultation with the Monitoring Officer and Chief Financial Officer.</p>
Voting arrangements:	A vote in favour by at least two thirds of all Members (or their Substitute Members) appointed by the Constituent Councils, to include the Members appointed by Cambridgeshire County

	<p>Council or Peterborough City Council, or their Substitute Members.</p> <p>To be carried, the vote must include the vote of the Mayor, or the Deputy Mayor when acting in place of the Mayor.</p>
Purpose:	To seek approval for the drawdown of funding to enable an options assessment report to be carried out.
Strategic Objectives:	The provision of a link between Wisbech and March will address social equity, isolation, and exclusion. In addition, the scheme will help to deliver [have a positive impact on] the six emerging objectives of the LTCP (namely productivity, connectivity, health, safety, environment, and climate).
Appendices:	<p>Appendix 1 - Wisbech Project Review</p> <p>Appendix 2 - Options Assessment Report Scope</p> <p>Appendix 3 - Wisbech to March Light Rail Potential - Final Report</p>
Background papers and supporting documents:	None.

Agenda Item 5.6:	Snailwell Loop (Newmarket Curve)
Recommendation(s):	<p>The Combined Authority Board is recommended to:</p> <p>a) Pause works on Snailwell Loop for a period of 6 months while there is on-going uncertainty about the Ely Area Capacity Enhancement (EACE) scheme and slip the existing budget into 2023-24.</p> <p>Or</p> <p>a) Approve £150k of the current £500k subject to approval budget to enable continued development of the project and slip the balance into 2023-24.</p>
Voting arrangements:	A vote in favour by at least two thirds of all Members (or their Substitute Members) appointed by the Constituent Councils, to include the Members appointed by Cambridgeshire County Council or Peterborough City Council, or their Substitute Members.

	To be carried, the vote must include the vote of the Mayor, or the Deputy Mayor when acting in place of the Mayor.
Purpose:	Pause works on Snailwell Loop for a period of 6 months while there is on-going uncertainty about the Ely Area Capacity Enhancement (EACE) scheme and slip the existing budget into 2023-24.
Strategic Objectives:	The scheme will help to deliver the six emerging objectives of the LTCP (namely productivity, connectivity, health, safety, environment, and climate). The decision to pause the development of the Snailwell Loop was based on the deliverability of the scheme and the lack of certainty from central government around funding of the scheme.
Exempt Appendix:	<p>EXEMPT Appendix 1 – Former Secretary of State for Transport Grant Shapps’ MP Letter: Ely Area Capacity Enhancement (EACE) (circulated separately).</p> <p>This report contains an appendix which is exempt from publication under Part 1 of Schedule 12A of the Local Government Act 1972, as amended, in that it would not be in the public interest for this information to be disclosed (information relating to the financial or business affairs of any particular person (including the authority holding that information)). The public interest in maintaining the exemption is deemed to outweigh the public interest in its publication.</p>
Background papers and supporting documents:	None

Bus Strategy Update

1 Purpose

- 1.1 The purpose of this document is to outline feedback received on the draft Bus Strategy. This feedback has been received from officers and members alike, including from the Transport and Infrastructure Committee.
- 1.2 In addition, the paper outlines a potential six-week consultation and feedback is sought from the Combined Authority Board.

2 Background

Bus Strategy: Contents

- 2.1 The draft vision is: *A comprehensive network of bus services across Cambridgeshire and Peterborough that people find convenient, easy to use, reliable and good value for money, that is inclusive and offers a viable alternative to the car.*
- 2.2 The CPCA want to create a more connected region, which will encourage active and sustainable travel, improve health and wellbeing, and reduce private vehicle journeys. The five key goals of the draft Bus Strategy are:



Feedback Received To Date

Vision

- Within the vision and scene setting, more focus is needed on what we want a bus service for. What will a good bus service allow? Important to include access to key destinations, such as those previously outlined in the Social Exclusion Unit Report, 2003, of employment, education, healthcare, retail, and leisure.
- More focus needed on access to education and the importance of the environment.
- The ambition is good, however more clarity is sought around convenience, predictability and taking you to right place (routeing).
- Using the buses must make people feel good and this needs to be captured within the essence of the document.

General Feedback

- Important to inter-connectivity (including other modes and through ticketing) to allow for an integrated transport network that truly delivers a door-to-door service from the people of Cambridgeshire and Peterborough.
- Narrative around congestion charging to be tightened to ensure no ambiguity remains in the document.
- A focus should be on the availability of information for all (potential) users on the services, routes, ticketing, and delays.
- The focus should be on providing a real alternative to the private car whilst ensuring that people without access to one can get to the key destinations to improve their quality of life.
- Reference to the importance of franchising is required.
- Reference to the City Access is required.
- Length of the document to be reduced and focus on the key deliverables of the strategy (currently in the final five pages).
- Appropriate wording included with the relevant wording; however more detail required and specifics on funding opportunities

Specifics

- Pages 5 – 9 – these pages make references to the emerging LTCP and the GCP transport work. Strategy needs to reference work undertaken by constituent Councils such as the work of the Fenland Transport and Access Group work.
- Page 9 – this includes a case study for the excel service (previously the X1) from Peterborough to Kings Lynn through to Norwich. This is the service that runs regularly to and from Wisbech. It is acknowledged as a good service and it's good to see it as a case study here.
- Page 10 – this page acknowledges that the strategy requires bold decisions with appropriate levels of funding. The Bus Strategy will cost large amounts of money and is unclear as to where the funding will come from and therefore if the strategy is deliverable.
- Page 13 and 14 – more transformational approach needs to be outlined. For example, there is some mention of trying to integrate journeys for education, health and social care. This is nothing different though and this has all been tried before with limited success.
- Page 15 – Young people up to 25 years will be offered discounted fares. This is really positive should funding be available.

Bus Strategy: Consultation

- 2.3 Following approval of the draft Bus Strategy at the TIC and subsequently at the CPCA Board, the document will need to be subjected to a public consultation period. Further work is required to ensure alignment and consistency with the LTCP and the work of constituent Councils and the Greater Cambridge Partnership to ensure full engagement with the public and stakeholders from across the region.

Potential Consultation Timeframes

- Recommended by Transport and Infrastructure Committee on 16th November that the CA Board approves the Bus Strategy
- Informal member session scheduled for 24th November where further feedback will be sought on the consultation draft

- CA Board (30th November) – approval sought for a 6–8 week consultation (to be determined, due to festive period)
- Transport and Infrastructure Committee (18th January) and CA Board (25th January) – emerging and/or initial feedback on consultation
- March Transport and Infrastructure Committee (15th March) and CA Board (22nd March)– feedback on Bus Strategy consultation and updated document



CAMBRIDGESHIRE
& PETERBOROUGH
COMBINED AUTHORITY

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Bus Strategy

October November 2022

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Introduction

~~The~~ Cambridgeshire and Peterborough ~~is an area~~ is an economically successful, innovative, and desirable ~~area-place~~ to live and work. However, our success and recent growth brings challenges, including pressure on our transport network, a need to tackle emissions locally, and contribute to the wider climate challenge response. And, in some parts of our area, people feel disconnected from the opportunities that exist in the wider region.

Public consultations show that people want to see good public transport services, as these will benefit them personally and their communities. Whilst the Covid-19 pandemic has changed travel behaviour, we know that the bus offers the opportunity to make an important contribution to the way the region functions.

Local partners have acknowledged a climate change emergency and we need to reduce carbon emissions, tackle traffic congestion and improve air quality. An Independent Commission on Climate highlighted the need to reduce car miles in our region by 15% by 2030, advocating a switch to using public transport, walking and cycling. The Cambridgeshire and Peterborough Combined Authority has agreed this target.

Local authorities are making pledges to become carbon neutral. Promoting zero carbon transport means rethinking our transport systems and how we travel, with greater emphasis on buses, pedestrians and cyclists. We need to transform public transport, making it more attractive, such that it provides a real alternative to the car.

Our ambition is to see Cambridgeshire and Peterborough at the forefront of excellent public transport provision. Therefore, we are seeking aim to transform bus travel – offering high levels of convenience and connectivity – not just in our urban areas, but across the entire region, including rural areas and market towns; something not seen on such a scale anywhere else in the UK. We want to deliver a fully integrated bus network, serving the needs of the

Cambridgeshire and Peterborough area. We want to make journeys quicker, cheaper and more reliable, delivering attractive, environmentally friendly services across our area. To do that, we will need to improve the whole journey, ensuring off-bus infrastructure and services complement the on-bus travel experience. We want to totally transform the image of bus travel, so that people feel good about using buses.

Better bus services will benefit everyone. They will provide easier access to education, training and employment opportunities, as well as the ability to reach a wider range of shopping and leisure facilities. Equally, they will provide a real alternative to using the car.

In using the bus, people will be championing a response to the climate emergency and the achievement of a fairer society.

The Cambridgeshire and Peterborough Bus Strategy has been prepared by Cambridgeshire and Peterborough Combined Authority (CPCA). ~~Working with its constituent authorities and other partners, and bus operators.~~ It sets out the ways in which we want to make bus travel more convenient, very attractive and easy to use, such that it becomes the obvious way to make a journey. This means improving every aspect of the current service, building on the strong foundations already in place, including the Busway, Cambridge Park & Ride and demand responsive TING service.

This strategy sets out the main principles of how we will achieve our ambition and more than double bus patronage by 2030. More details of how we will deliver and fund this are set out in our Bus Service Improvement Plan (BSIP), reflecting our response to the National Bus Strategy: Bus Back Better, published in 2021. Our Strategy and BSIP will be regularly reviewed to reflect changing circumstances and to push continuous improvement.

The Cambridgeshire and Peterborough Combined Authority is committed to working with Government to deliver on our collective ambition, a London-style network across our geography.

Setting the scene

Since 1986, bus operators have decided what services to run, including the routes, timetables and fares charged. Local authorities can pay operators to run other additional services that wouldn't otherwise be provided. Currently, the Combined Authority spends £Mx on the provision of such services across the region, of which x% is levied from Cambridgeshire County Council and Peterborough City Council. Local Highway Authorities are also responsible for providing bus priority measures, bus stop infrastructure, Park & Ride sites and the Busway. The Cambridgeshire and Peterborough bus network has generally declined over the period since 1986, although areas of partnership including the Cambridgeshire Busway and Cambridge Park & Ride network have delivered improvements.

The Combined Authority was established to champion sustainable economic growth across our region and the Mayor has additional powers for bus services, including the ability to assume control of the bus network, under certain conditions, through a franchising scheme (similar to the bus operation in London).

CPCA has already consulted on a new Local Transport and Connectivity Plan (LTCP). This Bus Strategy is a supporting document to the LTCP and reflects the ambition to reduce traffic and emissions and provide a much more sustainable transport network that benefits everyone.

We've already taken some positive steps to support bus services in the region. £Mx has been invested in the Busway and Park & Ride provision. Recently, a new demand responsive service, 'TING', was launched in rural West Huntingdonshire.

We need to do much more to improve our bus network and address some key challenges that have been highlighted in local public engagement exercises over recent years:

- Bus services do not offer a practical option for many journeys because they are not available, don't go to the right places at suitable times, or are too infrequent.
- They may not be co-ordinated to connect with other services and are perceived as being unreliable and offering no advantage over the private car.
- Considered expensive by many and not value for money.
- The attractiveness of bus travel is hampered by inadequate information, difficult to understand timetables, complex fares and variable standards of services.
- Poor reliability – 65% of bus users want to see more reliable bus services, followed by more frequent services and faster bus journey times.
- Inconvenience – 58% of non-bus users cited inconvenience as the reason for not using the bus, seeing cars as a faster and cheaper way to travel.

Commented [PH1]: Ref these also to ref 1 below

Market research suggests a desire to see bus service improvements, with 80% of survey respondents (bus and non-bus users) showing support.¹ Bus users want to see greater reliability and less disruption on the road network, more frequent services connecting more places and more co-ordination, with services joining up better in terms of service timings, connections and fares. In more rural areas, there is particular desire to see buses linking more places, more often, including evenings and Sundays.² Non-bus users support wider range of improvements, including more frequent services, quicker journey times, more services connecting places, greater integration and good value fares.

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¹ CPCA survey and market research (on-line and face-to-face with 4300 responses), 2019
² ECDC residents' survey (1400 responses), 2020, and Fenland Bus Service Report, Fenland Transport and Access Group, 2020

Background to the Bus Strategy



The story so far

In 2018, the Combined Authority commissioned an extensive review of all aspects of bus service delivery, examining the current state of play, drawing on engagement with stakeholders and operators, evidence and data. It took a close look at the different elements of the network, including city services, Park & Ride, Busway, inter-urban and rural services. It highlighted the pressures and constraints on each element and explored potential options and opportunities, including fares and ticketing, information and bus infrastructure.

The review highlighted the underperformance of the bus network and the challenges it faced, particularly declining usage and commercial viability, poor image, unreliability and inconsistent levels of service.

Seeing the need for a new approach, the Combined Authority agreed to use its powers under the Bus Services Act 2017 to consider different options, including the possibility of Bus Franchising. A notice of intent to undertake an assessment of Bus Franchising was published on 9 May 2019. In late 2019, extensive market research and stakeholder engagement took place to get a clear picture of what bus users and non-users wanted from the bus network. There was a desire for improvement, which was translated into a 'Vision for Bus', adopted by the authority in May 2020. This set out a desire for a world class bus network.

Consideration of bus franchising continued during 2020-21, but it was clear that the bus market was suffering greatly from the effects of the COVID-19 pandemic. Such uncertainty made it necessary to stall these considerations.

In response to the publication of the National Bus Strategy in 2021, the Combined Authority

prepared a Bus Service Improvement Plan (BSIP) and submitted this to the Department for Transport. Given the uncertainties around the local bus market and inability to pursue bus franchising at that point, the BSIP did not attract Government funding. However, in a separate bid to the Government's ZEBRA scheme, funding was received towards the provision of 30 battery electric buses for Cambridge [that will enter service in xxxx](#).

