



**CAMBRIDGESHIRE
& PETERBOROUGH**
COMBINED AUTHORITY

COMBINED AUTHORITY BOARD

Date: Wednesday, 20 March 2024

Democratic Services

Edwina Adefehinti
Interim Chief Officer Legal and Governance
Monitoring Officer

10:00 AM

2nd floor, Pathfinder House
St Mary's Street
Huntingdon
Cambs
PE29 3TN72

**Civic Suite, Pathfinder House, St Mary's Street, Huntingdon
PE29 3TN**

AGENDA

Open to Public and Press

- 1 Announcements, Apologies for Absence and Declarations of Interest**
- 2 Combined Authority Board and Committee Membership Update 5 - 7**
March 2024
- 3 Minutes of the Previous Meeting**
To approve the minutes of the meeting held on 31 January 2024
and to note the Action Log.
Draft Minutes - 31 January 2024 8 - 15

4	Petitions	
	A petition has been received which has been accepted by the Monitoring Officer as it meets the requirements for petitions from the Public as set out in section 5.34 of the CPCA Constitution. CPCA Constitution November 23 (cambridgeshirepeterborough-ca.gov.uk) . The petition requests that cuts to Littleport’s bus services be stopped and has been submitted by lead petitioner, Emma Mayoux-Andrews. Further details of the Petition can be found here: Petition - Stop the Cuts to Littleport's Bus Service - Change.org .	
5	Public and Member Questions	
	Arrangements for asking a public question can be viewed here - Public Questions - Cambridgeshire & Peterborough Combined Authority (cambridgeshirepeterborough-ca.gov.uk)	
6	Forward Plan - March	16 - 39
7	Chief Executive Highlights Report - March 2024	40 - 46
8	Budget Update Report - March 2024	47 - 141
9	Improvement Plan Update	142 - 162
10	Bus Reform and Network Delivery Update	163 - 179
11	Corporate Performance Report Q3 2023-24	180 - 222
12	Q3 Corporate Risk Report	223 - 233
13a	Greater South East Net Zero Hub Delegations	234 - 237
13b	Delegations to Officers	238 - 241
14	Update on State of the Region 2024	242 - 248
15	Senior Appointments	249 - 251
16a	Careers Hub Academic Year 2024-25	252 - 254
16b	Recommendations from Skills and Employment Committee	255 - 255

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|-----------|--|------------------|
| 17 | Recommendations from Transport and Infrastructure Committee | 256 - 257 |
| 18 | Recommendations from Business Board | 258 - 259 |
| 19 | Date of next meeting:
Wednesday, 5 June 2024 | |

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

Al Kingsley

Councillor Anna Bailey

Councillor Chris Boden

Councillor Sarah Conboy

Cllr Mohammed Farooq

Councillor Lucy Nethsingha

Councillor Anna Smith

Councillor Bridget Smith

Councillor Edna Murphy (Non-voting Member)

John O'Brien (Non-voting Member)

Darryl Preston (Non-voting Member)

Clerk Name:	Alison Marston
Clerk Telephone:	
Clerk Email:	alison.marston@cambridgeshirepeterborough-ca.gov.uk



Combined Authority Board		Agenda Item
20 March 2024		2
Title:	Combined Authority Board and Committee Membership Update November 2023	
Report of:	Edwina Adefehinti, Interim Director Legal and Governance and Monitoring Officer	
Lead Member:	Councillor Edna Murphy, Lead Member Governance	
Public Report:	Yes	
Key Decision:	No	
Voting Arrangements:	No vote required	

Recommendations:

A	Note the change in substitute Member from Cambridge City Council on the Combined Authority's Overview and Scrutiny Committee.
B	Note the change in appointment from South Cambridgeshire District Council on the Combined Authority's Overview and Scrutiny Committee.
C	Note the temporary change in substitute member from the Conservative Party on the Human Resources Committee on 8 March 2024.
D	Note the appointment of substitute member from South Cambridgeshire District Council on the Combined Authority's Overview and Scrutiny Committee.

Strategic Objective(s):

The content of this report demonstrates the work of the Combined Authority towards all the strategic objective(s):

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

1. Purpose

1.1	The Monitoring Officer has delegated authority to accept changes to membership of committees during the municipal year to ensure there is a full complement of members or substitutes at meetings.
1.2	Changes to appointments are required by the Constitution to be reported to the following meeting of the Combined Authority Board for ratification.

2. Proposal

2.1	This report advises the Board of amendments to the membership of the Combined Authority Board and Committees for the remainder of the municipal year 2023-24.
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3. Background

3.1	Cambridge City Council advised on 28 January 2024 of a change in nominated substitute from the Labour Group on the Combined Authority's Overview and Scrutiny Committee. Councillor Cameron Holloway taking the place of Councillor Jenny Gawthrop Wood. This change was accepted by the Combined Authority's Monitoring Officer on 29 January 2024.
3.2	On 29 February 2024, notification was received from South Cambridgeshire District Council that Councillor Peter Fane would be the nominated representative of the Liberal Democrat Group on the Combined Authority's Overview and Scrutiny Committee. This change was accepted by the Combined Authority's Monitoring Officer on 5 March 2024.
3.3	On 4 March 2024, notification was received that there would need to be a temporary change of substitute from the Conservative Party for the Human Resources Committee. Due to the unavailability of the named Member or Substitute for the meeting on 8 March 2024, Cllr Lynne Ayers would be attending the meeting. As such the substitute member was asked to be amended temporarily to cover that meeting. This change was accepted by the Combined Authority's Monitoring Officer on 5 March 2024.
3.4	On 6 March 2024, notification was received from South Cambridgeshire District Council confirming the appointment of Councillor Richard Stobart as substitute member on the Combined Authority's Overview and Scrutiny Committee. This change was accepted by the Monitoring Officer.

4. Appendices

4.1	None
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5. Implications

Financial Implications

5.1	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.
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Legal Implications

5.2	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.
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Public Health Implications

5.3	None
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Environmental & Climate Change Implications

5.4	Neutral
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Other Significant Implications

5.5	None
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Background Papers		Item 2
5.6	None	



Combined Authority Board

Wednesday 31 January 2024

Venue:	Council Chamber, South Cambridgeshire District Council, Cambourne	
Time:	10.00 to 14:25 (break from 12.45 to 13.08)	
Present:	Mayor Dr Nik Johnson Councillor A Smith Councillor L Nethsingha Councillor A Bailey Councillor C Boden Councillor M Farooq Councillor S Conboy Councillor B Smith A Kingsley	Cambridge City Council (Statutory Deputy Mayor) Cambridgeshire County Council East Cambridgeshire District Council Fenland District Council Peterborough City Council Huntingdonshire District Council South Cambridgeshire District Council Chair of the Business Board
Co-Opted Members:	Councillor E Murphy J. Peach J O'Brien	Cambridgeshire and Peterborough Fire Authority Police and Crime Commissioner (substitute) Cambridgeshire and Peterborough Integrated Care Board
Apologies	D Preston	Police and Crime Commissioner

Minutes:

1	Announcements, Apologies for Absence and Declarations of Interest
	<p>Apologies for absence were reported as set out above.</p> <p>Cllr Boden declared a non-pecuniary interest as a trustee of FACT.</p> <p>The Mayor addressed the correspondence received from the Minister of Levelling Up Housing and Communities, which highlighted the undeniable progress made over the past 18 months. He expressed gratitude towards the officers for their dedication and numerous successes: evident through the consistent theme of improvement. The Mayor emphasized his leadership stance focused on cooperation rather than competition, recognising the substantial impact of fostering a cooperative disposition within the complex political environment. He stressed the importance of understanding relationship dynamics and bridging gaps, aligning with both constituents' expectations and government directives. He called for a commitment to a strong partnership to develop strategic priorities benefiting local residents, citing a recent workshop as a successful example of collaborative consensus-building. Moving forward, he pledged to continue encouraging and facilitating action while keeping the option for cooperation open. The Mayor reaffirmed his dedication to championing the increasingly progressive initiatives of the organisation and expressed gratitude to board colleagues for their collective pursuit of shared goals.</p>
2	Combined Authority Membership Update September 2023
	<p>The Board received a report outlining changes to the membership of board and committees of the Combined Authority.</p> <p>It was resolved to:</p> <ul style="list-style-type: none"> A Note the appointment by Peterborough City Council of Councillor Chris Harper as the substitute member from Peterborough 1st on the Combined Authority's Overview and Scrutiny Committee. B Note the temporary change in substitute member from Peterborough City Council on the Transport and Infrastructure Committee on 17 January 2024. C Note the change in substitute member from Cambridge City Council on the Overview and Scrutiny Committee.

3	Minutes
	The minutes of the meeting on 29 November 2023 were approved as an accurate record and signed by the Mayor. The minutes action log was noted.
4	Petitions
	No petitions were received.
5	Public Questions
	Five public questions were received in advance of the meeting in accordance with the procedure rules in the Constitution. A copy of the questions and responses can be viewed here when available.
6	Forward Plan
	It was resolved unanimously to: A Approve the Forward Plan for January 2024
9	Mayor's Budget
	<i>Councillor Boden left the meeting during this agenda item</i>
	<p>The Mayor presented his proposed budget for the financial year 2024/25. Key highlights included plans to enhance public transportation by increasing routes and frequency, with a notable reduction in travel costs for individuals under 25 years of age. The Mayor expressed confidence in the ambitious proposals, emphasizing their potential for significant progress and sought support from the board.</p> <p>Councillor Anna Smith, the Deputy Mayor chaired this section of the meeting.</p> <p>During the ensuing discussion, several board members shared their perspectives:</p> <ul style="list-style-type: none"> • Councillor Sarah Conboy expressed awareness of the financial challenges facing local authorities and acknowledged concerns regarding the proposed precept increase. However, she voiced support for the initiative, particularly emphasizing its benefits for vulnerable residents and rural areas. • Councillor Bridget Smith highlighted the consensus within her council in support of the precept increase due to the inadequacy of the current public transport system, which exacerbates inequality and limits opportunities for residents. She suggested revisiting the extension of park and ride hours for further consideration. • Acknowledging the rarity of discussing an expansion of the bus service in the current climate, Councillor Lucy Nethsingha highlighted the significance of the opportunity. She recognised the financial burden on taxpayers but stressed the long-term benefits of improved public transportation, particularly for rural communities. • Expressing gratitude to the officers for their efforts, Councillor Mohammed Farooq signalled his support for the proposed budget, citing the importance of investing in public transport despite the challenges of setting a budget during a period of high living costs. • Councillor Anna Bailey expressed opposition to the precept increase, advocating for fiscal responsibility and innovation to address transportation challenges without burdening taxpayers. She highlighted concerns about the distribution of funding and the need for rigorous budget scrutiny. • John Peach cited recent BBC Look East reports on expensive subsidised buses in Cambridgeshire and compared it to Norfolk, who received government funding. Having been told that last year's precept was to be a one-off, he queried whether enough work was done on negotiation of contracts to get the best value and whether more operators can be brought into the area. • Al Kingsley stressed the importance of accessibility and skills, urging a long-term vision for strategic innovation. A further look at a bigger programme will be needed targeting routes and ensuring fairness. He stressed the need for substantial bus service enhancements beyond boosting ridership. <p>The discussion also touched upon various aspects of the proposed budget, including the allocation of funds, service improvements, and potential collaborations with other organizations, such as the NHS.</p>

Following the discussion, the Mayor thanked the participants for their valuable contributions and noted the action to explore further collaborative opportunities, particularly with the NHS on travel-related matters.

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

- A To note the proposed Mayoral budget for 2024-25, including the proposal to increase the precept by £24 per annum to £36 for a Band D property, and to provide comments to the Mayor regarding the proposed Mayoral Budget
- B To approve the draft Mayoral Budget, including the proposed Mayoral precept noted above.
- C To note the proposed routes to be funded by the proposed precept and the process by which these routes will be finalised and approved
- D Delegate minor changes to the Mayor's budget, due to finalisation of council tax base figures, to the Executive Director of Resources and Performance

The voting was recorded as follows, with a majority in favour, less than 2/3 of constituent council members present and voting having voted against:

	For	Against	Abstain
Councillor Anna Bailey		X	
Councillor Sarah Conboy	X		
Councillor Mohammed Farooq	X		
Councillor Lucy Nethsingha	X		
Councillor Anna Smith	X		
Councillor Bridget Smith	X		

10 Draft 2024/25 Corporate Strategy and Budget and Medium-Term Financial Plan 2024/2028

The Mayor resumed chairing.

Executive Director, Resources and Performance, along with the Director Policy and Engagement, introduced the report, emphasising key points to members. It was noted that pending any decision on the MTFP, the financial elements of the corporate strategy would be updated accordingly. The consultation period, which ran from November 30th, 2023, to January 15th, 2024, involved extensive engagement with the public and constituent councils, as well as various stakeholder groups, including thematic committees and the Business Board.

During the ensuing discussion, several points were raised by Board members:

- Councillor Bridget Smith expressed appreciation for the consultations, particularly with Chief Executives, ensuring that plans of constituent authorities were considered. She raised concerns about the development of a new equality, diversity and inclusion strategy as the responsibility for that is to be removed from Local Authorities by government. Officers confirmed the commitment to take that forward to meet best practice and explained that there would be no legal implications. The Mayor stated he would make a Mayoral priority to ensure equalities in the region.
- Al Kingsley confirmed unanimous support from the Business Board, highlighting the balanced approach, rationale, and flexibility of the proposed strategy.
- Commending the comprehensive nature of the Corporate Plan and its alignment with the goals of the Combined Authority (CA), Councillor Sarah Conboy reflected that it speaks volumes about where we are going and what we are trying to achieve.
- John O'Brien emphasised the value of the golden thread; providing a frame for wider partnerships.
- Councillor Mohammed Farooq praised the framework's ambition and raised a query regarding match funding opportunities for cultural projects.
- Confirming her support of most of the content, Councillor Anna Bailey suggested improvements in articulating project contributions, addressing inequalities, and measuring outcomes.
- Councillor Lucy Nethsingha expressed gratitude for the stability in the transport levy and highlighted the increased confidence in managing skills budgets.
- Echoing the sentiments from other Board Members regarding the improvement to the process, Councillor Anna Smith thanked the officers for their diligent work.
- John Peach confirmed broad support from the Police and Crime Commissioner.

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

- A Note the consultation feedback received during the consultation period running from 30th November 2023 to 15th January 2024
- B Approve the draft Corporate Strategy following the refresh subject to the inclusion of the final financial information once the budget is approved.
- C Approve the Draft Budget for 2024-25 and the Medium-Term Financial Plan 2024-25 to 2027-28 as contained in Appendices C and D
- D Delegate any minor changes required to the budget to the Executive Director of Resources and Performance.

Recommendations B and D above were agreed by majority (6 for, 0 against, 1 abstention).

The voting was recorded as follows for recommendation C:

	For	Against	Abstain
Mayor Dr Nik Johnson	X		
Councillor Anna Bailey		X	
Councillor Sarah Conboy	X		
Councillor Mohammed Farooq	X		
Councillor Lucy Nethsingha	X		
Councillor Anna Smith	X		
Councillor Bridget Smith	X		
Al Kingsley	X		

7 Combined Authority Chief Executive Highlights Report

The Chief Executive introduced the report and highlighted key points to Board members. During discussion, Board members queried the timeframe and cost of the interventions required to overcome the blockages identified by the infrastructure framework. Officers confirmed that work is progressing based on data provided by the constituent authorities. A report is planned to be brought to the Environment and Sustainable Communities in June which will set out the blockages and cumulative impacts.

The excellent work in addressing FE coldspots was commended, and the importance of working together on issues that matter across the whole region emphasised.

It was resolved to:

- A Note the content of the report.

8 Committee Calendar

The Interim Director Legal and Governance introduced the report and highlighted key points to Board members including:

On being proposed by Councillor Eddna Murphy, seconded by the Mayor, it was resolved to: [7 for, 1 abstention]

- A Approve the calendar of meetings for the 2024/25 Municipal Year.

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Meeting adjourned from 12.40-13.08
Councillor Murphy left the meeting during the break.
 ---o0o---

11 Improvement Plan Update

The Chief Executive initiated the discussion on the reissuing of the Best Value Notice for another six months, expressing disappointment but realism regarding the necessity of the action. The Improvement Board remains in place, and it is important to note the Department for Levelling Up, Housing, and Communities' (DLUHC) recognition of the CA's efforts. The Notice delineates areas of focus, emphasising collaboration and shared purpose to ensure success. He underscored the importance of acknowledging staff and outlined plans to discuss with them the way forward for the next six months and beyond.

	<p>The Interim Director, Transformation Programme, talked through the next steps following the reissue of the Best Value Notice. The direction given supports the Combined Authority's intentions and existing strategies, with progress acknowledged and the need for ongoing improvement efforts recognised. The letter is clear that we need to have measurable outcomes and to commit through strong partnership working the development of strategic priorities and delivery strategy. Full use of the Independent Improvement Board will be utilised as it continues.</p> <p>During the ensuing discussion, several points were raised by Board members:</p> <ul style="list-style-type: none"> • As the Lead Member for Devolution, Councillor Sarah Conboy expressed disappointment but emphasised the importance of staff morale and unity in pursuing the devolution deal's benefits for the region. • Councillor Anna Smith echoed the sentiment, acknowledging progress while seeking clarity on expectations and funding continuity. • Al Kingsley highlighted efforts to engage stakeholders and urged a forward-looking approach to address identified gaps. He also highlighted that there may be a lot that is being done by way of partnership working that is not being shared. • Councillor Anna Bailey underscored transparency, accountability, and unresolved issues' impact on progress, advocating for improved public communication. • Questioning the timing and information dissemination process, Councillor Bridget Smith emphasised the importance of board-level cultural change and a need for that to be measured. • Councillor Lucy Nethsingha noted the progress made despite challenges and urged clarity from the government on expectations and issues. • Having only been on the Board since November, Councillor Mohammed Farooq provided a positive snapshot of the Combined Authority's current state, emphasising the need for clear guidance and functional systems. <p>In response, it was clarified that efforts would continue to seek clarity from DLUHC, establish revised improvement plans, and enhance evidence-based decision-making. The importance of measuring culture and embedding values and behaviours within the board's operations was emphasised.</p> <p>It was resolved:</p> <ul style="list-style-type: none"> A Note the progress made over November and December against stated areas of improvement identified by the External Auditor in June 2022 and Best Value Notice received in January 2023 as reported to the CA Board on 31 May 2023, set out in paragraphs 2.2 to 2.8. B Note the feedback from the Chair, Independent Improvement Board following its meeting on 16 January 2024 set out in Appendix B. C Note the outcome of the recent Internal Review of the Project planning and delivery improvement programme set out in paragraph 2.9. D Note the proposed transition from the current Improvement plan to transformation activity, embedded across and down through the Cambridgeshire and Peterborough Combined Authority where delivery against the Improvement plan has been completed; as set out in paragraph 2.10 E Note the intention to review the current role and focus for the Independent Improvement Board as set out in paragraph 2.11.
	<p style="text-align: center;">---o0o---</p> <p style="text-align: center;"><i>Al Kingsley, John Peach and Councillor Sarah Conboy left the meeting at 13.52</i></p> <p style="text-align: center;">---o0o---</p>
12	Budget Update Report January 2024
	<p>The Assistant Director, Finance, introduced the report and highlighted key points to members.</p> <p>It was resolved to:</p> <ul style="list-style-type: none"> A Note the financial position of the Combined Authority

13	<p>Recommendations from the Transport and Infrastructure Committee</p> <p>The Board was advised that all recommendations had been supported by the Transport and Infrastructure Committee at its meeting on 17 January 2024.</p> <p>Councillor Anna Bailey asked if data was available regarding unique users of TING. Officers stated that the information was important but not made available by the operator, adding that had it been the recommendations from the consultants would very likely have been the same. Officers would ensure that data on unique users will be required as part of contracts for new DRT services going forward.</p> <p>On being proposed by Councillor A Smith, seconded by Councillor Mayor, it was resolved unanimously to approve all the recommendations as set out below:</p> <p>Bus Strategy Update</p> <p>A approve the proposals for the two remaining tendered bus services which were placed under review and the bus services which data was previously unavailable.</p> <p>Peterborough Station Update</p> <p>A approve the Outline Business Case and approve the commencement of the Full Business Case (subject to approval from the Department for Transport).</p>
14	<p>Recommendations from the Skills and Employment Committee</p> <p>The Board was advised that all recommendations had been supported by the Skills and Employment Committee at its meeting on 15 January 2024.</p> <p>It was resolved to approve all the recommendations as set out below:</p> <p>Skills Bootcamps</p> <p>On being proposed by Councillor Nethsingha, seconded by Councillor Bridget Smith, it was resolved unanimously to:</p> <p>A To note the Combined Authority's Grant Proposal to the Department for Education (DfE) in September 2023 for £2,899,390 to deliver (Wave Five) Skills Bootcamp provision during the 2024-25 Financial Year – and to note that we received confirmation from the DfE on 12 December 2023 that our Grant Proposal has been successful.</p> <p>B To accept the full grant funding offer from the DfE of £2,899,390 and approve corresponding expenditure across two budgets; one for the training funding allocation totalling £2,635,800 and one for the management funding allocation totalling £263,580 of the Wave Five Skills Bootcamps in the 2024-25 budget.</p> <p>C To delegate authority to the Assistant Director of Skills, in consultation with the Chief Finance Officer and Monitoring Officer to:</p> <ul style="list-style-type: none"> • Arrange for the awards and enter into grant funding agreements or service contracts with training providers to deliver Wave Five Skills Bootcamps. This can either be with existing providers, or where the Combined Authority follows a procurement exercise compliant with the Combined Authority's Constitution and procurement legislation. • Extend and/or vary contracts with existing providers where appropriate.
<p>It was resolved to exclude the press and public from the meeting on the grounds that exempt information under Part 1 of Schedule 12A the Local Government Act 1972, as amended, would be discussed 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 the information's release.</p>	
15	<p>Subsidiary Company Update</p>
<p>Officers updated the Board members on time sensitive matters related to the Peterborough R&D Property Company Limited (PropCo2).</p>	

Agenda Item 3	Appendix
Minutes from Previous Meeting	A

Title:	Minutes Action Log
Report of:	Edwina Adefehinti, Interim Director Legal and Governance & Monitoring Officer
Lead Member:	Councillor Edna Murphy, Lead Member for Governance
Public Report:	Yes

Minute	Report Title	Lead Officer	Action	Response	Status
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.	<p>The Deputy Monitoring Officer is taking a report to the March meeting of the Audit and Governance Committee along with a new conflict guidance which has already been drafted and discussed with the Executive team. The guidance will be taken to a Leaders' strategy meeting, Audit and Governance Committee and Audits in June 2023.</p> <p>Also, our internal auditors have been commissioned to audit the companies of the CPCA.</p> <p>Deep dive audit completed in draft form. Audit will be reported to A& G and then CA Board in June and July.</p>	On-going
336.	Climate and Strategy Business Case January 2023	Steve Cox	Cllr Bailey asked for an agreed definition of net zero as there were variances in definition. She would also like to understand what monitoring would be put in place and where was the performance element.	<p>An explanation of net zero was discussed at the June Environment and Sustainable Communities Committee (ESC), the alignment of targets will be a theme for the Climate Summit on 9th November. ESC noted that the project on Locally Determined Contributions has started in February following confirmation of Innovate UK funding and this will firm up the setting of targets and monitoring of progress. ESC have asked for an update on this work at their next meeting to feed into the Strategy refresh.</p>	Open

Minute	Report Title	Lead Officer	Action	Response	Status
Meeting 31 January 2024					
7	Chief Executive Highlights Report	Judith Barker	Board members queried the timeframe and cost of the interventions required to overcome the blockages identified by the infrastructure framework. Officers confirmed that work is progressing based on data provided by the constituent authorities. A report is planned to be brought to the Environment and Sustainable Communities in June which will set out the blockages and cumulative impacts.	The Investment Development Framework is due to be presented to ESC in June after being received by officers in late April. A steering group of local authorities continues to oversee the work reporting to Place Directors monthly.	



**CAMBRIDGESHIRE
& PETERBOROUGH**
COMBINED AUTHORITY

Cambridgeshire and Peterborough Combined Authority Forward Plan of Executive Decisions

Published 8 March 2024

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, Thematic 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, Thematic Committees and the Business Board.

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 Director 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 Thematic Committee decisions will be published online within three days of a public meeting taking place.

Standing items at Thematic 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 Thematic Committee meeting:

Environment and Sustainable Communities Committee

1. Budget Report
2. Affordable Housing Programme – Update on Implementation
3. Climate Partnership Update

Skills and Employment Committee

1. Budget Report
2. Employment and Skills Board Update

Transport and Infrastructure Committee

1. Budget Report

Business Board

1. Combined Authority Forward Planning
2. Business Board Chair's update
3. CPCA Director's Update
4. Feedback from Thematic Committees
5. Budget and Performance report

	Title of report	Decision required	Purpose of report	Consultation	Lead officer	Lead Member	Documents relevant to the decision (other than report and appendices)
Environment and Sustainable Communities Committee – 11 March 2024							
1	Director's Highlight Report	To note	To note the key activities of the Place and Connectivity Directorate in relation to environment and sustainable communities	Relevant internal and external stakeholders	Judith Barker Executive Director Place and Connectivity	Councillor Bridget Smith Lead Member, Communities & Environment	None
2	Huntingdonshire Biodiversity for All Programme [new item]	Presentation	To receive a presentation on the programme	Relevant internal and external stakeholders	Adrian Cannard Strategic Planning Manager	Councillor Bridget Smith Lead Member, Communities & Environment	None
3	Climate Action Plan Review	Key Decision KD2023/048	To agree revisions to the Climate Action Plan 2022-2025	Relevant internal and external stakeholders	Judith Barker Executive Director Place and Connectivity	Councillor Bridget Smith Lead Member, Communities & Environment	None
4	Cultural Services	Decision	To approve the business case and associated funding to deliver the cultural services project	Relevant internal and external stakeholders	Judith Barker Executive Director Place and Connectivity	Councillor Bridget Smith Lead Member, Communities & Environment	None
5	Climate Emergency Declaration	Key Decision KD2024/009	To discuss a recommendation to Board to declare a Climate Emergency	Relevant internal and external stakeholders	Adrian Cannard Strategic Planning Manager	Councillor Bridget Smith Lead Member, Communities & Environment	None
Transport and Infrastructure Committee – 13 March 2024							
6	Director's Highlight Report	To note	To note the key activities of the Place and Connectivity Directorate in relation to transport and infrastructure	Relevant internal and external stakeholders	Judith Barker Executive Director Place and Connectivity	Councillor Anna Smith Lead Member Transport	None
7	Bus Network Update	To note	Update on the progress of analysis and assessment of the bus services.	Relevant internal and external stakeholders	Andrew Highfield Assistant Director Public Transport Services	Councillor Anna Smith Lead Member Transport	None
8	E-Scooter Trial Extension	Key Decision KD2023/057	To update members on the progress of the e-scooter trial and to	Relevant internal and external stakeholders	Anna Graham Transport Programme Manager	Councillor Anna Smith Lead Member Transport	None

	Title of report	Decision required	Purpose of report	Consultation	Lead officer	Lead Member	Documents relevant to the decision (other than report and appendices)
			recommend that CA Board approve an extension of the trial		Tim Bellamy Acting Assistant Director Transport		
9	LTCP and Transport Strategy	Key Decision KD2024/001	Update on LTCP and associated strategy work and drawdown funds to continue workstream	Relevant internal and external stakeholders	Emma White Acting Transport Strategy and Policy Manager Tim Bellamy Acting Assistant Director Transport	Councillor Anna Smith Lead Member Transport	None
10	Transforming City Fund	Key Decision KD2024/002	Update on TFC projects and reallocation of underspend	Relevant internal and external stakeholders	Matthew Lutz Transport Manager Tim Bellamy Acting Assistant Director Transport	Councillor Anna Smith Lead Member Transport	None
11	A141	To note	Update on the development of the A141 project to gauge feedback from the members and allow the scheme to proceed to the next appropriate milestones	Relevant internal and external stakeholders	Matthew Lutz Transport Manager Tim Bellamy Acting Assistant Director Transport	Councillor Anna Smith Lead Member Transport	None
12	Bus Reform	To note	To receive an update on the progress of bus reform and associated business case, following the report to the January Committee	Relevant internal and external stakeholders	Andrew Highfield Assistant Director Public Transport Services Neal Byers Transport Consultant	Councillor Anna Smith Lead Member Transport	None
Human Resources Committee – 13 March 2024							
13	Senior Appointment Candidate Interviews ¹	Decision	To interview candidates for a senior appointment and make recommendations to the CA Board.	Relevant internal and external stakeholders	Nicky McLoughlin Assistant Director HR	Mayor Dr Nik Johnson	None

^{1,3} 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 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.