The landscape for bus provision across the region has changed markedly over the last couple of years, giving a need to revisit the strategy for taking the bus network forward. There are significant challenges – lower patronage, cuts in commercially-viable services and increasing unreliability due to traffic and driver shortages. Meanwhile, the ambitions for what the bus network needs to achieve are growing, as set out in the National Bus Strategy and locally through the new Local Transport and Connectivity Plan and Greater Cambridge Partnership's plans to dramatically boost bus provision and in parallel cut private vehicle travel by 15%. Achieving this will see bus patronage more than double, compared to 2019 levels, with some 60-75 million passenger journeys anticipated. Whilst some of this will be met by spare capacity, the implication is that there will need to be a significant uplift in bus provision, with more buses operating overall and for longer each day.

This Bus Strategy sets the scene for the way ahead – to transform the bus network through clear and decisive actions – to benefit all.

Supporting Policy

This Bus Strategy fully reflects wider national and local policy aspirations.

Government published its **National Bus Strategy: Bus Back Better** in March 2021, setting out an ambitious vision for significant improvements to bus services to return usage to pre-COVID levels and then to build patronage further. It wants to see services that are:

- More frequent, with turn-up-and-go services on major routes and feeder or demand-responsive services to lower-density places.
- Faster and more reliable, with bus priority wherever necessary and where there is room.
- Cheaper, with more low, flat fares in towns and cities, lower point-to-point fares elsewhere, and more daily price capping everywhere.
- More comprehensive, with overprovision on a few corridors reduced to boost provision elsewhere and better services in the evenings and weekends, not necessarily with conventional buses.
- Easier to understand, with simpler routes, common numbering, co-ordinated timetable change dates, good publicity, and comprehensive information online.
- Easier to use, with common tickets, passes and daily capping across all operators, simpler fares, contactless payment and protection of bus stations.
- Better integrated with other modes and each other, including more bus-rail interchange and integration and inter-bus transfers.

Locally, CPCA has developed a **Local Transport and Connectivity Plan** (LTCP), which aims for a transport system that:

- Is accessible and efficient for everyone
- Increases the ability to access good jobs, travel to health appointments and access opportunities to improve life chances
- Is affordable to use
- Addresses pollution that adversely impacts on people's quality of life and health

It responds directly to the Independent Commission on Climate's findings that the region experiences transport emissions that are 50% higher than the UK average, reflecting higher levels of traffic. In response, it recommended a reduction in car miles driven by 15% by 2030, advocating a switch to public transport and active travel modes. It recognised that this would require significantly better public transport services with greater connectedness.







The Plan links to a variety of other plans and strategies, a number of which highlight the need for improved public transport. The Employment and Skills Strategy notes the need for better public transport connectivity to improve access to colleges and universities and to ensure that travel costs are more affordable for young people.

The LTCP vision is of:

"A transport network that secures a future in which the region and its people can thrive."

This will be achieved by investing in a joined-up, net zero carbon transport system, which is high quality, reliable, convenient, affordable, safe, and accessible to everyone. Better, cleaner public transport will reduce private car use, and more cycling and walking will support both healthier lives and a greener region. Comprehensive connectivity, including digital improvements, will support a sustainable future for the region's nationally important and innovative economy.

Excellent public transport will support the achievement of the goals and objectives of the LTCP.

 Productivity Giving both employers and people the means to achieve more of their potential, making them more efficient and innovative to create more prosperity	
Housing – support new housing and development to accommodate a growing population and workforce, and address housing affordability issues	Easier to develop areas that are built around good public transport rather than the car. Bus offers a flexible way to meet the needs of new and growing communities
Business and tourism – ensure all our region's businesses and tourist attractions are connected sustainably to our transport hubs, ports, and airports	Buses can connect communities to key destinations for the benefit of everyone
Employment – connect all new and existing communities sustainably, so all residents can easily access a good job within 30 minutes by public transport, spreading the region's prosperity	Buses can be routed and timed to meet the needs of employees. They are ideal for the provision of collective travel to key destinations, lessening the impact of travel peaks
Resilience – build a transport network that is resilient and adaptive to human and environmental disruption, improving journey time reliability	Bus routes and levels of service can be varied at short notice to adapt to changing needs and demands. Dedicated priority measures allow bus journey times to be competitive and for services to run reliably
 Connectivity – people and communities are brought closer together, giving more opportunity for work, education, leisure, and pleasure	
Accessibility – promote social inclusion through the provision of a sustainable transport network that is affordable and accessible to all	Buses can provide transport for all, both those with no alternative and those who would like to choose an alternative to the car
Digital – communities are digitally connected; innovative technologies are supported and there is improved connectivity and mobility across the region	Travel by bus offers the opportunity to stay digitally connected whilst on the move and for people to do other things whilst travelling
 Health – improved health and wellbeing, enabled through better connectivity, greater access to healthier journeys and lifestyles, delivering stronger, fairer, more resilient communities	
Health and wellbeing – provide 'healthy streets and high-quality public realm that puts people first and promotes active lifestyles	Buses offer a more efficient use of road space, giving streets back to communities. Public transport is central to the provision of sustainable travel options and more active lifestyles. Collective travel provides a greater sense of belonging and community
Air quality – ensure transport initiatives improve air quality standards across the region, exceeding good practice standards	Zero emission buses help to improve air quality. Use of bus reduces other traffic and its harmful impacts
 Safety – to prevent all harm by reducing risk and enabling people to use the transport system with confidence	
Safety – embed a safe systems approach into all planning and transport operations to achieve 'Vision Zero' – zero fatalities and serious injuries	Buses offer a safe form of transport, allowing stress-free travel
 Environment – protecting and improving our green spaces and improving nature with a well-planned and good quality transport network	
Environment – deliver a transport network that protects and enhances our natural, historic, and built environments	More bus travel and fewer cars means that less space is needed for roads and car parks
 Climate – successfully and fairly reducing emissions to 'net zero' by 2050	

Climate change – reduce emissions to ‘net zero’ by 2050 to minimise the impact of transport and travel on climate change	Zero emission buses contribute to the achievement of net zero. Use of bus reduces other traffic and its harmful impacts
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The Combined Authority's Mayor sees **compassion, community and collaboration** at the heart of what the authority does to serve the region's population. Provision of a successful bus network is characterised by these facets. It contributes to a fairer and equal society, benefits everyone, brings people together and requires collaboration to make it work efficiently and effectively.

The LTCP sets out the clear need for a comprehensive and excellent bus network to tackle car dependency and encourage a shift away from car use to public transport use. Accessible, affordable, reliable and frequent public transport will be a crucial part of realising the vision. New services will be needed to better connect people to [education](#), jobs and facilities.

Large-scale investment in bus services [across the whole area](#) will be needed. [In rural areas, this will focus on providing greater connectivity and availability. In the in the Greater](#) Cambridge area, where the aim is to reduce traffic levels in the city by 10-15% on 2011 levels in order to improve journey times and reduce pollution, [it will be in ensuring that services are suitably attractive to current car users.](#)

Other local strategies set out in the LTCP support making improvements to public transport, including more connectivity, increased frequencies and greater availability.

The LTCP will be developed further in the light of consultation responses and adopted in early 2023.

Case Study – Excel First

Excel – First has developed an 83 mile long service that links Peterborough and Norwich every thirty minutes via a series of important market towns across the broad plains of East Anglia. Regularly refreshed and updated, the Excel service uses high-spec double-deckers run a service that is fast, reliable and highly regarded by passengers – it has also become a successful alternative to the Beeching-cut Peterborough – Wisbech – Kings Lynn rail service, and operates via Peterborough rail station to provide onward bus-rail connections

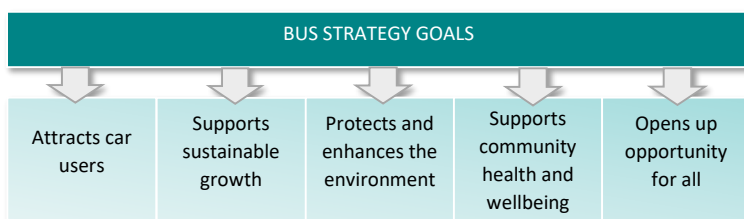


A Bus Strategy for Cambridgeshire and Peterborough - Vision



The vision is for a comprehensive network of bus services across Cambridgeshire and Peterborough that people find convenient, easy to use, reliable and good value for money, that is inclusive and offers a viable alternative to the car.

We want to create a more connected region, which will encourage active and sustainable travel, improve health and wellbeing and reduce private vehicle journeys.



Success in achieving the vision will mean more travel by bus and less reliance on car travel. This in turn will help us maintain economic growth, care for the environment and improve quality of life.

To realise the vision, this Strategy seeks to achieve the following:

- A comprehensive bus network, better connecting people to places across all parts of the region and beyond.
- Buses are part of a fully integrated and planned transport system.
- A more affordable network, with simplified fares and capping across the network
- A Transitioning to new, low emission vehicles, providing all the benefits of modern bus travel
- A more understandable bus network, services and fares, with clear information at all stages of a journeys and easy ticketing.
- Faster and more reliable-punctual journeys by bus, delivered with more, effective bus priority measures.
- High quality passenger waiting facilities.
- Good quality services with high levels of satisfaction amongst customers.
- A doubling of bus passengers (based on 2019/20 levels) by 2030.
- Less traffic and congestion by attracting car users to buses.
- Better bus infrastructure, including bus shelters and wider-widespread real time information coverage

Achieving these outcomes will rely on the delivery of a programme of evidence-based interventions across the Cambridgeshire and Peterborough geography. Bold decisions, with appropriate levels of funding, will be needed, backed by a steady, consistent and determined approach to delivering a better bus network for all.

Significant capital and revenue funding sources will need to be identified from various sources to realise our ambition.

Bus Strategy - Aims



The Bus Strategy aims to set out how bus services will be improved to deliver the goals and objectives of the Combined Authority's Local Transport and Connectivity Plan and Greater Cambridge Partnership's transformation of the public transport network, as part of its City Access programme.

The aim of the Bus Strategy is to pave the way for a bus network that is convenient, attractive and easy to use, characterised by all of the following attributes:

CONVENIENT	<ul style="list-style-type: none"> • Routes connecting to places and activities that people want to get to. • <u>All areas are well served by bus. Services are available in all areas.</u> • Direct routes with little deviation. • Frequent services with limited waiting time in-between. • Services are available all day and into the evening, every day. • Range of tickets to meet different needs.
ATTRACTIVE	<ul style="list-style-type: none"> • The network is simple and easy to understand. • Buses <u>enjoy-have</u> a great public image and everyone <u>is happy to use/likes using</u> them. • Services can be relied upon and run to time, without delay. • Cost of using a bus is considered good value for money, with targeted fares offers that incentivise some groups. • Buses run direct and quick. • Buses are clean, comfortable and pleasant to ride on. • Services are well marketed and there is plenty of clear information in a range of formats, available via different media. • Waiting environments are attractive, offer seating and information, and people feel safe using them. • Pleasant and helpful drivers, able to assist when needed.
EASY	<ul style="list-style-type: none"> • A single understandable network that functions as one, with connecting services, branding and system-wide ticketing. • Ability for people to transfer between bus and other travel modes (walk, cycle, e-scooter, car, coach, train). • A clear service offer, backed by a Passenger Charter. • Buses run at regular time intervals and with consistent frequencies. • Stable services with minimal changes, removing uncertainty and confusion. • Simple fares with payment through a range of methods. • A system that is accessible and can be used by all.

Delivering the Bus Strategy

Four main principles underpin our approach to delivering the bus service improvements in this Strategy:

1. Achieving a continuous cycle of passenger growth and service improvement
4. An injection of investment into the bus network will allow improvements, such as more frequent services or the ability to reach new destinations. Better services will attract more passengers and, therefore, increase fares revenue, improving the viability of services. Ultimately, this provides the funds for further improvements, with the planning of services aimed at meeting unmet demands.

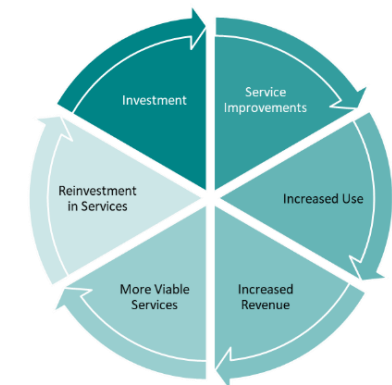


Figure 1 - needs a caption



Specific interventions, such as bus priority measures can help accelerate this cycle. They can speed up buses, so they offer passengers quicker journey times. Also, they reduce bus operating costs. The combination of more revenue and lower costs improves viability and provides monies for reinvestment.

2. Using the best operational model of provision to achieve the necessary step change in the most effective way

We believe that bus franchising could be the best way of delivering a modern, integrated transport system across Cambridgeshire and Peterborough with a fully accessible, low emission, bus network providing affordable, inclusive and integrated travel opportunities.

Bus services are currently provided within a deregulated environment. Commercial operators decide what routes and timetables they are going to offer and the fares they will charge. Where services do not exist or are considered deficient, the Combined Authority can seek to contract with operators and subsidise the provision of additional services.

Recognising that the fully deregulated provision of bus services doesn't work, the Government's National Bus Strategy required areas to introduce Enhanced Partnerships. These involve local authorities and bus operators working in partnership to jointly improve bus services. Enhanced Partnership Plans and Schemes set out how the bus network will be improved, including legally binding commitments by the authority to provide facilities and measures; in return, operators commit to service improvements, such as newer buses. Through such partnerships, authorities gain more influence of the network, although operators still operate within a deregulated environment.

Locally, there are concerns that the current approach does not deliver the best service for the whole Cambridgeshire and Peterborough region. Therefore, the Combined Authority is currently assessing whether introducing bus franchising would be beneficial. This would mean that the Combined Authority would specify all routes, timetables and ticketing arrangements, inviting bus operators to tender for contracts to operate those services.

Franchising itself will not deliver new or improved services, greater reliability or lower fares. These can only be achieved through increased investment in the network. However, what franchising could offer is greater network stability and local authority control over the design and delivery of an improved network of services with a sense of a single, integrated system and identity.

There is a set process for the assessment of franchising, which has a number of stages. If franchising is considered to an appropriate way

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[forward, it would be subject to public consultation in 2023.](#)

3. **Partnership**

Delivering an effective and attractive public transport service will rely on different parties working together from the private, public and voluntary sectors. Central to this will be the Bus Operator Forum, which brings together authorities, operators and different stakeholders.

[It will be important for all local authorities to work together, as each has the ability to help realise the strategy in different ways, including the management of highways and local parking policies and management.](#)

The overall ambition is for better bus services. These may be provided by a range of different operators, both large and small. Equally, they might be run by the commercial or voluntary sectors, or even by the authority itself. Regardless of how or who runs the services, the network will be seen as a single entity, promoted and delivered as one.

4. **Integration**

Whilst the Bus Strategy is all about the public bus network, it is intended that this be provided in the most effective and efficient way. The comprehensive and extensive nature of the bus network will mean that it should be able to cater for many different needs, including pupils going to school and patients attending hospital appointments. Therefore, the network will be planned to co-ordinate with those other more specialist types of transport, with the aim of achieving economies of scale and best use of all vehicle resources.

Bus Strategy – An integrated, coherent network linking people to the places they want to get to

The foundation of the Strategy is the transformation of the bus network to offer more buses to more places. The comprehensive network will comprise:

- Services radiating out in all directions from Cambridges and Peterborough to market towns and villages. Some of

these will offer more direct routes with fewer stops, making journeys faster.

- City services within Cambridge and Peterborough, including orbital routes offering direct links to peripheral employment and education sites.
- Services connecting market towns.
- Other local services in rural areas, including flexible services that run on demand with app booking, and community-based transport using minibuses and volunteer cars.

This coordinated, planned network will offer levels of connectivity across the region that have never existed before. The simplicity of the network and consistent levels of service will be important in helping everyone understand and use it. Different types of services will run at frequencies shown in the table below, with all services operating at least once an hour. The most frequent will run every 6 minutes. All services will run from early morning through to the evening and on 7 days per week. The intention is to create a network that offers a real alternative to the car.

Wherever possible, measures will be put in place to prioritise road space for buses, or provide new dedicated infrastructure for buses to use, so they can travel unhindered and quickly, [ensuring punctual services that people can rely on](#). Not only will this give faster journeys for passengers, but it also means more efficient use of buses and drivers, allowing more services to be offered with the same resources.

The successful Park & Ride that has served Cambridge well for many years, will continue. However, the more comprehensive overall bus network will mean that more people will be able to make their whole journey by bus, rather than having to drive to a Park & Ride site and change.

It is also intended to maximise use of the Busway, with very frequent services, with links from surrounding areas connecting to it.

The density of services and high frequency will make connections between routes easy to make and with minimal waiting time. This will open up travel opportunities to even more destinations, aided by the ability to use one ticket for the whole journey. Less frequent services will be timed to connect with one another at designated

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Case Study – Cambridgeshire Busway

16 miles of reserved track stretch from St

Page 540 of 616

interchange points, where pleasant waiting facilities will be provided for passengers.

[In areas of diverse and limited demand, demand responsive services will offer the flexibility to make journeys between any points within travel zones, also linking to hubs for interchange with main line bus routes.](#)

[The bus network will be integrated with local walk and cycle networks, and cycle parking provided at key bus stops and interchanges.](#)

Bus Strategy – Bus services for rural areas


The ability to reach a range of facilities and services quickly and easily is important for people living in rural areas. This requires a more comprehensive bus network to be put in place, offering links to, from and between more places. Equally, services will be sufficiently frequent and run as directly as feasible.

Dispersed travel demands and sparse population mean that it may not always be appropriate to run conventional fixed route bus services. Therefore, other types of services, including demand responsive and community transport provision will be part of the solution. Furthermore, efficiency in the operation of services will be achieved by integrating different travel requirements, including education, social care and health transport.

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Case Study - TING

This innovative wide area demand responsive transport scheme uses four vehicles to maintain an anywhere to anywhere bus link in real time across 360 sq. km of west Huntingdonshire. The three conventional bus services in this area (each running 1 – 4 round trips daily) are to be merged into the Ting service by registering significant turn-up-and-go flows as part of the DRT offering to create better journey aggregation and reduce expenditure. This service will give passengers a quick and easy travel experience, with a vehicle renewal after 12 months. The scheme will replace 12 of the vehicles to be replaced by 4 minibuses.



Bus Strategy – Getting to places quickly and on time

Buses need to be able to run without hold-ups and unhindered by traffic. The overall aim of reducing other traffic on the road system, through different measures, such as road charging, will help buses. However, more will need to be done. Therefore, every bus route will be assessed to identify specific measures that will help buses run faster and more efficiently. Measures including bus lanes, traffic signal priority for buses and

introducing restrictions on parking or loading will be considered. Furthermore, traffic restraint measures will be ~~introduced~~ explored to discourage private transport use and encourage people to swap to the bus. In the Cambridge area, the possibility of These will include road charging measures is, as currently put forward in the Cambridge area being considered.

Working with constituent authorities. Processes will be put in place to better manage roadworks and temporary road closures, to minimise any impact on bus services and passengers.

Working with planning authorities, steps will be taken to encourage new development on existing public transport routes and to provide infrastructure that facilitates efficient bus service provision and encourages bus use.

Bus Strategy – Value for money and simple, integrated ticketing

Whilst regular users of buses often consider bus fares to represent reasonable value for money, particularly where attractive day or season tickets exist, non-users perceive bus travel to be costly. Clearly, cost and ticketing can be a barrier to using the bus. Therefore, simple fares and ticketing system play a crucial part in making bus use attractive.

Just one ticket range will be made available, allowing travel on any bus, providing ease of use and flexibility. Tickets will include single, day, week, month and year, along with bundles, such as 10 tickets for use over a 1-month period. One fare will apply for a journey, even when a change of bus is involved.

Payment will be available on-bus (cash or contactless) or via app, with payment automatically capped to offer the best ticket deal, providing the cheapest travel option.

Recognising that young people up to 25 years are dependent on buses, but equally have low incomes, they will be offered discounted fares to bridge the transition from child to adult fares.

Bus Strategy – Information and getting the message out

The comprehensive network of bus services will be promoted as a single, joined up system. There will be a single-one source of information about all routes, times and tickets, regardless of different operators running services. A simple identifiable brand will be used across the region's bus network and on all information. Simplicity of the information will be aided by the easily understood network and regular timetables. Clear, comprehensive information will be provided on-line, via app, in printed form and at bus stops, including real time displays indicating when the next bus is due.

There will be strong marketing campaigns encouraging bus use via a range of media, including targeted communications aimed at particular groups of potential users.

Information will be available before and during travel, in a range of formats.

helping people to plan their journeys and be informed about other details on the way. On-bus audio-visual displays will provide information on journey progress, next stops, delays and other information, such as connections with other services at points ahead.

Bus Strategy – Delighting customers

Travel by bus will be pleasant and comfortable. Passengers will feel safe at all stages of their journeys.

Buses will offer design features that delight customers, including the ability to move around the bus, sit in comfort and have a clear view out of the windows. USB charging will be available at all seats. All buses will be equipped with on-bus CCTV.

Drivers will be trained in smooth driving and customer care.

The desire is for B bus stops and the walking routes to them will to be well maintained and lit. Where feasible, CCTV will be provided. Bus stops will, wherever possible, have shelters, along with seating and information displays. Stops will be kept clear of other vehicles, allowing buses to pull up right at the kerb, enabling easy access on to

and off buses. Bus stations and interchanges will be enlarged to accommodate more buses and will offer safe and pleasant waiting environments for customers.

Surveys will be undertaken regularly to measure customer satisfaction with different aspects of the bus network, identifying potential areas for improvement.

Bus Strategy – Buses
~~services~~ that people want to
get on


Buses make efficient use of road space. A bus can carry the same number of people as up to 70 cars. Modern diesel engines mean much lower emissions and introduction of zero emission electric buses will make for a very clean, smooth and quiet way of travelling.

The aim is for a new, modern fleet of zero emission buses to run services across the region. These will also provide a high standard of comfort for customers, in terms of décor, lighting, temperature and seating.

New bus depots will be established to provide suitable electric charging facilities for the fleet, as well as excellent vehicle maintenance and cleaning facilities and staff accommodation.

Case Study – Electric Buses

The first two electric double-deckers arrived in December 2019 for trial running whilst our successful ZEBRA bid was compiled. The successful bid is now being actioned and will replace all the Park & Ride buses with thirty zero emission double-deckers in Spring 2023. These will dramatically cut NOx and particulates in Cambridge City Centre. By



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Part 6: Recommendations from Skills Committee – 7 November 2022

Agenda Item 6.1:	University of Peterborough, Delivery Update and Future CPCA Role (KD2022/029)
Recommendation(s):	<p>The Combined Authority Board is recommended to:</p> <ul style="list-style-type: none">a) Note the progress of the development of the University of Peterborough, the opening and operation of the phase 1 building to students by ARU Peterborough and its initial and potential performance against the original business plan objectives.b) Note the future role of the Combined Authority in the next few months in the further evolution and development of the University through the following:<ul style="list-style-type: none">i. Preparation and submission for approval of the Phase 3 full business case including a review of the University's original quantitative objectives set at the Phase 1 full business case, with further recommendations about how to reset these for effective monitoring of the new University.ii. Update and preparation of the University Programme Business Case including partners strategy for delivery.iii. Supporting and managing the preparation and submission of an outline planning application for a scheme to articulate the vision to potentially expand the University campus beyond the phase 3.iv. To review the business plan and approach to lettings for the phase 2 building to achieve the best outcome.
Voting arrangements:	<p>A simple majority of Members present and voting.</p> <p>To be carried, the vote must include the vote of the Mayor, or the Deputy Mayor when acting in place of the Mayor.</p>

<p>Purpose:</p>	<p>The University of Peterborough is a key Combined Authority project of the Combined Authority and since 2019 the University has progressed rapidly from being on a 'drawing board' to a now open and operating University.</p> <p>With ARU Peterborough now teaching its first students and with the delivery of the second teaching building in the pipeline, it is an appropriate time to update Members on progress to date. It is proposed that the Combined Authority should continue to have a key role in helping to shape the delivery of the University as part of a programme business case review process during 2023.</p> <p>Now that Phase 1 of the University is open and operational, a review of the business case and associated key performance indicators (KPI's) is required. The report to the Skills Committee on 7 November 2022 set out a strategy for reviewing the initial outputs of the University in line with the approval of the Phase 3 full business case, which is due to be considered by the Skills Committee, Business Board and Combined Authority Board in January 2023. It considers what the Combined Authority's role could be over the next two years and offers a proposed way forward in realising the opportunities available to ensure the success of the university and its Campus.</p>
<p>Strategic Objectives:</p>	<p>The University of Peterborough aligns with the CPCA Economic Growth Strategy and all 6 keys within the Sustainable Growth Ambition Statement. The objectives are to reduce inequalities through provision of a high-quality employment focused University. It aims to increase the skills levels of local people; and increase highly skilled employment opportunities in the surrounding area. These will support local people to gain access to long-term employment opportunities and support local businesses to grow by making it easier to hire skilled employees, invest in innovation and attract new high value firms to the city and surrounding area.</p> <p>ARU Peterborough and the Peterborough Innovation & Research Centre aim to work together to create opportunities for new thinking, new technology and new ideas that will improve quality of life, and to build on the reputation of our district as a global leader in innovative growth. This will in turn attract more businesses to our area, bringing greater job opportunities and further investment.</p> <p>ARU Peterborough and the Peterborough Research & Innovation Centre will, through local employment, training and education opportunities support local and environmentally sustainable choices regarding travel and transport. The design of the teaching buildings will meet BREEAM Very Good standards, and all planning applications will meet national and</p>

	<p>local standards regarding the preservation and further advancement of biodiversity in the local area.</p> <p>As the University Campus develops over time there are further strategies in place to work with the University Partners and the tenants of the Peterborough Research & Innovation Centre, for the site and buildings to have net carbon zero impact by 2030.</p>
Appendices:	n/a
Links:	n/a

Agenda Item 6.2:	Growth Works Performance Review
Recommendation(s):	<p>The Combined Authority is recommended to:</p> <p>Approve the implementation of proposed six recommendations from the programme review as outlined at section 8 of the report. These are:</p> <ul style="list-style-type: none"> i. Increase the jobs to be created from the £3m European Regional Development Fund (ERDF) funded grant programme from 400 to 1240 ii. Reduce the Growth Coaching Service new jobs target to 1417 to provide capacity to continue to support existing clients. iii. Re-allocate 500k of the contracted funding and 454 jobs output target from the Growth Coaching budget line to the Inward Investment service line to give a new total jobs output of 1262 across the Inward Investment contract line. iv. Approve an overall reduction of 10% in the jobs created target to 4937 compared to an initial target of 5486. v. Revise the focus of the skills brokerage model from longer term culture change to medium term output deliverables to deliver required learning outcomes, apprenticeship starts and European Social Fund (ESF) key performance indicators. vi. Approve a more realistic alignment of Growth Works for Skills with the emergent needs of local businesses. <p>The Board should note Appendix 1 to this summary report in respect of the Business Board position on endorsing these recommendations from its meeting on 14th November 2022.</p>

Voting arrangements:	<p>A simple majority of Members present and voting.</p> <p>To be carried, the vote must include the vote of the Mayor, or the Deputy Mayor when acting in place of the Mayor.</p>
Purpose:	<p>A programme review of the overall performance to date of the Growth Works Programme has been undertaken by Gateley Economic Growth Service (GEG) and its private sector partners, as directed by the Cambridgeshire & Peterborough Combined Authority (CPCA).</p> <p>The Board is asked to consider the recommendations proposed from the Programme review and to address performance concerns and to sustain successful delivery of the Growth Works Programme.</p>
Strategic Objectives:	<p>Project aligns with the CPCA Economic Growth Strategy and 3 of the 6 keys within the Sustainable Growth Ambition Statement. The proposed changes to delivery within this project will have a positive impact on inequalities, innovation, public health and skills regarding the sustained growth of business across all of the Combined Authority, skills and recruitment support to businesses and individuals leading to employment and skills outcome improvements across all of Cambridgeshire and Peterborough.</p>
Appendices:	<p>Appendix 1: Business Board Endorsement of the Recommendations from Skills Committee – 14 November 2022</p> <p>Appendix 2 - Growth Works Programme Performance Report for Quarter 7</p> <p>Appendix 3 - Growth Works Net Promoter Score (NPS) for Quarter 7 Survey</p> <p>Appendix 4 - Growth Works Programme Breakdown of Performance by Service Line</p> <p>Appendix 5 – Growth Works Programme Summary of Review Recommendations</p>
Links:	n/a

Agenda Item No. 6.2 – Appendix 1

Business Board Endorsement of the Recommendations from Skills Committee – 14 November 2022

The Skills Committee approved all six recommendations from the programme review contained in section 8 of the report at their meeting on 7th November 2022.