	Title of report	Decision required	Purpose of report	Consultation	Lead officer	Lead Member	Documents relevant to the decision (other than report and appendices)
Human Resources Committee – 14 March 2024							
14	Senior Appointment Candidate Interviews ³	Decision	To interview candidates for a senior appointment and make recommendations to the CA Board.	Relevant internal and external stakeholders	Nicky McLoughlin Assistant Director HR	Mayor Dr Nik Johnson	None
Combined Authority Board – 20 March 2024							
15	Minutes of the Meeting on 31 January 2024 and Action Log	Decision	To approve the minutes of the previous meeting and review the action log.	Relevant internal and external stakeholders	Edwina Adefehinti Interim Director Legal and Governance, Monitoring Officer	Councillor Edna Murphy Lead Member Governance	None
16	Forward Plan	Decision	To approve the latest version of the forward plan.	Relevant internal and external stakeholders	Edwina Adefehinti Interim Director Legal and Governance, Monitoring Officer	Councillor Edna Murphy Lead Member Governance	None
17	Budget Monitor Update	Decision	To provide an update on the revenue and capital budgets for the year to date.	Relevant internal and external stakeholders	Nick Bell Chief Finance Officer	Mayor Dr Nik Johnson	None
18	Bus Reform	Key Decision KD2023/058	To seek a decision to consult the public on the reform of buses.	Relevant internal and external stakeholders	Andrew Highfield Assistant Director Public Transport Services Neal Byers Transport Consultant	Councillor Anna Smith Lead Member Transport	None
19	Improvement Plan Update	Decision	To note progress and to agree phase 3 of the improvement plan to reflect the concerns set out in the Best Value Notice 2024.	Relevant internal and external stakeholders	Angela Probert Interim Programme Director – Transformation	Mayor Dr Nik Johnson	None
20	Review of the Constitution	Decision	To present to the Board the sections of the Constitution that have been reviewed/proposed amendments.	Relevant internal and external stakeholders including Audit and Governance Committee	Edwina Adefehinti Interim Director Legal and Governance, Monitoring Officer	Councillor Edna Murphy Lead Member Governance	None

	Title of report	Decision required	Purpose of report	Consultation	Lead officer	Lead Member	Documents relevant to the decision (other than report and appendices)
21	Delegations to Officers	Key Decision KD2023/041	To update the CPCA SRO for the GSENZH delegations from Director of Resources and Performance to Director of Place and Connectivity Seeking other delegated authority in order to enable expedient decisions regarding time sensitive matters	Relevant internal and external stakeholders including Audit and Governance Committee	Edwina Adefehinti Interim Director Legal and Governance, Monitoring Officer	Councillor Edna Murphy Lead Member Governance	None
22	Corporate Performance Report Q3 2023/24	Decision	To present the Corporate Performance Report Q3 2023/24 for Members' scrutiny	Relevant internal and external stakeholders	Jules Ient Head of Policy, Insight and Performance	Councillor Edna Murphy Lead Member Governance	None
23	Risk Report Q3 2023/24	Decision	To present the Risk Report for Members scrutiny	Relevant internal and external stakeholders	Nathan Bunting Project Manager PMO	Councillor Edna Murphy Lead Member Governance	None
24	State of the Region Report	To note	To note the findings of the State of the Region review	Relevant internal and external stakeholders	Jules Ient Head of Policy, Insight and Performance	Mayor Dr Nik Johnson	None
25	Statutory Appointments	Decision	To approve the appointment of the preferred candidates for statutory appointments.	Relevant internal and external stakeholders	Rob Bridge Chief Executive	Mayor Dr Nik Johnson	Exempt appendix may be included ²
Recommendations from the Skills and Employment Committee							
26	Improving Efficiency and Effectiveness (Adult Education Budget)	KD2024/012	To set out progress towards developing sector-based talent pipelines and to update the committee on policy changes and set out the likely impact on delivery. To propose actions to improve the efficiency and effectiveness of how to utilise devolved AEB funding.	Relevant internal and external stakeholders, including Business Board	Jaki Bradley Interim Head of Adult Education Budget	Councillor Lucy Nethsingha Lead Member Skills	None

² 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 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.

	Title of report	Decision required	Purpose of report	Consultation	Lead officer	Lead Member	Documents relevant to the decision (other than report and appendices)
27	Careers Hub Academic Year24-25	Key Decision KD2024/007	To approve grant funding offer from the Careers and Enterprise Company for the continuation of the Careers Hub and to accept future grant funding for projects aligned to strategic priorities.	Relevant internal and external stakeholders, including Business Board	Laura Guymmer Careers Hub Lead	Councillor Lucy Nethsingha Lead Member Skills	None
Recommendations from the Environment and Sustainable Communities Committee							
28	Climate Emergency Declaration	Key Decision KD2024/009	To discuss a recommendation to declare a Climate Emergency	Relevant internal and external stakeholders	Adrian Cannard Strategic Planning Manager	Councillor Bridget Smith Lead Member, Communities & Environment	None
Recommendations from the Transport and Infrastructure Committee							
29	E-Scooter Trial Extension	Key Decision KD2023/057	To update members on the progress of the e-scooter trial and to recommend that CA Board approve an extension of the trial	Relevant internal and external stakeholders	Anna Graham Transport Programme Manager Tim Bellamy Acting Assistant Director Transport	Councillor Anna Smith Lead Member Transport	None
30	Bus Services	Key Decision KD2024/008	Update on the progress of analysis and assessment of the bus services and progress of the youth fare scheme and bus operator service changes.	Relevant internal and external stakeholders	Andrew Highfield Assistant Director Public Transport Services	Councillor Anna Smith Lead Member Transport	None
31	LTCP and Transport Strategy	Key Decision KD2024/001	Update on LTCP and associated strategy work and drawdown funds to continue workstream	Relevant internal and external stakeholders	Emma White Acting Transport Strategy and Policy Manager Tim Bellamy Acting Assistant Director Transport	Councillor Anna Smith Lead Member Transport	None
Recommendations from Business Board							
32	Confirmation of appointment of new members	To note	To confirm the appointment of new Business Board Members.	Relevant internal and external stakeholders	Domenico Cirillo, Business Board & Business Programmes Manager	Al Kingsley Chair of Business Board	None

	Title of report	Decision required	Purpose of report	Consultation	Lead officer	Lead Member	Documents relevant to the decision (other than report and appendices)
33	Business Board Terms of Reference and Governance	Decision	To review and recommend the Combined Authority Board approve the updated Business Board Constitution.	Relevant internal and external stakeholders	Jodie Townsend Governance Improvement Lead	Councillor Anna Smith Lead Member Transport	None
34	Business and Social Investment Fund Update	To note	To update members on progress and performance of the Business and Social Investment Fund	Relevant internal and external stakeholders	Steve Clarke Acting Assistant Director Business, Trade and Investment	Councillor Anna Smith Lead Member Transport	None
35	SPF and Rural Prosperity Fund Update	To note	To update members on the status of the Shared Prosperity Fund and the Rural Prosperity Fund	Relevant internal and external stakeholders	Steve Clarke Acting Assistant Director Business, Trade and Investment	Al Kingsley Chair of the Business Board	None

Business Board – 13 May 2024 (AGM)

36	Economic Strategy Update	To note	To update members on the current status of the Economic Strategy.	Relevant internal and external stakeholders	Steve Clarke Acting Assistant Director Business, Trade and Investment	Al Kingsley Chair of the Business Board	None
37	Business Plan for new Business Support Delivery Arrangement	To endorse	To endorse the proposed business support arrangements across Cambridgeshire and Peterborough post Growth Works programme.	Relevant internal and external stakeholders	Steve Clarke Acting Assistant Director Business, Trade and Investment	Al Kingsley Chair of the Business Board	None
38	Strategic Growth Fund Update (Gainshare)	To note	To update members in the status of the Strategic Growth Fund and approved Business Plan.	Relevant internal and external stakeholders	Steve Clarke Acting Assistant Director Business, Trade and Investment	Al Kingsley Chair of the Business Board	None
39	Strategic Funding Management Review – May 2024	To note	To monitor and review programme performance, evaluation, outcomes and risks, including approval of reinvestments.	Relevant internal and external stakeholders	Steve Clarke Acting Assistant Director Business, Trade and Investment	Al Kingsley Chair of the Business Board	None
40	Business Board Annual Report 23-24	To note	To note the contents of the Business Board Annual Report	Relevant internal and external stakeholders	Domenico Cirillo Business Programmes and Business Board Manager	Al Kingsley Chair of the Business Board	None

	Title of report	Decision required	Purpose of report	Consultation	Lead officer	Lead Member	Documents relevant to the decision (other than report and appendices)
Combined Authority Board – 5 June 2024 (AGM)							
41	Minutes of the Meeting on 20 March 2024 and Action Log	Decision	To approve the minutes of the previous meeting and review the action log.	Relevant internal and external stakeholders	Edwina Adefehinti Interim Director Legal and Governance, Monitoring Officer	Councillor Edna Murphy Lead Member Governance	None
42	Forward Plan	Decision	To approve the latest version of the forward plan.	Relevant internal and external stakeholders	Edwina Adefehinti Interim Director Legal and Governance, Monitoring Officer	Councillor Edna Murphy Lead Member Governance	None
43	2023/24 Outturn Budget Report	Key Decision KD2024/003	To provide an update on the revenue and capital budgets	Relevant internal and external stakeholders	Nick Bell Chief Finance Officer	Mayor Dr Nik Johnson	None
44	Appointment of the Deputy Mayor(s)	Mayoral Decision	To announce the appointment of the Deputy Mayor/s of the Cambridgeshire and Peterborough Combined Authority for 2024/25.	N/A	Edwina Adefehinti Interim Director Legal and Governance, Monitoring Officer	Mayor Dr Nik Johnson	None
45	Membership of the Combined Authority	Decision	To note the appointment of Members of Constituent Councils and a representative of the Business Board for 2024/25 (and Substitute Members) and to appoint any Non-Constituent or Co-opted Members.	Relevant internal and external stakeholders	Edwina Adefehinti Interim Director Legal and Governance, Monitoring Officer	Mayor Dr Nik Johnson	None
46	Appointments to Thematic Committees, including the appointment of Chairs and Lead Members	Decision	Note and agree the Mayor's nominations to Lead Member responsibilities and the membership of the Thematic Committees, including the Chairs for 2023/24.	Relevant internal and external stakeholders	Edwina Adefehinti Interim Director Legal and Governance, Monitoring Officer	Mayor Dr Nik Johnson	None
47	Appointment of the Overview and Scrutiny Committee	Decision	To appoint the Committee, confirm its size, terms of reference and seat allocation in accordance with political balance requirements, according to the nominations received from constituent councils.	Relevant internal and external stakeholders	Edwina Adefehinti Interim Director Legal and Governance, Monitoring Officer	Mayor Dr Nik Johnson	None

	Title of report	Decision required	Purpose of report	Consultation	Lead officer	Lead Member	Documents relevant to the decision (other than report and appendices)
48	Appointment of the Audit and Governance Committee, including the Independent Person	Decision	To appoint the Committee and Independent Person and confirm its size, terms of reference and seat allocation in accordance with political balance requirements, according to the nominations received from constituent councils.	Relevant internal and external stakeholders	Edwina Adefehinti Interim Director Legal and Governance, Monitoring Officer	Mayor Dr Nik Johnson	None
49	Overview and Scrutiny Annual Report	To note	To note and provide feedback on the Annual report of the Overview and Scrutiny Committee	Relevant internal and external stakeholders including the Overview and Scrutiny Committee	Edwina Adefehinti Interim Director Legal and Governance, Monitoring Officer	Mayor Dr Nik Johnson	None
50	Audit and Governance Annual Report	To note	To note and provide feedback on the Annual report of the Audit and Governance Committee	Relevant internal and external stakeholders including the Overview and Scrutiny Committee	Edwina Adefehinti Interim Director Legal and Governance, Monitoring Officer	Mayor Dr Nik Johnson	None
51	Member Development Annual Report	To note	To note the Annual Report on Member Development, outlining training sessions delivered in 2023/24 and prospective sessions for 2024/25.	Relevant internal and external stakeholders	Edwina Adefehinti Interim Director Legal and Governance, Monitoring Officer	Councillor Edna Murphy Lead Member Governance	None
52	Improvement Plan Update	To note	To note progress.	Relevant internal and external stakeholders	Angela Probert Interim Programme Director – Transformation	Mayor Dr Nik Johnson	None
53	Communications, Engagement and Public Affairs Strategy [new item]	Decision	To update members on the programme of change and transformation within the team and ask for feedback on the Communications, Engagement and Public Affairs Strategy for 2024/25	Relevant internal and external stakeholders	Ed Colman Head of Communications, Engagement and Public Affairs	Mayor Dr Nik Johnson	None

	Title of report	Decision required	Purpose of report	Consultation	Lead officer	Lead Member	Documents relevant to the decision (other than report and appendices)
Skills and Employment Committee – 17 June 2024							
54	Mid-Year Performance Review [new item]	To note	To receive a progress report on mid-term performance: funding and strategic focus	Relevant internal and external stakeholders	TBC	Councillor Lucy Nethsingha Lead Member Skills	None
55	FE Cold Spots Report [new item]	To note	To receive phase one feasibility study from Grant Thornton	Relevant internal and external stakeholders	Jaki Bradley Head of Adult Education Budget	Councillor Lucy Nethsingha Lead Member Skills	None
56	AEB, FCFJ and Multiply allocations to Independent Training Providers [new item]	Decision	To approve the funding allocations to ITPs for the 2024/25 academic year	Relevant internal and external stakeholders	Jaki Bradley Head of Adult Education Budget	Councillor Lucy Nethsingha Lead Member Skills	None
57	Good Work Charter [new item]	To note	Implementation plan	Relevant internal and external stakeholders	TBC	Councillor Lucy Nethsingha Lead Member Skills	None
58	Health and Care Sector Work Academy and Skills Bootcamps [new item]	To note	To receive an update on the evaluation of the programme delivery of HSCWA and Skills bootcamps	Relevant internal and external stakeholders	Laura Guymer Strategic Careers Hub Lead Melissa Gresswell Project Manager – Skills Bootcamps	Councillor Lucy Nethsingha Lead Member Skills	None
Environment and Sustainable Communities Committee – 19 June 2024							
59	Infrastructure Delivery Framework	Key Decision KD2023/049	To agree Infrastructure Delivery Framework	Relevant internal and external stakeholders	Judith Barker Executive Director Place and Connectivity	Councillor Bridget Smith Lead Member, Communities & Environment	None
60	GSENZH Update ³	To note	To receive an update on the work of the GSENZH	Relevant internal and external stakeholders	Maxine Narburgh Regional Director GSENZH	Councillor Bridget Smith	None

³ Moved from 11 March Committee

	Title of report	Decision required	Purpose of report	Consultation	Lead officer	Lead Member	Documents relevant to the decision (other than report and appendices)
						Lead Member, Communities & Environment	
Investment Committee – 25 June 2024							
Transport and Infrastructure Committee – 26 June 2024							
61	Electric Vehicles	Key Decision KD2024/006	To receive an update on the Electric Vehicles Work and recommend CA Board to approve the Electric Vehicle Infrastructure Strategy.	Relevant internal and external stakeholders	Emma White Acting Transport Strategy and Policy Manager Tim Bellamy Acting Assistant Director Transport	Councillor Anna Smith Lead Member Transport	None
62	March Area Transport Strategy	Key Decision KD2024/007	To recommend to CA Board to approve the full business case 2 and approve the drawdown of funding for the next stage	Relevant internal and external stakeholders	Emma White Acting Transport Strategy and Policy Manager Tim Bellamy Acting Assistant Director Transport	Councillor Anna Smith Lead Member Transport	None
63	A10 update	Decision	Update on the development of the A10 project to gauge feedback and allow the scheme to proceed to the next appropriate milestones	Relevant internal and external stakeholders	Matthew Lutz Transport Manager Tim Bellamy Acting Assistant Director Transport	Councillor Anna Smith Lead Member Transport	None
64	Wisbech to March Rail	Key Decision KD2024/010	Update on the development of Network Rail's options appraisal report and decision to be made on which option to proceed with to allow the scheme to proceed.	Relevant internal and external stakeholders	Matthew Lutz Transport Manager Tim Bellamy Acting Assistant Director Transport	Councillor Anna Smith Lead Member Transport	None
65	Peterborough Station Quarter	Key Decision KD2024/011	Seeking approval for the next phase of funding drawdown to continue the development of the Business Case.	Relevant internal and external stakeholders	Gidon Wieder Programme Manager Peterborough Station Quarter	Councillor Anna Smith Lead Member Transport	None

	Title of report	Decision required	Purpose of report	Consultation	Lead officer	Lead Member	Documents relevant to the decision (other than report and appendices)
					Anna Graham Transport Programme Manager Robert Jones Transport Programme Manager		
66	Active Travel	Decision	Update on the developments regarding active travel, including governance, bids, promotions and schemes	Relevant internal and external stakeholders	Yo Higton Active Travel Lead Tim Bellamy Acting Assistant Director Transport	Councillor Anna Smith Lead Member Transport	None
Business Board – 8 July 2024							
67	UK's Real Estate Investment and Infrastructure Forum (UKREiiF) Update [new item]	To note	To provide a post-event update on CPCA attendance to the UK's Real Estate Investment and Infrastructure Forum (May 21st-23rd 2024, Leeds UK)	Relevant internal and external stakeholders	Richard Kenny Executive Director, Economy and Growth	Al Kingsley Chair of the Business Board	None
Combined Authority Board – 10 July 2024							
68	Minutes of the Meeting on 5 June 2024 and Action Log	Decision	To approve the minutes of the previous meeting and review the action log.	Relevant internal and external stakeholders	Edwina Adefehinti Interim Director Legal and Governance, Monitoring Officer	Councillor Edna Murphy Lead Member Governance	None
69	Forward Plan	Decision	To approve the latest version of the forward plan.	Relevant internal and external stakeholders	Edwina Adefehinti Interim Director Legal and Governance, Monitoring Officer	Councillor Edna Murphy Lead Member Governance	None
70	Budget Monitor Update	Decision	To provide an update on the revenue and capital budgets for the year to date.	Relevant internal and external stakeholders	Nick Bell Chief Finance Officer	Mayor Dr Nik Johnson	None
71	Corporate Performance and Risk Report Q4 2023/24	Decision	To present the Corporate Performance Report Q4 2023/24 for Members' scrutiny	Relevant internal and external stakeholders	Jules Ient Head of Policy, Insight and Performance	Councillor Edna Murphy Lead Member Governance	None

	Title of report	Decision required	Purpose of report	Consultation	Lead officer	Lead Member	Documents relevant to the decision (other than report and appendices)
72	Improvement Plan Update	To note	To note progress.	Relevant internal and external stakeholders	Angela Probert Interim Programme Director – Transformation	Mayor Dr Nik Johnson	None
73	Culture Strategy ⁴	To note	To note progress on the development of a Culture Strategy	Relevant internal and external stakeholders	Jules Ient Head of Policy, Insight and Performance	Mayor Dr Nik Johnson	None
74	State of the Region 2024 [new item]	Key Decision KD2024/014	To approve the State of the Region Report	Relevant internal and external stakeholders	Jules Ient Head of Policy, Insight and Performance	Mayor Dr Nik Johnson	None
Recommendations from the Skills and Employment Committee							
Recommendations from the Environment and Sustainable Communities Committee							
Recommendations from the Transport and Infrastructure Committee							
75	Electric Vehicles	Key Decision KD2024/006	To receive an update on the Electric Vehicles Work and approve the Electric Vehicle Infrastructure Strategy.	Relevant internal and external stakeholders	Emma White Acting Transport Strategy and Policy Manager Tim Bellamy Acting Assistant Director Transport	Councillor Anna Smith Lead Member Transport	None
76	March Area Transport Strategy	Key Decision KD2024/007	To approve the full business case 2 and approve the drawdown of funding for the next stage	Relevant internal and external stakeholders	Emma White Acting Transport Strategy and Policy Manager Tim Bellamy Acting Assistant Director Transport	Councillor Anna Smith Lead Member Transport	None
77	Peterborough Station Quarter	Key Decision KD2024/011	Seeking approval for the next phase of funding drawdown to continue the development of the Business Case.	Relevant internal and external stakeholders	Gidon Wieder Programme Manager Peterborough Station Quarter	Councillor Anna Smith Lead Member Transport	None

⁴ Moved from March meeting

	Title of report	Decision required	Purpose of report	Consultation	Lead officer	Lead Member	Documents relevant to the decision (other than report and appendices)
					Anna Graham Transport Programme Manager Robert Jones Transport Programme Manager		
Recommendations from Business Board							
Skills and Employment Committee – 29 July 2024							
Environment and Sustainable Communities Committee – 31 July 2024							
Transport and Infrastructure Committee – 7 August 2024							
Investment Committee – 20 August 2024							
Combined Authority Board – 4 September 2024							
78	Minutes of the Meeting on 10 July 2024 and Action Log	Decision	To approve the minutes of the previous meeting and review the action log.	Relevant internal and external stakeholders	Edwina Adefehinti Interim Director Legal and Governance, Monitoring Officer	Councillor Edna Murphy Lead Member Governance	None
79	Forward Plan	Decision	To approve the latest version of the forward plan.	Relevant internal and external stakeholders	Edwina Adefehinti Interim Director Legal and	Councillor Edna Murphy Lead Member Governance	None

	Title of report	Decision required	Purpose of report	Consultation	Lead officer	Lead Member	Documents relevant to the decision (other than report and appendices)
					Governance, Monitoring Officer		
80	Budget Monitor Update	Decision	To provide an update on the revenue and capital budgets for the year to date.	Relevant internal and external stakeholders	Nick Bell Chief Finance Officer	Mayor Dr Nik Johnson	None
81	25/26 Medium Term Financial Plan and Corporate Plan Process [new item]	Key Decision KD2024/015	To approve 25/26 Medium Term Financial Plan/Corporate Plan process	Relevant internal and external stakeholders	Kate McFarlane Director, Policy and Engagement Nick Bell Chief Finance Officer	Mayor Dr Nik Johnson	None
82	Directorate Business Plans progress review [new item]	To note	To note the Directorate Business Plans progress review	Relevant internal and external stakeholders	Kate McFarlane Director, Policy and Engagement	Mayor Dr Nik Johnson	None
Recommendations from the Skills and Employment Committee							
Recommendations from the Environment and Sustainable Communities Committee							
Recommendations from the Transport and Infrastructure Committee							
Recommendations from Business Board							
Skills and Employment Committee – 9 September 2024							
Environment and Sustainable Communities Committee – 11 September 2024							

	Title of report	Decision required	Purpose of report	Consultation	Lead officer	Lead Member	Documents relevant to the decision (other than report and appendices)
Transport and Infrastructure Committee – 18 September 2024							
83	New Digital Connectivity Strategy 2025-2029 [new item]	Key Decision KD2024/013	To provide the Connecting Cambridgeshire Digital Connectivity annual progress update and to seek approval of the strategy for the future phases of the programme	Relevant internal and external stakeholders	Ceren Clulow Programme Director, Connecting Cambridgeshire	Anna Smith Lead Member Transport	None
84	River Nene Pedestrian Bridge (Cygnet Bridge) [new item]	Key Decision KD2024/016	To provide an update on the river Nene pedestrian bridge (Cygnet Bridge) Improvement and to seek approval to move to the next stage	Relevant internal and external stakeholders	Anna Graham Transport Programme Manager	Anna Smith Lead Member Transport	None
85	University Access Improvements in Peterborough [new item]	Key Decision KD2024/017	To provide an update on the project and to seek approval to move to the next stage	Relevant internal and external stakeholders	Anna Graham Transport Programme Manager	Anna Smith Lead Member Transport	None
Skills and Employment Committee – 21 October 2024							
Environment and Sustainable Communities Committee – 23 October 2024							
Investment Committee – 29 October 2024							
Transport and Infrastructure Committee – 30 October 2024							

	Title of report	Decision required	Purpose of report	Consultation	Lead officer	Lead Member	Documents relevant to the decision (other than report and appendices)
Business Board – 11 November 2024							
Combined Authority Board – 13 November 2024							
86	Minutes of the Meeting on 4 September 2024 and Action Log	Decision	To approve the minutes of the previous meeting and review the action log.	Relevant internal and external stakeholders	Edwina Adefehinti Interim Director Legal and Governance, Monitoring Officer	Councillor Edna Murphy Lead Member Governance	None
87	Forward Plan	Decision	To approve the latest version of the forward plan.	Relevant internal and external stakeholders	Edwina Adefehinti Interim Director Legal and Governance, Monitoring Officer	Councillor Edna Murphy Lead Member Governance	None
88	Budget Monitor Update	Decision	To provide an update on the revenue and capital budgets for the year to date.	Relevant internal and external stakeholders	Nick Bell Chief Finance Officer	Mayor Dr Nik Johnson	None
89	Corporate Performance and Risk Report Q1 2024/25	Decision	To present the Corporate Performance Report Q1 2024/25 for Members' scrutiny	Relevant internal and external stakeholders	Jules Ient Head of Policy, Insight and Performance	Councillor Edna Murphy Lead Member Governance	None
90	2025/26 Corporate Strategy and Budget and Medium-Term Financial Plan	Key Decision KD2024/004	To approve the draft Medium-Term Financial Plan for public consultation and to note the developing Corporate Plan.	Relevant internal and external stakeholders	Nick Bell Chief Finance Officer Kate McFarlane Director Policy and Engagement	Mayor Dr Nik Johnson	None
Recommendations from the Skills and Employment Committee							
Recommendations from the Environment and Sustainable Communities Committee							
Recommendations from the Transport and Infrastructure Committee							

	Title of report	Decision required	Purpose of report	Consultation	Lead officer	Lead Member	Documents relevant to the decision (other than report and appendices)
Recommendations from Business Board							
Skills and Employment Committee – 9 December 2024							
Environment and Sustainable Communities Committee – 11 December 2024							
Transport and Infrastructure Committee – 18 December 2024							
91	A16 Norwood Improvement [new item]	Key Decision KD2024/018	To provide an update on the A16 Norwood Improvement and to seek approval to move to the next stage	Relevant internal and external stakeholders	Anna Graham Transport Programme Manager	Anna Smith Lead Member Transport	None
Investment Committee – 7 January 2025							
Business Board – 20 January 2025							
Combined Authority Board – 22 January 2025							
92	Minutes of the Meeting on 13 November 2024 and Action Log	Decision	To approve the minutes of the previous meeting and review the action log.	Relevant internal and external stakeholders	Edwina Adefehinti Interim Director Legal and Governance, Monitoring Officer	Councillor Edna Murphy Lead Member Governance	None

	Title of report	Decision required	Purpose of report	Consultation	Lead officer	Lead Member	Documents relevant to the decision (other than report and appendices)
93	Forward Plan	Decision	To approve the latest version of the forward plan.	Relevant internal and external stakeholders	Edwina Adefehinti Interim Director Legal and Governance, Monitoring Officer	Councillor Edna Murphy Lead Member Governance	None
94	Budget Monitor Update	Decision	To provide an update on the revenue and capital budgets for the year to date.	Relevant internal and external stakeholders	Nick Bell Chief Finance Officer	Mayor Dr Nik Johnson	None
95	Corporate Performance and Risk Report Q2 2024/25	Decision	To present the Corporate Performance Report Q2 2024/25 for Members' scrutiny	Relevant internal and external stakeholders	Jules Ient Head of Policy, Insight and Performance	Councillor Edna Murphy Lead Member Governance	None
96	Mayor's Budget 2025/26	Key Decision KD2024/004	To agree the Mayor's draft budget for 2025/26	Relevant internal and external stakeholders	Nick Bell Chief Finance Officer	Mayor Dr Nik Johnson	None
97	2025/26 Corporate Strategy and Budget and Medium-Term Financial Plan	Key Decision KD2024/005	To note the consultation feedback, approve the Corporate Strategy and Budget and MTFP	Relevant internal and external stakeholders	Nick Bell Chief Finance Officer Kate McFarlane Director Policy and Engagement	Mayor Dr Nik Johnson	None
Recommendations from the Skills and Employment Committee							
Recommendations from the Environment and Sustainable Communities Committee							
Recommendations from the Transport and Infrastructure Committee							
Recommendations from Business Board							

	Title of report	Decision required	Purpose of report	Consultation	Lead officer	Lead Member	Documents relevant to the decision (other than report and appendices)
Skills and Employment Committee – 27 January 2025							
Environment and Sustainable Communities Committee – 29 January 2025							
Transport and Infrastructure Committee – 5 February 2025							
Skills and Employment Committee – 24 February 2025							
Environment and Sustainable Communities Committee – 26 February 2025							
Investment Committee – 4 March 2025							
Transport and Infrastructure Committee – 12 March 2025							

	Title of report	Decision required	Purpose of report	Consultation	Lead officer	Lead Member	Documents relevant to the decision (other than report and appendices)
Combined Authority Board – 19 March 2025							
98	Minutes of the Meeting on 22 January 2025 and Action Log	Decision	To approve the minutes of the previous meeting and review the action log.	Relevant internal and external stakeholders	Edwina Adefehinti Interim Director Legal and Governance, Monitoring Officer	Councillor Edna Murphy Lead Member Governance	None
99	Forward Plan	Decision	To approve the latest version of the forward plan.	Relevant internal and external stakeholders	Edwina Adefehinti Interim Director Legal and Governance, Monitoring Officer	Councillor Edna Murphy Lead Member Governance	None
100	Budget Monitor Update	Decision	To provide an update on the revenue and capital budgets for the year to date.	Relevant internal and external stakeholders	Nick Bell Chief Finance Officer	Mayor Dr Nik Johnson	None
Recommendations from the Skills and Employment Committee							
Recommendations from the Environment and Sustainable Communities Committee							
Recommendations from the Transport and Infrastructure Committee							
Recommendations from Business Board							
Business Board – 31 March 2025							

	Title of report	Decision required	Purpose of report	Consultation	Lead officer	Lead Member	Documents relevant to the decision (other than report and appendices)
Combined Authority Board – 2 April 2025							
101	Minutes of the Meeting on 19 March 2025 and Action Log	Decision	To approve the minutes of the previous meeting and review the action log.	Relevant internal and external stakeholders	Edwina Adefehinti Interim Director Legal and Governance, Monitoring Officer	Councillor Edna Murphy Lead Member Governance	None
102	Forward Plan	Decision	To approve the latest version of the forward plan.	Relevant internal and external stakeholders	Edwina Adefehinti Interim Director Legal and Governance, Monitoring Officer	Councillor Edna Murphy Lead Member Governance	None
103	Budget Monitor Update	Decision	To provide an update on the revenue and capital budgets for the year to date.	Relevant internal and external stakeholders	Nick Bell Chief Finance Officer	Mayor Dr Nik Johnson	None
104	Corporate Performance and Risk Report Q3 2024/25	Decision	To present the Corporate Performance Report Q3 2024/25 for Members' scrutiny	Relevant internal and external stakeholders	Jules Ient Head of Policy, Insight and Performance	Councillor Edna Murphy Lead Member Governance	None
Recommendations from the Skills and Employment Committee							
Recommendations from the Environment and Sustainable Communities Committee							
Recommendations from the Transport and Infrastructure Committee							
Recommendations from Business Board							

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.