The Business Board were invited to endorse the same recommendations from the programme review at their meeting on the 14th November 2022.

The Business Board received an update report on programme performance for Quarter 7 of the Growth Works contract, covering the period from July 2022 to September 2022. It also presented the findings of a programme review on overall performance to date that had been undertaken by Gateley Economic Growth Service (GEG) and its private sector partners, and proposed changes to address performance concerns and to sustain successful delivery of the Growth Works Programme.

While discussing the report, the Business Board expressed concern about the programme review's recommendation for a 10% reduction in the jobs created target, arguing that recruitment was currently a fundamental issue and more work should be done to resolve it rather than reducing targets. It was suggested that a failure to meet a target should be acknowledged and analysed.

Members were informed that the proposal to reassign resources meant there would be a hiatus and an impact on the ability to achieve current targets, hence the proposed reduction of the target.

Members noted that the programme review's recommendations had been considered by the Skills Committee on 7th November 2022, and recommended for approval to the Combined Authority Board, although it was confirmed that the Business Board's concerns would be conveyed to the Combined Authority Board at its meeting on 30th November 2022.

After debate and discussion on this item, the following amendment was proposed by the Board and agreed unanimously (additions in bold):

- c) Endorse the proposed recommendations **1, 2, 3, 5 and 6** from the programme review, as set out in section 5 of the Business Board report; **and**

- d) **Not endorse the proposed recommendation 4 from the programme review, as set out in section 5 of this report.**

The Business Board then resolved unanimously on this item to:

- a) Note the Growth Works Programme performance data for Q7 (01 July to 30 September 2022);
- b) Note the outcomes and findings of the recent Programme Review;
- c) Endorse the proposed recommendations 1, 2, 3, 5 and 6 from the programme review, as set out in section 5 of this report; and
- d) Not endorse the proposed recommendation 4 from the programme review, as set out in section 5 of the Business Board report.

The Chair of the Skills Committee was made aware of the Business Boards decision to not endorse recommendation 4 from the programme review.



Part 7: Recommendations from the Housing and Communities Committee on 14 November 2022

Agenda Item 7.1:	Digital Connectivity Programme Reprofiling															
Recommendation(s):	<p>The Combined Authority Board is recommended to:</p> <p>Approve the re-profiling of the Digital Connectivity Programme budget as below:</p> <table><tr><td></td><td>2022-3</td><td>2023-4</td><td>2024-5</td><td>Total</td></tr><tr><td>Original Budget</td><td>2,118,000</td><td>1,500,000</td><td>1,500,000</td><td>5,118,000</td></tr><tr><td>Revised Budget</td><td>1,262,000</td><td>1,943,000</td><td>1,913,000</td><td>5,118,000</td></tr></table>		2022-3	2023-4	2024-5	Total	Original Budget	2,118,000	1,500,000	1,500,000	5,118,000	Revised Budget	1,262,000	1,943,000	1,913,000	5,118,000
	2022-3	2023-4	2024-5	Total												
Original Budget	2,118,000	1,500,000	1,500,000	5,118,000												
Revised Budget	1,262,000	1,943,000	1,913,000	5,118,000												
Voting arrangements:	<p>A simple majority of Members present and voting.</p> <p>To be carried, the vote must include the vote of the Mayor, or the Deputy Mayor when acting in place of the Mayor.</p>															
Purpose:	To seek approval to re-profile the annual Digital Connectivity Programme budget.															
Strategic Objectives:	To continue to deliver and roll out improved digital connectivity supporting economic growth.															
Appendices:	n/a															
Links:	<p>Connecting Cambridgeshire Mobile Coverage Factsheets June 2022</p> <p>Cambridgeshire and Peterborough Digital Connectivity Infrastructure Strategy 2021-2025</p> <p>Ofcom Affordability of communications services July 2022</p> <p>Good Things Foundation report on the economic impact of digital inclusion July 2022</p>															



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Part 8: Recommendations from the Business Board - 14 November 2022

Agenda Item 8.1:	Strategic Funds Management Review November 2022
Recommendation(s):	<p>The Combined Authority Board is recommended to:</p> <p>Decline the Project Change Request for the South Fens Enterprise Park project, and for funding to be clawed back in line with the existing grant agreement.</p>
Voting arrangements:	<p>A simple majority of all Members present and voting,</p> <p>To be carried, the vote must include the vote of the Mayor, or the Deputy Mayor when acting in place of the Mayor.</p>
Purpose:	<p>The South Fenland Enterprise Park project being delivered by Fenland District Council (FDC) was awarded £997,032 of Local Growth Funds in 2020. The project has been delayed from the original plans due to it being combined with another remaining phase of development of the Business Park, leading to revised planning requirements only recently being approved and the scheme also recently tendered.</p> <p>FDC has now reported that the tendering process has thrown up a significant gap in the funding to deliver the project, with the quotes significantly higher than expected due to the current inflationary pressures on materials and delivery of construction projects. The quoted cost for the combined two-phase project is £5.5m, and the funding shortfall is £4.6m. FDC does not have this sum available in its budget which means it has been unable to proceed with completing the tender process and awarding a contract.</p> <p>A project change request from FDC is attached at Exempt Appendix 1. This includes details of options considered by FDC and its preferred option proposal to re-tender the scheme with additional information seeking quotes on two routes: one to complete whole scheme phase 1 and 2; or a phase 1 single block scheme and supporting infrastructure. But either of the routes being tendered will still leave a funding gap, and details of how this will be funded has not been shared with officers. It is anticipated that the project will now complete by April 2024.</p>

	<p>The project is now far behind its original delivery date, with outputs and outcomes looking increasingly undeliverable. Confidence is not high that a retendering exercise would substantially reduce costs in the current climate. Therefore, officers recommended to the Business Board that the project change request be rejected, and the grant funding be returned to the LGF Recycled budget via the non-delivery clawback clauses in the funding agreement.</p>
Strategic Objectives:	<p>The Local Growth Fund Programme awarded funding to this project in 2020 through calls for projects based on the 2019 Cambridgeshire and Peterborough Local Industrial Strategy. Whilst reviewing this project it does still align with the Economic Growth Strategy and 3 of the 6 keys within the Sustainable Growth Ambition Statement which are Reducing Inequalities, Health & Skills and Innovation. However, the objectives, outputs and outcomes agreed with the original funding award for this project have not been achieved to date and are looking very unlikely to be achieved. Retrieving and reassigning this funding to other projects will be directed by the Business Board on delivering projects that will have an impact against implementation of the Economic Growth Strategy.</p>
Exempt Appendix:	<p>Exempt Appendix 1: Project Change Request (South Fens Enterprise Park)</p> <p>This appendix is exempt from publication under Part 1 of Schedule 12A of the Local Government Act 1972, as amended, in that it would not be in the public interest for this information to be disclosed (information relating to the financial or business affairs of any particular person (including the authority holding that information)).</p> <p>The public interest in maintaining the exemption is deemed to outweigh the public interest in publishing the appendix.</p>
Links:	<p>LGF Funding Award Project Approval - Business Board 27 January 2020 Agenda Item 2.2</p>



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Agenda Item No: 9.1

Governance of CPCA Subsidiary and Fully Owned Companies – Shareholder Board

To:	Cambridgeshire and Peterborough Combined Authority Board
Meeting Date:	30 November 2022
Public report:	Yes
Lead Member:	Councillor Edna Murphy, Lead Member for Governance
From:	Edwina Adefehinti, Interim Chief Officer Legal and Governance (Monitoring Officer)
Key decision:	No
Forward Plan ref:	n/a
Recommendations:	<p>The Combined Authority Board is recommended to:</p> <ul style="list-style-type: none">a) Approve the creation of a Shareholder Board to ensure that CPCA subsidiary companies act in the interests of the CPCA as shareholder, member and / or lender and contribute to the Authority's objectives.b) Note the draft Terms of Reference at set out at Appendix 2 and delegate approval of final terms to the Chief Executive Officer in consultation with the Lead Member for Governance, the Chief Finance Officer and the Monitoring Officer.
Voting arrangements:	<p>A simple majority of Members present and voting.</p> <p>To be carried, the vote must include the vote of the Mayor, or the Deputy Mayor when acting in place of the Mayor.</p>

1. Purpose

- 1.1 To seek approval for the creation of a shareholder Board.
- 1.2 The recommendations proposed will improve the Authority's company governance arrangements and will allow the Authority to closely monitor its interest within each of its companies with increased clarity, transparency, and reporting.
- 1.3 The proposals will ensure that the CPCA and its subsidiaries are meeting their legal and statutory responsibilities and are practising good governance.
- 1.4 The proposed Shareholder Board will be a board of the Executive and therefore a Board decision is needed.

2. Background

- 2.1 The CPCA has several subsidiary companies (owned or partly owned) in place and it is timely to review overall the governance arrangements to ensure continued visibility and reinforce best practise to deliver statutory arrangements
- 2.2 An audit report on Nottingham City Council's arrangements relating to its company, Robin Hood Energy, stresses the need to ensure that "sufficient checks and balances are in place and that risks are appropriately recognised and managed, that there is an effective scrutiny function and that challenge of political priorities by both members and officers is seen as a positive. This provides an important message that all local authorities establishing commercial entities should be alive to what is referred to as "institutional blindness".
- 2.3 The Authority is also aware that external auditors, such as Grant Thornton and EY, have issued public interest reports where local authority companies have performed poorly and where it was found that governance arrangements were not adequate. RSM, our internal auditors recently conducted an [internal audit of CPCA companies](#). This audit provided minimal assurance regarding the governance of the companies.
- 2.4 The CPCA is committed to maintaining strong and robust governance to ensure that decisions are taken in the best interests of the communities it serves. As part of this commitment, the CPCA will constantly review its governance arrangements alongside learning best practice with other authorities to ensure the Authority continues to meet its statutory obligations in the best way.
- 2.5 Oversight of CPCA companies will be established with visibility of board minutes and supporting papers being sent to the shareholder board.
- 2.6 Business plans of subsidiaries will be scrutinised by the Shareholder Board with the Shareholder representative regularly attending board meetings of CPCA companies.
- 2.7 The proposal for a shareholder Board is consistent with the best practice advice in the recent Local Authorities Companies Review Guidance ([Local Authorities Companies Review Guidance](#).)
- 2.8 The CPCA's companies will require on-going management and oversight save for OneCAM which is in the process of being wound up. The companies which CPCA currently owns or has an involvement with and to which this report immediately applies are set out below:
 - i. ANGLE HOLDINGS LIMITED

- ii. ANGLE DEVELOPMENTS (EAST) LIMITED
- iii. CAMBRIDGESHIRE & PETERBOROUGH GROWTH COMPANY
- iv. PETERBOROUGH HE PROPERTY COMPANY LIMITED
- v. PETERBOROUGH R&D PROPERTY COMPANY LIMITED

3. Timescales and Next Steps

- 3.1 Form the Shareholder Board.
- 3.2 Develop a support programme for proposed Board members.
- 3.3 Undertake due diligence reviews on all Companies and Directors.
- 3.4 Regular reports will be submitted by the Shareholder Board to CA Board at intervals to be agreed for any matters reserved for CA Board decision, such as proposed material changes or budgets and risk changes.
- 3.5 Reports on Company's progress will be submitted by the shareholder Board to CA Board at no less than annual intervals.

Significant Implications

4. Financial Implications

- 4.1 There are no direct financial implications at this stage.

5. Legal Implications

- 5.1 See Appendix 2 for guidance.

6. Public Health Implications

- 6.1

7. Environmental and Climate Change Implications

- 7.1

8. Other Significant Implications

- 8.1

9. Appendices

- 9.1 Appendix 1 - Governance of Companies report
- 9.2 Appendix 2 – CPCA Shareholder Committee draft Terms of Reference

- 10. Background Papers
- 10.1 None.

Legal Implications

1. The Committee on Standards in Public Life published fifteen recommendations on local government ethical standards best practice. Recommendation 14 states that "Councils (Local Authorities) should report on separate bodies they have set up or which they own as part of their annual governance statement and give a full picture of their relationship with those bodies. Separate bodies created by local authorities should abide by the Nolan principle of openness and publish their board agendas and minutes and annual reports in an accessible place."
2. CPCA may require that certain decisions of the shareholder (within the Authority's typical levels of materiality and thresholds in its schemes of delegation) require ratification by the Section 73 Officer and/or Monitoring Officer.
3. A review of companies' house should be undertaken to ensure all companies and Directors are recorded correctly
4. A review of all companies should be undertaken to ensure they are legally compliant
5. A review of all current SLA's should be undertaken
6. Local authority members and officers should be aware of potential conflicts of interest when carrying out their roles for CPCA, or when acting as directors of companies.
7. All potential conflicts of interest should be referred to the council's Monitoring Officer for a decision about whether a conflict exists.
8. CPCA has the power to set up companies or bodies, which they own. Section 1(1) of the Localism Act 2011 introduced the "general power of competence" for local authorities, defined as "the power to do anything that individuals generally may do" and which expressly includes the power to do something for the benefit of the authority, its area or persons resident or present in its area. The generality of the power conferred by subsection (1) is not limited by the existence of any other power of the authority which (to any extent) overlaps the general power. This has led to the creation of New Companies including wholly owned and partly owned companies and joint ventures with either the public or the private sector.
9. Section 4(2) of the Localism Act 2011 provides that where, in exercise of the general power, a local authority does things for a commercial purpose the authority must do them through a company.
10. Section 95 of the Local Government Act 2003 authorises the Authority to do for a commercial purpose anything which it is authorised to do for carrying on any of its

ordinary functions (other than where it is under a statutory duty to provide that function) however, this power is only exercisable through a company.

11. Section 111 of the Local Government Act 1972 enables the Authority to do anything which is calculated to facilitate, or is conducive to or incidental to, the discharge of any other of its functions, whether involving expenditure, borrowing or lending money, or the acquisition or disposal of any rights or property.
12. The Local Government Association's (LGA) guide on enterprising Councils, advises local Authority that the governance framework should clearly articulate the role of Councillors and scrutiny.
13. Recently, there has been significant consideration in the local government sector of how a number of local authority owned companies have failed. One of the highest profile examples is Robin Hood Energy Limited, a company wholly owned by Nottingham City Council. Following concerns regarding that company's governance, NCC instructed Grant Thornton UK LLP to conduct a governance review, and a Report in the Public Interest prepared by them was published in 2020 under section 24 and Schedule 7 of the Local Audit and Accountability Act 2014.
14. The Public Interest Report concluded that: "Overall, the governance arrangements were overshadowed by (NCC's) determination that the Company should be a success, and this led to institutional blindness within the Council as a whole to the escalating risks involved, which were ultimately very significant risks to public money. Where concerns were raised by some individuals, these concerns were downplayed and the resulting actions insufficient".
15. The proposal to set up a Shareholder Committee, the Terms of Reference as set out in the report will ensure that CPCA not only acts lawfully but also that current guidance and good practice recommendations as mentioned above are followed. The proposals will ensure improved governance of companies or bodies set up by CPCA.

CPCA Shareholder Board

Draft Terms of Reference

1. Overview

- 1.1 The Shareholder Board forms part of the overall governance arrangements for CPCA ("**the Authority**") in relation to companies and other legal entities which are wholly or partly owned or controlled by the Authority (including where such control comes about indirectly, such as via a loan agreement) (each a "**Subsidiary**" and together the "**Subsidiaries**").
- 1.2 The Purpose of the Shareholder Board is to advise the mayor in the exercise of his/her responsibility for the authority's functions corporate shareholder of a company or group of companies and in their role to represent the interest of the Authority as Shareholder Representative at meetings of a company.

2. Membership and arrangements

- 2.1 The members of the Shareholder Board will be set to the mayor and three members of the combined authority consisting of:
 - One member of the Conservative party
 - One member of the Labour party
 - One member of the Liberal Democrat party
 - At least one but no more than two co-opted members who will be independent persons providing relevant expertise and appointed on merit
 - The Chair or representative of the Overview and Scrutiny committee to act in the capacity of an observer
 - The Chair or representative of the Audit Governance committee to act in the capacity of an observer
 - The Chair or representative of the Business Board to act in the capacity of an observer
 - The Chief Executive Officer or their representative
- 2.2 Each Shareholder Board member may nominate a substitute to attend a meeting in their place.
- 2.3 The Shareholder Board will be supported by officers as advisors primarily consisting of:
 - Chief Finance Officer or representative
 - Chief Legal Officer or representative

- An officer with experience relevant to the business of the company
 - Other officers as may be required or suitably experienced non-Executive Director.
- 2.4 Board advisory officers may nominate an alternate officer to attend a meeting in their place.
- 2.5 The Shareholder Board will appoint the Mayor as Chair of the Shareholder Board and the shareholder representative of the authority. If the Chair is not present at the start of a meeting of the Shareholder Board, those members present will appoint one of the members present to chair that meeting.
- 2.6 Additional advisors, who do not need to be officers or members of the Authority, may be invited to attend the Shareholder Board as required but will not have voting rights.
- 2.7 The Board will need to follow and have regard to the rules set out in the Constitution including the finance procedure rules.

3. Role of the Shareholder Board

- 3.1 The Shareholder Board will have a role in ensuring proper governance of the Authority's Subsidiaries, such role to include:
- 3.3.1 Monitoring performance and information from each Subsidiary, in particular on financial and other risks and escalating such risks within the Authority as appropriate.
- 3.3.2 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 Shareholder Board.
- 3.3.3 Making reports and recommendations to the CA Board on areas outside of the Shareholder Board's delegated authority.
- 3.3.4 Agreeing and entering into a Shareholder Agreement with each of the Authority's Subsidiaries.
- 3.3.5 The necessary oversight, from a shareholder's perspective, that the parameters, policies, and boundaries, that the Authority has established are being adhered to including a regular review of whether the Subsidiary provides the most effective vehicle to deliver the outcomes it requires and whether there are viable alternative models which might offer a more effective means of delivering its priorities.
- 3.3.6 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.

- 3.3.7 Agree a mechanism to communicate the shareholder's views to the Subsidiary by effecting systematic engagement between the Chair/CEO and shareholder role to assure effective performance against strategy and governance.
- 3.3.8 Provide a holistic review of risk to the authority offered by all active Subsidiaries.
- 3.3.9 Consider and advise on the duties and if any, the training needs of potential Directors to allow them to competently assume this role.
- 3.3.10 Making representations to the Directors on the Business Plans of the Subsidiary Companies or other organisations set out in this report.
- 3.3.11 Receiving reports from the Directors where appropriate, on the progress and conduct of business in accordance with the approved Business Plan.
- 3.3.12 Reporting to the Board on the performance of the Subsidiary Companies.
- 3.3.13 Undertaking due diligence on the various Subsidiary Companies to ensure liabilities are known and accounted for within the authority.
- 3.3.14 Deciding whether a particular Subsidiary needs to be under the oversight of a specific service area.
- 3.3.15 In the case of forming a new Subsidiary, the Board 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.
- 3.4 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"**).
- 3.5 A detailed description of the Shareholder Board's role in relation to each Subsidiary will be set out in the relevant Shareholder Agreement.
- 3.6 Authority to make decisions on behalf of the Authority is delegated to the Shareholder Board for each Subsidiary as follows:
 - 3.6.1 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 :
 - 3.6.2 Approval of Shareholder Agreement with each Subsidiary
 - 3.6.3 Approval of annual Business Plan and deviations from Business Plan.

- 3.6.4 Approval of key appointments (including appointment, removal and or replacement of Directors) and ensuring that the Authority appointments to the board of a Subsidiary comply with the Authority's constitution
- 3.6.5 Borrowing money, granting security and giving of guarantees
- 3.6.6 Issuing Legal proceedings outside of ordinary business
- 3.6.7 Altering in any respect the articles of association of a Subsidiary or any other governing document
- 3.6.8 Altering the rights attached to any of the shares in a Subsidiary
- 3.6.9 Approving the registration of any person as a shareholder or member of a Subsidiary
- 3.6.10 Ensuring that subsidiaries or the subsidiaries interests are not competing against or conflicting with, other subsidiaries or their interests
- 3.6.11 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.
- 3.6.12 Establishing proper arrangements to manage potential conflicts of interest in respect of Officers and/or members appointed to the board of a Subsidiary
- 3.6.13 Approval of pay and pension arrangements in respect of both key employees of the Subsidiary and CPCA Officers appointed to the board of a Subsidiary and ensure that decisions made to make termination payments are in line with the law and the Subsidiary's controlling documents.
- 3.6.14 Varying ownership and the amount of a Subsidiary's issued share capital and winding up of Subsidiary
- 3.6.15 Altering the name of any Subsidiary

4. Decision making

- 4.1 The Mayor or nominee of the mayor may make decisions concerning companies in which the Authority is or proposed to become shareholder either:
 - (a) in a CA Board meeting or
 - (b) in a meeting of the Shareholder Board

5. Meetings

- 5.1 The Shareholder board shall meet on a basis agreed by itself and its meetings will be held in private.
- 5.2 The quorum shall be the Mayor, one member of the CA Board, one independent co-opted member and one officer of the CPCA

6. Interactions

- 6.1 The Shareholder Board as it considers appropriate, may:
- 6.2 Report and make formal recommendations to the mayor directly or to the CA Board
- 6.3 Make reports to and consult the Overview and Scrutiny committee
- 6.4 Make reports to and consult the Audit and Governance committee

Cambridgeshire and Peterborough Combined Authority Forward Plan of Executive Decisions

Published 22 November 2022

The Forward Plan is an indication of future decisions. It is subject to continual review and may be changed in line with any revisions to the priorities and plans of the CPCA. It is re-published on a monthly basis to reflect such changes.

Purpose

The Forward Plan sets out all of the decisions to be taken by the Combined Authority Board, Executive Committees or by way of a Mayoral Decision Notice in the coming months. This makes sure that local residents and organisations know what decisions are due to be taken and when.

The Forward Plan is a live document which is updated regularly and published on the [Combined Authority website](#) (click the Forward Plan' button to view). At least 28 clear days' notice will be given of any key decisions to be taken.

What is a key decision?

A key decision is one which, in the view of the Overview and Scrutiny Committee, is likely to:

- i. result in the Combined Authority spending or saving a significant amount, compared with the budget for the service or function the decision relates to (usually £500,000 or more); or
- ii. have a significant effect on communities living or working in an area made up of two or more wards or electoral divisions in the area.

Non-key decisions and update reports

For transparency, the Forward Plan also includes all non-key decisions and update reports to be considered by the Combined Authority Board and Executive Committees.

Access to reports

A report will be available to view online one week before a decision is taken. You are entitled to view any documents listed on the Forward Plan after publication, or obtain extracts from any documents listed, subject to any restrictions on disclosure. There is no charge for viewing the documents, although charges may be made for photocopying or postage. Documents listed on this notice can be requested from [Democratic Services](#).

The Forward Plan will state if any reports or appendices are likely to be exempt from publication or confidential and may be discussed in private. If you want to make representations that a decision which it is proposed will be taken in private should instead be taken in public please contact [Edwina Adefehinti, Interim Chief Officer Legal and Governance, Monitoring Officer](#) at least five working days before the decision is due to be made.

Substantive changes to the previous month's Forward Plan are indicated in **bold text** for ease of reference.

Notice of decisions

Notice of the Combined Authority Board's decisions and Executive Committee decisions will be published online within three days of a public meeting taking place.

Standing items at Executive Committee meetings

The following reports are standing items and will be considered by at each meeting of the relevant committee. The most recently published Forward Plan will also be included on the agenda for each Executive Committee meeting:

Housing and Communities Committee

1. Affordable Housing Programme Loans Update
2. Affordable Housing Programme – Update on Implementation

Skills Committee

1. Budget and Performance Report
2. Employment and Skills Board Update

Transport and Infrastructure Committee

1. Performance and Finance Report

Combined Authority Board 30 November 2022

Governance items

	Title of report	Decision maker	Date of decision	Decision required	Purpose of report	Consultation	Lead officer	Lead Member	Documents relevant to the decision submitted to the decision maker
1.	Membership Changes November 2022 New item	Cambridgeshire and Peterborough Combined Authority Board	30 November 2022	Decision	To note changes to board and committee memberships notified by constituent councils.	Relevant internal and external stakeholders	Edwina Adefehinti Interim Chief Officer Legal and Governance, Monitoring Officer	Councillor Edna Murphy Lead Member for Governance	It is not anticipated that there will be any documents other than the report and relevant appendices.
2.	Forward Plan November 2022	Cambridgeshire and Peterborough Combined Authority Board	30 November 2022	Decision	To approve the latest version of the forward plan.	Relevant internal and external stakeholders	Edwina Adefehinti Interim Chief Officer Legal and Governance, Monitoring Officer	Councillor Edna Murphy Lead Member for Governance	It is not anticipated that there will be any documents other than the report and relevant appendices.

	Title of report	Decision maker	Date of decision	Decision required	Purpose of report	Consultation	Lead officer	Lead Member	Documents relevant to the decision submitted to the decision maker
3.	Combined Authority Monthly Highlights Report November 2022 New item	Cambridgeshire and Peterborough Combined Authority Board	30 November 2022	Decision	To provide a highlight report for November 2022.	Relevant internal and external stakeholders	Gordon Mitchell Chief Executive	Councillor Anna Smith Statutory Deputy Mayor	It is not anticipated that there will be any documents other than the report and relevant appendices.
4.	Improvement Plan Update New item	Cambridgeshire and Peterborough Combined Authority Board	30 November 2022	Decision	To receive an update on progress against the agreed Improvement Plan.	Relevant internal and external stakeholders	Angela Probert Interim Programme Director: Transformation	Councillor Anna Smith Statutory Deputy Mayor	It is not anticipated that there will be any documents other than the report and relevant appendices.
5.	Budget Monitor Update	Cambridgeshire and Peterborough Combined Authority Board	30 November 2022	Decision	To provide an update on the revenue and capital budgets	Relevant internal and external stakeholders	Jon Alsop Section 73 Chief Finance Officer	Councillor Anna Smith Statutory Deputy Mayor	It is not anticipated that there will be any documents

	Title of report	Decision maker	Date of decision	Decision required	Purpose of report	Consultation	Lead officer	Lead Member	Documents relevant to the decision submitted to the decision maker
					for the year to date.				other than the report and relevant appendices to be published.
6.	Draft 2023-24 Budget and Medium-Term Financial Plan to 2026-27 for public consultation New item	Cambridgeshire and Peterborough Combined Authority Board	30 November 2022	Decision	To approve the draft 2023-24 Budget and Medium-Term Financial Plan to 2026-27 for public consultation.	Relevant internal and external stakeholders	Jon Alsop Section 73 Chief Finance Officer	Councillor Anna Smith Statutory Deputy Mayor	It is not anticipated that there will be any documents other than the report and relevant appendices to be published.
7.	Governance of CPCA subsidiary and fully owned companies -	Cambridgeshire and Peterborough Combined Authority Board	30 November 2022	Decision	To seek authorisation to form a board to act as shareholder/ shareholder representative to	Relevant internal and external stakeholders including the Audit and	Edwina Adefehinti Interim Chief Officer Legal and Governance,	Councillor Edna Murphy Lead Member for Governance	It is not anticipated that there will be any documents other than the report