Combined Authority Board		Agenda Item
20 March 2024		7
Title:	Combined Authority Chief Executive Highlights Report	
Report of:	Rob Bridge, Chief Executive	
Lead Member:	Mayor Dr Nik Johnson	
Public Report:	Yes	
Key Decision:	No	
Voting Arrangements:	No vote required	

Recommendations:

A	Note the content of this report
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Strategic Objective(s):

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

X	Achieving ambitious skills and employment opportunities
X	Achieving good growth
X	Increased connectivity
X	Enabling resilient communities

1. Purpose

1.1	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. It also provides information on some key developments, risks and opportunities that have emerged.
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2. Funding Activity

2.1	<p>Funds allocated by the CPCA</p> <ul style="list-style-type: none"> £135k approved to support the A505 Royston to Granta Park study £79k to deliver the Peterborough Transport Model
2.2	<p>Funds awarded to the CPCA</p> <ul style="list-style-type: none"> £2.9m Skills Bootcamps wave 5

3. Public Affairs

3.1	<p>Spring Statement</p> <p>The Combined Authority have been looking into the detail of what has been announced in the Chancellor's Spring Statement and what it means for our region. We welcome the news that Wisbech will receive up to £20 million from the Towns Fund for regeneration, we look forward to reviewing further details around taking this much needed investment forward in partnership. We also welcomed an upgraded timetable, with faster and more frequent rail services along the East Coast Mainline. More services from Peterborough to London, Yorkshire and Edinburgh will be most welcome, especially as we continue to work with partners to re-develop Peterborough Station Quarter into the thriving transport and enterprise hub the city deserves. We were disappointed, however, that there was nothing on upgrading Ely Junction, despite the Prime Minister promising the upgrade in his Network North announcement back in October. The Combined Authority will continue to work with partners to make the case for this vital infrastructure project.</p>
3.2	<p>The Case for Cambridge</p> <p>Within the Spring Statement, Government further announced some further detail around "The Case for Cambridge" or "Cambridge 2040" as also called.</p> <p>We welcome Government support in unlocking the very real water scarcity issues Cambridge has been facing. Likewise, Government is to provide £7.2 million for the next phase of developing the Cambridge South East Transport (CSET) programme, ensuring the Cambridge Biomedical Campus is connected and accessible as it grows. We further welcome the investment of £3 million for Cambridge University Hospitals NHS Foundation Trust to develop their growth plans at the heart of the Campus.</p> <p>However, all agencies and stakeholders require more clarity on "The Case for Cambridge" and have highlighted concerns that Government could establish another layer of bureaucracy to impose top-down decision making from Whitehall. The Combined Authority will continue to engage with this process, work in partnership and represent the needs of our whole region as "The Case for Cambridge" progresses.</p>
3.3	<p>UKREiiF</p> <p>The Combined Authority have booked a pavilion at the UK's Real Estate Investment & Infrastructure Forum (UKREiiF) from 21-23 May 2024. UKREiiF is the largest cross sector property conference in the UK, forecasting 10,000 delegates in 2024. It is an opportunity to showcase Cambridgeshire and Peterborough investment propositions to a national and international audience of developers, investors and occupiers. It will also heighten awareness of Cambridgeshire & Peterborough Combined Authority and build on the "Team Cambridgeshire & Peterborough" approach to attracting investment.</p> <p>Consultants, Infrastructure Matters, have been appointed to bolster a small multi-disciplinary team and continue to work to produce a consolidated investment pitch which will form a programme of events and marketing materials for the pavilion as the convenor of this activity.</p> <p>Planned events at UKREiiF include a debate sustainably growing Cambridge and the potential for an international train station and Peterborough amongst others have now been approved at Leaders Strategy Meeting.</p> <p>The Combined Authority are working in partnership with our constituent authorities, partners and stakeholders to develop these and our overall approach and presence at the event. Filming is underway for a launch video which will feature leaders and CEX from our region.</p>
3.4	<p>East of England All Party Parliamentary Group</p> <p>The Combined Authority continues to work closely with the East of England All Party Parliamentary Group. We are part of a key group of partners who have compiled the key skills asks and offers to the Government for the East of England in order to achieve Levelling Up.</p> <p>The Annual Review of Progress towards Levelling Up in the East of England will be launched in Parliament 18 March 2024, with keynote speeches from Jacob Young MP, Minister for Levelling Up, Jim McMahon MP, Shadow Minister for Levelling Up and Helen Morgan MP, Liberal Democrat Spokesperson on Levelling Up. The Combined Authority will also have panellist representation.</p>

	<p>This work builds on a report which measured confidence in the East of England meeting Government's twelve Levelling Up missions, produced by the APPG last year. Deputy Mayor, Anna Smith, represented the Combined Authority as a panellist at the report launch in Parliament in February 2023, where she spoke specifically about the skills needs of the area.</p>
3.5	<p>Shadow Transport Minister Backs Ely Junction</p> <p>Shadow Transport Minister, Stephen Morgan MP, joined Mayor Dr Nik Johnson and business leaders in Cambridge on Monday 26 February to discuss the urgent need to progress Ely Junction to bolster connectivity across the East and supercharge international trade.</p> <p>Government committed to progressing the necessary upgrades to Ely Junction in a Network North announcement by the Prime Minister, Rishi Sunak, back in October 2023. But sadly, progress has continued to stall, with leaders receiving no further detail despite repeated letters for clarification.</p> <p>Dr Nik Johnson and Stephen Morgan MP were joined by Naomi Green, Chief Executive of England's Economic Heartland, Steve Beel, Chief Executive Officer of Freeport East, Phil Smart, Assistant Policy Manager at Rail Freight Group, James Bradley, Strategic Planning Leader at Network Rail, and Charles Baker, Senior Public Affairs Manager at Network Rail.</p>
3.6	<p>Shared Ambition Workshop</p> <p>On Wednesday 6 March 2024, the Combined Authority hosted our first Stakeholder Workshop as we continue our work to develop a Shared Ambition for the future of Cambridgeshire and Peterborough.</p> <p>The workshop built on the successful session with Members of the Board and Chief Executives in January and was attended by a broad-church of over 80 stakeholders. Colleagues from DLUHC, our Constituent Councils, businesses, community groups and a range of national and regional organisations came together to help shape our collective shared ambitions.</p> <p>Through a series of activities, attendees were given the opportunity to influence the future of the region by thinking about the themes of people & place, economy, environment, movement & infrastructure. Attendees looked at the strengths, weaknesses, opportunities and threats for the region and then set out to identify what we are all proud of and want to see from a shared ambition for the region in the future.</p> <p>By the end of March, we will be launching an online engagement platform which will host a series of online activities that will allow all users to help make a positive contribution to the Shared Ambition development.</p> <p>We will be sharing details of the platform with all Parish and Town Councils via the Association of Local Councils and working with Communications and Engagement colleagues in our Constituent Councils to promote the platform and ensure we engage with as many users as possible.</p>

4. Economy and Growth

4.1	<p>ARU Peterborough Shortlisted in Prestigious Local Government Awards</p> <p>The three partner organisations behind ARU Peterborough, the city's new university, have been shortlisted in the prestigious Local Government Chronicle (LGC) Awards 2024.</p> <p>The Cambridgeshire and Peterborough Combined Authority, Peterborough City Council and Anglia Ruskin University (ARU) are in the running for the Public/Public Partnership prize, which recognises where partnership working has been successful.</p> <p>The long-running awards celebrate the best of local government, and organisers say this year's awards have received a record number of entries, making getting a shortlisting tougher than ever.</p> <p>The partnership of the Combined Authority, the City Council and ARU successfully delivered on a decades-long ambition to build a new university in Peterborough, opening on time and on budget in September 2022. The main aims of the project are to tackle a lack of higher education opportunity holding back local people, the economy and businesses, and to support the wider regeneration of the city. The University so far represents around £80 million of investment into Peterborough.</p> <p>The awards night is 12 June at Grosvenor House, London.</p>
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4.2	<p>Mayor and Cambridge City Council Leader tour sites earmarked for funding Item 7</p> <p>Dr Nik Johnson, Mayor of Cambridgeshire and Peterborough, visited a number of sites in central Cambridge earmarked to benefit from just over £4.5 million arts and culture funding from the Cambridgeshire & Peterborough Combined Authority.</p> <p>Joined by Cllr Mike Davey, Leader of Cambridge City Council, and Cllr Anna Smith, Deputy Mayor of Cambridgeshire and Peterborough and Cambridge City councillor, the visit was an opportunity for Dr Johnson to see first-hand some of the sites and businesses that will benefit from the additional funding.</p> <p>The visit began at the Cambridge Leisure site, before relocating to the Guildhall in central Cambridge, and talking to market traders and visitors on the Market Square.</p>
4.3	<p>Skills Bootcamps</p> <p>On 27 February, DfE visited CPCA and Tech Educators (the provider who delivers the Full Stack Coding Skills Bootcamp) at The Bradfield Centre in Cambridge. Tech Educators really impressed DfE with their teaching facilities and expertise, and examples of how the programme is making a positive impact for learners.</p> <p>Our new Skills Bootcamp in Sustainability and Environmental Management started on 5 March with PECT and Change Agents UK.</p>
4.4	<p>Careers</p> <p>National Careers Week saw a campaign to raise awareness of regional careers events and promoting careers in the NHS, including the NHS Careers Fair that we are supporting on 12 and 13 March in Peterborough.</p>
4.5	<p>UKSPF Internships</p> <p>We're in the middle of co-creation discussions with e.g. employers, training providers to design and delivery of our UKSPF funded Internship offer which will launch as an informal pilot in April 2024. Delivered under the umbrella of our wider skills brokerage activities, more than 20 partners have fed into the shaping of this offer to ensure it aligns to local needs and best practice.</p>
4.6	<p>Universal Support programme</p> <p>Planning continues for the arrival of the DWP's Universal Support programme. This sees funding allocated to MCA's from Autumn 2024 to support those furthest from the labour market to access and stay in employment.</p>

5. Place and Connectivity

5.1	<p>Centre for Green Technology</p> <p>Demonstrating the importance of the link with skills, construction is underway on the £13.5m Centre for Green Technology, a key project for Inspire Education Group (IEG) delivering green skills and student capacity for the future at the Peterborough College campus. A dedicated green curriculum, the only one of its kind within 50 miles, will deliver skills which are sought after by local business across Peterborough and the wider region. It will equip students with cutting-edge knowledge and skills in modern construction methods, emerging technologies, alternative heat sources, and electric vehicle technology, ensuring they are well-prepared for the challenges and opportunities in the ever-evolving construction landscape. The Project consists of a 3-storey new build, totalling 2,435 m². The facility provides a mixture of large and medium workshop space, classrooms, staff room space and a lab. The space will be shared by electrical vehicle and other engineering and new construction technologies. The project will comply with BREEAM, will have several renewable energy initiatives and be gas free supporting the IEG's drive to Net Zero. Due for completion in November 2024.</p>
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5.2	<p>Net Zero Villages Programme</p> <p>The climate allocations include a programme to provide grants to community level net zero projects in villages. The £1m programme is intended to be run as a competitive grant pot, with circa 50 awards between £15k and £30k. Match funding will not be a requirement but will be part of the weighted scoring analysis. The programme will be focused on demonstrating suitable projects in areas that may have more limited options to implement climate focused choices. The urban areas of Peterborough City, Cambridge City, and those towns receiving support through the Market Towns Programme will be excluded from the programme (as other funding routes are available/activities underway). Capacity was not available to launch the programme in 23/24, it is intended to launch the programme after the pre-election period has concluded in May.</p>
5.3	<p>Infrastructure Delivery Framework update</p> <p>The consultants undertaking the Infrastructure Delivery Framework (IDF) have gathered site data from each council. They are undertaking an additional round of discussions with council officers to ensure that the sites, potential areas, and infrastructure barriers are correctly reflected. The first phase of the assessment tool has been developed and discussed at the Steering Group. The next phase is to run all the sites through the tool to test the 'readiness' index that the consultants have developed. This will categorise the individual barriers to delivering sustainable growth and also the cumulative or tipping point barriers. The work remains on track to report to Committee in June 2024.</p>
5.4	<p>Futurebuild Conference</p> <p>The Greater South East Net Zero Hub (GSENGH) participated in the Futurebuild conference at ExCeL from 5 - 7 March 2024. The exhibition brought together the entire supply chain to showcase, debate and understand the advancements in sustainable construction and the emerging technologies that will make net zero possible. Highlights of the Hub's participation included the Scaling up Retrofit Delivery session where Maxine Narburgh joined a panel discussion on scaling up retrofit delivery, featuring experts from various Net Zero Hub regions, offering valuable lessons for future large-scale government-funded retrofit programs.</p>
5.5	<p>Northminster Topping Out</p> <p>Deputy Mayor of Cambridgeshire & Peterborough, Cllr Anna Smith, joined developer Cross Keys Homes to celebrate 'topping out' at the Indigo development of 315 Combined Authority-funded homes at Northminster, in the heart of the city. Key workers, younger professionals and lower income earners are among those who can benefit from this type of housing and the first tenants are expected to start moving into Northminster by the end of the year. The Indigo build-to-rent scheme received more than £12.5 million in funding from Cambridgeshire and Peterborough Combined Authority, under the £100 million Affordable Housing Programme. It will provide quality rental dwellings at 80% of market rent prices.</p>

6. Transport

6.1	<p>Electric Vehicle Survey</p> <p>With more and more electric cars on our roads, the Combined Authority is asking people in Cambridgeshire and Peterborough for their views on what has been described as the next transport revolution.</p> <p>Working with Cambridgeshire County Council and Peterborough City Council, the Combined Authority wants local opinions to help plan for more electric vehicle (EV) charging points in the region to help meet demand. The Combined Authority wants to make sure they are planned for in the right way, informed by people's views.</p> <p>Are you thinking of buying an electric car? What might be stopping you? The region is estimated to need up to 10,000 charging points by 2030, but what are the best places for them? What about</p>
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	<p>accessible charging points for people who don't have off-road parking? All views are important, whether people own an EV or not.</p> <p>The survey only takes five minutes and can be found here: https://cambridgeshirepeterborough-ca.gov.uk/ev-charging/. People have until 26 March 2024 to take the survey before it closes.</p>
6.2	<p>Peterborough Station Quarter (PSQ)</p> <p>An updated Outline Business Case (OBC) was submitted to the Department for Transport (DfT) in January. A visit to the site by DfT officials was hosted by Peterborough City Council (PCC) and the Combined Authority in February 2024. On 29 February, the Combined Authority and PCC officers presented at a DfT Investment Committee where central government approved funding to develop a Full Business Case for submission in the autumn. DfT's Centres of Excellence have reviewed the OBC and provided comments to the Combined Authority and PCC. Officers are working with partners to respond to these points which will inform the DfT's Investment Committee paper. The third-party value for money assessment has been completed, in compliance with the Combined Authority processes, and no significant issues raised.</p>
6.3	<p>Active Travel Update</p> <p>DEFRA have awarded the Combined Authority £351,122 for an air quality active travel project. The details of the project were presented and approved by this Committee in November 2023. The objective of the Air Care Project is to reduce NO2 emissions within Cambridge City's AQMA and raise awareness of air quality issues. This will be done by launching an app in schools that provides options for reducing single occupancy journeys, maintaining, and providing refurbished bikes to residents in deprived areas and working with health practitioners to disseminate information about the risks of air pollution and how to avoid it. The three-year project will commence immediately, and the Committee will receive annual updates.</p> <p>The Active Travel Specialist Advisory Board (SAB) met for the second time in February. At this meeting, the Terms of Reference document was reviewed. The design approval process was also discussed. It was agreed that the Board would provide feedback on the positive and negative elements of each project that meet the criteria and recommendations for the future.</p> <p>Following the approval of the MTFP, the Active Travel Team are working towards creating an Active Travel Strategy to complement the work already undertaken by CCC and PCC.</p> <p>Unfortunately, the eCargo bike bids with Sustainable Cities Mobility Challenge and DfT's Transport Decarbonisation Demonstrators were not successful and therefore we did not get the funding to roll out the eCargo bike project. The Combined Authority officers are seeking clarification as to why this bid was unsuccessful to learn lessons for future funding applications.</p>

7. Appendices

8.1	None
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8. Implications

Financial Implications	
9.1	None other than those contained in the body of the report
Legal Implications	
9.2	No direct implications.
Public Health Implications	
9.3	None

Environmental & Climate Change Implications		Item 7
9.4	None	
Other Significant Implications		
9.5	None	
Background Papers		
9.6	None	



Combined Authority Board	Agenda Item 8
20 March 2024	

Title:	Budget Update Report March 2024
Report of:	Nick Bell, Executive Director Resources and Performance
Lead Member:	Mayor Dr Nik Johnson
Public Report:	Yes
Key Decision:	Yes
Voting Arrangements:	Simple Majority of Members present and voting

Recommendations:	
A	Note the financial position of the Combined Authority
B	Approve the provisional carry-forwards from 2023/24 into 2024/25
C	Approve the allocation of £400k from additional treasury management income to fund the continued improvement workstream in 2024/25 as set out in section 6
D	Approve the financial strategies for 2024/25 following review by the Audit and Governance Committee as summarised in section 7.

Strategic Objective(s):	
	The proposals within this report impact on all four of the Combined Authority’s strategic objectives as understanding the budget available for 2023-24 allows the continuation of the delivery of the Authority’s programmes in an efficient manner, and within its means.

1. Purpose	
1.1	This report provides the Board with an update on its financial performance for the year. Forecasts were agreed with Officers in February based on spend to the end of January.
1.2	Alongside forecasts Officers have also identified where projects and programmes have budget within 2023/24 which will not be spent by the end of March and have requested these funds be carried forward into 2024/25 to allow the continued delivery of these projects.
1.3	In light of the Combined Authority being issued with a new Best Value Notice on 30 th January 2024, it is proposed that an additional £400k is allocated from additional Treasury Management income to the Improvement Programme. This will bring the total allocated to the Improvement Programme up to £1.4m since the Improvement Programme was established in October 2022 and ensure that sufficient funds exist to fully address the areas highlighted by the new Best Value Notice by 31 st July 2024.
1.4	Approve the adoption of the 2024/25 financial strategies (Capital Strategy, Investment Strategy, Treasury Management Strategy) and the 2024/25 Minimum Revenue Provision Statement following review by the Audit and Governance Committee.

2. Background

Item 8

2.1	This report provides the Board with an update on its financial performance for the year. Forecasts were agreed with Officers in February based on spend to the end of January.
2.2	The budgets reported here only include forecasts against those which have been approved to spend by the Board, or relevant Committee, and are thus being actively delivered against. A summary of those budgets which are still subject to approval is also provided.
2.3	As previously reported to the Board, the materiality threshold above which changes in forecast expenditure for the year (forecast outturn) are required to provide a specific explanation are £200k for all revenue budgets and £500k on capital projects.

3. Revenue Expenditure Position

3.1	<p>The table on the following page contains a summary of the year to the end of January (YTD) spend and forecast position for the end of the year as agreed by officers during February. More detail is provided for the Mayor's Office, the Chief Exec's Office and Resources and Performance as these budgets are not reviewed in more detail by the Thematic Committees.</p> <p>All figures are in thousands of pounds (£'000) and a more detailed breakdown of income and expenditure for the year is shown at Appendix 1a.</p>
3.2	<p>Across the revenue budget the Combined Authority is forecasting a £10.0m 'favourable' variance against budget.</p> <p>The main forecast changes from previous reports relate to:</p> <p><u>Slippage</u></p> <ul style="list-style-type: none">• £2,422k reduction in HUG2 spend due to the restrictive nature of the grant in terms of eligible properties and initial technical challenges in appointing and mobilising delivery partners. These challenges are being faced by other organisations delivering HUG2 programmes across the country and a change request will be submitted to DESNZ to allow the unspent funding to be spent in 2024/25.• £450k reduction in costs for the development of Bus Reform as no public consultation has yet started, as the consultation will now be carried out in 2024/25 this will be requested as slippage. <p><u>Underspend</u></p> <ul style="list-style-type: none">• Reduction in Skills Bootcamp Wave 3 (£520k) and Wave 4 (£337k) as a result of lower enrolment numbers which reflect the trend nationwide. The Wave 3 programme is now complete.• £1,817k reduction in Growth Co Services – the contract finished in December 2023. Whilst the key output KPI, of increased new jobs, has been exceeded this was done significantly under-budget in some workstreams. This budget was funded from EU funds which will not be drawn down reflecting the lower spend. <p>Further details on these changes and all others over £200k can be found in Appendix 2.</p>
3.3	<p>In addition to the above changes there are a number of changes and additions to budgets created by the decisions of the Board earlier in the year. Many of these are as result of the approval of the 2024/25 MTFP, and, where these are reductions, reflect the formalising of already reported underspends and project slippages.</p>
3.4	<p>In addition to the approved budgets shown in the tables below which are regularly monitored, there are £5.6m of Subject to Approval budgets agreed for the year, which are yet to be drawn down. Given the limited time remaining to gain approval to draw these funds down they are likely to remain unspent at year end. A schedule of these is provided as Appendix 3a</p>

Revenue Expenditure to end of Jan £'000	Budget YTD	Actual YTD	Variance YTD	Full-year Budget	Forecast Outturn	Forecast Variance	Change in Forecast	Appendix 2 reference
Mayor's Office	3,751	3,346	-406	3,778	3,741	-37	-33	
Precept	3,624	3,262	-362	3,624	3,624	-	-	
Mayor's Office	127	84	-43	154	117	-37	-33	
Chief Execs Office	1,942	2,058	116	3,360	2,905	-455	-448	
Comms and Engagement	40	77	37	52	205	153	-13	
Monitoring and Evaluation	55	69	14	226	166	-60	-25	
Response Funds	350	599	249	907	907	-	28	
Strategy and Vision	68	54	-14	459	188	-271	-161	
CEX Office Staffing	1,430	1,259	-171	1,716	1,439	-277	-277	1
Resources and Performance	18,071	7,881	-10,190	22,713	19,497	-3,216	4,665	
Digital Services and Support	532	597	65	860	800	-60	355	
Energy	15,088	4,718	-10,370	18,591	15,259	-3,332	4,119	2
Finance and Procurement	207	101	-107	323	313	-9	-94	
Human Resources & Organisational Development	91	40	-51	122	116	-6	21	
Legal, Governance and Member Services	196	188	-8	309	229	-80	-30	
Other Employee Costs and Corporate Overheads*	7	-41	-49	172	108	-64	-40	
R&P Staffing	1,950	2,279	329	2,337	2,672	335	335	3
Economy and Growth	18,530	17,133	-1,397	27,927	23,468	-4,459	-3,010	4 to 8
Place and Connectivity	13,745	11,255	-2,490	20,612	18,752	-1,860	1,289	9
Grand Total	56,040	41,673	-14,367	78,390	68,363	-10,027	2,462	

* This budget group includes recharges to grants of costs across Finance and Procurement, Human Resources & Organisational Development and Legal, Governance and Member services as well as itself so total income from recharges can be larger than the gross costs.

4. Capital Expenditure

4.1	A summary of the 2023/24 Capital Programme, including expenditure to the end of January, is shown at the top of the next page. A project-level breakdown of the capital programme is included in Appendix 1b.
4.2	<p>The capital programme is forecasting a £41,497k 'favourable' variance, which has increased by £15,024k since the last reported figures. Due to a net reduction in budget of £20,819k, the forecast spend has reduced by a combined £35,843k. This reduction reflects the work undertaken since last report to ensure as accurate an outturn forecast as possible.</p> <p>Detail of all material variances since the last report are provided at Appendix 2.</p> <p>The most significant variances are all on programmes which will continue in 2024/25 so the budget is requested to be slipped for delivery in 2024/25:</p> <ul style="list-style-type: none"> • £20,838k reduction in HUG2 due to the restrictive nature of the grant in terms of eligible properties and initial technical challenges in appointing and mobilising delivery partners. These challenges are being faced by other organisations delivering HUG2 programmes across the country. This funding is being carried forward to next financial year where it is currently anticipated that it will be spent in full. • £2,850k reduction in the Business Growth Fund – a new delivery organisation has been appointed but the programme will not launch until the next financial year. • £2,724k reduction in Fengate Access Study - Eastern Industries Access - Phase 1 due to little use of the risk contingency. A paper on the TIC agenda in March considers the possible uses for this underspend. • £1,938k reduction in Affordable Housing Grant Programme due to the slippage to June of the completion of one scheme expected in March
4.3	In addition to the above changes there are a number of changes and additions to budgets created by the decisions of the Board earlier in the year. Many of these are as result of the approval of the 2024/25 MTFP, and, where these are reductions, reflect the formalising of already reported underspends and project slippages.
4.4	Over 80% of the £41m Forecast Outturn underspend position is caused by five schemes. HUG2 represents over 50% of the underspend with 4 other projects: A141 Strategic Outline Business Case, the A10 Upgrade, Fengate Access Study – Eastern Industries Access – Phase 1 and the Housing grant programme accounting £13m (over 30%) of the remaining amount.
4.5	<p>As capital programmes, by their nature, cross multiple financial years requests to carry forward unspent budgets into future financial years are agreed by default and recognised as savings by exception. In order to enable continued delivery of in-flight projects between the end of this financial year and the next Board meeting on 5th June, the Board is requested to approve provisional carry forward of the forecast underspends as slippage detailed in Appendix 1.</p> <p>The CA Board will be provided with explanations of all material variances for the year (including slippage) alongside the final outturn report following the year-end closure and accruals process.</p>
4.6	In addition to the approved budgets which are monitored in the tables below, there are also £9.8m of Subject to Approval budgets agreed for the year, which are yet to be drawn down. Given the limited time remaining to gain approval to draw these funds down and spend them they are likely to remain unspent at year end and so are included in the requested carry-forwards. A schedule of these is provided as Appendix 3b

5. Income

5.1	The lower table on the following page sets out the Combined Authority's current and forecast income for the financial year and a more detailed breakdown is provided in Appendix 1c.
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5.2	<p>There are several material variances to report to the Board in this cycle:</p> <ul style="list-style-type: none"> • A further £1.3m increase in forecast interest receivable this year from the Treasury Management loan portfolio compared to the January forecast, bringing the total forecast income for the year to £10m. Section 6 asks the Board to approve the allocation of £400k of this additional surplus to fund the additional costs of the improvement programme to meet the requirements of the most recent Best Value Notice. • £600k reduction in Skills Bootcamp Wave 4 to reflect reduction in courses. • £19,795k new grant for Local Net Zero Accelerator Programme which is expected to be spent next financial year. This was profiled in-year as Government specified it would be 2023/24 funding however delivery will be in 2024/25. • £12,493k reduction in HUG 2 grant as no further funding is expected until next financial year. • £6,860k reduction in Transforming Cities Fund income as, following a letter from DfT, this income is now anticipated early next financial year. 	Item 8
5.3	<p>The majority of the income forecast to be received during the year had been received by the end of the January.</p>	

Capital Expenditure to end of Jan 2024 £'000	Budget YTD	Actual YTD	Variance YTD	Full-year Budget	Forecast Outturn	Forecast Variance	Change in Forecast	Requested Slippage	Appendix 2 reference
Economy and Growth	9,700	7,635	-2,065	19,651	18,029	-1,622	-6,769	1,527	
Business	947	7	-939	2,378	1,185	-1,193	-4,783	700	11,12
Growth	3,391	3,478	87	4,916	4,452	-464	-448	-	13
Market Town	3,807	2,696	-1,111	6,503	6,788	285	274	827	14,15
SPF	1,555	154	-1,401	1,555	1,304	-251	588	-	
FE Cold Spots	-	-	-	-	-	-	-2,400	-	
University	-	1,300	1,300	4,300	4,300	-	-	-	
Place and Connectivity	71,002	64,324	-6,678	107,839	88,814	-19,025	-8,225	18,117	
Climate Action and Spatial Planning	1,174	-	-1,174	2,140	1,055	-1,085	-1,775	805	16,17
Digital Connectivity	1,462	539	-924	1,726	1,719	-7	-	-	
Housing	11,630	9,210	-2,420	11,943	9,210	-2,733	-1,938	2,733	18
Intercompany	-	-	-	-	-	-	-	-	
Public Transport	6,194	8,333	2,139	9,188	9,188	-	-	-	
Strategic Transport	50,542	46,242	-4,299	82,843	67,642	-15,200	-4,512	14,579	19-23
Resources and Performance	32,847	6,462	-26,385	32,793	11,943	-20,850	-20,850	20,838	
Accommodation	120	112	-8	167	135	-32	-32	-	
Digital Services and Support	31	-	-31	42	62	20	20	-	
Energy Hub	32,695	6,350	-26,345	32,584	11,746	-20,838	-20,838	20,838	24
Grand Total	113,549	78,421	-35,127	160,284	118,786	-41,497	-35,843	40,482	

Combined Authority income to end of Jan 2024 £'000	Actual YTD	Full-year Budget	Forecast Outturn	Forecast Variance	Change in Forecast
Mayor's Office	-3,262	-3,624	-3,624	-	-
Chief Execs Office	-39	-39	-39	-	-
Economy and Growth	-19,724	-27,061	-23,054	4,007	448
Place and Connectivity	-56,090	-56,263	-59,559	-3,295	-6,654
Resources and Performance	-82,240	-86,109	-85,953	156	-4,573
Grand Total	-161,355	-173,096	-172,229	867	-10,779

6. Funding for the improvement programme in 2024/25

6.1	<p>On 30th January 2024 the Combined Authority were notified that DLUHC had issued a further Best Value Notice. It recognised the good work done by the Combined Authority to address the concerns expressed in the previous Best Value Notice but expressed the view that there is still work to be done to continue that improvement, setting out the following 5 items:</p> <ol style="list-style-type: none"> 1. Continue with the independent Improvement Board, making full use of its support and engaging with its recommendations over the next six months. 2. Continue to implement and embed the changes agreed by the Combined Authority Board as part of the improvement plan. 3. Continue to implement and monitor cultural change across the organisation, for both officers and members, with a focus on measurable outcomes. 4. Commit, through strong partnership working at both officer and member level, to develop the strategic priorities and aspirations for the area that will benefit local residents, and a credible delivery strategy for progressing these. We hope that this can be achieved through consensus but, if not all stakeholders are ready to fully engage, the opportunity should be left open for them to do so when they feel ready to. This work is also important in informing CPCA's approach to further devolution. 5. Continue to engage regularly with the Department at official level throughout the period of this Notice.
6.2	<p>A separate paper on the Board's agenda discusses the closure of phase 2 of the improvement programme and a move into phase 3. The new phase recognises that some elements of phase 2 are now being embedded as 'Business as Usual' so descopes these leaving a focus on 3 workstreams aligned to items 2-4 above.</p>
6.3	<p>To ensure the Combined Authority can continue to maintain the momentum which has been built through the first two phases of the improvement programme, and deliver tangible outputs which can assure DLUHC that the areas of concern have been addressed within the 6-month duration of the Best Value Notice, the Combined Authority needs to retain the support of the team that have effectively delivered phase 2, as well as retaining funding for specialist support from other external organisations as required.</p>
6.4	<p>In order to deliver against this tight timeframe the Board are asked to approve a £400k revenue budget to support the work on the improvement plan in 2024/25, to be funded from the increased interest from treasury management activities in 2023/24 as reported above. This will bring the total allocated to the improvement programme to £1.4m (£750k allocated in July 22, and a further £250k in July 23).</p>

7. 2024/25 Financial Strategies

7.1	<p>According to its Terms of Reference, the Audit and Governance Committee shall "ensure there is effective scrutiny of the treasury management strategy and policies in accordance with CIPFA's Code of Practice".</p>
7.2	<p>The Audit and Governance Committee have reviewed the revised strategies for 2024/25 at their January meeting (26 January Audit and Governance Committee item 9). Since then the strategies have been updated to bring the figures in line with the final approved version of the MTFP, and minor presentational enhancements to more clearly demonstrate adherence to the Code of Practice at the suggestion of Arlingclose, our treasury management advisors.</p>
7.3	<p>The following strategies have been updated for 2024/25 and are attached as Appendix 4 with changes since the 2023/24 equivalents marked as Appendix 5.</p>
7.4	<p>Capital Strategy: To provide a high-level overview for elected members to understand how stewardship, value for money, prudence, sustainability and affordability will be secured.</p>

7.5	Non Treasury Investment Strategy: To meet the requirements of statutory guidance in which the Authority would support local public services by lending to or buying shares in other organisations, or to earn investment income
7.6	Treasury Management Strategy: Being the management of the Authority's cash flows, borrowing and investments and the associated risks.
7.7	Minimum Revenue Provision (MRP) Statement: A DLUHC requirement to approve an MRP Statement each year to ensure that capital expenditure is financed over a reasonable period
7.8	The Board is asked to review and approve the suite of strategies for adoption from the 1st April 2024.

8. Appendices

8.1	Appendix 1. Detailed breakdown of revenue income and expenditure budgets for the financial year 2023-24.
8.2	Appendix 2. Material Variance Explanations
8.3	Appendix 3. (a) Revenue Subject to Approval Budgets (b) Capital Subject to Approval Budgets
8.4	Appendix 4. Cambridge and Peterborough Combined Authority Draft Strategies 2024-25 (a) Capital Strategy Report (b) Non-Treasury Investment Strategy Report (c) Treasury Management Strategy Statement 2024/25 (d) Minimum Revenue Provision Statement 2024/25
8.5	Appendix 5. Cambridge and Peterborough Combined Authority Draft Strategies 2024-25 (with track changes) (a) Capital Strategy Report (with track changes) (b) Non- Treasury Investment Strategy Report (with track changes) (c) Treasury Management Strategy Statement 2024/25 (with track changes) (d) Minimum Revenue Provision Statement 2024/25 (with track changes)

9. Implications

Financial Implications	
9.1	The financial implications of the decisions are set out in the body of the report.
Legal Implications	
9.2	The Combined Authority is required to prepare a balanced budget in accordance with statutory requirements. The CA is required to agree a balanced budget annually and to monitor that budget throughout the year. In addition, there is a fiduciary duty not to waste public resources, to secure value for money and ensure that good financial governance arrangements are in place. This report monitors how the Combined Authority and the Mayoral Fund performed against the financial targets set in January 2024 through the Budget setting process in accordance with the Cambridgeshire and Peterborough Combined Authority Order 2017 and the Combined Authorities Financial Order 2017.
Public Health Implications	
9.3	A number of the projects in delivery or planned to be delivered have direct Public Health benefits.

Environmental & Climate Change Implications		Item 8
9.4	A number of the projects in delivery or planned to be delivered have direct Environmental and Climate Change benefits.	
Other Significant Implications		
9.5	There are no other significant implications.	
10. Background Papers		
10.1	None	

Agenda Item 8	Appendix
Budget Update Report January 24 – Revenue Expenditure Position	1

Revenue position, actuals as at 31st January, forecasts as of February. Figures in £'000	Budget YTD	Actual YTD	Variance YTD	Full-year Budget	Forecast Outturn	Forecast Variance	Change in Forecast
Mayor's Office	3,751	3,346	-406	3,778	3,741	-37	-33
Precept							
Precept funded contribution to operational budgets Exp	3,624	3,262	-362	3,624	3,624	-	-
Mayor's Office							
Mayor's Allowance	85	83	-2	102	102	-	-
Mayor's Conference Attendance	23	1	-22	28	5	-23	-19
Mayor's Office Accommodation	20	-	-20	24	10	-14	-14
Chief Execs Office	1,942	2,058	116	3,360	2,905	-455	-448
Comms and Engagement							
Communications	32	66	34	42	185	143	-15
Website Development	8	12	3	10	20	10	2
Monitoring and Evaluation							
Local Evaluation Framework Initiation	-	9	9	135	94	-41	-6
Monitoring and Evaluation Framework	55	60	6	91	73	-19	-19
Response Funds							
Corporate Response Fund	-	72	72	145	145	-	28
Improvement Plan	350	527	177	762	762	-	-
Strategy and Vision							
Coronation and Eurovision Funding	39	39	-	39	39	-	-
Development of a cultural strategy	-	15	15	100	40	-60	-
Shared Vision	29	-	-29	170	54	-116	-66
State of The Region	-			150	55	-95	-95
CEX Office Staffing							
CEX Net Staffing Costs	1,430	1,259	-171	1,716	1,439	-277	-277
Economy and Growth	18,530	17,133	-1,397	27,927	23,468	-4,459	-3,010

Agenda Item 8	Appendix
Budget Update Report January 24 – Revenue Expenditure Position	1

Revenue position, actuals as at 31st January, forecasts as of February. Figures in £'000	Budget YTD	Actual YTD	Variance YTD	Full-year Budget	Forecast Outturn	Forecast Variance	Change in Forecast
Business							
Business Board Admin Costs	-	53	53	-	-	-	-
Business Growth Fund	112	1	-111	156	156	-	-
CRF Start & Grow Project	-	175	175	-	175	175	-
Devolution trailblazer support	-900	169	1,069	250	250	-	-
Economic Rapid Response Fund	-	12	12	-	12	12	-
Growth Co Services	4,369	2,536	-1,833	4,388	3,000	-1,388	-1,817
Insight and Evaluation Programme	63	65	2	75	75	-	-
Local Growth Fund Costs	202	135	-66	242	242	-	-
Marketing and Promotion of Services	31	-	-31	38	38	-	-
New Economy	-	-	-	230	15	-215	15
Inward Investment	-	6	6	30	30	-	30
UK Shared Prosperity Fund	2,002	493	-1,509	2,160	642	-1,518	484
Skills							
AEB Devolution Programme	10,105	10,097	-8	11,081	11,081	-	-
AEB Free Courses for Jobs	616	353	-264	1,954	1,954	-	-448
AEB Innovation Fund - Revenue	520	33	-487	779	587	-192	-55
AEB Programme Costs	695	256	-439	602	602	-	235
AEB Provider Capacity Building	45	27	-18	68	68	-	-
AEB Strategic Partnership Development	72	1	-71	108	108	-	-
Bootcamp Wave 4	-574	635	1,208	1,519	850	-670	-337
Careers and Enterprise Company (CEC)	203	194	-9	266	266	-	-
Changing Futures	-	-	-	60	60	-	-
FE Cold Spots (rev)	169	-	-169	225	50	-175	-175
Multiply							
Skills Advisory Panel (SAP) (DfE)	909	1,075	166	1,495	1,495	-	-70
Skills Bootcamp Wave 3	46	-	-46	55	55	-	-
	-717	279	996	669	279	-390	-520

Agenda Item 8	Appendix
Budget Update Report January 24 – Revenue Expenditure Position	1

Revenue position, actuals as at 31st January, forecasts as of February. Figures in £'000	Budget YTD	Actual YTD	Variance YTD	Full-year Budget	Forecast Outturn	Forecast Variance	Change in Forecast
Skills Bootcamp Wave 3 PM costs	130	-	-130	130	-	-130	-130
UK SPF Skills	-	25	25	278	278	-	-
Delivering Health & Wellbeing Strategy Skills	-	-	-	500	500	-	-
E&G Staffing							
E&G Net Staffing Costs	432	512	80	569	600	31	-222
Place and Connectivity	13,745	11,255	-2,490	20,612	18,752	-1,860	1,289
Climate							
Climate Change	40	31	-9	50	50	-	-
Doubling Nature Metrics	40	10	-30	75	75	-	-
Greater Cambridge Chalk Stream Project - Revenue	40	-	-40	40	40	-	40
Huntingdonshire Biodiversity for all - Revenue	40	-	-40	100	100	-	-
Lifebelt City Portrait	40	40	-	40	40	-	-
Natural Cambridgeshire	64	70	6	80	80	-	-
Non Statutory Spacial Plan	-	38	38	-	-	-	-
Climated Evidence and Data	-	-	-	150	150	-	-
Climat Action	-	8	8	110	110	-	-
Future Fens	-	-	-	70	70	-	-
Housing							
Angle Holding	-	2	2	-	-	-	-
CLT	12	8	-4	23	8	-15	-15
Passenger Transport							
Bus Review Implementation	255	413	158	517	517	-	-
Bus Service Improvement Plan (BSIP+)	2,000	-	-2,000	2,000	2,000	-	2,000
Development of Bus Franchising	700	268	-432	1,050	600	-450	-450
Peterborough Electric Bus Depot business case	-	40	40	-	-	-	-
Precept funded contribution to operational budgets Inc	-3,262	-3,262	-	-3,624	-3,624	-	-
Public Transport: Bus Service Operator Grant	-	-	-	411	411	-	104

Agenda Item 8	Appendix
Budget Update Report January 24 – Revenue Expenditure Position	1

Revenue position, actuals as at 31st January, forecasts as of February. Figures in £'000	Budget YTD	Actual YTD	Variance YTD	Full-year Budget	Forecast Outturn	Forecast Variance	Change in Forecast
Public Transport: Concessionary fares	6,280	5,808	-472	8,915	7,340	-1,575	-
Public Transport: Contact Centre	270	133	-137	292	152	-140	-
Public Transport: Reducd Fares for under 25s	-	-	-	-	-	-	-650
Public Transport: RTPI, Infrastructure & Information	291	410	119	325	325	-	-
Public Transport: S106 supported bus costs	-	306	306	-	306	306	306
Public Transport: Supported Bus Services	4,974	5,233	259	7,355	7,625	270	-64
Public Transport: Team and Overheads	451	568	117	532	644	112	72
Strategic Transport							
Active Travel 4	176	-	-176	176	176	-	-
LEVI	123	20	-102	403	-	-403	-89
Living Streets Walk to School	-	-	-	12	12	-	-
Local Transport Plan	123	7	-116	-	-	-	-
Love to Ride	-150	-	150	55	55	-	-
Civil Parking Enforcement	150	-	-150	150	150	-	-
P&C Staffing							
P&C Net Staffing Costs	1,087	1,105	18	1,305	1,339	34	34
Resources and Performance	18,071	7,881	-10,190	22,713	19,497	-3,216	4,665
Digital Services and Support							
ICT external support	168	256	88	296	335	39	-15
Software Licences, Mobile Phones cost	87	76	-11	113	90	-23	-5
PMO Software and Training Investments	277	265	-12	450	375	-75	375
Energy							
GSE Net Zero Hub	4,051	1,674	-2,378	5,296	5,296	-	3,877
GSE Green Homes Grant Ph 3 (LAD 3)	2,024	1,070	-954	2,429	2,429	-	-
GSE Home Improvement Grant (HUG 1)	372	-4	-376	433	433	-	-
GSE Home Improvement Grant 2 Mobilisation (HUG 2)	-	70	70	-	70	70	70
GSE Local Energy Advice Demonstrator	1,808	315	-1,494	2,170	2,170	-	-

Agenda Item 8	Appendix
Budget Update Report January 24 – Revenue Expenditure Position	1

Revenue position, actuals as at 31st January, forecasts as of February. Figures in £'000	Budget YTD	Actual YTD	Variance YTD	Full-year Budget	Forecast Outturn	Forecast Variance	Change in Forecast
GSE Net Zero Investment Design	523	13	-510	12	12	-	-
GSE Public Sector Decarbonisation	412	124	-287	1,222	263	-960	33
GSE Rural Community Energy Fund (RCEF)	462	176	-286	445	445	-	-
Community Energy Fund	833	12	-822	1,000	1,000	-	1,000
DESNZ Regional Skills Pilot	1,318	203	-1,115	1,582	1,582	-	1,582
HUG2 A Revenue 23/24	3,285	1,066	-2,219	3,942	1,500	-2,442	-2,442
Local Energy Plan	-	-	-	60	60	-	-
Finance and Procurement							
Audit Costs	100	35	-65	140	240	100	-
Finance Service	60	26	-34	66	28	-38	-23
Finance System	-	-	-	70	-	-70	-70
Insurance	39	39	1	39	39	1	1
Procurement	8	-	-8	8	6	-2	-2
Human Resources & Organisational Development							
HR	11	25	14	12	33	21	21
Payroll	6	2	-3	10	3	-7	-
Recruitment Costs	75	13	-62	100	80	-20	-
Legal, Governance and Member Services							
Committee/Business Board Allowances	120	89	-31	144	114	-30	-30
Democratic Services	35	10	-25	95	45	-50	-
External Legal Counsel	41	89	48	70	70	-	-
Other Employee Costs and Corporate Overheads							
Accommodation Costs	192	174	-17	212	185	-27	-27
Change Management Reserve	-	100	100	158	277	119	119
Corporate Subscriptions	50	29	-21	56	50	-6	-6
Office running costs	27	18	-9	32	21	-11	-7
Training	53	50	-3	89	70	-19	-

Agenda Item 8	Appendix
Budget Update Report January 24 – Revenue Expenditure Position	1

Revenue position, actuals as at 31st January, forecasts as of February. Figures in £'000	Budget YTD	Actual YTD	Variance YTD	Full-year Budget	Forecast Outturn	Forecast Variance	Change in Forecast
Overheads recharged to grant funds	-314	-413	-99	-377	-495	-118	-118
R&P Staffing							
R&P Net Staffing Costs	1,950	2,279	329	2,337	2,672	335	335
Grand Total	56,040	41,673	-14,367	78,390	68,363	-10,027	2,462

Agenda Item 8	Appendix
Budget Update Report January 24 – Capital Expenditure Position	1b

Capital position as at 31st January, forecast as at February. Figures in £'000	Budget YTD	Actual YTD	Variance YTD	Full-year Budget	Forecast Outturn	Forecast Variance	Change in Forecast	Requested Slippage
Economy and Growth	9,700	7,635	-2,065	19,651	18,029	-1,622	-6,769	1,527
Business								
Business Growth Fund	135	-	-135	950	-	-950	-2,850	450
College of West Anglia - Net Zero	555	-	-555	876	876	-	-248	-
Fenland Hi-tech Futures	-	7	7	-	7	7	-	-
Illumina Accelerator	-	-	-	-	-	-	-800	-
Ramsey Food Hub	302	-	-302	302	302	-	-	-
Start Codon (Equity)	-45	-	45	250	-	-250	-885	250
Growth								
Expansion of Growth Co Inward Investment	-	400	400	400	400	-	-	-
Growth Co Services	-	52	52	-	52	52	52	-
The Growth Service Company	3,391	3,026	-366	4,516	4,000	-516	-500	-
Market Town								
Market Towns Phase 2	827	592	-235	1,250	423	-827	-9	827
Market Towns: Chatteris	295	13	-282	455	263	-192	-192	-
Market Towns: Ely	440	177	-263	440	244	-196	-196	-
Market Towns: Huntingdon	145	15	-130	345	505	160	160	-
Market Towns: Littleport	-	-	-	475	475	-	-	-
Market Towns: March	256	231	-25	1,434	1,556	122	1,022	-
Market Towns: Ramsey	405	-20	-425	405	405	-	-	-
Market Towns: Soham	291	163	-128	621	667	45	45	-
Market Towns: St Ives	145	212	67	345	505	160	160	-
Market Towns: Whittlesey	450	451	1	450	456	6	6	-
Market Towns: Wisbech	281	282	1	281	288	6	288	-
March Future Highstreet Fund allocation	-	580	580	-	1,000	1,000	719	-

Agenda Item 8	Appendix
Budget Update Report January 24 – Capital Expenditure Position	1b

Capital position as at 31st January, forecast as at February. Figures in £'000	Budget YTD	Actual YTD	Variance YTD	Full-year Budget	Forecast Outturn	Forecast Variance	Change in Forecast	Requested Slippage
St Neots Masterplan	271	-	-271		-	-	-1,729	-
SPF								
UK Shared Prosperity Fund	751	154	-597	751	500	-251	-216	-
UK Rural Shared Prosperity Fund	804	-	-804	804	804	-	804	-
University								
University of Peterborough - Phase 2	-	-	-	3,000	3,000	-	-	-
University of Peterborough Phase 3	-	1,300	1,300	1,300	1,300	-	-	-
FE Cold Spots								
FE Cold Spots (cap)	-	-	-	-	-	-	-2,400	-
Place and Connectivity	71,002	64,324	-6,678	107,839	88,814	-19,025	-8,225	18,117
Climate Action and Spatial Planning								
Care Home Retrofit Programme	100	-	-100	500	500	-	-	-
Greater Cambridge Chalk Stream Project - Capital	60	-	-60	60	60	-	60	-
Huntingdonshire Biodiversity for all - Capital	580	-	-580	800	245	-555	-555	555
Logan's Meadow Local Nature Reserve wetland extension	184	-	-184	280	-	-280	-280	-
Nature and Environment Investment Fund	200	-	-200	250	250	-	-	-
Net Zero Villages Programme	50	-	-50	250	-	-250	-1,000	250
Digital Connectivity								
Digital Connectivity Infrastructure Programme	1,462	539	-924	1,726	1,719	-7	-	-
Housing								
Affordable Housing Grant Programme	11,359	8,939	-2,420	11,672	8,939	-2,733	-1,938	2,733
Housing Loan - Histon Road	271	271		271	271		-	-
Public Transport								
Peterborough Station Quarter	680	-	-680	680	680	-	-	-
ZEBRA capital funding	5,514	8,333	2,819	8,508	8,508	-	-	-
Strategic Transport								

Agenda Item 8	Appendix
Budget Update Report January 24 – Capital Expenditure Position	1b

Capital position as at 31st January, forecast as at February. Figures in £'000	Budget YTD	Actual YTD	Variance YTD	Full-year Budget	Forecast Outturn	Forecast Variance	Change in Forecast	Requested Slippage
A10 Upgrade	2,262	565	-1,697	3,116	1,430	-1,686	-	1,686
A1260 Nene Parkway Junction 15	1,438	1,592	154	1,628	1,728	100	100	-
A1260 Nene Parkway Junction 32/3	5,657	3,907	-1,751	9,492	8,544	-948	-456	848
A141 & St Ives	3,155	740	-2,415	7,001	1,470	-5,531	-	5,531
A16 Norwood Dualling	-155	113	268	1,221	785	-436	-1,636	436
A505 Corridor	-	3	3	135	135	-	-	-
A603 Barton Road	-	400	400	400	400	-	-	-
Active Travel - CCC Schemes	595	595	-	595	-	-595	-	-
Active Travel 4	3,720	-	-3,720	3,720	3,720	-	-	-
Addenbrookes Roundabout	-	200	200	200	200	-	-	-
BP Roundabout NMU Access Study	-	-	-	550	-	-550	-550	550
Brook Crossing - Sutton	-	247	247	225	247	22	22	-
Carlyle Road Crossing	-	42	42	225	225	-	-	-
Centre for Green Technology	-	-	-	2,500	2,471	-29	-29	-
Contribution to the A14 Upgrade	111	112	1	111	112	1	40	-
County-wide speed reduction	-	41	41	800	350	-450	-450	450
East Park Street	-	36	36	260	160	-100	-100	100
Ely Area Capacity Enhancements	-	-	-	124	-	-124	-124	124
1 Fengate Access Study - Eastern Industries Access - Phase	6,189	1,833	-4,356	7,563	4,839	-2,724	-2,724	2,724
2 Fengate Access Study - Eastern Industries Access - Phase	704	589	-115	841	651	-190	-170	170
Fletton Quays Footbridge	-593	-	593	465	-	-465	-	465
Lancaster Way Phase 2	-	7	7	-	-	-	-	-
Local Highways Maintenance & Pothole (with PCC and CCC)	23,680	31,677	7,997	30,604	30,604	-	2,909	-
March Junction Improvements	1,337	1,256	-80	5,573	4,913	-660	-660	660

Agenda Item 8	Appendix
Budget Update Report January 24 – Capital Expenditure Position	1b

Capital position as at 31st January, forecast as at February. Figures in £'000	Budget YTD	Actual YTD	Variance YTD	Full-year Budget	Forecast Outturn	Forecast Variance	Change in Forecast	Requested Slippage
Mill Road Cambridge	-	120	120	150	150	-	150	-
Northstowe P&R Link	-	500	500	500	500	-	-	-
Peterborough Green Wheel	467	210	-258	631	600	-31	-31	31
Regeneration of Fenland Railway Stations	-	373	373	-	-	-	-	-
School Streets	10	-	-10	10	-	-10	-10	-
Smaller Road Safety Measures	-	4	4	100	46	-54	-54	54
Snailwell Loop	120	-	-120	150	-	-150	-150	150
Soham Station	122	-	-122	153	153	-	-	-
Thorpe Wood Cycle Way	-	-	-	625	635	10	10	-
Transport Modelling	1,572	911	-661	2,340	1,740	-600	-600	600
Wisbech Access Strategy	-	30	30	523	523	-	-	-
Wisbech Rail	150	140	-10	310	310	-	-	-
Resources and Performance	32,847	6,462	-26,385	32,793	11,943	-20,850	-20,850	20,838
Accommodation								
Office Fit-out costs	120	112	-8	167	135	-32	-32	-
Digital Services and Support								
ICT Capital Costs	31	-	-31	42	62	20	20	-
Energy Hub								
GSE Green Home Grant Capital - HUG 1	2,799	1,815	-984	2,799	2,799	-	-	-
GSE Green Home Grant Capital - LAD 3	11,281	4,126	-7,155	7,447	7,447	-	-	-
HUG2 A Capital 23/24	18,615	409	-18,206	22,338	1,500	-20,838	-20,838	20,838
Grand Total	113,549	78,421	-35,127	160,284	118,786	-41,497	-35,843	40,482

Agenda Item 8	Appendix
Budget Update Report November 23 – Income Position	1c

	Actual YTD	Full-year Budget	Forecast Outturn	Forecast variance	Change in Forecast
Income position as at 31st January, forecast as at February. Figures in £'000					
Mayor's Office					
Precept funded contribution to operational budgets	-3,262	-3,624	-3,624	-	-
Chief Execs Office					
Coronation and Eurovision Funding	-39	-39	-39	-	-
Economy and Growth					
Adult Education Budget	-12,724	-13,047	-12,888	160	-46
AEB Devolution Programme	-	-	-	-	-
Bootcamp Wave 4	-1,092	-2,878	-587	2,291	600
Careers and Enterprise Company (CEC)	-24	-313	-313	-	-
Growth Co Services	-512	-4,324	-3,524	800	-
Multiply	-980	-1,395	-980	415	-
Project Living Cell	-245	-338	-338	-	-338
UK Rural Shared Prosperity Fund	-804	-804	-804	-	-804
UK Shared Prosperity Fund	-2,396	-2,674	-2,674	-	-
Growth Funds	-	-	-	-	642
LEP Core Funding	-	-375	-	375	375
Historic LEP related income	-9	-	-9	-9	-9
EZ receipt	-938	-913	-938	-25	27
Place and Connectivity					
Housing Loan - Histon Road	-8,565	-8,172	-8,565	-393	-393
Lancaster Way Phase 2	-226	-184	-	184	-
LEVI	-202	-403	-202	202	-

Agenda Item 8	Appendix
Budget Update Report November 23 – Income Position	1c

Local Highways Maintenance & Pothole (with PCC and CCC)	-30,252	-30,604	-30,604	-	-2,909
Local Transport Fund	-735	-	-735	-735	-735
Public Transport: Bus Service Operator Grant	-409	-411	-409	2	2
Public Transport: RTPi, Infrastructure & Information	-189	-	-	-	-
Public Transport: S106 supported bus costs	-	-	-306	-306	-306
Transport Levy	-12,145	-13,495	-13,495	-	-
Bus Service Improvement Plan (BSIP+)	-	-2,314	-2,314	-	-2,314
ZEBRA capital funding	-2,250	-	-2,250	-2,250	-
Peterborough Station Quarter	-1,118	-680	-680	-	-
Resources and Performance					
GSE Energy Hub		-52	-52	-	-52
GSE Local Energy Advice Demonstrator	-2,168	-2,170	-2,170	-	-
GSE Net Zero Hub	-3,830	-3,825	-3,825	-	5
HUG2 A Capital 23/24	-7,891	-22,338	-9,845	12,493	12,493
HUG2 A Revenue 23/24	-5,896	-3,942	-3,942	-	-
LOCAL NET ZERO ACCELERATOR PROGRAMME	-19,795	-	-19,795	-19,795	-19,795
Community Energy Fund	-1,000	-1,000	-1,000	-	-1,000
DESNZ Regional Skills Pilot	-569	-1,582	-1,582	-	-1,582
Late Payment Interest Receivable	-1	-	-1	-1	-1
Treasury Income	-7,349	-9,600	-10,000	-400	-1,500
Gainshare	-20,000	-20,000	-20,000	-	-
Mayoral Capacity Fund	-	-1,000	-	1,000	-
Net Staffing Costs	-1	-	-1	-1	-1
Transforming Cities Funding	-13,740	-20,600	-13,740	6,860	6,860
Grand Total	-161,355	-173,096	-172,229	867	-10,779

Agenda Item 8	Appendix 8
Budget Update Report 2023-24 Mar 24 – Detailed Variance Explanations	2

Revenue Forecast Variances >£200k

1. CEX Net Staffing Costs		Change in forecast expenditure	-£277k
2023-24 Budget	£1,716k	Forecast expenditure	£1,439k
<p>During 2023-24 there has been an external review of the current staffing structure within the CEX office, during this time vacant posts were not recruited to which has created an overall saving within this budget.</p> <p>However, these savings have been offset by some increased costs within the communications revenue budget within the CEX office as there was a need for external support during this time.</p>			

2. HUG2A 23/24 A&A Costs		Change in forecast expenditure	-£2,442k
2023-24 Budget	£3,924k	Forecast expenditure	£1,500k
<p>This is the revenue element of the larger capital programme, detailed reasoning behind both variances is included in item 24</p>			

3. R&P Net Staffing Costs		Change in forecast expenditure	£335k
2023-24 Budget	£2,337k	Forecast expenditure	£2,672k
<p>Some in-year vacant posts across the Resources & Performance directorate have been filled by relatively more costly interim/ agency staff while permanent placements are found.</p>			

4. Growth Co Services		Change in forecast expenditure	-£1,817k
2023-24 Budget	£4,388k	Forecast expenditure	£3,000k
<p>The contract delivering Growth Co Services with GEG has finished in December 2023.</p> <p>The reduction in forecast represents the final position on the programme. The programme has exceeded the targeted number of new roles to be created during the lifetime of the programme (the main KPI).</p>			

5. UK Shared Prosperity Fund		Change in forecast expenditure	£484k
2023-24 Budget	£2,160k	Forecast expenditure	£640k

Agenda Item 8	Appendix 8
Budget Update Report 2023-24 Mar 24 – Detailed Variance Explanations	2

UK Shared Prosperity Fund, a 3-years programme, was launched last year by DLUHC.