	Title of report	Decision maker	Date of decision	Decision required	Purpose of report	Consultation	Lead officer	Lead Member	Documents relevant to the decision submitted to the decision maker
	Shareholder Board New item				ensure proper governance for companies owned or part owned by the CPCA.	Governance Committee	Monitoring Officer		and relevant appendices.
8.	Minutes of the Extraordinary meeting on 20 May 2022* *Contains exempt information [see below]	Cambridgeshire and Peterborough Combined Authority Board	30 November 2022	Decision	To approve the minutes of the meeting.	Relevant internal and external stakeholders	Edwina Adefehinti Interim Chief Officer Legal and Governance, Monitoring Officer	Councillor Edna Murphy Lead Member for Governance	It is not anticipated that there will be any documents other than the report and relevant appendices.
9.	Minutes of the meeting on 31 August 2022* *Contains exempt information [see below]	Cambridgeshire and Peterborough Combined Authority Board	30 November 2022	Decision	To approve the minutes of the previous meeting and review the action log.	Relevant internal and external stakeholders	Edwina Adefehinti Interim Chief Officer Legal and Governance, Monitoring Officer	Councillor Edna Murphy Lead Member for Governance	It is not anticipated that there will be any documents other than the report and

	Title of report	Decision maker	Date of decision	Decision required	Purpose of report	Consultation	Lead officer	Lead Member	Documents relevant to the decision submitted to the decision maker
									relevant appendices.
10.	Minutes of the meeting on 19 October 2022 and Action Log	Cambridgeshire and Peterborough Combined Authority Board	30 November 2022	Decision	To approve the minutes of the previous meeting and review the action log.	Relevant internal and external stakeholders	Edwina Adefehinti Interim Chief Officer Legal and Governance, Monitoring Officer	Councillor Edna Murphy Lead Member for Governance	It is not anticipated that there will be any documents other than the report and relevant appendices.
11.	EXEMPT Transition Arrangement: Resignation of Officer** New item	Cambridgeshire and Peterborough Combined Authority Board	30 November 2022	Decision	To note the arrangements.	Relevant internal and external stakeholders	Gordon Mitchell Chief Executive Edwina Adefehinti Interim Chief Officer Legal and Governance, Monitoring Officer	Councillor Edna Murphy Lead Member for Governance	It is not anticipated that there will be any documents other than the report and relevant appendices.

* These minutes contain information which is exempt from publication under Part 1 of Schedule 12A of the Local Government Act 1972, as amended, in that it would not be in the public interest for this information to be disclosed (information relating to an individual; information which is likely to reveal the identity of an individual; information relating to the financial or business affairs of any particular person (including the authority holding that information)). The public interest in maintaining the exemption is deemed to outweigh the public interest in publication.

**This report is exempt from publication under Part 1 of Schedule 12A of the Local Government Act 1972, as amended, in that it would not be in the public interest for this information to be disclosed (information relating to an individual; information which is likely to reveal the identity of an individual; information relating to the financial or business affairs of any particular person (including the authority holding that information)). The public interest in maintaining the exemption is deemed to outweigh the public interest in publication.

Combined Authority Decisions

	Title of report	Decision maker	Date of decision	Decision required	Purpose of report	Consultation	Lead officer	Lead Member	Documents relevant to the decision submitted to the decision maker
12.	Combined Authority Gainshare - Equity Fund	Cambridgeshire and Peterborough Combined Authority Board	30 November 2022	Key Decision 2022/071	To approve the Full Strategic Outline Business Case for the Growth Works Equity Fund project and outline next steps.	Relevant internal and external stakeholders	Steve Clarke Interim Associate Director Business	Councillor Anna Smith Statutory Deputy Mayor	It is not anticipated that there will be any documents other than the report and relevant appendices.

	Title of report	Decision maker	Date of decision	Decision required	Purpose of report	Consultation	Lead officer	Lead Member	Documents relevant to the decision submitted to the decision maker
13.	Greater South East Net Zero Hub Deferred from October	Cambridgeshire and Peterborough Combined Authority Board	30 November 2022	Key Decision 2022/053	To agree the acceptance of the BEIS Net Zero Hub MoU 2022 to 2025 and the delivery of new projects and pilots; delegate authority to the Chief Executive, in consultation with the Chief Finance Officer and Monitoring Officer, to update the Net Zero Hub Board Terms of Reference and Accountable Body Agreement; and delegate authority to the Net Zero Hub Board for the use of the grants	Relevant internal and external stakeholders	Mark Parkinson Interim Director Corporate Services	Councillor Bridget Smith Lead Member for the Environment and Climate Change	It is not anticipated that there will be any documents other than the report and relevant appendices to be published.

	Title of report	Decision maker	Date of decision	Decision required	Purpose of report	Consultation	Lead officer	Lead Member	Documents relevant to the decision submitted to the decision maker
					where the decisions do not impact the Combined Authority staffing arrangements.				
14.	Market Towns Programme Financial Update November 2022 Deferred from October	Cambridgeshire and Peterborough Combined Authority Board	30 November 2022	Key Decision 2022/043	To approve updated expenditure profiles for projects under the existing CPCA Market Towns Programme.	Relevant internal and external stakeholders	Steve Clarke Interim Associate Director Business	Councillor Anna Smith Statutory Deputy Mayor	It is not anticipated that there will be any documents other than the report and relevant appendices to be published.
15.	Climate and Strategy Business Cases November 2022	Cambridgeshire and Peterborough Combined Authority Board	30 November 2022	Key Decision 2022/055	To seek approval for climate and strategy Business Cases and funding from the Subject to Approval line in	Relevant internal and external stakeholders	Steve Cox Associate Director	Councillor Bridget Smith Lead Member for the Environment	It is not anticipated that there will be any documents other than the report

	Title of report	Decision maker	Date of decision	Decision required	Purpose of report	Consultation	Lead officer	Lead Member	Documents relevant to the decision submitted to the decision maker
					<p>the Medium Term Financial Plan for the following projects:</p> <p>Waterbeach Depot Solar PV Smart-grid Project for electronic Refuse Collection Vehicles (WREN)</p> <p>Greater Cambridge Chalk Stream Project</p>			and Climate Change	and relevant appendices to be published
16.	<p>Local Nature Recovery Strategy Grant</p> <p>New item</p>	Cambridgeshire and Peterborough Combined Authority Board	30 November 2022	Decision	To passport the Local Nature Recovery Strategy Grant to Cambridgeshire County Council.	Relevant internal and external stakeholders	Steve Cox Associate Director	Councillor Bridget Smith Lead Member for the Environment and Climate Change	It is not anticipated that there will be any documents other than the report and relevant appendices

	Title of report	Decision maker	Date of decision	Decision required	Purpose of report	Consultation	Lead officer	Lead Member	Documents relevant to the decision submitted to the decision maker
									to be published
17.	Call-in of decision by the Transport and Infrastructure Committee: Demand Responsive Transport New item	Cambridgeshire and Peterborough Combined Authority Board	30 November 2022	Decision	To consider a call-in of a decision made by the Transport and Infrastructure Committee on 16 November 2022.	Relevant internal and external stakeholders	Gordon Mitchell Chief Executive Edwina Adefehinti Interim Chief Officer Legal and Governance, Monitoring Officer	Councillor Anna Smith Statutory Deputy Mayor	It is not anticipated that there will be any documents other than the report and relevant appendices to be published
18.	EXEMPT University of Peterborough - Proposal to Offer financial assistance to R&D Company 2 Delivering the University	Cambridgeshire and Peterborough Combined Authority Board	30 November 2022	Key Decision 2022/072 [General Exception]	To consider a proposal to offer financial assistance to R&D Company 2 Delivering the University Phase 2 Building.	Relevant internal and external stakeholders	Roger Thompson Director of Housing and Development	Councillor Anna Smith Statutory Deputy Mayor	It is not anticipated that there will be any documents other than the report and relevant appendices

	Title of report	Decision maker	Date of decision	Decision required	Purpose of report	Consultation	Lead officer	Lead Member	Documents relevant to the decision submitted to the decision maker
	Phase 2 Building* New item								to be published

*This report is exempt from publication under Paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972, as amended, in that it would not be in the public interest for this information to be disclosed - information relating to the financial or business affairs of any particular person (including the authority holding that information). The public interest in maintaining the exemption is deemed to outweigh the public interest in its publication.

Recommendations of the Transport and Infrastructure Committee

	Title of report	Decision maker	Date of decision	Decision required	Purpose of report	Consultation	Lead officer	Lead Member	Documents relevant to the decision submitted to the decision maker
19.	Bus Strategy	Cambridgeshire and Peterborough	30 November 2022	Key Decision 2022/058	To update the Board on work around bus services and the	Relevant internal and external stakeholders	Steve Cox Associate Director	Councillor Anna Smith	It is not anticipated that there will be any

	Title of report	Decision maker	Date of decision	Decision required	Purpose of report	Consultation	Lead officer	Lead Member	Documents relevant to the decision submitted to the decision maker
		Combined Authority Board			Bus Service Improvement Plan and franchising and seek approval for the draft Bus Strategy consultation.		Tim Bellamy Interim Head of Transport	Statutory Deputy Mayor	documents other than the report and relevant appendices to be published
20.	A16 Norwood Improvements Outline Business Case	Cambridgeshire and Peterborough Combined Authority Board	30 November 2022	Key Decision 2022/042	To receive an update on the outcome of the Outline Business Case and approve next steps.	Relevant internal and external stakeholders including the Audit and Governance Committee	Steve Cox Associate Director Tim Bellamy Interim Head of Transport	Councillor Anna Smith Statutory Deputy Mayor	It is not anticipated that there will be any documents other than the report and relevant appendices.
21.	Transforming Cities Fund	Cambridgeshire and Peterborough Combined Authority Board	30 November 2022	Key Decision 2022/035	To consider and approve the recommended capital swaps to ensure the Transforming Cities Fund is	Relevant internal and external stakeholders	Steve Cox Associate Director Tim Bellamy Interim	Councillor Anna Smith Statutory Deputy Mayor	It is not anticipated that there will be any documents other than the report and

	Title of report	Decision maker	Date of decision	Decision required	Purpose of report	Consultation	Lead officer	Lead Member	Documents relevant to the decision submitted to the decision maker
					spent in a timely manner.		Head of Transport		relevant appendices.
22.	Wisbech Rail Next Steps	Cambridgeshire and Peterborough Combined Authority Board	30 November 2022	Key Decision 2022/014	To provide an update on the progress of Wisbech Rail and seek funding approval for next steps.	Relevant internal and external stakeholders	Steve Cox Associate Director Tim Bellamy Interim Head of Transport	Councillor Anna Smith Statutory Deputy Mayor	It is not anticipated that there will be any documents other than the report and relevant appendices.
23.	Snailwell Loop (Newmarket Curve)	Cambridgeshire and Peterborough Combined Authority Board	30 November 2022	Decision	To consider proposals for the release of funds to develop a business case for options to re-open Snailwell Loop (Newmarket Curve).	Relevant internal and external stakeholders	Steve Cox Associate Director and Tim Bellamy Interim Head of Transport	Councillor Anna Smith Statutory Deputy Mayor	It is not anticipated that there will be any documents other than the report and relevant appendices.

Recommendations from the Skills Committee

	Title of report	Decision maker	Date of decision	Decision required	Purpose of report	Consultation	Lead officer	Lead Member	Documents relevant to the decision submitted to the decision maker
24.	University of Peterborough, Delivery Update and Future CPCA Role [May contain confidential appendices]	Cambridgeshire and Peterborough Combined Authority Board	30 November 2022	Key Decision 2022/029	To note the progress of the development of the University of Peterborough, its initial and potential performance against the original business plan objectives and to consider the future role of the CPCA in the further evolution and development of the University.	Relevant internal and external stakeholders, including the Business Board	Roger Thompson Director of Housing and Development	Councillor Lucy Nethsingha Lead Member for Skills	It is not anticipated that there will be any documents other than the report and relevant appendices to be published.
25.	Growth Works Performance Review	Cambridgeshire and Peterborough Combined Authority Board	30 November 2022	Decision	To monitor performance of the Growth Works contract.	Relevant internal and external stakeholders including the	Fliss Miller Interim Associate Director Skills	Councillor Lucy Nethsingha Lead Member for Skills	It is not anticipated that there will be any documents other than

	Title of report	Decision maker	Date of decision	Decision required	Purpose of report	Consultation	Lead officer	Lead Member	Documents relevant to the decision submitted to the decision maker
						Business Board			the report and relevant appendices to be published

Recommendations from the Business Board

	Title of report	Decision maker	Date of decision	Decision required	Purpose of report	Consultation	Lead officer	Lead Member	Documents relevant to the decision submitted to the decision maker
26.	Strategic Funds Management Review November 2022 New item	Cambridgeshire and Peterborough Combined Authority Board	30 November 2022	Decision	To monitor and review programme performance, evaluation, outcomes and risks and consider a project	Relevant internal and external stakeholders	Roger Thompson Director of Housing and Development	Alex Plant Chair of the Business Board	It is not anticipated that there will be any documents other than the report and

	Title of report	Decision maker	Date of decision	Decision required	Purpose of report	Consultation	Lead officer	Lead Member	Documents relevant to the decision submitted to the decision maker
					change request for the South Fens Enterprise Park.				relevant appendices to be published

Skills Committee – 9 January 2023

	Title of report	Decision maker	Date of decision	Decision required	Purpose of report	Consultation	Lead officer	Lead Member	Documents relevant to the decision submitted to the decision maker
27.	ARU Peterborough Phase 3 Full Business Case	Skills Committee	9 January 2023	Decision	To consider proposals for the full business case relating to Phase 3, The Living Lab, of ARU Peterborough and make recommendations to the Combined Authority Board.	Relevant internal and external stakeholders	Roger Thompson Director of Housing and Development	Councillor Anna Smith Statutory Deputy Mayor	It is not anticipated that there will be any documents other than the report and relevant appendices to be published