The time to mobilise new projects has caused delay in the expenditure, which is forecast to be £0.6m compared to the budgeted £2.2m.

The programme has now picked up speed and there is confidence that the full programme budget will be spent by the end of next year.

The increase in the forecast expenditure of £0.5m is due to the increased speed of delivery of projects since the previous forecast.

6. Skills Bootcamp Wave 3		Change in forecast expenditure	- £520k
2023-24 Budget	£669k	Forecast expenditure	£279k

The programme is now complete.

The forecast reflects the actual cost incurred by the programme, which is lower than budget due to lower than anticipated enrolment numbers.

7. Bootcamp Wave 4		Change in forecast expenditure	-£337k
2023-24 Budget	£1,519k	Forecast expenditure	£850k

The forecast has been revised to reflect anticipated lower enrolment numbers. The enrolment numbers now anticipated are in line with the trend nationwide.

8. E&G Net Staffing Costs		Change in forecast expenditure	-£222k
2023-24 Budget	£569k	Forecast expenditure	£600k

The forecast has been reduced to reflect the decision not to recruit some roles until next financial year.

The budget has also been changed to account for the decision.

Agenda Item 8	Appendix 8
Budget Update Report 2023-24 Mar 24 – Detailed Variance Explanations	2

9. Development of Bus Franchising		Change in forecast expenditure	£-450k
2023-24 Budget	£1,050k	Forecast expenditure	£600k
<p>The work on bus reform has developed during this financial year at pace including the development of the Business Case which is currently being audited by Grant Thornton.</p> <p>The total budget has not been drawn down, primarily due to the audit process still being underway and costs associated with the public consultation not yet being required.</p> <p>In recognition of the long-term responsibilities under either Enhanced Partnership or Franchising, the CPCA have also worked to bring in more permanent members of staff which will also reduce consultant fees.</p> <p>As the public consultation, if approved, will now be carried out in the next financial year the unspent funding will be required in 2024/25, in addition to the funding already allocated in 2024/25 to support the development work on whichever option is chosen.</p>			

10. Public Transport: S106 supported bus costs		Change in forecast expenditure	£305k
2023-24 Budget	£0k	Forecast expenditure	£305k
<p>The estimate here represents the cost of bus services which are supported from section 106 receipts. It is matched by income from various developers which are now reported in the income section, whereas previously these budgets were reported net, and thus a nil budget.</p>			

Capital forecast variances >£500k

11. Business Growth Fund		Change in forecast expenditure	-£2,850k
2023-24 Budget	£950k	Forecast expenditure	NIL
<p>The forecast reflects the changes in the timescale for the launch of the programme, which was originally planned for this financial year, but which will now occur early next financial year.</p> <p>This follows the appointment of the delivery organisations through competitive tender.</p>			

12. Start Codon		Change in forecast expenditure	-£885k
2023-24 Budget	£250k	Forecast expenditure	NIL
<p>The forecast reflects the lack of equity investments made by Start Codon on the CPCA's behalf during this financial year. This is due to Start Codon going through a phase of consolidation of the existing portfolio.</p> <p>This budget has also been adjusted to reflect the lack of new investments.</p>			

Agenda Item 8	Appendix 8
Budget Update Report 2023-24 Mar 24 – Detailed Variance Explanations	2

13. The Growth Service Company	Change in forecast expenditure	-£500k
2023-24 Budget £4,516k	Forecast expenditure	£4,000k

Growth Co services comprise of funds for grant and inward investment. Despite the positive result of meeting the target for increasing employment numbers in the region, not all the funds allocated to the programme have been utilised by the end of the contract in December 2023. The unused funds will be repurposed by the Combined Authority on other programmes to help economic development and support business.

This budget has also been adjusted to reflect the underspend.

14. Market Town - March	Change in forecast expenditure	£1,022k
2023-24 Budget £1,434k	Forecast expenditure	£1,556k

The increase of forecast reflects the approval from the Combined Authority Board to spend a further £1m on the Market Town programme in March.

This budget has also been adjusted to reflect the change.

15. Market Town - March Future Highstreet Fund allocation	Change in forecast expenditure	£719k
2023-24 Budget NIL	Forecast expenditure	£1,000k

The increase of forecast reflects the reallocation of unused funds from other Market Town projects towards the March Future Highstreet Fund.

16. Huntingdonshire Biodiversity	Change in forecast expenditure	-£555k
2023-24 Budget £800k	Forecast expenditure	£245k

The project start was delayed due to issues with legal agreements meaning some spend will slip into 2024/25

17. Net Zero Villages	Change in forecast expenditure	-£1,000k
2023-24 Budget £1,000k	Forecast expenditure	£0k

The programme will be run as a competitive grant pot, with circa 50 awards between £15k and

Agenda Item 8	Appendix 8
Budget Update Report 2023-24 Mar 24 – Detailed Variance Explanations	2

£30k and is focused on demonstrating suitable projects in areas that may have more limited options to implement climate focused choices. Urban areas and those towns receiving support through the Market Towns Programme will be excluded from the programme. It is intended to launch the programme in May 2024 following work to prepare the process for allocation of the funds.

18. Affordable Housing Grant Programme	Change in forecast expenditure	-£1,938k
2023-24 Budget	£11,672k	Forecast expenditure
		£8,939k

The CPCA is reliant on the delivery of housing from our partner agencies. Completion of the Heylo Allison homes / Keepmoat Paston site previously forecast for the last quarter of this financial year is now forecast for early next financial year. Other sites have now completed so there will be no further slippage this financial year.

19. BP Roundabout	Change in forecast expenditure	-£550k
2023-24 Budget	£550k	Forecast expenditure
		£0k

Delays in finalising legal agreements and the award of contract mean this expenditure will now slip into 2024/25.

20. Fengate Access Phase 1 Upgrade	Change in forecast expenditure	-£2,724k
2023-24 Budget	£7,563k	Forecast expenditure
		£4,839k

The project has been delivered with little use of the risk contingency. A paper on the TIC agenda in March considers the possible uses for this underspend.

21. Local Highways Maintenance & Pothole (with PCC and CCC)	Change in forecast expenditure	£2,909k
2023-24 Budget	£27,695k	Forecast expenditure
		£30,604k

The increase in forecast reflects the extra pothole funding from government announced on 17th November 2023 as part of the Network North policy,

22. March Junction	Change in forecast expenditure	-£660k
2023-24 Budget	£5,573k	Forecast expenditure
		£4,913k

Agenda Item 8	Appendix 8
Budget Update Report 2023-24 Mar 24 – Detailed Variance Explanations	2

The project has been delivered with little use of the risk contingency. Further enhancements to the scheme are being delivered but this means that some spend slips into 2024/25

23. Transport Model	Change in forecast expenditure	-£600k
2023-24 Budget	£2,340k	Forecast expenditure
		£1,740k

Consultants for the project have amended the profile of the programme meaning some tasks have been slipped into 2024/25.

24. HUG2A Capital 23/24	Change in forecast expenditure	-£21,838k
2023-24 Budget	£22,338k	Forecast expenditure
		£1,500k

HUG2 was forecast to spend £22.3m (capital) and £3.9m (administration & ancillary revenue) in year 1.

The under delivery is due to four major factors, and is reflected in the performance of other providers of the HUG2 scheme across the country:

- Changes by government to the technical specification and processes between the HUG1 and HUG2 schemes created delay for our major delivery partners.
- Delays in getting our delivery partners to the point of batch submission within the constraints of the restrictive scheme rules for year 1.
- Delays from the batch approval system
- In particular the experience for bricks and mortar properties was much more complex and led to significant delays in identifying and submitting properties for batch approval.

The systems within the programme nationally have now been tested and used and the major delivery partners are now in contract so most of the major causes for delay in the first year of the contract are not expected to impact year 2.

Year 2 delivery within the HUG2 bid was a cautious figure and the delivery capacity of the appointed installers across the territory allow a peak of over 400 properties per month to be completed. Applying prudent assumptions regarding weather and other constraints on year 2 has led to a proposed year 2 target of 1,880 properties, which will enable the Hub to recover a significant proportion of the underspend in year 1 during 2024/25.

Agenda Item 8	Appendix
Budget Update Report March 24 – Revenue Subject to Approval Budgets	3a

Revenue Subject to Approval budgets 23/24 as at end of Jan 2024 £'000	Budget
Monitoring and Evaluation Framework	36
Programme Response Fund	9
Chief Execs Office Total	45
A142 Chatteris to Snailwell	150
Active Travel (Revenue)	33
Active Travel Funding	717
Climate Change	50
Development of Key Route Network	150
Development of sustainable Cultural Services for the City of Cambridge and the Region - Revenue	156
DLUHC LUF Capacity & Capability	175
Harston Capacity Study	150
Non Statutory Spatial Plan	535
Peterborough Electric Bus Depot	110
Rewilding Programme	75
Sawston Station Contribution	16
Segregated Cycling Holme to Sawtry	100
Place and Connectivity Total	2,417
Grand Total	2,462

Agenda Item 8	Appendix
Budget Update Report March 24 – Capital Subject to Approval budgets	3b

Capital Subject to Approval budgets 23/24 as at end of Jan 2024 £'000	Budget
Active Travel Funding (Cap)	1,380
Development of Sustainable Cultural Services for the City of Cambridge and the Region - Capital	336
FE Cold Spots (cap)	2,400
Regeneration of Fenland Railway Stations	267
Snailwell Loop	350
Wisbech Rail	5,080
Place and Connectivity Total	9,813
Grand Total	9,813

Appendix 4(a)

Cambridgeshire and Peterborough Combined Authority Capital Strategy Report 2024/25

Introduction

This capital strategy report gives a high-level overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of local public services along with an overview of how associated risk is managed and the implications for future financial sustainability. It has been written in an accessible style to enhance members' understanding of these sometimes technical areas.

Decisions made this year on capital and treasury management will have financial consequences for the Authority for many years into the future. They are therefore subject to both a national regulatory framework and to a local policy framework, summarised in this report.

Capital Expenditure and Financing

Capital expenditure is where an Authority spends money on assets, such as property, shares in companies or vehicles, that will be used for more than one year. In local government this includes spending on assets owned by other bodies, and loans and grants to other bodies enabling them to buy assets.

In 2024/25, the Authority is planning capital expenditure of £133.28m as summarised below.

Table 1: Prudential Indicator: Estimates of Capital Expenditure in £ millions

	2022/23 actual	2023/24 forecast	2024/25 budget	2025/26 budget	2026/27 budget
Capital investments	104.53	163.50	133.28	93.37	41.48
TOTAL	104.53	163.50	133.28	93.37	41.48

The figures for 2023/24, 2024/25, 2025/26 and 2025/27 are taken from the Capital Expenditure Programme as set out and described in the draft Medium Term Financial Plan approved by the Combined Authority Board at its January meeting, with minor subsequent changes.

Governance:

The Combined Authority has a suite of key governance and policy documents with the Single Assurance Framework providing the primary governance document in relation to investment processes including:

- a) How the Combined Authority adheres to the requirements of the English Devolution Accountability Framework and Nolan principals shaping 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 including a code of conduct for both Members and Officers.

- b) Alongside the Combined Authority's constitution, sets out the respective roles and responsibilities across the Combined Authority, including the Mayor, the Board, Investment Committee, Business Board, Thematic and statutory Committees, and statutory officers.
- 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.

All capital expenditure must be financed, either from external sources (government grants and other contributions), the Authority's own resources (revenue, reserves and capital receipts) or debt (borrowing, leasing and Private Finance Initiative). The planned financing of the above expenditure is as follows:

Table 2: Capital financing in £ millions

	2022/23 actual	2023/24 forecast	2024/25 budget	2025/26 budget	2026/27 budget
Grant Funding	87.83	144.97	125.44	88.96	41.48
Usable Capital Receipts	16.70	18.53	7.84	4.41	0
Debt	0	0	0	0	0
TOTAL	104.53	163.50	133.28	93.37	41.48

Debt is only a temporary source of finance, since loans and leases must be repaid, and this is therefore replaced over time by other financing, usually from revenue which is known as minimum revenue provision (MRP). Alternatively, proceeds from selling capital assets (known as capital receipts) may be used to replace debt finance.

The Combined Authority currently does not have any debt, but has the ability to borrow to facilitate delivery should it be needed. While there are no current projects within the MTFP which fund delivery via borrowing, the Combined Authority is considering the case for Franchising the bus network. The investments to support the franchised network may be financed by debt but the Combined Authority would likely apply internal borrowing for this rather than external debt. The Combined Authority has no allowance built into its MTFP to service debt, it is anticipated that any future borrowing would have to be supported by future receipts from the project delivery it funded.

The Authority's cumulative outstanding amount of debt finance is measured by the capital financing requirement (CFR). This increases with new debt-financed capital expenditure and reduces with MRP and capital receipts used to replace debt. The Authority currently has never undertaken debt financed capital expenditure therefore has no CFR.

The Authority expects that its capital financing requirement will be nil on 31st March 2024 and in line with the DLUHC Guidance expects to charge no MRP in 2024/25.

For capital expenditure loans to third parties for service purposes that are repaid in annual or more frequent instalments of principal, the Authority will make nil MRP, but will instead apply the capital receipts arising from principal repayments to reduce the capital financing requirement instead.

Where loans are made from grant funds, there will be no Capital Finance Requirement and therefore no MRP. Where loans are debt funded, where creditworthiness of the borrower decreases or the asset value drops below the loan value, MRP will be charged equal to the Expected Credit Loss.

For capital expenditure loans to third parties for commercial purposes MRP will be made in line with the Minimum Revenue Provision policy.

Asset disposals: When a capital asset is no longer needed, it may be sold so that the proceeds, known as capital receipts, can be spent on new assets or to repay debt. Repayments of capital grants, loans and investments also generate capital receipts.

Treasury Management

Treasury management is concerned with keeping sufficient, but not excessive, cash available to meet the Authority's spending needs, while managing the risks involved. Surplus cash is invested until required, while a shortage of cash will be met by borrowing, to avoid excessive credit balances or overdrafts in the bank current account. The Authority is typically cash rich in the short-term as grant income is received before it is spent.

As at 29 February 2024, the Authority had no borrowing and £209.1m treasury investments at an average rate of 5.42%

Borrowing strategy: The Authority's main objectives when borrowing would be to achieve a low but certain cost of finance while retaining flexibility should plans change in future. These objectives are often conflicting, and the Authority would therefore seek to strike a balance between cheap short-term loans and long-term fixed rate loans where the future cost is known but higher.

The Authority does not borrow to invest for the primary purpose of financial return and therefore retains full access to the Public Works Loans Board.

Projected levels of the Authority's total outstanding debt (which comprises borrowing and leases) are shown below, compared with the capital financing requirement (see above).

Table 3: Prudential Indicator: Gross Debt and the Capital Financing Requirement in £ millions

	31.3.2023 actual	31.3.2024 forecast	31.3.2025 budget	31.3.2026 budget	31.3.2027 budget
Debt (incl. PFI & leases)	0	0	0	0	0
Capital Financing Requirement	0	0	0	0	0

Statutory guidance is that debt should remain below the capital financing requirement, except in the short-term. The Authority expects to comply with this in the medium term.

Liability benchmark: To compare the Authority’s actual borrowing against an alternative strategy, a liability benchmark is calculated showing the lowest risk level of borrowing. This is a requirement of the Treasury Management Code. Given that there are no current plans to borrow, this calculation shows an asset benchmark for comparing against investment levels, but will be kept under review.

Table 4: Borrowing and the Liability Benchmark in £ millions

	31.3.2023 actual	31.3.2024 forecast	31.3.2025 budget	31.3.2026 budget	31.3.2027 budget
Forecast borrowing	0	0	0	0	0
Liability (Asset) benchmark	(192.4)	(135.0)	(78.0)	(36.1)	(13.2)

Affordable borrowing limit: The Authority is legally obliged to set an affordable borrowing limit (also termed the authorised limit for external debt) each year and to keep it under review. In line with statutory guidance, a lower “operational boundary” is also set as a warning level should debt approach the limit.

Table 5: Prudential Indicators: Authorised limit and operational boundary for external debt in £m

	2023/24 limit	2024/25 limit	2025/26 limit	2026/27 limit
Authorised limit - total external debt	84.61	84.61	84.61	84.61
Operational boundary - total external debt	74.61	74.61	74.61	74.61

Treasury investment strategy: Treasury investments arise from receiving cash before it is paid out again. Investments made for service reasons or for pure financial gain are not generally considered to be part of treasury management.

The Authority’s policy on treasury investments is to prioritise security and liquidity over yield, that is to focus on minimising risk rather than maximising returns. Cash that is likely to be spent in the near term is invested securely, for example with the government, other local authorities or selected high-quality banks, to minimise the risk of loss. Money that will be held for longer terms can be invested more widely, including in bonds, shares and property, to balance the risk of loss against the risk of receiving returns below inflation. Both near-term and longer-term investments may be held in pooled funds, where an external fund manager makes decisions on which particular investments to buy and the Authority may request its money back at short notice.

Risk management: The effective management and control of risk are prime objectives of the Authority’s treasury management activities. The treasury management strategy therefore sets out various indicators and limits to constrain the risk of unexpected losses and details the extent to which financial derivatives may be used to manage treasury risks.

Governance: Decisions on treasury management investment and borrowing are made daily and are therefore delegated to the Chief Finance Officer and staff, who must act in line with the treasury management strategy approved by the Board. Regular reports on treasury management activity are presented to the Audit and Governance Committee who are responsible for ensuring effective scrutiny of the treasury management strategy and policies in accordance with CIPFA’s Code of Practice.

Investments for Service Purposes

The Authority makes investments to assist local public services, including making loans to and buying shares in local service providers, local small businesses to promote economic growth and the Authority's subsidiaries that provide services. In light of the public service objective, the Authority is willing to take more risk than with treasury investments, however it still plans for service loans to at least break even after all costs.

The Combined Authority will assume no future financial returns on any equity investments within its Medium-Term Financial Plan (MTFP). This is, financially, the worst-case scenario with equity investments; by not assuming any future returns the Combined Authority is exposed to only up-side risk and the future financial stability of the organisation is not reliant on the performance of the investments i.e. there is no risk that the Combined Authority will be unable to proceed with its plans due to poorer than anticipated financial performance of the companies.

Total investments for service purposes were valued at £33m as at 31st March 2023 and further information is provided in the Non Treasury Investment Strategy.

Governance: Decisions on service investments are made by the relevant service manager in consultation with the Chief Finance Officer and must meet the criteria and limits laid down in the investment strategy as well as any project, fund, or service specific criteria. Most loans and shares are capital project expenditure and will therefore follow the business case approval route appropriate for their value set out within the Single Assurance Framework. The Chief Officer for the relevant service is responsible for ensuring that adequate due diligence is carried out before investment is made.

Table 6: Prudential Indicator: Proportion of Service investment income to net revenue stream (£m)

	2022/23 actual	2023/24 forecast	2024/25 budget	2025/26 budget	2026/27 budget
Service Investment income (£m)	0.93	0.51	0.09	0.07	0.07
Proportion of net revenue stream	0.65%	0.79%	0.14%	0.15%	0.15%

Note the Authority has no commercial investments, and therefore no commercial income.

Commercial Activities

The Combined Authority currently does not hold any commercial investments.

Other Liabilities

The Authority is committed to making future payments to cover its pension fund deficit (as at 31/3/23 this was a surplus of £0.92m). There are currently no commitments to make future payments in relation to debt or other major liabilities.

The Authority is also at risk of having to pay for costs related to issues on a construction project but has not put aside any money because current estimates anticipate the costs will be within the existing project budget. There is currently no requirement to cover risks of other provisions, financial guarantees or major contingent liabilities.

Governance: Decisions on incurring new discretionary liabilities are taken by Executive Directors in consultation with the Chief Finance Officer. The risk of liabilities crystallising and requiring payment is monitored by the Finance team and reported to both the relevant thematic committee and the investment committee. New liabilities/loans are reported to the Board for approval/notification as appropriate.

Revenue Budget Implications

Although capital expenditure is not charged directly to the revenue budget, interest payable on loans and MRP are charged to revenue. The net annual charge is known as financing costs; this is compared to the net revenue stream i.e. the amount funded from general government grants. There are no current plans to borrow, and therefore no budget financing costs.

Table 7: Prudential Indicator: Proportion of financing costs to net revenue stream

	2022/23 actual	2023/24 forecast	2024/25 budget	2025/26 budget	2026/27 budget
Financing costs (£m)	0	0	0	0	0
Proportion of net revenue stream	0%	0%	0%	0%	0%

Sustainability: Due to the very long-term nature of capital expenditure and financing, the revenue budget implications of expenditure incurred in the next few years will extend into the future. The Chief Finance Officer is satisfied that the proposed capital programme is prudent, affordable and sustainable as demonstrated in the Medium-Term Financial Plan.

Knowledge and Skills

The Authority employs professionally qualified and experienced staff in senior positions with responsibility for making capital expenditure, borrowing and investment decisions. For example, the Chief Finance Officer is a qualified accountant with over 25 years post qualification experience. The Authority pays for staff to study towards relevant professional qualifications and for all qualified staff to keep up to date with relevant 'continuing professional development'.

Where Authority staff do not have the knowledge and skills required, use is made of external advisers and consultants that are specialists in their field. The Authority currently employs Arlingclose Limited as treasury management advisers. This approach is more cost effective than employing such staff directly and ensures that the Authority has access to knowledge and skills commensurate with its risk appetite.

Appendix 4 (b)

Cambridgeshire and Peterborough Combined Authority

Non-treasury Investment Strategy Report 2024/25

Introduction

The Authority may invest its money for three broad purposes:

- because it has surplus cash as a result of its day-to-day activities, for example when income is received in advance of expenditure (known as **treasury management investments**),
- to support local public services, skills or economic growth by lending to or buying shares in other organisations (**service investments**), and
- to earn investment income (known as **commercial investments** where this is the main purpose).

This investment strategy meets the requirements of statutory guidance issued by the government in January 2018 and focuses on the second and third of these categories.

The statutory guidance defines investments as “all of the financial assets of a local authority as well as other non-financial assets that the organisation holds primarily or partially to generate a profit; for example, investment property portfolios.” The Authority interprets this to exclude (a) trade receivables which meet the accounting definition of financial assets but are not investments in the everyday sense of the word and (b) property held partially to generate a profit but primarily for the provision of local public services. This aligns the Authority’s definition of an investment with that in the 2021 edition of the CIPFA Prudential Code, a more recent piece of statutory guidance.

Treasury Management Investments

The Authority typically receives its income in cash (e.g. from grants before it pays for its expenditure in cash (e.g. through payroll, invoices and grants). It also holds reserves for future expenditure. These activities, plus the timing of borrowing decisions, lead to a cash surplus which is invested in accordance with guidance from the Chartered Institute of Public Finance and Accountancy. The balance of treasury management investments is expected to fluctuate between £145m and £88m during the 2024/25 financial year.

Contribution: The contribution that these investments make to the objectives of the Authority is to support effective treasury management activities.

Further details: Full details of the Authority’s policies and its plan for 2024/25 for treasury management investments are covered in a separate document, the treasury management strategy.

Service Investments: Loans

Contribution: The Council lends money to its subsidiaries and local businesses to support local public services, and to stimulate local economic growth and skills development.

Recycled Growth Fund and Strategic Growth Fund Loans

The Combined Authority has historically offered capital loans to local companies, and other Local Authorities, via recycled growth funds on the advice of the Business Board, where the projects are considered to achieve value for money and fit with the strategic direction set out in the Local Industrial Strategy.

As the majority of Recycled Growth Funds was awarded prior to March 2023, the Combined Authority is establishing a £20m Strategic Growth Fund. The criteria, and blend of grant, equity, and loans, will be established by the Combined Authority Board in 2024/25 and the funds allocated in-line with the recently approved Single Assurance Framework.

As the proportion of the £20m (£4.4m in 24/25) which will be available as loans and equity has not yet been established the approved limits have been set at a level which will allow flexibility to allocate the funds as either without breaching the limits.

Security of Service Loans

The main risk when making service loans is that the borrower will be unable to repay the principal lent and/or the interest due. In order to limit this risk, and ensure that total exposure to service loans remains proportionate to the size of the Authority, upper limits on the outstanding loans to each category of borrower have been set as follows:

Table 1: Loans for service purposes in £ millions

Category of borrower	31.3.2023 actual			2024/25
	Balance owing	Loss allowance	Net figure in accounts	Approved Limit
Subsidiaries	0.403	0.003	0.400	10.000
Local businesses	14.578	0.065	14.513	20.000
TOTAL	14.981	0.068	14.913	30.000

Accounting standards require the Authority to set aside loss allowance for loans, reflecting the likelihood of non-payment. The figures for loans in the Authority's statement of accounts are shown net of this loss allowance. However, the Authority makes every reasonable effort to collect the full sum lent and has appropriate credit control arrangements in place to recover overdue repayments.

Risk assessment: The Authority would assess the risk of loss before entering into and whilst holding service loans. All future loans would be subject to the following risk assessment and mitigating actions:

- 1) An appropriate level of due diligence, to include the use of external advisors where appropriate.
- 2) An appropriate loan period and timing of repayments
- 3) The calculation of an interest rate that would represent 'value for money', be of 'no detriment' to the Combined Authority, and to minimise the risk of Subsidy Control challenge
- 4) Approval being subject to a business case, due diligence, and loan agreement to the satisfaction of the Chief Executive, Monitoring Officer and Chief Finance Officer.
- 5) The business case would be reviewed to include focus on:
 - a. Impact of existing loans and charges on assets
 - b. Accuracy and reasonableness of Cashflow and profit forecasts
 - c. Ambition of future sales targets and income to repay loan
 - d. Provisions/allowances for contingency, inflation

- e. Review of credit worthiness of business and collateralisation of loan
- 6) For housing development loans, first legal charge over land and assets
- 7) Regular review and valuation of the assets
- 8) Drawdown subject to a gateway process
- 9) Consideration of options of parent company guarantees
- 10) Consideration of obligations of S106 agreements

All loans are subject to an approved project business case in-line with the delegations set out in the Single Assurance Framework.

Service Investments: Shares

The Combined Authority invests in the shares primarily for the delivery of service outcomes rather than for financial return. It invests in equities of both subsidiaries and local businesses to support local public services and stimulate local economic growth. These investments are an intrinsic part of the delivery of the Combined Authority's programmes they are subject to the Combined Authority's Monitoring and Evaluation framework ([published here](#)) which has been reviewed by the Department for Business, Energy and Industrial Strategy including quarterly reporting on the service outcomes being delivered. As such this strategy only refers to monitoring of the company from a financial investor's perspective beyond what is done in line with the Monitoring and Evaluation framework. As part of the implementation of the Single Assurance Framework a revised Monitoring and Evaluation Framework will be developed during 2024/25. The revised Framework will include any continuing requirements while aligning these to the Authority's new processes.

The Combined Authority has approved a number of material service equity investments as part of the University of Peterborough and Business and Skills agendas summarised below however, in consideration of the relative risk of equity investments over grants and loan funding, there are two overarching principals which the Combined Authority follows with all it's equity investments to ensure that it does not expose itself to undue financial risk:

- 1) The Combined Authority will only invest in limited companies – this limits the liability that the Combined Authority faces to the equity invested in the company, ensuring that the wider Combined Authority finances are insulated from movement in the values of the companies.
- 2) The Combined Authority will assume no future financial returns on any equity investments within its Medium-Term Financial Plan (MTFP). This is, financially, the worst-case scenario with equity investments; by not assuming any future returns the Combined Authority is exposed to only up-side risk and the future financial stability of the organisation is not reliant on the performance of the investments i.e. there is no risk that the Combined Authority will be unable to proceed with it's plans due to poorer than anticipated financial performance of the companies.

All existing material equity investments have been made following a recommendation of the Business Board as all involve an element of Local Growth Fund investment. As such all equity investments will have followed the robust due diligence and scoring process which all potential investments must complete prior to being considered by the Business Board – this involves an independent external

evaluation of the applicant's business case, financial statements, credit searches, management capability and experience, project key risks, and strategic fit. This results in a report on these areas, a score, and recommendations on what controls and risk mitigations should be put in place if the investment is entered into.

Alongside this, for investments of £500k or more, the applicant will also be required to present their proposal to an Entrepreneurs' Assessment Panel (EAP) made up of Members of the Business Board and external experts in the field who also score the projects.

The Business Board, who's voting membership is made up of experienced CEOs, will then consider the application, appraiser's report and EAP scoring and they can request further information, recommend investments to the Combined Authority for ratification, or reject the project.

The equity investments fall into three groups, in this strategy referred to as: subsidiaries, silent partner service investments, and other equity investments.

Subsidiaries

Equity holdings in this group are in companies in which the Combined Authority has an active role in day-to-day management of the company. It is either a major, or sole, shareholder and appoints Directors to the company's boards as well as providing support services to the company across a range of areas including payroll, bank administration, management and legal support. These are the most closely monitored investments as Combined Authority staff actively manage and run the companies including production of monthly management updates and reports.

Peterborough HE Property Company Ltd - University of Peterborough Phases 1 & 3

Equity investment into a Joint Venture along with Peterborough City Council (PCC) and Anglia Ruskin University (ARU) with a total Combined Authority investment of £27m against a £22m investment from PCC mostly funded from the Levelling Up Fund and an £8m share from ARU. This company will deliver two teaching buildings, which will form the basis for the Anglia Ruskin University – Peterborough. ARU-Peterborough opened its doors to students in September 2022 and is delivering accredited university courses.

Peterborough R&D Property Company Ltd – University of Peterborough Phase 2

Equity investment into a Joint Venture to deliver a Research and Development centre on the University of Peterborough Campus, primarily funded by the Getting Building Fund grant provided specifically for the purpose from the Department of Levelling Up, Housing and Communities. This company is constructing a 3-story building within the overall Peterborough University Quarter site with the intention to lease space to support learning and research both with the ARU Peterborough, and companies working on research and development with an anchor tenant occupying the ground floor.

Cambridgeshire and Peterborough Business Growth Company Limited

This company was set up, with £5.4m of Local Growth Fund as equity, extended to £5.8m following the Combined Authority's decision to expand the inward investment service, as a pilot to deliver support to local businesses and improve the skills offering in the Combined Authority area over 3 years, with a planned winding down in December 2023.

In-line with this business plan the operations through the Growth Company have been wound down and the Combined Authority will take a view as to whether there is a future role for the company or whether the company itself should be wound up.

Silent partner service investments

These investments are joint ventures with a partner organisation where the partner has significant expertise in the area in which the company will operate, with the Combined Authority providing financial support. In recognition of the knowledge and experience of the other member of the joint ventures the Combined Authority does not operate significant control over the company regardless of the share ownership position, however it does have the right to appoint a director to each of the companies' Boards.

The Combined Authority receives all papers prepared for the company's boards and annually reviews the companies' financial position as part of the construction of the Combined Authority's group accounts.

Other Equity Investments

Illumina Accelerator Programme

On the recommendation of the Business Board the Combined Authority awarded up to £3m to provide investments of £100k to start-up companies which are accepted onto the accelerator programme to support them to complete the accelerator programme run by Illumina. The accelerator programme offers high growth potential companies 6-months of coaching and access to Illumina's lab space to facilitate their growth and development of their concepts. The outputs for this service investment are new companies establishing in the area, and creating jobs, after completion of the accelerator.

While the overall Illumina programme was subject to the Business Board's due diligence processes, the investments within the programme are made directly into the companies by the Combined Authority. Illumina are not regulated investment advisors and thus do not recommend the companies to the Combined Authority as such the Combined Authority is making its own decision to invest in each company. While there is no recommendation from Illumina, the Combined Authority considers it appropriate to take assurance from a company's acceptance onto the Illumina Accelerator programme taking into consideration the following factors:

- i) By the nature of the accelerator programme the companies being accepted would be very early-stage start-ups which would likely not have a financial history from which to draw conclusions on their operations.
- ii) Illumina conduct a multi-phase assessment of applicants, including a questionnaire on the company's technology and business plans, interviews, and a 3rd party background check. Acceptance onto the programme therefore indicates Illumina's opinion that the company has a high chance of success, and Illumina invest in each of the companies accepted onto their accelerator programme. Given Illumina's experience and expertise in the sector, as demonstrated by the survival rate of graduates from the established Silicon Valley accelerator, it is reasonable to take assurance from this.

iii) No potential future return on the amounts invested would be included in the Combined Authority's medium term financial plan or capital programme – as such the Combined Authority's financial resilience is independent of the performance of the investments, even in the worst-case scenario of nil returns.

As the value of the investment in each company is low (£100k) and represents a small minority of each company's capital the Combined Authority has very little control over these entities. On this basis their financial accounts are only considered on an annual basis to assess materiality for inclusion in the Combined Authority's group accounts.

The intended outcome of these investments is to enable the company to survive its early development stage to the point at which it can attract further capital investment, not profit from capital growth. Reflecting this the Combined Authority seeks to sell its shares once the company has achieved further funding however the companies are not publicly traded so achieving a sale and exit is uncertain and could take a number of years.

Start Codon Fund

On the recommendation of the Business Board the Combined Authority agreed a £3m investment into a £15m fund to provide pre-seed equity funding of £250k-£500k to early-stage start-up healthcare and life-science research and development businesses. The fund provides annual performance reports to all its investors beyond the service reporting required by the Monitoring and Evaluation framework.

Companies are identified by Start Codon, who's team is made up of local experts in the Bio-Pharma life sciences innovation sector, for acceptance onto the accelerator programme; the fund is managed, and investment decisions taken, by the Kin Group Ltd which specialises in venture capital investment.

The fund has a structured plan to sell its investments 10 years after the fund is fully invested, although this is subject to a possible 4-year extension if there is majority investor consent. At this point the fund's position will be liquidated and funding returned to the investors in the proportions in which they originally invested.

Capital Growth Scheme Investments

The Cambridgeshire and Peterborough Business Growth Co Ltd was tasked with the delivery of a fund for small-scale equity investments into SMEs. This programme provided working capital awards of up to £250k to fund growth projects which unlock growth in jobs or scale a company to secure more income generation and jobs at a level where private sector equity finance is lacking due to its focus on high-tech, Intellectual Property (IP) based start-ups and much higher growth rates, which typically favour much higher value equity investments of at least £250k up to £2m and higher. £1.9m has been invested to date, with a potential further £0.3m to be concluded.

The Cambridgeshire and Peterborough Business Growth Co Ltd currently holds these investments, but they are included in the limits in this strategy, as they may transfer to the Combined Authority in the near future if the decision is made to wind up the company.

Security: One of the risks of investing in shares is that they fall in value meaning that the initial outlay may not be recovered. In order to limit this risk, upper limits on the sum invested in each category of shares have been set as follows:

Table 2: Shares held for service purposes in £ millions

Category of company	31.3.2023 actual			2024/25
	Amounts invested	Gains or losses	Value in accounts	Approved Limit
Subsidiaries	49.090	32.484	16.242	60.000
Local businesses	3.521	1.929	1.592	25.000
TOTAL	52.611	34.777	17.834	85.000

Risk assessment: The Authority would assess the risk of loss before entering into, and whilst holding, share agreements. The approach followed would be to consider:

- 1) an assessment of the market that the Authority would be competing in, the nature and level of competition, how market/customer needs will evolve over time, barriers to entry and exit and any ongoing investment requirements;
- 2) whether to use external advisors;
- 3) risk assessment based on credit ratings and the use of credit rating agencies;
- 4) the monitoring of risk in accordance with the Combined Authority's risk management policy.

Liquidity: Investments will be subject to the drawdown requirements of the Capital programme as set out in the Medium-Term Financial Plan and as monitored in the monthly cashflow forecast.

Non-specified Investments: Shares (defined as equity and equity like instruments) are the only investment type that the Authority has identified that meets the definition of a non-specified investment in the government guidance. The limits above on share investments are therefore also the Authority's upper limits on non-specified investments. The Authority has not adopted any procedures for determining further categories of non-specified investment since none are likely to meet the definition.

Commercial Investments: Property

The Authority currently does not invest in property with the intention of making a profit that will be spent on local public services and has no immediate plans to do so. In the event that commercial property investments would be held in future, the Authority would consider the following:

Security: In accordance with government guidance, the Authority considers a property investment to be secure if its accounting valuation is at or higher than its purchase cost including taxes and transaction costs.

Risk assessment: The Authority would assess the risk of loss before entering into and whilst holding property investments. The approach followed would be to consider:

- 1) A full due diligence exercise covering an assessment of: the property business plan, including sensitivity and scenario analysis; the credit quality of incumbent tenants (if any); the local property market, including demand, availability and voids in current similar commercial

- stock; the area's economic outlook and potential; how market/customer needs will evolve over time; barriers to entry and exit and any ongoing investment requirements;
- 2) Where in-house expertise does not cover the relevant investment opportunity, we will use external advisors for all/part of the due diligence and any other specialist areas;
 - 3) External advice will be monitored by relevant officers, including adherence to deadlines, regular advisory meetings and adherence to project objectives;
 - 4) The risk assessment will include credit ratings as part of the overall in-depth credit assessment of tenants. The creditworthiness of tenants will be monitored on a regular basis, using external expertise where necessary to give a credit view and an early warning of possible issues. As landlord, the Authority will maintain open dialogue with tenants, including discussion of financial stress;
 - 5) The Authority will monitor the performance of the property asset against business plans throughout the life of the asset, assessing its performance and contribution of continued investment against the probable returns from sale.

Liquidity: Compared with other investment types, property is relatively difficult to sell and convert to cash at short notice and can take a considerable period to sell in certain market conditions. Each potential investment would be considered to ensure that the invested funds can be accessed when they are needed, for example to repay capital borrowed.

Loan Commitments and Financial Guarantees

Although not strictly counted as investments, since no money has exchanged hands yet, loan commitments and financial guarantees carry similar risks to the Authority and were the Authority to enter into any, a process in line with that taken for service loans, as set out above, would be followed, including a calculation of a loss allowance where appropriate.

Investment Indicators

The Authority has set the following quantitative indicators to allow elected members and the public to assess the Authority's total risk exposure as a result of its investment decisions.

Total risk exposure: The first indicator shows the Authority's total exposure to potential investment losses. This includes amounts the Authority is contractually committed to lend but have yet to be drawn down.

Table 3: Total investment exposure in £millions

Total investment exposure	31.03.2023 Actual	31.03.2024 Forecast	31.03.2025 Forecast
Treasury management investments	202.352	145.000	88.000
Service investments: Loans	14.513	8.000	15.000
Service investments: Shares	52.611	63.000	75.000
TOTAL INVESTMENTS	269.476	218.800	193.600
Commitments to lend	2.485	0.885	0.000
TOTAL EXPOSURE	271.961	219.685	193.600

Note: forecast for both Loans and Shares include both Strategic Growth Fund (£4.4m) and Levelling Up Fund (£2.5m) as it is not yet clear what form these investments will take

How investments are funded:

To date, all investments are funded by the Authority's useable reserves and income received in advance of expenditure. There are no immediate plans to borrow.

Rate of return received: This indicator shows the investment income received less the associated costs, including the cost of borrowing where appropriate, as a proportion of the sum initially invested. Note that due to the complex local government accounting framework, not all recorded gains and losses affect the revenue account in the year they are incurred.

Table 4: Investment rate of return

Investments net rate of return	2022/23 Actual	2023/24 Forecast	2024/25 Forecast
Treasury management investments	1.351%	4.623%	5.218%
Service investments - Loans	3.529%	5.818%	2.472%
ALL INVESTMENTS	1.549%	4.683%	5.017%

Note: no estimates are provided for Service Investments - Shares. As noted in the capital strategy, in order to mitigate the risk of poorer than anticipated performance of the investments impacting on future financial stability of the Authority no future financial returns are assumed in the MTFP for these.

Appendix 4c

Cambridgeshire and Peterborough Combined Authority

Treasury Management Strategy Statement 2024/25

Introduction

Treasury management is the management of the Authority's cash flows, borrowing and investments, and the associated risks. The Authority has invested substantial sums of money and is therefore exposed to financial risks including the loss of invested funds and the revenue effect of changing interest rates. The successful identification, monitoring and control of financial risk are therefore central to the Authority's prudent financial management.

Treasury risk management at the Authority is conducted within the framework of the Chartered Institute of Public Finance and Accountancy's *Treasury Management in the Public Services: Code of Practice 2021 Edition* (the CIPFA Code) which requires the Authority to approve a treasury management strategy before the start of each financial year. This report fulfils the Authority's legal obligation under the *Local Government Act 2003* to have regard to the CIPFA Code.

Investments held for service purposes or for commercial profit are considered in a different report, the Investment Strategy.

External Context

Economic background:

The impact on the UK from higher interest rates and inflation, a weakening economic outlook, an uncertain political climate due to an upcoming general election, together with war in Ukraine and the Middle East, will be major influences on the Authority's treasury management strategy for 2024/25.

The Bank of England (BoE) increased Bank Rate to 5.25% in August 2023, before maintaining this level for the rest of 2023. In December 2023, members of the BoE's Monetary Policy Committee voted 6-3 in favour of keeping Bank Rate at 5.25%. The three dissenters wanted to increase rates by another 0.25%.

The November quarterly Monetary Policy Report (MPR) forecast a prolonged period of weak Gross Domestic Product (GDP) growth with the potential for a mild contraction due to ongoing weak economic activity. The outlook for CPI inflation was deemed to be highly uncertain, with upside risks to CPI falling to the 2% target coming from potential energy price increases, strong domestic wage growth and persistence in price-setting.

Office for National Statistics (ONS) figures showed CPI inflation was 3.9% in November 2023, down from a 4.6% rate in the previous month and, in line with the recent trend, lower than expected. The core CPI inflation rate declined to 5.1% from the previous month's 5.7%, again lower than predictions. Looking ahead, using the interest rate path implied by financial markets the BoE expects CPI inflation to continue falling slowly, but taking until early 2025 to reach the 2% target before dropping below target during the second half 2025 and into 2026.

ONS figures showed the UK economy contracted by 0.1% between July and September 2023. The BoE forecasts GDP will likely stagnate through 2024. The BoE forecasts that higher interest rates will constrain GDP growth, which will remain weak over the entire forecast horizon.

The labour market appears to be loosening, but only very slowly. The unemployment rate rose slightly to 4.2% between June and August 2023, from 4.0% in the previous 3-month period, but the lack of consistency in the data between the two periods made comparisons difficult. Earnings growth has remained strong, but has showed some signs of easing; regular pay (excluding bonuses) was up 7.3% over the period and total pay (including bonuses) up 7.2%. Adjusted for inflation, regular pay was 1.4% and total pay 1.3%. Looking forward, the MPR showed the unemployment rate is expected to be around 4.25% in the second half of calendar 2023, but then rising steadily over the forecast horizon to around 5% in late 2025/early 2026.

Having increased its key interest rate to a target range of 5.25-5.50% in August 2023, the US Federal Reserve appears now to have concluded the hiking cycle. It is likely this level represents the peak in US rates following a more dovish meeting outcome in December 2023. US GDP grew at an annualised rate of 4.9% between July and September 2023, ahead of expectations for a 4.3% expansion and the 2.1% reading for Q2. But the impact from higher rates has started to feed into economic activity and growth will weaken in 2024. Annual CPI inflation was 3.1% in November.

Eurozone inflation has declined steadily since the start of 2023, falling to an annual rate of 2.4% in November 2023. Economic growth has been weak and GDP contracted by 0.1% in the three months to September 2023. In line with other central banks, the European Central Bank has increased rates, taking its deposit facility, fixed rate tender, and marginal lending rates to 3.75%, 4.25% and 4.50% respectively.

Credit outlook:

Credit Default Swap (CDS) prices were volatile during 2023, spiking in March on the back of banking sector contagion concerns following the major events of Silicon Valley Bank becoming insolvent and the takeover of Credit Suisse by UBS. After then falling back in Q2 of calendar 2023, in the second half of the year, higher interest rates and inflation, the ongoing war in Ukraine, and now the Middle East, have led to CDS prices increasing steadily.

On an annual basis, CDS price volatility has so far been lower in 2023 compared to 2022, but this year has seen more of a divergence in prices between ringfenced (retail) and non-ringfenced (investment) banking entities once again.

Moody's revised its outlook on the UK sovereign to stable from negative to reflect its view of restored political predictability following the volatility after the 2022 mini-budget. Moody's also affirmed the Aa3 rating in recognition of the UK's economic resilience and strong institutional framework.

Following its rating action on the UK sovereign, Moody's revised the outlook on five UK banks to stable from negative and then followed this by the same action on five rated local authorities. However, within the same update the long-term ratings of those five local authorities were downgraded.

There remain competing tensions in the banking sector, on one side from higher interest rates boosting net income and profitability against another of a weakening economic outlook and likely recessions that increase the possibility of a deterioration in the quality of banks' assets.

However, the institutions on our adviser Arlingclose's counterparty list remain well-capitalised and their counterparty advice on both recommended institutions and maximum duration remain under constant review and will continue to reflect economic conditions and the credit outlook.

Interest rate forecast:

Although UK inflation and wage growth remain elevated, the Authority's treasury management adviser Arlingclose forecasts that Bank Rate has peaked at 5.25%. The Bank of England's Monetary Policy

Committee will start reducing rates in 2024 to stimulate the UK economy but will be reluctant to do so until it is sure there will be no lingering second-round effects. Arlingclose sees rate cuts from Q3 2024 to a low of around 3% by early-mid 2026.

Arlingclose expects long-term gilt yields to be broadly stable at current levels (amid continued volatility), following the decline in yields towards the end of 2023, which reflects the expected lower medium-term path for Bank Rate. Yields will remain relatively higher than in the past, due to quantitative tightening and significant bond supply. As ever, there will undoubtedly be short-term volatility due to economic and political uncertainty and events.

Table 1 Arlingclose Interest Rate Forecast – January 2024

	Current	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25	Mar-26	Jun-26	Sep-26
Official Bank Rate													
Upside risk	0.00	0.00	0.25	0.25	0.50	0.50	0.50	0.50	0.50	0.75	0.75	1.00	1.00
Central Case	5.25	5.25	5.25	5.25	5.00	4.75	4.25	4.00	3.75	3.50	3.25	3.00	3.00
Downside risk	0.00	0.00	-0.25	-0.50	-0.75	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00
3-month money market rate													
Upside risk	0.00	0.00	0.25	0.25	0.50	0.50	0.50	0.50	0.50	0.75	0.75	1.00	1.00
Central Case	5.40	5.40	5.40	5.30	5.15	4.80	4.30	4.10	3.80	3.50	3.25	3.05	3.05
Downside risk	0.00	0.00	-0.25	-0.50	-0.75	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00
5yr gilt yield													
Upside risk	0.00	0.25	0.75	0.85	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Central Case	3.77	3.75	3.75	3.75	3.70	3.60	3.50	3.50	3.40	3.30	3.30	3.30	3.35
Downside risk	0.00	-0.25	-0.75	-0.85	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00
10yr gilt yield													
Upside risk	0.00	0.25	0.75	0.85	0.85	0.90	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Central Case	3.72	3.75	3.80	3.80	3.80	3.80	3.80	3.80	3.75	3.65	3.60	3.65	3.70
Downside risk	0.00	-0.25	-0.75	-0.85	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00
20yr gilt yield													
Upside risk	0.00	0.25	0.75	0.85	0.85	0.90	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Central Case	4.16	4.20	4.20	4.20	4.20	4.20	4.20	4.20	4.20	4.20	4.20	4.20	4.25
Downside risk	0.00	-0.25	-0.75	-0.85	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00
50yr gilt yield													
Upside risk	0.00	0.25	0.75	0.85	0.85	0.90	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Central Case	3.76	3.80	3.85	3.90	3.90	3.90	3.90	3.90	3.90	3.90	3.95	3.95	3.95
Downside risk	0.00	-0.25	-0.75	-0.85	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00

PWLB Standard Rate (Maturity Loans) = Gilt yield + 1.00%

PWLB Certainty Rate (Maturity Loans) = Gilt yield + 0.80%

UKIB Rate (Maturity Loans) = Gilt yield + 0.40%

UK Infrastructure Bank Rate = Gilt yield + 0.40%

Local Context

On 31st January 2024 the Authority held £nil borrowing and £209.1m of treasury investments.

The underlying need to borrow for capital purposes is measured by the Capital Financing Requirement (CFR), while usable reserves and working capital are the underlying resources available for investment.

The Authority is currently debt free and its capital expenditure plans do not currently imply any need to borrow over the forecast period. Investments are forecast to fall from current levels (end of Feb 2024) of £209m to £20m (end Mar 2027) as capital funding is used to finance capital expenditure and reserves are used to finance the revenue budget as set out in the Capital programme and the Medium-Term Financial Plan.

CIPFA's *Prudential Code for Capital Finance in Local Authorities* recommends that the Authority's total debt should be lower than its highest forecast CFR over the next three years.

The Authority expects that its capital financing requirement will be nil on 31st March 2024 and in line with the DLUHC Guidance it expects to charge no MRP in 2024/25. The Combined Authority has no current requirement to borrow over the lifetime of the Medium Term Financial Plan and so the forecast CFR until 2028 is £nil.

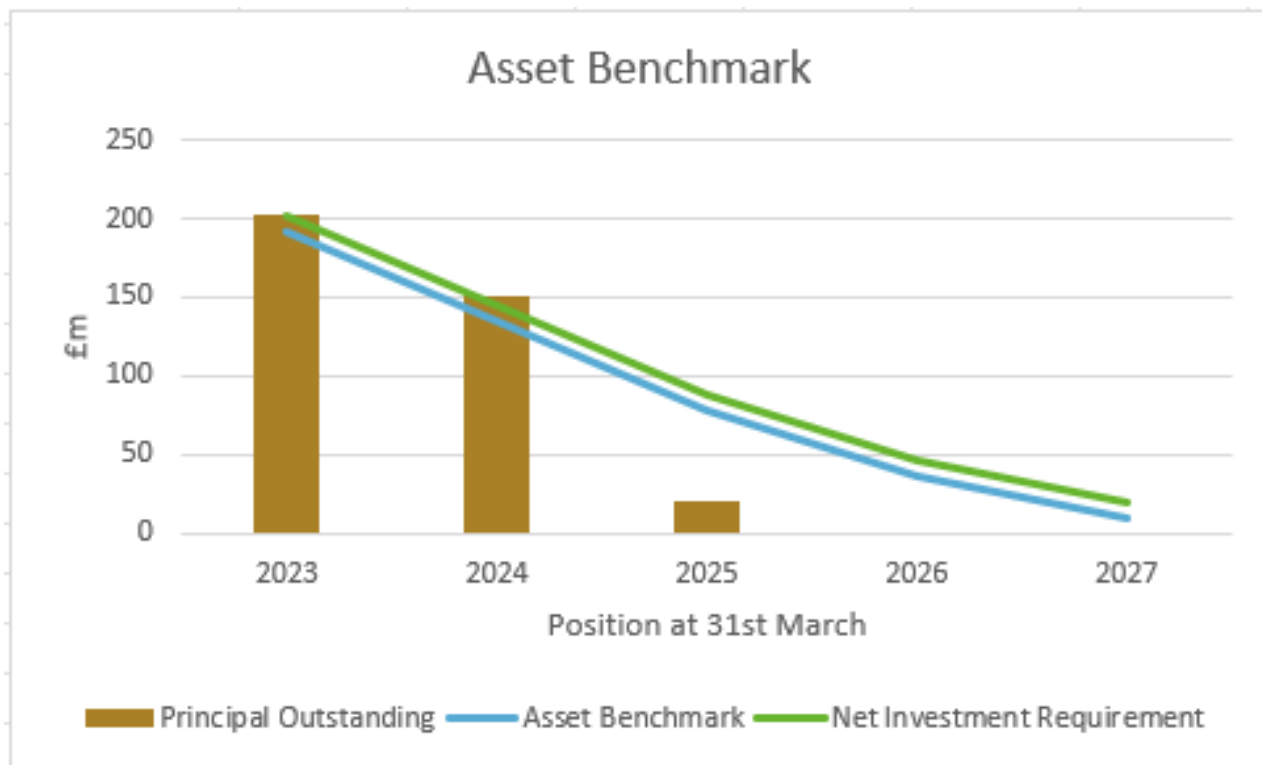
Liability benchmark: To compare the Authority's actual borrowing against an alternative strategy, the Authority is required to calculate a liability benchmark showing the lowest risk level of borrowing.

The liability benchmark is an important tool to help establish whether the Authority is likely to be a long-term borrower or long-term investor in the future, and so shape its strategic focus and decision making. The liability benchmark itself represents an estimate of the cumulative amount of external borrowing the Authority must hold to fund its current capital and revenue plans while keeping treasury investments at the minimum level required to manage day-to-day cash flow.

Table 2: Prudential Indicator: Liability benchmark

	31.3.23 Actual £m	31.3.24 Estimate £m	31.3.25 Forecast £m	31.3.26 Forecast £m	31.3.27 Forecast £m
Loans CFR	0	0	0	0	0
Less: Balance sheet resources	(202.4)	(145.0)	(88.0)	(46.1)	(20.0)
Net loans requirement	(202.4)	(145.0)	(88.0)	(46.1)	(20.0)
Plus: Liquidity allowance	10.0	10.0	10.0	10.0	10.0
Liability (Asset) benchmark	(192.4)	(135.0)	(78.0)	(36.1)	(10.0)

As there are no current plans to borrow, the medium-term forecasts in table 2 above shows an asset benchmark for comparing against investment levels but will be kept under review. The chart below shows the Asset Benchmark against committed investments, whilst it is best practice to show this for a minimum of 10 years, as the Authority is asset rich with no long-term borrowing and the MTFP only covers 4 years it would not be meaningful to go further.



Borrowing Strategy

The Authority is not currently in receipt of any loans. The balance sheet forecast shows that the Authority does not expect to need to borrow in 2024/25. However, the Authority may borrow to pre-fund future years’ requirements, providing this does not exceed the authorised limit for borrowing of £84.61 million.

Objectives: The Authority’s chief objective when borrowing money is to strike an appropriately low risk balance between securing low interest costs and achieving certainty of those costs over the period for which funds are required. The flexibility to renegotiate loans should the Authority’s long-term plans change is a secondary objective.

Strategy: The Authority’s borrowing strategy will address the key issue of affordability without compromising the longer-term stability of any future debt portfolio. Short-term interest rates are currently at a 15-year high but are expected to fall in the coming years and it is therefore likely to be more cost effective over the medium-term to either use internal resources, or to borrow short-term loans instead.

The benefits of internal / short-term borrowing will be monitored regularly against the potential for incurring additional costs by deferring borrowing into future years when long-term borrowing rates are forecast to rise modestly. Arlingclose will assist the Authority with this ‘cost of carry’ and breakeven analysis. Its output may determine whether the Authority borrows additional sums at long-term fixed rates in 2024/25 with a view to keeping future interest costs low, even if this causes additional cost in the short-term.

The Authority expects to borrow any long-term loans from the PWLB or the UKIB, but will consider long-term loans from other sources including banks, pensions and local authorities, and will investigate the possibility of issuing bonds and similar instruments, in order to lower interest costs and reduce over-

reliance on one source of funding in line with the CIPFA Code. PWLB loans are no longer available to local authorities planning to buy investment assets primarily for yield; the Authority intends to avoid this activity in order to retain its access to PWLB loans.