	Title of report	Decision maker	Date of decision	Decision required	Purpose of report	Consultation	Lead officer	Lead Member	Documents relevant to the decision submitted to the decision maker
28.	Essential Skills Review and Route Map New item	Skills Committee	9 January 2023	Decision	To note the Essential Skills Review and development of a Route Map to improve the literacy, numeracy, essential digital skills and work readiness of adults across Combined Authority.	Relevant internal and external stakeholders, including the Business Board	Fliss Miller Interim Associate Skills Director	Councillor Lucy Nethsingha Lead Member for Skills	It is not anticipated that there will be any documents other than the report and relevant appendices to be published.
29.	English for Speakers of other languages (ESOL) Local Planning Partnerships Annual Report New item	Skills Committee	9 January 2023	Decision	To note the Annual Report of the ESOL Local Planning Partnerships and plans for 2023/24.	Relevant internal and external stakeholders	Fliss Miller Interim Associate Skills Director	Councillor Lucy Nethsingha Lead Member for Skills	It is not anticipated that there will be any documents other than the report and relevant appendices

	Title of report	Decision maker	Date of decision	Decision required	Purpose of report	Consultation	Lead officer	Lead Member	Documents relevant to the decision submitted to the decision maker
									to be published.
30.	Adult Education Budget (AEB) Annual Return to the Department for Education (DfE) 2021/22 New item	Skills Committee	9 January 2023	Decision	To approve the AEB Annual Return to the Department for Education (DfE) which reports on the final outturn and spend for the 2021/22 academic year.	Relevant internal and external stakeholders	Fliss Miller Interim Associate Skills Director	Councillor Lucy Nethsingha Lead Member for Skills	It is not anticipated that there will be any documents other than the report and relevant appendices to be published.
31.	Mid-year Performance Review of all Skills Funded Projects New item	Skills Committee	9 January 2023	Decision	To provide a mid-year update on project performance across key Skills projects.	Relevant internal and external stakeholders	Fliss Miller Interim Associate Skills Director	Councillor Lucy Nethsingha Lead Member for Skills	It is not anticipated that there will be any documents other than the report and relevant appendices

	Title of report	Decision maker	Date of decision	Decision required	Purpose of report	Consultation	Lead officer	Lead Member	Documents relevant to the decision submitted to the decision maker
									to be published.
32.	Not in Education or Employment (NEET) Strategy New item	Skills Committee	9 January 2023	Decision	To update the Skills Committee on the NEET strategy for the region.	Relevant internal and external stakeholders, including the Business Board	Fliss Miller Interim Associate Skills Director	Councillor Lucy Nethsingha Lead Member for Skills	It is not anticipated that there will be any documents other than the report and relevant appendices to be published.
33.	Alignment of all Skills Procurement and Contracting New item	Skills Committee	9 January 2023	Decision	To consider proposals to move to a dynamic purchasing system (DPS) procurement process for skills projects and to move to a single	Relevant internal and external stakeholders	Fliss Miller Interim Associate Skills Director	Councillor Lucy Nethsingha Lead Member for Skills	It is not anticipated that there will be any documents other than the report and relevant appendices

	Title of report	Decision maker	Date of decision	Decision required	Purpose of report	Consultation	Lead officer	Lead Member	Documents relevant to the decision submitted to the decision maker
					contract for all skills provision contracts, and make recommendations to the Combined Authority Board.				to be published.
34.	Shared Prosperity Fund Implementation Plan New item	Skills Committee	9 January 2023	Decision	To consider the final draft of the Shared Prosperity Fund Implementation Plan, and make recommendations to the Combined Authority Board.	Relevant internal and external stakeholders	Roger Thompson Director of Housing and Development	Alex Plant Chair of the Business Board	It is not anticipated that there will be any documents other than the report and relevant appendices to be published.
35.	Economic Growth Strategy Implementation Plan	Skills Committee	9 January 2023	Decision	To consider the final draft of the Economic Growth Strategy Implementation	Relevant internal and external stakeholders,	Roger Thompson Director of Housing and Development	Alex Plant Chair of the Business Board	It is not anticipated that there will be any documents

	Title of report	Decision maker	Date of decision	Decision required	Purpose of report	Consultation	Lead officer	Lead Member	Documents relevant to the decision submitted to the decision maker
	New item				Plan and make recommendations to the Combined Authority Board.	including the Business Board			other than the report and relevant appendices to be published.

Transport and Infrastructure Committee 18 January 2023

	Title of report	Decision maker	Date of decision	Decision required	Purpose of report	Consultation	Lead officer	Lead Member	Documents relevant to the decision submitted to the decision maker
36.	Draft Local Transport and Connectivity Plan (LTCP)	Transport and Infrastructure Committee	18 January 2023	Decision	To update the committee on the progress of the LTCP and seek feedback ahead of the final document being submitted for the	Relevant internal and external stakeholders	Steve Cox Associate Director Tim Bellamy Interim Head of Transport	Councillor Anna Smith Statutory Deputy Mayor	It is not anticipated that there will be any documents other than the report and relevant

	Title of report	Decision maker	Date of decision	Decision required	Purpose of report	Consultation	Lead officer	Lead Member	Documents relevant to the decision submitted to the decision maker
					March round of meetings.				appendices to be published
37.	Alternative Fuelled Vehicle Strategy	Transport and Infrastructure Committee	18 January 2023	Decision	To consider the draft Alternative Fuelled Vehicle Strategy and make recommendations to the Combined Authority Board (following a round of public consultation).	Relevant internal and external stakeholders	Steve Cox Associate Director Tim Bellamy Interim Head of Transport	Councillor Anna Smith Statutory Deputy Mayor	It is not anticipated that there will be any documents other than the report and relevant appendices to be published
38.	A1260 J32/2 Full Business Case New item	Transport and Infrastructure Committee	18 January 2023	Decision	To consider the A1260 J32/3 full business case and request to drawdown construction funds from the medium term financial plan and make recommendations	Relevant internal and external stakeholders	Steve Cox Associate Director Tim Bellamy Interim Head of Transport	Councillor Anna Smith Statutory Deputy Mayor	It is not anticipated that there will be any documents other than the report and relevant appendices to be published

	Title of report	Decision maker	Date of decision	Decision required	Purpose of report	Consultation	Lead officer	Lead Member	Documents relevant to the decision submitted to the decision maker
					to the Combined Authority Board.				
39.	March Area Transport Study: Broad Street Construction Funds New item	Transport and Infrastructure Committee	18 January 2023	Decision	To consider recommendations for the drawdown of Broad Street construction funds and make recommendations to the Combined Authority Board.	Relevant internal and external stakeholders	Steve Cox Associate Director Tim Bellamy Interim Head of Transport	Councillor Anna Smith Statutory Deputy Mayor	It is not anticipated that there will be any documents other than the report and relevant appendices to be published
40.	Fengate Phase 1 Construction Funds New item	Transport and Infrastructure Committee	18 January 2023	Decision	To consider recommendations for the drawdown of construction funds and make recommendations to the Combined Authority Board.	Relevant internal and external stakeholders	Steve Cox Associate Director Tim Bellamy Interim Head of Transport	Councillor Anna Smith Statutory Deputy Mayor	It is not anticipated that there will be any documents other than the report and relevant appendices to be published

Combined Authority Board – 25 January 2023

Governance items

	Title of report	Decision maker	Date of decision	Decision required	Purpose of report	Consultation	Lead officer	Lead Member	Documents relevant to the decision submitted to the decision maker
41.	Minutes of the meeting on 30 November 2022 and Action Log	Cambridgeshire and Peterborough Combined Authority Board	25 January 2023	Decision	To approve the minutes of the previous meeting and review the action log.	Relevant internal and external stakeholders	Edwina Adefehinti Interim Chief Officer Legal and Governance, Monitoring Officer	Councillor Edna Murphy Lead Member for Governance	It is not anticipated that there will be any documents other than the report and relevant appendices.
42.	Forward Plan January 2022	Cambridgeshire and Peterborough Combined Authority Board	25 January 2023	Decision	To approve the latest version of the forward plan.	Relevant internal and external stakeholders	Edwina Adefehinti Interim Chief Officer Legal and Governance, Monitoring Officer	Councillor Edna Murphy Lead Member for Governance	It is not anticipated that there will be any documents other than the report and relevant appendices.

	Title of report	Decision maker	Date of decision	Decision required	Purpose of report	Consultation	Lead officer	Lead Member	Documents relevant to the decision submitted to the decision maker
43.	Independent Improvement Board's Update New item	Cambridgeshire and Peterborough Combined Authority Board	25 January 2023	Decision	To receive an update on progress against the agreed Improvement Plan.	Relevant internal and external stakeholders	Angela Probert Interim Programme Director: Transformation	Councillor Edna Murphy Lead Member for Governance	It is not anticipated that there will be any documents other than the report and relevant appendices.
44.	Approval of Procurement Policy Deferred from November	Cambridgeshire and Peterborough Combined Authority Board	25 January 2022	Decision	To approve the Combined Authority's procurement policy	Relevant internal and external stakeholders including the Audit and Governance Committee	Edwina Adefehinti Interim Chief Officer Legal and Governance, Monitoring Officer	Councillor Edna Murphy Lead Member for Governance	It is not anticipated that there will be any documents other than the report and relevant appendices.

Combined Authority Decisions

	Title of report	Decision maker	Date of decision	Decision required	Purpose of report	Consultation	Lead officer	Lead Member	Documents relevant to the decision submitted to the decision maker
45.	Combined Authority Business Plan 2022/23 New item	Cambridgeshire and Peterborough Combined Authority Board	25 January 2023	Decision	To approve the Combined Authority 2023/24 Business Plan.	Relevant internal and external stakeholders	Mark Parkinson Director of Corporate Resources	Councillor Anna Smith Statutory Deputy Mayor	It is not anticipated that there will be any documents other than the report and relevant appendices.
46.	2023-24 Budget and Medium-Term Financial Plan to 2026-27 New item	Cambridgeshire and Peterborough Combined Authority Board	25 January 2023	Key Decision 2022/063	To set a balanced budget for the forthcoming financial year as required by law, and a medium term financial plan for the next four years.	Relevant internal and external stakeholders	Jon Alsop Section 73 Chief Finance Officer	Councillor Anna Smith Statutory Deputy Mayor	It is not anticipated that there will be any documents other than the report and relevant appendices to be published.
47.	Mayor's Budget 2023-24	Cambridgeshire and Peterborough	25 January 2023	Key Decision 2022/064	To agree the Mayor's draft budget for 2023-24.	Relevant internal and external stakeholders	Jon Alsop Section 73 Chief	Councillor Anna Smith	It is not anticipated that there will be any

	Title of report	Decision maker	Date of decision	Decision required	Purpose of report	Consultation	Lead officer	Lead Member	Documents relevant to the decision submitted to the decision maker
	New item	Combined Authority Board					Finance Officer	Statutory Deputy Mayor	documents other than the report and relevant appendices to be published.
48.	Market Towns Programme: Supporting Community-Owned Businesses and Social Enterprises in Rural Hinterlands – Full Business Case Deferred from November	Cambridgeshire and Peterborough Combined Authority Board	25 January 2023	Key Decision 2022/050	To approve the full business case for the proposed 'Market Towns Programme – Supporting Community-Owned Businesses & Social Enterprises in Rural Hinterlands' programme.	Relevant internal and external stakeholders	Steve Clarke Interim Associate Director Business	Councillor Anna Smith Statutory Deputy Mayor	It is not anticipated that there will be any documents other than the report and relevant appendices.

	Title of report	Decision maker	Date of decision	Decision required	Purpose of report	Consultation	Lead officer	Lead Member	Documents relevant to the decision submitted to the decision maker
49.	Growth Company Business Plan 2022-23 Deferred from November	Cambridgeshire and Peterborough Combined Authority Board	25 January 2023	Decision	To approve the Growth Company Business Plan for 2022-23.	Relevant internal and external stakeholders, including the Skills Committee.	Roger Thompson Director of Housing and Development	Alex Plant Chair of the Business Board	It is not anticipated that there will be any documents other than the report and relevant appendices to be published.