Alternatively, the Authority may arrange forward starting loans, where the interest rate is fixed in advance, but the cash is received in later years. This would enable certainty of cost to be achieved without suffering a cost of carry in the intervening period.

In addition, the Authority may borrow short-term loans to cover unplanned cash flow shortages.

Sources of borrowing: The approved sources of long-term and short-term borrowing are:

- HM Treasury's PWLB lending facility (formerly the Public Works Loan Board)
- UK Infrastructure Bank Ltd
- any institution approved for investments (see below)
- any other bank or building society authorised to operate in the UK
- any other UK public sector body
- UK public and private sector pension funds (except the Combined Authority's Pension Fund)
- capital market bond investors
- retail investors via a regulated peer-to-peer platform
- UK Municipal Bonds Agency plc and other special purpose companies created to enable local authority bond issues

Other sources of debt finance: In addition, capital finance may be raised by the following methods that are not borrowing, but may be classed as other debt liabilities:

- leasing
- hire purchase
- Private Finance Initiative
- sale and leaseback
- similar asset based finance

Municipal Bonds Agency: UK Municipal Bonds Agency plc was established in 2014 by the Local Government Association as an alternative to the PWLB. It issues bonds on the capital markets and lends the proceeds to local authorities. This is a more complicated source of finance than the PWLB for two reasons: borrowing authorities will be required to provide bond investors with a guarantee to refund their investment in the event that the agency is unable to for any reason; and there will be a lead time of several months between committing to borrow and knowing the interest rate payable. Any decision to borrow from the Agency will therefore be the subject of a separate report to the Board.

Short-term and variable rate loans: These loans leave the Authority exposed to the risk of short-term interest rate rises and are therefore subject to the interest rate exposure limits in the treasury management indicators below. Financial derivatives may be used to manage this interest rate risk (see section below).

Debt rescheduling: The PWLB allows authorities to repay loans before maturity and either pay a premium or receive a discount according to a set formula based on current interest rates. Other lenders may also be prepared to negotiate premature redemption terms. The Authority may take advantage of this in the future and replace some loans with new loans, or repay loans without replacement, where this is expected to lead to an overall cost saving or a reduction in risk.

Treasury Investment Strategy

The Authority holds significant invested funds, representing income received in advance of expenditure plus balances and reserves held. In the past 12 months, the Authority's treasury investment balance has ranged between £190m and £265m, and levels are expected to be subject to the drawdown of funds to support the delivery of the Combined Authority's priorities and objectives as set out in the Business Plan and the Medium-Term Financial Plan.

Objectives: The CIPFA Code requires the Authority to invest its treasury funds prudently, and to have regard to the security and liquidity of its investments before seeking the highest rate of return, or yield. The Authority's objective when investing money is to strike an appropriate balance between risk and return, minimising the risk of incurring losses from defaults and the risk of receiving unsuitably low investment income. Where balances are expected to be invested for more than one year, the Authority will aim to achieve a total return that is equal or higher than the prevailing rate of inflation, in order to maintain the spending power of the sum invested. The Authority aims to be a responsible investor and when making investments with private entities will consider environmental, social and governance (ESG) issues when investing.

Strategy: As demonstrated by the liability benchmark above, the Authority expects to be a long-term investor and treasury investments will therefore include both short-term low risk instruments to manage day-to-day cash flows and longer-term instruments where limited additional risk is accepted in return for higher investment income to support local public services.

ESG policy: Environmental, social and governance (ESG) considerations are increasingly a factor in global investors' decision making, but the framework for evaluating investment opportunities is still developing and therefore the Authority's ESG policy does not currently include ESG scoring or other real-time ESG criteria at an individual investment level. When investing in banks and funds, the Authority will prioritise banks that are signatories to the UN Principles for Responsible Banking and funds operated by managers that are signatories to the UN Principles for Responsible Investment, the Net Zero Asset Managers Alliance and/or the UK Stewardship Code.

Business models: Under the IFRS 9 standard, the accounting for certain investments depends on the Authority's "business model" for managing them. The Authority aims to achieve value from its treasury investments by a business model of collecting the contractual cash flows and therefore, where other criteria are also met, these investments will continue to be accounted for at amortised cost.

Approved counterparties: The Authority may invest its surplus funds with any of the counterparty types in table 3 below, subject to the cash limits (per counterparty) and the time limits shown.

Table 3: Treasury investment counterparties and limits

Sector	Time limit	Counterparty limit	Sector limit
The UK Government	50 years	Unlimited	n/a
Local authorities & other government entities	25 years	£25m	Unlimited
Secured investments *	25 years	£25m	Unlimited
Banks (unsecured) *	13 months	£15m	Unlimited
Building societies (unsecured) *	13 months	£15m	£25m

Registered providers (unsecured) *	5 years	£15m	£50m
Money market funds *	n/a	£25m	Unlimited
Strategic pooled funds	n/a	£25m	£100m
Real estate investment trusts	n/a	£25m	£50m
Other investments *	5 years	£15m	£25m

This table must be read in conjunction with the notes below

Minimum Credit rating: Treasury investments in the sectors marked with an asterisk will only be made with entities whose lowest published long-term credit rating is no lower than A-. Where available, the credit rating relevant to the specific investment or class of investment is used, otherwise the counterparty credit rating is used. However, investment decisions are never made solely based on credit ratings, and all other relevant factors including external advice will be taken into account.

For entities without published credit ratings, investments may be made where external advice indicates the entity to be of similar credit quality.

Government: Loans, bonds and bills issued or guaranteed by national governments, regional and local authorities and multilateral development banks. These investments are not subject to bail-in, and there is generally a lower risk of insolvency, although they are not zero risk. Investments with the UK Central Government are deemed to be zero credit risk due to its ability to create additional currency and therefore may be made in unlimited amounts for up to 50 years.

Secured investments: Investments secured on the borrower's assets, which limits the potential losses in the event of insolvency. The amount and quality of the security will be a key factor in the investment decision. Covered bonds and reverse repurchase agreements with banks and building societies are exempt from bail-in. Where there is no investment specific credit rating, but the collateral upon which the investment is secured has a credit rating, the higher of the collateral credit rating and the counterparty credit rating will be used. The combined secured and unsecured investments with any one counterparty will not exceed the cash limit for secured investments.

Banks and building societies (unsecured): Accounts, deposits, certificates of deposit and senior unsecured bonds with banks and building societies, other than multilateral development banks. These investments are subject to the risk of credit loss via a bail-in should the regulator determine that the bank is failing or likely to fail. See below for arrangements relating to operational bank accounts.

Registered providers (unsecured): Loans to, and bonds issued or guaranteed by registered providers of social housing and registered social landlords, formerly known as housing associations. These bodies are regulated by the Regulator of Social Housing (in England), the Scottish Housing Regulator, the Welsh Government and the Department for Communities (in Northern Ireland). As providers of public services, they retain the likelihood of receiving government support if needed.

Money market funds: Pooled funds that offer same-day or short notice liquidity and very low or no price volatility by investing in short-term money markets. They have the advantage over bank accounts of providing wide diversification of investment risks, coupled with the services of a professional fund manager in return for a small fee. Although no sector limit applies to money market funds, the Authority will take care to diversify its liquid investments over a variety of providers to ensure access to cash at all times.

Strategic pooled funds: Bond, equity and property funds that offer enhanced returns over the longer term, but are more volatile in the short term. These allow the Authority to diversify into asset classes other than cash without the need to own and manage the underlying investments. Because these funds have no defined maturity date, but are available for withdrawal after a notice period, their performance and continued suitability in meeting the Authority's investment objectives will be monitored regularly.

Real estate investment trusts: Shares in companies that invest mainly in real estate and pay the majority of their rental income to investors in a similar manner to pooled property funds. As with property funds, REITs offer enhanced returns over the longer term, but are more volatile especially as the share price reflects changing demand for the shares as well as changes in the value of the underlying properties.

Other investments: This category covers treasury investments not listed above, for example unsecured corporate bonds and company loans. Non-bank companies cannot be bailed-in but can become insolvent placing the Authority's investment at risk.

Operational bank accounts: The Authority may incur operational exposures, for example through current accounts, collection accounts and merchant acquiring services, to any UK bank with credit ratings no lower than BBB- and with assets greater than £25 billion. These are not classed as investments, but are still subject to the risk of a bank bail-in, and balances will therefore be kept below £25m per bank. The Bank of England has stated that in the event of failure, banks with assets greater than £25 billion are more likely to be bailed-in than made insolvent, increasing the chance of the Authority maintaining operational continuity.

Risk assessment and credit ratings: Credit ratings are obtained and monitored by the Authority's treasury advisers, who will notify changes in ratings as they occur. The credit rating agencies in current use are listed in the Treasury Management Practices document. Where an entity has its credit rating downgraded so that it fails to meet the approved investment criteria then:

- no new investments will be made,
- any existing investments that can be recalled or sold at no cost will be, and
- full consideration will be given to the recall or sale of all other existing investments with the affected counterparty.

Where a credit rating agency announces that a credit rating is on review for possible downgrade (also known as "negative watch") so that it may fall below the approved rating criteria, then only investments that can be withdrawn on the next working day will be made with that organisation until the outcome of the review is announced. This policy will not apply to negative outlooks, which indicate a long-term direction of travel rather than an imminent change of rating.

Other information on the security of investments: The Authority understands that credit ratings are good, but not perfect, predictors of investment default. Full regard will therefore be given to other available information on the credit quality of the organisations in which it invests, including credit default swap prices, financial statements, information on potential government support, reports in the quality financial press and analysis and advice from the Authority's treasury management adviser. No investments will be made with an organisation if there are substantive doubts about its credit quality, even though it may otherwise meet the above criteria.

Reputational aspects: The Authority is aware that investment with certain counterparties, while considered secure from a purely financial perspective, may leave it open to criticism, valid or otherwise, that may affect its public reputation, and this risk will therefore be taken into account when making investment decisions.

When deteriorating financial market conditions affect the creditworthiness of all organisations, as happened in 2008, 2020 and 2022, this is not generally reflected in credit ratings, but can be seen in other market measures. In these circumstances, the Authority will restrict its investments to those organisations of higher credit quality and reduce the maximum duration of its investments to maintain the required level of security. The extent of these restrictions will be in line with prevailing financial market conditions. If these restrictions mean that insufficient commercial organisations of high credit quality are available to invest the Authority's cash balances, then the surplus will be deposited with the UK Government via the Debt Management Office or invested in government treasury bills for example, or with other local authorities. This will cause investment returns to fall but will protect the principal sum invested.

Investment limits: In order to minimise the risk of a single default against available reserves, the maximum that will be lent to any one organisation (other than the UK Government) will be £25m. A group of entities under the same ownership will be treated as a single organisation for limit purposes.

Credit risk exposures arising from non-treasury investments, financial derivatives and balances greater than £25m in operational bank accounts would be taken account of against the relevant investment limits when making treasury management investments, but the limits in this strategy do not apply to service investments.

Limits will also be placed on fund managers, investments in brokers' nominee accounts, foreign countries as below. Investments in pooled funds and multilateral development banks do not count against the limit for any single foreign country, since the risk is diversified over many countries.

Table 4: Investment limits

	Cash limit
Any group of pooled funds under the same management	£50m per manager
Negotiable instruments held in a broker's nominee account	£50m per broker
Foreign countries	£25m per country

Liquidity management: The Authority uses cash flow forecasting to determine the maximum period for which funds may prudently be committed. The forecast is compiled on a prudent basis to minimise the risk of the Authority being forced to borrow on unfavourable terms to meet its financial commitments. Limits on long-term investments are set by reference to the Authority's medium-term financial plan and cash flow forecast.

The Authority will spread its liquid cash over at least three providers (e.g. bank accounts and money market funds) to ensure that access to cash is maintained in the event of operational difficulties at any one provider.

Treasury Management Prudential Indicators

The Authority measures and manages its exposures to treasury management risks using the following indicators.

Security: The Authority has adopted a voluntary measure of its exposure to credit risk by monitoring the value-weighted average credit score of its investment portfolio. This is calculated by applying a score

to each investment (AAA=1, AA+=2, etc.) and taking the arithmetic average, weighted by the size of each investment. Unrated investments are assigned a score based on their perceived risk.

Credit risk indicator	Target
Portfolio average credit rating	6 (A)

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

Liquidity risk indicator	Target
Total cash available within 3 months	£15m

Interest rate exposures: This indicator is set to control the Authority's exposure to interest rate risk:

Interest rate risk indicator	Limit
Upper limit on one-year revenue impact of a 1% <u>rise</u> in interest rates	£1.5m
Upper limit on one-year revenue impact of a 1% <u>fall</u> in interest rates	£1.5m

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

Maturity structure of borrowing: This indicator is set to control the Authority's exposure to refinancing risk. As the CPCA has no planned borrowing, and a net asset benchmark the use of the suggested "Maturity Structure of Borrowing" indicator would be meaningless. If the CPCA were to take out borrowing for a specific project this strategy would be revisited in-year to reflect such a decision.

Principal sums invested for periods longer than a year (excluding loans): The purpose of this indicator is to control the Authority's exposure to the risk of incurring losses by seeking early repayment of its investments. The limits on the long-term principal sum invested to final maturities beyond the period end will be:

Price risk indicator	2024/25	2025/26	2026/27	No fixed date
Limit on principal invested beyond year end	£80m	£35m	£10m	£10m

Long-term investments with no fixed maturity date include strategic pooled funds and real estate investment trusts but exclude money market funds and bank accounts with no fixed maturity date as these are considered short-term.

Related Matters

The CIPFA Code requires the Authority to include the following in its treasury management strategy.

Financial Derivatives: Local authorities have previously made use of financial derivatives embedded into loans and investments both to reduce interest rate risk (e.g. interest rate collars and forward deals) and to reduce costs or increase income at the expense of greater risk (e.g. LOBO loans and callable deposits). The general power of competence in Section 113A of the Local Democracy, Economic Development and Construction Act 2009 removes much of the uncertainty over combined authorities' use of standalone financial derivatives (i.e. those that are not embedded into a loan or investment).

The Authority will only use standalone financial derivatives (such as swaps, forwards, futures and options) where they can be clearly demonstrated to reduce the overall level of the financial risks that the Authority is exposed to. Additional risks presented, such as credit exposure to derivative counterparties, will be taken into account when determining the overall level of risk. Embedded derivatives, including those present in pooled funds and forward starting transactions, will not be subject to this policy, although the risks they present will be managed in line with the overall treasury risk management strategy.

Financial derivative transactions may be arranged with any organisation that meets the approved investment criteria, assessed using the appropriate credit rating for derivative exposures. An allowance for credit risk calculated using the methodology in the Treasury Management Practices document will count against the counterparty credit limit and the relevant foreign country limit.

In line with the CIPFA Code, the Authority will seek external advice and will consider that advice before entering into financial derivatives to ensure that it fully understands the implications.

Markets in Financial Instruments Directive: The Authority has opted up to professional client status with its providers of financial services, allowing it access to a greater range of services but without the greater regulatory protections afforded to individuals and small companies. Given the size and range of the Authority's treasury management activities, the Chief Financial Officer believes this to be the most appropriate status.

Financial Implications

The budget for investment income in 2024/25 is £4.5 million, based on the expected investment portfolio at the time the MTFP was approved. There is no budget for debt interest paid in 2024/25.

Where investment income exceeds budget, e.g. from higher risk investments including pooled funds, or debt interest paid falls below budget, e.g. from cheap short-term borrowing, then consideration will be given to transferring a portion of the revenue savings will be transferred to a treasury management reserve to cover the risk of capital losses or higher interest rates payable in future years as was done in 2022/23 in the creation of the inflation reserve.

Other Options Considered

The CIPFA Code does not prescribe any particular treasury management strategy for local authorities to adopt. The Chief Finance Officer believes that the above strategy represents an appropriate balance between risk management and cost effectiveness. Some alternative strategies, with their financial and risk management implications, are listed below.

Alternative	Impact on income and expenditure	Impact on risk management
Invest in a narrower range of counterparties and/or for shorter times	Interest income will be lower	Lower chance of losses from credit related defaults, but any such losses may be greater

Invest in a wider range of counterparties and/or for longer times	Interest income will be higher	Increased risk of losses from credit related defaults, but any such losses may be smaller
Borrow additional sums at long-term fixed interest rates	Debt interest costs will rise; this is unlikely to be offset by higher investment income	Higher investment balance leading to a higher impact in the event of a default; however long-term interest costs may be more certain
Borrow short-term or variable loans instead of long-term fixed rates	Debt interest costs will initially be lower	Increases in debt interest costs will be broadly offset by rising investment income in the medium term, but long-term costs may be less certain
Reduce level of borrowing	Saving on debt interest is likely to exceed lost investment income	Reduced investment balance leading to a lower impact in the event of a default; however long-term interest costs may be less certain

Appendix A - Existing Investment & Debt Portfolio Position

	29 Feb 2024 Actual Portfolio £m	Average Rate %
External borrowing:		
Public Works Loan Board	0	
Local authorities	0	
LOBO loans from banks	0	
Other loans	0	
Total external borrowing	0	
Total gross external debt	0	
Treasury investments:		
Banks & building societies (unsecured)	0.3	2.00
Government (incl. local authorities)	193.3	5.43
Money Market Funds	15.5	5.29
Total treasury investments	209.1	5.03
Net debt	(209.1)	

Appendix 4 (d)

Cambridgeshire and Peterborough Combined Authority

Minimum Revenue Provision Statement 2024/25

Annual Minimum Revenue Provision Statement 2024/25

Where the Authority finances capital expenditure by debt, it must put aside resources to repay that debt in later years. The amount charged to the revenue budget for the repayment of debt is known as Minimum Revenue Provision (MRP), although there has been no statutory minimum since 2008. The Local Government Act 2003 requires the Authority to have regard to the former Ministry of Housing, Communities and Local Government's *Guidance on Minimum Revenue Provision* (the MHCLG Guidance) most recently issued in 2018.

The broad aim of the MHCLG Guidance is to ensure that capital expenditure is financed over a period that is either reasonably commensurate with that over which the capital expenditure provides benefits, or, in the case of borrowing supported by Revenue Grant, reasonably commensurate with the period implicit in the determination of that grant.

The MHCLG Guidance requires the Authority to approve an Annual MRP Statement each year and recommends a number of options for calculating a prudent amount of MRP. The following statement incorporates options recommended in the Guidance.

- The Authority expects that its capital financing requirement will be nil on 31st March 2024 and in line with the MHCLG Guidance it expects to charge no MRP in 2024/25.
- For capital expenditure loans to third parties, the Authority will make nil MRP unless (a) the loan is an investment for commercial purposes and no repayment was received in year or (b) an expected credit loss was recognised or increased in-year, but will instead apply the capital receipts arising from principal repayments to reduce the capital financing requirement instead. In years where there is no principal repayment on loans that are investments for commercial purposes, MRP will be charged in accordance with the MRP policy for the assets funded by the loan, including where appropriate, delaying MRP until the year after the assets become operational. Sufficient MRP will be charged to ensure that the outstanding capital financing requirement (CFR) on the loan is no higher than the principal amount outstanding less the expected credit loss. This option was proposed by the government in its recent MRP consultation and in the Authority's view is consistent with the current regulations.
- Where loans are made from grant funds, there will be no Capital Finance Requirement and therefore no MRP.
- Where former operating leases have been brought onto the balance sheet due to the adoption of the *IFRS 16 Leases* accounting standard, and the asset values have been adjusted for accruals, prepayments, premiums and/or incentives, then the annual MRP charges will be adjusted so that the total charge to revenue remains unaffected by the new standard.
- The table below summarises the MRP Policy.

Capital Expenditure Incurred	MRP Policy
Expenditure funded by unsupported borrowing	Asset Life, annuity method - MRP will be based on the prevailing PWLB interest rate for a loan with a term equivalent to the estimated life of the project.
Finance Leases	MRP will be determined as being equal to the element of the rent or charge that goes to write down the balance sheet liability.
Secured Loans to third parties repaid in bullet form.	No MRP will be charged as reliance can be placed on the capital receipt that will be generated when the loan is repaid or, in the event of a default, the realisation of the security. If realisation of the security does not equate to the original loaned amount, the Authority will recognise the associated impairment and will charge MRP on the outstanding balance.

Cambridgeshire and Peterborough Combined Authority Capital Strategy Report ~~2024/25~~2023/24

Introduction

This capital strategy report gives a high-level overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of local public services along with an overview of how associated risk is managed and the implications for future financial sustainability. It has been written in an accessible style to enhance members’ understanding of these sometimes technical areas.

Decisions made this year on capital and treasury management will have financial consequences for the Authority for many years into the future. They are therefore subject to both a national regulatory framework and to a local policy framework, summarised in this report.

Capital Expenditure and Financing

Capital expenditure is where an Authority spends money on assets, such as property, shares in companies or vehicles, that will be used for more than one year. In local government this includes spending on assets owned by other bodies, and loans and grants to other bodies enabling them to buy assets.

In ~~2024/25~~2023/24, the Authority is planning capital expenditure of £~~133.28m~~~~101.59m~~ as summarised below.

Table 1: Prudential Indicator: Estimates of Capital Expenditure in £ millions

	2022/23 2024/ 22 actual	2023/24 2022/ 23 forecast	2024/25 2023/24 budget		2025/26 2024/ 25 budget	2026/27 Z budget
Capital investments	104.53 117.07	163.50 125.43	133.28 101.59	93.3 Z		41.48 .95
TOTAL	104.53 117.07	163.50 125.43	133.28 101.59	93.3 Z		41.48 .95

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The figures for ~~2022/23~~, 2023/24, ~~and~~ 2024/25, ~~2025/26~~ and ~~2025/27~~ are taken from the ~~Approved~~ Capital Expenditure Programme as set out and described in the ~~draft~~ Medium Term Financial Plan approved by the Combined Authority Board at its January meeting, ~~with minor subsequent changes.~~

Governance:

The Combined ~~Authority has a suite of key governance and policy documents with the Single Authority's~~ Assurance Framework ~~providing the primary governance document in relation to investment processes including~~sets out:

(a) How the ~~Combined Authority adheres to the requirements~~seven principles of the English ~~Devolution Accountability Framework and Nolan principals shaping 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 including a code of conduct for both Members and Officers.

(b) Alongside the Combined Authority’s constitution, sets out the respective roles and responsibilities across the Combined Authority, including the Mayor, the Board, Investment Committee, Business Board, Thematic and statutory Committees, ~~(the Local Enterprise Partnership)~~ and statutory officers.

(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.

All capital expenditure must be financed, either from external sources (government grants and other contributions), the Authority’s own resources (revenue, reserves and capital receipts) or debt (borrowing, leasing and Private Finance Initiative). The planned financing of the above expenditure is as follows:

Table 2: Capital financing in £ millions

	2022/23 2022 actual	2023/24 2023/24 forecast		2024/25 2023/24 budget	2025/26 25 budget	2026/27 7 budget
Grant Funding	87.83 102.44	144.97 101.47	125.4 4	88.96 92	41.48 44.68	0 0
Usable Capital Receipts	16.70 14.93	18.53 24.26		7.84 12.67	4.41 27	0 0
Debt	0 0	0 0		0 0	0 0	0 0
TOTAL	104.53 117.07	163.50 124.43		133.28 104.59	93.3 7	41.48 95

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Debt is only a temporary source of finance, since loans and leases must be repaid, and this is therefore replaced over time by other financing, usually from revenue which is known as minimum revenue provision (MRP). Alternatively, proceeds from selling capital assets (known as capital receipts) may be used to replace debt finance.

The Combined Authority currently does not have any debt, but has the ability to borrow to facilitate delivery should it be needed. While there are no current projects within the MTFP which fund delivery via borrowing, the ~~role of the~~ Combined Authority is considering the case for Franchising in the bus network. The investments to support the franchised network may be financed by sustainability and Public Transport agendas is still in development and debt but the Combined Authority would likely apply internal borrowing for may form part of this rather than external debt. ~~role.~~ The Combined Authority has no allowance built into it’s MTFP to service debt, it is anticipated that any future borrowing would have to be supported by future receipts from the project delivery it funded.

The Authority’s cumulative outstanding amount of debt finance is measured by the capital financing requirement (CFR). This increases with new debt-financed capital expenditure and reduces with MRP and capital receipts used to replace debt. The Authority currently has never undertaken no debt financed capital expenditure and therefore has no CFR.

The Authority expects that its capital financing requirement will be nil on 31st March ~~2024/2023~~ and in line with the DLUHC Guidance expects to charge no MRP in ~~2024/25~~~~2023/24~~.

For capital expenditure loans to third parties for service purposes that are repaid in annual or more frequent instalments of principal, the Authority will make nil MRP, but will instead apply the capital receipts arising from principal repayments to reduce the capital financing requirement instead.

Where loans are made from grant funds, there will be no Capital Finance Requirement and therefore no MRP. Where loans are debt funded, where creditworthiness of the borrower decreases or the asset value drops below the loan value, MRP will be charged equal to the Expected Credit Loss~~shortfall~~.

For capital expenditure loans to third parties for commercial purposes MRP will be made in line with the Minium Revenue Provision policy.

Asset disposals: When a capital asset is no longer needed, it may be sold so that the proceeds, known as capital receipts, can be spent on new assets or to repay debt. Repayments of capital grants, loans and investments also generate capital receipts.

Treasury Management

Treasury management is concerned with keeping sufficient, but not excessive, cash available to meet the Authority’s spending needs, while managing the risks involved. Surplus cash is invested until required, while a shortage of cash will be met by borrowing, to avoid excessive credit balances or overdrafts in the bank current account. The Authority is typically cash rich in the short-term as grant income is received before it is spent.

As at ~~29 February 2024~~~~31 January 2023~~, the Authority had no borrowing and ~~£209.1m~~~~195.3m~~ treasury investments at an average rate of ~~5.42~~~~9.3~~%

Borrowing strategy: The Authority’s main objectives when borrowing would be to achieve a low but certain cost of finance while retaining flexibility should plans change in future. These objectives are often conflicting, and the Authority would therefore seek to strike a balance between cheap short-term loans and long-term fixed rate loans where the future cost is known but higher.

The Authority does not borrow to invest for the primary purpose of financial return and therefore retains full access to the Public Works Loans Board.

Projected levels of the Authority’s total outstanding debt (which comprises borrowing and leases) are shown below, compared with the capital financing requirement (see above).

Table 3: Prudential Indicator: Gross Debt and the Capital Financing Requirement in £ millions

	31.3. 2023 202 2 actual	31.3. 2024 202 3 forecast	31.3. 2025 202 4 budget	31.3. 2026 202 5 budget	31.3. 202 7 budget
Debt (incl. PFI & leases)	0	0	0	0	0
Capital Financing	0	0	0	0	0

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Requirement					
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Statutory guidance is that debt should remain below the capital financing requirement, except in the short-term. The Authority expects to comply with this in the medium term.

Liability benchmark: To compare the Authority’s actual borrowing against an alternative strategy, a liability benchmark is calculated showing the lowest risk level of borrowing. This is a requirement of the Treasury Management Code. Given that there are no current plans to borrow, this calculation shows an asset benchmark for comparing against investment levels, but will be kept under review.

Table 4: Borrowing and the Liability Benchmark in £ millions

	31.3.2023 2022 actual	31.3.2024 2023 forecast	31.3.2025 2024 budget	31.3.2026 2025 budget	31.3.2027 budget
Forecast Outstanding borrowing	0	0	0	0	0
Liability (Asset) benchmark	(192.4298.3)	(135.0425.6)	(78.054.6)	(36.133.8)	(13.2)

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Affordable borrowing limit: The Authority is legally obliged to set an affordable borrowing limit (also termed the authorised limit for external debt) each year and to keep it under review. In line with statutory guidance, a lower “operational boundary” is also set as a warning level should debt approach the limit.

Table 5: Prudential Indicators: Authorised limit and operational boundary for external debt in £m

	2023/24 limit	2024/25 limit	2025/26 limit	2026/27 limit
Authorised limit - total external debt			84.61	84.61
Operational boundary - total external debt			74.61	74.61

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Treasury investment strategy: Treasury investments arise from receiving cash before it is paid out again. Investments made for service reasons or for pure financial gain are not generally considered to be part of treasury management.

The Authority’s policy on treasury investments is to prioritise security and liquidity over yield, that is to focus on minimising risk rather than maximising returns. Cash that is likely to be spent in the near term is invested securely, for example with the government, other local authorities or selected high-quality banks, to minimise the risk of loss. Money that will be held for longer terms can be invested more widely, including in bonds, shares and property, to balance the risk of loss against the

risk of receiving returns below inflation. Both near-term and longer-term investments may be held in pooled funds, where an external fund manager makes decisions on which particular investments to buy and the Authority may request its money back at short notice.

Risk management: The effective management and control of risk are prime objectives of the Authority's treasury management activities. The treasury management strategy therefore sets out various indicators and limits to constrain the risk of unexpected losses and details the extent to which financial derivatives may be used to manage treasury risks.