Recommendations from the Transport and Infrastructure Committee

	Title of report	Decision maker	Date of decision	Decision required	Purpose of report	Consultation	Lead officer	Lead Member	Documents relevant to the decision submitted to the decision maker
50.	Alternative Fuelled Vehicle Strategy	Cambridgeshire and Peterborough Combined Authority Board	25 January 2023	Key Decision 2022/057	To approve the Alternative Fuelled Vehicle Strategy.	Relevant internal and external stakeholders	Steve Cox Associate Director	Councillor Anna Smith Statutory Deputy Mayor	It is not anticipated that there will be any documents

	Title of report	Decision maker	Date of decision	Decision required	Purpose of report	Consultation	Lead officer	Lead Member	Documents relevant to the decision submitted to the decision maker
							Tim Bellamy Interim Head of Transport		other than the report and relevant appendices to be published
51.	A1260 J32/2 Full Business Case New item	Cambridgeshire and Peterborough Combined Authority Board	25 January 2023	Key Decision 2022/062	To approve the A1260 J32/3 full business case and the drawdown of construction funds from the medium term financial plan.	Relevant internal and external stakeholders	Steve Cox Associate Director Tim Bellamy Interim Head of Transport	Councillor Anna Smith Statutory Deputy Mayor	It is not anticipated that there will be any documents other than the report and relevant appendices to be published
52.	March Area Transport Study: Broad Street Construction Funds New item	Cambridgeshire and Peterborough Combined Authority Board	25 January 2023	Key Decision 2022/067	To approve the drawdown of Broad Street construction funds.	Relevant internal and external stakeholders	Steve Cox Associate Director Tim Bellamy	Councillor Anna Smith Statutory Deputy Mayor	It is not anticipated that there will be any documents other than the report and relevant

	Title of report	Decision maker	Date of decision	Decision required	Purpose of report	Consultation	Lead officer	Lead Member	Documents relevant to the decision submitted to the decision maker
							Interim Head of Transport		appendices to be published
53.	Fengate Phase 1 Construction Funds New item	Cambridgeshire and Peterborough Combined Authority Board	25 January 2023	Key Decision 2022/068	To approve the drawdown of construction funds.	Relevant internal and external stakeholders	Steve Cox Associate Director Tim Bellamy Interim Head of Transport	Councillor Anna Smith Statutory Deputy Mayor	It is not anticipated that there will be any documents other than the report and relevant appendices to be published

Recommendations from the Skills Committee

	Title of report	Decision maker	Date of decision	Decision required	Purpose of report	Consultation	Lead officer	Lead Member	Documents relevant to the decision submitted to the decision maker
54.	ARU Peterborough Phase 3 Full Business Case and monitoring arrangements for the new University	Cambridgeshire and Peterborough Combined Authority Board	25 January 2023	Key Decision 2022/051	To consider and approve the full business case relating to Phase 3 Full Business Case , The Living Lab, of ARU Peterborough. including a review of the university's original quantitative objectives set at the Phase 1 full business case, with recommendations about how to reset these for effective monitoring of the new university.	Relevant internal and external stakeholders, including the Business Board	Roger Thompson Director of Housing and Development	Councillor Anna Smith Statutory Deputy Mayor	It is not anticipated that there will be any documents other than the report and relevant appendices to be published

	Title of report	Decision maker	Date of decision	Decision required	Purpose of report	Consultation	Lead officer	Lead Member	Documents relevant to the decision submitted to the decision maker
55.	Alignment of all Skills Procurement and Contracting New item	Cambridgeshire and Peterborough Combined Authority Board	25 January 2023	Decision	To approve proposals to move to a dynamic purchasing system (DPS) procurement process for skills projects and to move to a single contract for all skills provision contracts.	Relevant internal and external stakeholders	Fliss Miller Interim Associate Skills Director	Councillor Lucy Nethsingha Lead Member for Skills	It is not anticipated that there will be any documents other than the report and relevant appendices to be published.
56.	Shared Prosperity Fund Implementation Plan New item	Cambridgeshire and Peterborough Combined Authority Board	25 January 2023	Decision	To approve the draft of the Shared Prosperity Fund Implementation Plan.	Relevant internal and external stakeholders, including the Business Board.	Roger Thompson Director of Housing and Development	Alex Plant Chair of the Business Board	It is not anticipated that there will be any documents other than the report and relevant appendices to be published.

	Title of report	Decision maker	Date of decision	Decision required	Purpose of report	Consultation	Lead officer	Lead Member	Documents relevant to the decision submitted to the decision maker
57.	Economic Growth Strategy Implementation Plan New item	Cambridgeshire and Peterborough Combined Authority Board	25 January 2023	Decision	To approve the draft Economic Growth Strategy Implementation Plan.	Relevant internal and external stakeholders, including the Business Board.	Roger Thompson Director of Housing and Development	Alex Plant Chair of the Business Board	It is not anticipated that there will be any documents other than the report and relevant appendices to be published.

Recommendations from the Business Board

	Title of report	Decision maker	Date of decision	Decision required	Purpose of report	Consultation	Lead officer	Lead Member	Documents relevant to the decision submitted to the decision maker
58.	LEP Integration Plan	Cambridgeshire and Peterborough Combined Authority Board	25 January 2023	Decision	To consider the outcomes of the LEP Review and the Combined Authority's LEP Integration Plan as required for submission to Government.	Relevant internal and external stakeholders	Steve Clarke Interim Associate Director Business	Alex Plant Chair of the Business Board	It is not anticipated that there will be any documents other than the report and relevant appendices to be published
59.	Profile of Investments Deferred from November	Cambridgeshire and Peterborough Combined Authority Board	25 January 2022	Decision	To note the profile of investments made by the Business Board.	Relevant internal and external stakeholders	Steve Clarke Interim Associate Director Business	Alex Plant Chair of the Business Board	It is not anticipated that there will be any documents other than the report and relevant appendices

	Title of report	Decision maker	Date of decision	Decision required	Purpose of report	Consultation	Lead officer	Lead Member	Documents relevant to the decision submitted to the decision maker
									to be published

Skills Committee 6 March 2023

	Title of report	Decision maker	Date of decision	Decision required	Purpose of report	Consultation	Lead officer	Lead Member	Documents relevant to the decision submitted to the decision maker
60.	Health and Care Sector Work Academy End of Contract Performance Review New item	Skills Committee	6 March 2023	Decision	To inform and update the Skills Committee on the performance of the Health and Carer Sector Work Academy.	Relevant internal and external stakeholders, including the Business Board	Fliss Miller Interim Associate Skills Director	Councillor Lucy Nethsingha Lead Member for Skills	It is not anticipated that there will be any documents other than the report and relevant appendices to be published.

	Title of report	Decision maker	Date of decision	Decision required	Purpose of report	Consultation	Lead officer	Lead Member	Documents relevant to the decision submitted to the decision maker
61.	Careers Hub Academic Year 2023/24 New item	Skills Committee	6 March 2023	Decision	To inform and update the Skills Committee on the anticipated funding for the Careers Hub for the academic year 2023/24 and upcoming priorities.	Relevant internal and external stakeholders, including the Business Board	Fliss Miller Interim Associate Skills Director	Councillor Lucy Nethsingha Lead Member for Skills	It is not anticipated that there will be any documents other than the report and relevant appendices to be published.

Transport and Infrastructure Committee 15 March 2023

	Title of report	Decision maker	Date of decision	Decision required	Purpose of report	Consultation	Lead officer	Lead Member	Documents relevant to the decision submitted to the decision maker
62.	Local Transport and Connectivity Plan	Transport and Infrastructure Committee	15 March 2023	Decision	To consider the final draft of the Local Transport and Connectivity Plan and make	Relevant internal and external stakeholders	Steve Cox Associate Director Tim Bellamy	Mayor Dr Nik Johnson	It is not anticipated that there will be any documents

	Title of report	Decision maker	Date of decision	Decision required	Purpose of report	Consultation	Lead officer	Lead Member	Documents relevant to the decision submitted to the decision maker
					recommendations to the Combined Authority Board.		Interim Head of Transport		other than the report and relevant appendices to be published

Combined Authority Board - 22 March 2023

Governance items

	Title of report	Decision maker	Date of decision	Decision required	Purpose of report	Consultation	Lead officer	Lead Member	Documents relevant to the decision submitted to the decision maker
63.	Minutes of the meeting on 25 January 2023 and Action Log	Cambridgeshire and Peterborough Combined Authority Board	22 March 2023	Decision	To approve the minutes of the previous meeting and review the action log.	Relevant internal and external stakeholders	Edwina Adefehinti Interim Chief Officer Legal and Governance, Monitoring Officer	Councillor Edna Murphy Lead Member for Governance	It is not anticipated that there will be any documents other than the report and

	Title of report	Decision maker	Date of decision	Decision required	Purpose of report	Consultation	Lead officer	Lead Member	Documents relevant to the decision submitted to the decision maker
									relevant appendices.
64.	Forward Plan March 2022	Cambridgeshire and Peterborough Combined Authority Board	22 March 2023	Decision	To approve the latest version of the forward plan.	Relevant internal and external stakeholders	Edwina Adefehinti Interim Chief Officer Legal and Governance, Monitoring Officer	Councillor Edna Murphy Lead Member for Governance	It is not anticipated that there will be any documents other than the report and relevant appendices.
65.	Budget Monitor Update	Cambridgeshire and Peterborough Combined Authority Board	22 March 2023	Decision	To provide an update on the revenue and capital budgets for the year to date.	Relevant internal and external stakeholders	Jon Alsop Section 73 Chief Finance Officer	Mayor Dr Nik Johnson	It is not anticipated that there will be any documents other than the report and relevant appendices to be published.

	Title of report	Decision maker	Date of decision	Decision required	Purpose of report	Consultation	Lead officer	Lead Member	Documents relevant to the decision submitted to the decision maker
66.	Independent Improvement Board's Update New item	Cambridgeshire and Peterborough Combined Authority Board	22 March 2023	Decision	To receive an update on progress against the agreed Improvement Plan.	Relevant internal and external stakeholders	Angela Probert Interim Programme Director: Transformation	Councillor Edna Murphy Lead Member for Governance	It is not anticipated that there will be any documents other than the report and relevant appendices.

Recommendations from the Transport and Infrastructure Committee

	Title of report	Decision maker	Date of decision	Decision required	Purpose of report	Consultation	Lead officer	Lead Member	Documents relevant to the decision submitted to the decision maker
67.	Local Transport and Connectivity Plan	Cambridgeshire and Peterborough Combined Authority Board	22 March 2023	Key Decision 2022/056	To approve the Local Transport and Connectivity Plan.	Relevant internal and external stakeholders	Steve Cox Associate Director Tim Bellamy	Mayor Dr Nik Johnson	It is not anticipated that there will be any documents other than

	Title of report	Decision maker	Date of decision	Decision required	Purpose of report	Consultation	Lead officer	Lead Member	Documents relevant to the decision submitted to the decision maker
							Interim Head of Transport		the report and relevant appendices to be published.

Combined Authority Board Annual Meeting – 7 June 2023

Governance items

68.	Minutes of the meeting on 22 March 2023 and Action Log	Cambridgeshire and Peterborough Combined Authority Board	7 June 2023	Decision	To approve the minutes of the previous meeting and review the action log.	Relevant internal and external stakeholders	Edwina Adefehinti Interim Chief Officer Legal and Governance, Monitoring Officer	Councillor Edna Murphy Lead Member for Governance	It is not anticipated that there will be any documents other than the report and relevant appendices.
69.	Forward Plan June 2023	Cambridgeshire and Peterborough Combined Authority Board	7 June 2023	Decision	To approve the latest version of the forward plan.	Relevant internal and external stakeholders	Edwina Adefehinti Interim Chief Officer Legal and Governance,	Councillor Edna Murphy Lead Member for Governance	It is not anticipated that there will be any documents other than

							Monitoring Officer		the report and relevant appendices.
70.	Budget Monitor Update	Cambridgeshire and Peterborough Combined Authority Board	7 June 2023	Decision	To provide an update on the revenue and capital budgets for the year to date.	Relevant internal and external stakeholders	Jon Alsop Section 73 Chief Finance Officer	Mayor Dr Nik Johnson	It is not anticipated that there will be any documents other than the report and relevant appendices to be published.
71.	Appointment of the Deputy Mayor/s	Mayor Dr Nik Johnson	7 June 2023	Mayoral Decision	To announce the appointment of the Deputy Mayor/s of the Cambridgeshire and Peterborough Combined Authority for 2023/24.	n/a	Edwina Adefehinti Interim Chief Officer Legal and Governance, Monitoring Officer	Mayor Dr Nik Johnson	Appointment of the Deputy Mayor/s
72.	Membership of the Combined Authority	Cambridgeshire and Peterborough Combined Authority	7 June 2023	Decision	To note the appointment of Members of Constituent Councils and a representative of the Business Board for 2023/24	Relevant internal and external stakeholders	Edwina Adefehinti Interim Chief Officer Legal and Governance, Monitoring Officer	Mayor Dr Nik Johnson	It is not anticipated that there will be any documents other than the report

					(and their Substitute Members) and to appoint any Non-Constituent Members or Co-opted Members.				and relevant appendices.
73.	Appointments to Executive Committees, including the appointment of Committee Chairs and Lead Members	Cambridgeshire and Peterborough Combined Authority	7 June 2023	Decision	Note and agree the Mayor's nominations to Lead Member responsibilities and the membership of the Executive Committees, including the Chairs of the Executive Committees for 2023/24.	Relevant internal and external stakeholders	Edwina Adefehinti Interim Chief Officer Legal and Governance, Monitoring Officer	Mayor Dr Nik Johnson	It is not anticipated that there will be any documents other than the report and relevant appendices.
74.	Appointment of the Overview and Scrutiny Committee	Cambridgeshire and Peterborough Combined Authority	7 June 2023	Decision	To appoint the Overview and Scrutiny Committee and confirm its terms of reference, size and allocation of seats to political parties in accordance with political balance	Relevant internal and external stakeholders	Edwina Adefehinti Interim Chief Officer Legal and Governance, Monitoring Officer	Mayor Dr Nik Johnson	It is not anticipated that there will be any documents other than the report and relevant appendices.

					requirements, according to the nominations received from constituent councils.				
75.	Appointment of the Audit and Governance Committee, including the Independent Person	Cambridgeshire and Peterborough Combined Authority Board	7 June 2023	Decision	To appoint the Audit and Governance Committee and Independent Person and confirm its terms of reference, size and allocation of seats to political parties in accordance with political balance requirements, to reflect nominations received from constituent councils.	Relevant internal and external stakeholders	Edwina Adefehinti Interim Chief Officer Legal and Governance, Monitoring Officer	Mayor Dr Nik Johnson	It is not anticipated that there will be any documents other than the report and relevant appendices.
76.	Calendar of meetings 2023/24	Cambridgeshire and Peterborough Combined Authority	7 June 2023	Decision	To agree the calendar of meetings for 2020/21.	Relevant internal and external stakeholders	Edwina Adefehinti Interim Chief Officer Legal and Governance, Monitoring Officer	Mayor Dr Nik Johnson	It is not anticipated that there will be any documents other than the report

									and relevant appendices.
77.	Independent Improvement Board's Update New item	Cambridgeshire and Peterborough Combined Authority Board	7 June 2023	Decision	To receive an update on progress against the agreed Improvement Plan.	Relevant internal and external stakeholders	Angela Probert Interim Programme Director: Transformation	Councillor Edna Murphy Lead Member for Governance	It is not anticipated that there will be any documents other than the report and relevant appendices.

FP/11/22

Comments or queries about the Cambridgeshire and Peterborough Combined Authority Forward Plan

Please send any comments or queries about the Forward Plan to [Edwina Adefehinti, Interim Chief Officer Legal and Governance, Monitoring Officer](#):

We need to know:

1. Your comment or query.
2. How we can contact you with a response (please include your name, a telephone number and your email address).
3. Who you would like to respond to your query. If you aren't sure just leave this blank and we will find the person best able to reply.