Governance: Decisions on treasury management investment and borrowing are made daily and are therefore delegated to the Chief Finance Officer and staff, who must act in line with the treasury management strategy approved by the Board. Regular reports on treasury management activity are presented to the Audit and Governance Committee who are responsible for ensuring effective scrutiny of the treasury management strategy and policies in accordance with CIPFA's Code of Practice.

Investments for Service Purposes

The Authority makes investments to assist local public services, including making loans to and buying shares in local service providers, local small businesses to promote economic growth and the Authority's subsidiaries that provide services. In light of the public service objective, the Authority is willing to take more risk than with treasury investments, however it still plans for service loans to at least break even after all costs.

The Combined Authority will assume no future financial returns on any equity investments within its Medium-Term Financial Plan (MTFP). This is, financially, the worst-case scenario with equity investments; by not assuming any future returns the Combined Authority is exposed to only up-side risk and the future financial stability of the organisation is not reliant on the performance of the investments i.e. there is no risk that the Combined Authority will be unable to proceed with ~~its~~ plans due to poorer than anticipated financial performance of the companies.

Total investments for service purposes were valued at £33m as at 31st March 2023 and further information is provided in the Non Treasury Investment Strategy.

Governance: Decisions on service investments are made by the relevant service manager in consultation with the Chief Finance Officer and must meet the criteria and limits laid down in the investment strategy as well as any project, fund, or service specific criteria. Most loans and shares are capital project expenditure and ~~purchases and~~ will therefore follow the business case approval route appropriate for their value set out within the Single Assurance Framework. ~~also be approved as part of the capital programme.~~ The Chief Officer for the relevant service is responsible for ensuring that adequate due diligence is carried out before investment is made.

Table 6: Prudential Indicator: Proportion of Service investment income to net revenue stream (£m)

	<u>2022/23</u> <u>actual</u>	<u>2023/24</u> <u>forecast</u>	<u>2024/25</u> <u>budget</u>	<u>2025/26</u> <u>budget</u>	<u>2026/27</u> <u>budget</u>
<u>Service Investment income (£m)</u>	<u>0.93</u>	<u>0.51</u>	<u>0.09</u>	<u>0.07</u>	<u>0.07</u>
<u>Proportion of net revenue stream</u>	<u>0.65%</u>	<u>0.79%</u>	<u>0.14%</u>	<u>0.15%</u>	<u>0.15%</u>

Note the Authority has no commercial investments, and therefore no commercial income.

Commercial Activities

The Combined Authority currently does not hold any commercial investments.

Other Liabilities

The Authority is committed to making future payments to cover its pension fund deficit (~~as valued at 31/£3/23 this was a surplus of £0.92m)-87m~~). There are currently no commitments to make future payments in relation to debt or other major liabilities.

The Authority is also at risk of having to pay for costs related to issues on a construction project but has not put aside any money because current estimates anticipate the costs will be within the existing project budget. There is currently no requirement to cover risks of other provisions, financial guarantees or major contingent liabilities.

Governance: Decisions on incurring new discretionary liabilities are taken by Executive Directors in consultation with the Chief Finance Officer. The risk of liabilities crystallising and requiring payment is monitored by the Finance team and reported to both the relevant thematic Audit and Governance committee and the investment committee.- New liabilities/loans are reported to the Board for approval/notification as appropriate.

Revenue Budget Implications

Although capital expenditure is not charged directly to the revenue budget, interest payable on loans and MRP are charged to revenue. The net annual charge is known as financing costs; this is compared to the net revenue stream i.e. the amount funded from general government grants. There are no current plans to borrow, and therefore no budget financing costs.

Table 76: Prudential Indicator: Proportion of financing costs to net revenue stream

	<u>2022/23</u> <u>2</u> actual	<u>2023/24</u> <u>3</u> forecast	<u>2024/25</u> <u>4</u> budget	<u>2025/26</u> <u>5</u> budget	<u>2026/27</u> <u>7</u> budget
Financing costs (£m)	0	0	0	0	0
Proportion of net revenue stream	0%	0%	0%	0%	0%

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Sustainability: Due to the very long-term nature of capital expenditure and financing, the revenue budget implications of expenditure incurred in the next few years will extend into the future. The Chief Finance Officer is satisfied that the proposed capital programme is prudent, affordable and sustainable as demonstrated in the Medium-Term Financial Plan.

Knowledge and Skills

The Authority employs professionally qualified and experienced staff in senior positions with responsibility for making capital expenditure, borrowing and investment decisions. For example, the Chief Finance Officer is a qualified accountant with over 25 years post qualification experience. The

Authority pays for staff to study towards relevant professional qualifications and for all qualified staff to keep up to date with relevant 'continuing professional development'.

Where Authority staff do not have the knowledge and skills required, use is made of external advisers and consultants that are specialists in their field. The Authority currently employs Arlingclose Limited as treasury management advisers. This approach is more cost effective than employing such staff directly and ensures that the Authority has access to knowledge and skills commensurate with its risk appetite.

Cambridgeshire and Peterborough Combined Authority

Non-treasury Investment Strategy Report 2024/25~~2023/24~~

Introduction

The Authority may invest its money for three broad purposes:

- because it has surplus cash as a result of its day-to-day activities, for example when income is received in advance of expenditure (known as **treasury management investments**),
- to support local public services, skills or economic growth by lending to or buying shares in other organisations (**service investments**), and
- to earn investment income (known as **commercial investments** where this is the main purpose).

This investment strategy meets the requirements of statutory guidance issued by the government in January 2018 and focuses on the second and third of these categories.

The statutory guidance defines investments as “all of the financial assets of a local authority as well as other non-financial assets that the organisation holds primarily or partially to generate a profit; for example, investment property portfolios.” The Authority interprets this to exclude (a) trade receivables which meet the accounting definition of financial assets but are not investments in the everyday sense of the word and (b) property held partially to generate a profit but primarily for the provision of local public services. This aligns the Authority’s definition of an investment with that in the 2021 edition of the CIPFA Prudential Code, a more recent piece of statutory guidance.

Treasury Management Investments

The Authority typically receives its income in cash (e.g. from grants before it pays for its expenditure in cash (e.g. through payroll, invoices and grants). It also holds reserves for future expenditure. These activities, plus the timing of borrowing decisions, lead to a cash surplus which is invested in accordance with guidance from the Chartered Institute of Public Finance and Accountancy. The balance of treasury management investments is expected to fluctuate between ~~£145m~~~~55m~~ and ~~£88m~~~~426m~~ during the 2024/25~~2023/24~~ financial year.

Contribution: The contribution that these investments make to the objectives of the Authority is to support effective treasury management activities.

Further details: Full details of the Authority’s policies and its plan for 2024/25~~2023/24~~ for treasury management investments are covered in a separate document, the treasury management strategy.

Service Investments: Loans

Contribution: The Council lends money to its subsidiaries and local businesses to support local public services, ~~to support the provision of affordable housing~~ and to stimulate local economic growth and skills development.

Revolving Housing Fund

~~In September 2018, the Combined Authority Board approved the creation of a £40m revolving fund from the £100m fund receivable from central government to bring forward 2,000 affordable homes by March 2022. No new loans are being made from the fund as the returned funds are now being used to fund affordable housing grants. Of the five loans made under the scheme three have been fully repaid and the other two are due to be repaid by the end of May 2023.~~

Recycled Growth Fund and Strategic Growth Fund Loans

The Combined Authority ~~has historically offered~~ offers capital loans to local companies, and other Local Authorities, via recycled growth funds on the advice of the Business Board, where the projects are considered to achieve value for money and fit with the strategic direction set out in the Local Industrial Strategy. As the majority of Recycled Growth Funds was awarded prior to March ~~2023, 2022~~ the Combined Authority is establishing a £20m Strategic Growth Fund. The criteria, and blend extent of grant, equity, and new loans, that will be established by the Combined Authority Board available in 2024/25 and the funds allocated in-line with the recently approved Single Assurance Framework ~~2023-24~~ is likely to be quite small.

As the proportion of the £20m (£4.4m in 24/25) which will be available as loans and equity has not yet been established the approved limits have been set at a level which will allow flexibility to allocate the funds as either without breaching the limits.

Security of Service Loans

The main risk when making service loans is that the borrower will be unable to repay the principal lent and/or the interest due. In order to limit this risk, and ensure that total exposure to service loans remains proportionate to the size of the Authority, upper limits on the outstanding loans to each category of borrower have been set as follows:

Table 1: Loans for service purposes in £ millions

Category of borrower	31.3. 2023 2022 actual			2024/25 2023/24
	Balance owing	Loss allowance	Net figure in accounts	Approved Limit
Subsidiaries	0.403000	0.003000	0.400000	10.000
Local businesses	14.57841.656	0.065344	14.51341.312	20.000
TOTAL	14.98141.656	0.068344	14.91341.312	30.000

Accounting standards require the Authority to set aside loss allowance for loans, reflecting the likelihood of non-payment. The figures for loans in the Authority's statement of accounts are shown net of this loss allowance. However, the Authority makes every reasonable effort to collect the full sum lent and has appropriate credit control arrangements in place to recover overdue repayments.

Risk assessment: The Authority would assess the risk of loss before entering into and whilst holding service loans. All future loans would be subject to the following risk assessment and mitigating actions:

- 1) An appropriate level of due diligence, to include the use of external advisors where appropriate.
- 2) An appropriate loan period and timing of repayments
- 3) The calculation of an interest rate that would represent 'value for money', be of 'no detriment' to the Combined Authority, and to minimise the risk of Subsidy Control challenge

- 4) Approval being subject to a business case, due diligence, and loan agreement to the satisfaction of the Chief Executive, Monitoring Officer and Chief Finance Officer.
- 5) The business case would be reviewed to include focus on:
 - a. Impact of existing loans and charges on assets
 - b. Accuracy and reasonableness of Cashflow and profit forecasts
 - c. Ambition of future sales targets and income to repay loan
 - d. Provisions/allowances for contingency, inflation
 - e. Review of credit worthiness of business and collateralisation of loan
- 6) For housing development loans, first legal charge over land and assets
- 7) Regular review and valuation of the assets
- 8) Drawdown subject to a gateway process
- 9) Consideration of options of parent company guarantees
- 10) Consideration of obligations of S106 agreements

All loans are subject to an approved project business case in-line with approval by the delegations set out in the Single Assurance Framework Combined Authority Board.

Service Investments: Shares

The Combined Authority invests in the shares primarily for the delivery of service outcomes rather than for financial return. It invests in equities of both subsidiaries and local businesses to support local public services and stimulate local economic growth. These investments are an intrinsic part of the delivery of the Combined Authority's programmes they are subject to the Combined Authority's Monitoring and Evaluation framework ([published here](#)) which has been reviewed by the Department for Business, Energy and Industrial Strategy including quarterly reporting on the service outcomes being delivered. As such this strategy only refers to monitoring of the company from a financial investor's perspective beyond what is done in line with the Monitoring and Evaluation framework.

As part of the implementation of the Single Assurance Framework a revised Monitoring and Evaluation Framework will be developed during 2024/25. The revised Framework will include any continuing requirements while aligning these to the Authority's new processes.

The Combined Authority has approved a number of material service equity investments as part of the University of Peterborough and Business and Skills agendas summarised below however, in consideration of the relative risk of equity investments over grants and loan funding, there are two overarching principals which the Combined Authority follows with all it's equity investments to ensure that it does not expose itself to undue financial risk:

- 1) The Combined Authority will only invest in limited companies – this limits the liability that the Combined Authority faces to the equity invested in the company, ensuring that the wider Combined Authority finances are insulated from movement in the values of the companies.
- 2) The Combined Authority will assume no future financial returns on any equity investments within its Medium-Term Financial Plan (MTFP). This is, financially, the worst-case scenario with equity investments; by not assuming any future returns the Combined Authority is exposed to only up-side risk and the future financial stability of the organisation is not

reliant on the performance of the investments i.e. there is no risk that the Combined Authority will be unable to proceed with its plans due to poorer than anticipated financial performance of the companies.

All existing material equity investments have been made following a recommendation of the Business Board as all involve an element of Local Growth Fund investment. As such all equity investments will have followed the robust due diligence and scoring process which all potential investments must complete prior to being considered by the Business Board – this involves an independent external evaluation of the applicant’s business case, financial statements, credit searches, management capability and experience, project key risks, and strategic fit. This results in a report on these areas, a score, and recommendations on what controls and risk mitigations should be put in place if the investment is entered into.

Alongside this, for investments of £500k or more, the applicant will also be required to present their proposal to an Entrepreneurs’ Assessment Panel (EAP) made up of Members of the Business Board and external experts in the field who also score the projects.

The Business Board, whose voting membership is made up of experienced CEOs, will then consider the application, appraiser’s report and EAP scoring and they can request further information, recommend investments to the Combined Authority for ratification, or reject the project.

The equity investments fall into three groups, in this strategy referred to as: subsidiaries, silent partner service investments, and other equity investments.

Subsidiaries

Equity holdings in this group are in companies in which the Combined Authority has an active role in day-to-day management of the company. It is either a major, or sole, shareholder and appoints Directors to the company’s boards as well as providing support services to the company across a range of areas including payroll, bank administration, management and legal support. These are the most closely monitored investments as Combined Authority staff actively manage and run the companies including production of monthly management updates and reports.

Peterborough HE Property Company Ltd - University of Peterborough Phases 1 & 3

Equity investment into a Joint Venture along with Peterborough City Council (PCC) and Anglia Ruskin University (ARU) with a total Combined Authority investment of £27m against a £22m investment from PCC mostly funded from the Levelling Up Fund and an £8m share from ARU. This company will deliver two teaching buildings, which will form the basis for the Anglia Ruskin University – Peterborough. ARU-Peterborough opened its doors to students in September 2022 and is delivering accredited university courses.

Peterborough R&D Property Company Ltd – University of Peterborough Phase 2

Equity investment into a Joint Venture to deliver a Research and Development centre on the University of Peterborough Campus, primarily funded by the Getting Building Fund grant provided specifically for the purpose from the Department of Levelling Up, Housing and Communities. This company is constructing a 3-story building within the overall Peterborough University Quarter site with the

intention to lease space to support learning and research both with the ARU Peterborough, and companies working on research and development with an anchor tenant occupying one of the ground floor3 floors.

Cambridgeshire and Peterborough Business Growth Company Limited

This company was set up, with £5.4m of Local Growth Fund as equity, extended to £5.8m following the Combined Authority's decision to expand the inward investment service , as a pilot to deliver support to local businesses and improve the skills offering in the Combined Authority area over 3 years, with a planned winding down in December 2023.

~~In-line with this business plan the operations through the Growth Company have been wound down and the Combined Authority will take a view as to whether there is a future role for the company or whether the company itself should be wound up. Via subcontracting with a consortia it delivers services on behalf of the Combined Authority including growth coaching for businesses, inward investment, and skills capacity building. The Combined Authority's equity investment is supported with other income streams including the Growth Hub grant, Community Renewal Funds (Start & Grow and Turning Point), EU funding, and the Careers and Enterprise Company contracts. It also manages the Capital Growth Scheme as discussed later.~~

~~**CAM Special Purpose Vehicle**~~

~~In 2020-21 the Combined Authority Board approved the creation of a special purpose vehicle company as the preferred option for carrying forward the CAM project. In light of this £4.0m of Combined Authority funds were invested to set up the company. In May 2021 the Mayor was elected under a clear commitment to no longer support the CAM and the company is now in the process of being wound up and the remaining funds have been returned to the Authority~~

Silent partner service investments

These investments are joint ventures with a partner organisation where the partner has significant expertise in the area in which the company will operate, with the Combined Authority providing financial support. In recognition of the knowledge and experience of the other member of the joint ventures the Combined Authority does not operate significant control over the company regardless of the share ownership position, however it does have the right to appoint a director to each of the companies' Boards.

The Combined Authority receives all papers prepared for the company's boards and annually reviews the companies' financial position as part of the construction of the Combined Authority's group accounts.

Other Equity Investments

Illumina Accelerator Programme

On the recommendation of the Business Board the Combined Authority awarded up to £3m to provide investments of £100k to start-up companies which are accepted onto the accelerator programme to support them to complete the accelerator programme run by Illumina. The accelerator programme offers high growth potential companies 6-months of coaching and access to Illumina's lab space to

facilitate their growth and development of their concepts. The outputs for this service investment are new companies establishing in the area, and creating jobs, after completion of the accelerator.

While the overall Illumina programme was subject to the Business Board's due diligence processes, the investments within the programme are made directly into the companies by the Combined Authority. Illumina are not regulated investment advisors and thus do not recommend the companies to the Combined Authority as such the Combined Authority is making its own decision to invest in each company. While there is no recommendation from Illumina, the Combined Authority considers it appropriate to take assurance from a company's acceptance onto the Illumina Accelerator programme taking into consideration the following factors:

- i) By the nature of the accelerator programme the companies being accepted would be very early-stage start-ups which would likely not have a financial history from which to draw conclusions on their operations.
- ii) Illumina conduct a multi-phase assessment of applicants, including a questionnaire on the company's technology and business plans, interviews, and a 3rd party background check. Acceptance onto the programme therefore indicates Illumina's opinion that the company has a high chance of success, and Illumina invest in each of the companies accepted onto their accelerator programme. Given Illumina's experience and expertise in the sector, as demonstrated by the survival rate of graduates from the established Silicon Valley accelerator, it is reasonable to take assurance from this.
- iii) No potential future return on the amounts invested would be included in the Combined Authority's medium term financial plan or capital programme – as such the Combined Authority's financial resilience is independent of the performance of the investments, even in the worst-case scenario of nil returns.

As the value of the investment in each company is low (£100k) and represents a small minority of each company's capital the Combined Authority has very little control over these entities. On this basis their financial accounts are only considered on an annual basis to assess materiality for inclusion in the Combined Authority's group accounts.

The intended outcome of these investments is to enable the company to survive its early development stage to the point at which it can attract further capital investment, not profit from capital growth. Reflecting this the Combined Authority seeks to sell its shares once the company has achieved further funding however the companies are not publicly traded so achieving a sale and exit is uncertain and could take a number of years.

Start Codon Fund

On the recommendation of the Business Board the Combined Authority agreed a £3m investment into a £15m fund to provide pre-seed equity funding of £250k-£500k to early-stage start-up healthcare and life-science research and development businesses. The fund provides annual performance reports to all its investors beyond the service reporting required by the Monitoring and Evaluation framework.

Companies are identified by Start Codon, who's team is made up of local experts in the Bio-Pharma life sciences innovation sector, for acceptance onto the accelerator programme; the fund is managed, and investment decisions taken, by the Kin Group Ltd which specialises in venture capital investment.

The fund has a structured plan to sell its investments 10 years after the fund is fully invested, although this is subject to a possible 4-year extension if there is majority investor consent. At this point the fund's position will be liquidated and funding returned to the investors in the proportions in which they originally invested.

Capital Growth Scheme Investments

The Cambridgeshire and Peterborough Business Growth Co Ltd ~~was~~ tasked with the delivery of a ~~£5.5m~~ fund for small-scale equity investments into SMEs. This programme ~~provided~~ provides working capital awards of up to £250k to fund growth projects which unlock growth in jobs or scale a company to secure more income generation and jobs at a level where private sector equity finance is lacking due to its focus on high-tech, Intellectual Property (IP) based start-ups and much higher growth rates, which typically favour much higher value equity investments of at least £250k up to £2m and higher. £1.9m has been invested to date, with a potential further £0.3m to be concluded.

The Cambridgeshire and Peterborough Business Growth Co Ltd ~~currently holds~~ will hold these investments, ~~but~~ they are ~~not~~ included in the limits in this strategy, ~~as~~ however they may transfer to are mentioned as the Cambridgeshire and Peterborough Business Growth Co Ltd is wholly owned ~~by~~ the Combined Authority in the near future if the decision is made to wind up the company.

Security: One of the risks of investing in shares is that they fall in value meaning that the initial outlay may not be recovered. In order to limit this risk, upper limits on the sum invested in each category of shares have been set as follows:

Table 2: Shares held for service purposes in £ millions

Category of company	31.3. 2023 2022 actual			2024/25 2023/24
	Amounts invested	Gains or losses	Value in accounts	Approved Limit
Subsidiaries	49.090975	32.4846.665	16.24243.340	60.000
Local businesses	3.5212.724	1.929608	1.592413	2540.000
TOTAL	52.611696	34.7778.273	17.83444.423	8570.000

Risk assessment: The Authority would assess the risk of loss before entering into, and whilst holding, share agreements. The approach followed would be to consider:

- 1) an assessment of the market that the Authority would be competing in, the nature and level of competition, how market/customer needs will evolve over time, barriers to entry and exit and any ongoing investment requirements;
- 2) whether to use external advisors;
- 3) risk assessment based on credit ratings and the use of credit rating agencies;

- 4) the monitoring of risk in accordance with the Combined Authority's risk management policy.

Liquidity: Investments will be subject to the drawdown requirements of the Capital programme as set out in the Medium-Term Financial Plan and as monitored in the monthly cashflow forecast.

Non-specified Investments: Shares (defined as equity and equity like instruments) are the only investment type that the Authority has identified that meets the definition of a non-specified investment in the government guidance. The limits above on share investments are therefore also the Authority's upper limits on non-specified investments. The Authority has not adopted any procedures for determining further categories of non-specified investment since none are likely to meet the definition.

Commercial Investments: Property

The Authority currently does not invest in property with the intention of making a profit that will be spent on local public services and has no immediate plans to do so. In the event that commercial property investments would be held in future, the Authority would consider the following:

Security: In accordance with government guidance, the Authority considers a property investment to be secure if its accounting valuation is at or higher than its purchase cost including taxes and transaction costs.

Risk assessment: The Authority would assess the risk of loss before entering into and whilst holding property investments. The approach followed would be to consider:

- 1) A full due diligence exercise covering an assessment of: the property business plan, including sensitivity and scenario analysis; the credit quality of incumbent tenants (if any); the local property market, including demand, availability and voids in current similar commercial stock; the area's economic outlook and potential; how market/customer needs will evolve over time; barriers to entry and exit and any ongoing investment requirements;
- 2) Where in-house expertise does not cover the relevant investment opportunity, we will use external advisors for all/part of the due diligence and any other specialist areas;
- 3) External advice will be monitored by relevant officers, including adherence to deadlines, regular advisory meetings and adherence to project objectives;
- 4) The risk assessment will include credit ratings as part of the overall in-depth credit assessment of tenants. The creditworthiness of tenants will be monitored on a regular basis, using external expertise where necessary to give a credit view and an early warning of possible issues. As landlord, the Authority will maintain open dialogue with tenants, including discussion of financial stress;
- 5) The Authority will monitor the performance of the property asset against business plans throughout the life of the asset, assessing its performance and contribution of continued investment against the probable returns from sale.

Liquidity: Compared with other investment types, property is relatively difficult to sell and convert to cash at short notice and can take a considerable period to sell in certain market conditions. Each potential investment would be considered to ensure that the invested funds can be accessed when they are needed, for example to repay capital borrowed.

Loan Commitments and Financial Guarantees

Although not strictly counted as investments, since no money has exchanged hands yet, loan commitments and financial guarantees carry similar risks to the Authority and were the Authority to enter into any, a process in line with that taken for service loans, as set out above, would be followed, including a calculation of a loss allowance where appropriate.

Investment Indicators

The Authority has set the following quantitative indicators to allow elected members and the public to assess the Authority's total risk exposure as a result of its investment decisions.

Total risk exposure: The first indicator shows the Authority's total exposure to potential investment losses. This includes amounts the Authority is contractually committed to lend but have yet to be drawn down.

Table 3: Total investment exposure in £millions

Total investment exposure	31.03.20232022 Actual	31.03.20242023 Forecast	31.03.20252024 Forecast
Treasury management investments	202.352278.184	145.000409.604	88.00039.028
Service investments: Loans	14.51344.342	845.000	159.000
Service investments: Shares	52.611696	6355.000	7558.000
TOTAL INVESTMENTS	269.476372.489	218.800479.604	193.600406.028
Commitments to lend	2.4859.943	0.8851.600	0.000
TOTAL EXPOSURE	271.961382.402	219.685481.204	193.600406.028

Note: forecast for both Loans and Shares include both Strategic Growth Fund (£4.4m) and Levelling Up Fund (£2.5m) as it is not yet clear what form these investments will take

How investments are funded:

To date, all investments are funded by the Authority's useable reserves and income received in advance of expenditure. There are no immediate plans to borrow.

Rate of return received: This indicator shows the investment income received less the associated costs, including the cost of borrowing where appropriate, as a proportion of the sum initially invested. Note that due to the complex local government accounting framework, not all recorded gains and losses affect the revenue account in the year they are incurred.

Table 4: Investment rate of return

Investments net rate of return	2022/232024/22 Actual	2023/242022/23 Forecast	2024/252023/24 Forecast
Treasury management investments	1.3510.470%	4.6234.320%	5.2183.634%
Service investments - Loans	3.529287%	5.8183.076%	2.4723.073%
ALL INVESTMENTS	1.5490.569%	4.6834.273%	5.0173.452%

Note: no estimates are provided for Service Investments - Shares. As noted in the capital strategy, in order to mitigate the risk of poorer than anticipated performance of the investments impacting on future financial stability of the Authority no future financial returns are assumed in the MTFP for these.

Cambridgeshire and Peterborough Combined Authority

Treasury Management Strategy Statement ~~2024/25~~2023/24

Introduction

Treasury management is the management of the Authority's cash flows, borrowing and investments, and the associated risks. The Authority has invested substantial sums of money and is therefore exposed to financial risks including the loss of invested funds and the revenue effect of changing interest rates. The successful identification, monitoring and control of financial risk are therefore central to the Authority's prudent financial management.

Treasury risk management at the Authority is conducted within the framework of the Chartered Institute of Public Finance and Accountancy's *Treasury Management in the Public Services: Code of Practice 2021 Edition* (the CIPFA Code) which requires the Authority to approve a treasury management strategy before the start of each financial year. This report fulfils the Authority's legal obligation under the *Local Government Act 2003* to have regard to the CIPFA Code.

Investments held for service purposes or for commercial profit are considered in a different report, the Investment Strategy.

External Context

Economic background: The ~~ongoing~~ impact on the UK from ~~the war in Ukraine, together with~~ higher ~~interest rates and~~ inflation, ~~higher interest rates, uncertain government policy, and a~~ weakening deteriorating economic outlook, an uncertain political climate due to an upcoming general election, together with war in Ukraine and the Middle East, will be major influences on the Authority's treasury management strategy for 2024/25~~2023/24~~.

The Bank of England (BoE) increased Bank Rate to 5.25% in August 2023, before maintaining this level by 0.5% to 3.5% in December 2022. This followed a 0.75% rise in November which was the largest single rate hike since 1989 and the ninth successive rise since December 2021. The December decision was voted for the rest by a 6-3 majority of 2023. In December 2023, members of the BoE's the Monetary Policy Committee voted 6-3 in favour of keeping Bank Rate at 5.25%. The three (MPC), with two dissenters wanted to increase rates by another 0.25% voting for a no-change at 3% and one for a larger rise of 0.75%.

The November quarterly Monetary Policy Report (MPR) forecast a prolonged period of but shallow recession in the UK with CPI inflation remaining elevated at over 10% in the near term. While the projected peak of inflation is lower than in the August report, due in part to the government's support package for household energy costs, inflation is expected remain higher for longer over the forecast horizon and the economic outlook remains weak, with unemployment projected to start rising.

The UK economy contracted by 0.3% between July and September 2022 according to the Office for National Statistics, and the BoE forecasts Gross Domestic Product (GDP) growth with the potential for a mild contraction will decline 0.75% in the second half of the calendar year due to ongoing weak economic activity. The outlook for CPI inflation was deemed to be highly uncertain, with upside risks to CPI falling to the squeeze on household income from higher energy costs and goods prices. Growth is then expected to continue to fall throughout 2023 and the first half of 2024.

CPI inflation is expected to have peaked at around 11% in the last calendar quarter of 2022 and then fall sharply to 1.4%, below the 2% target coming from potential energy price increases, strong domestic wage growth and persistence in price setting, in two years' time and to 0% in three years' time if Bank Rate

~~follows the path implied by financial markets at the time of the November MPR (a peak of 5.25%). However, the BoE stated it considered this path to be too high, suggesting that the peak in interest rates will be lower, reducing the risk of inflation falling too far below target. Market rates have fallen since the time of the November MPR.~~

~~Office for National Statistics (ONS) figures showed CPI inflation was 3.9% in November 2023, down from a 4.6% rate in the previous month and, in line with the recent trend, lower than expected. The core CPI inflation rate declined to 5.1% from the previous month's 5.7%, again lower than predictions. Looking ahead, using the interest rate path implied by financial markets the BoE expects CPI inflation to continue falling slowly, but taking until early 2025 to reach the 2% target before dropping below target during the second half 2025 and into 2026.~~

~~ONS figures showed the UK economy contracted by 0.1% between July and September 2023. The BoE forecasts GDP will likely stagnate through 2024. The BoE forecasts that higher interest rates will constrain GDP growth, which will remain weak over the entire forecast horizon.~~

~~The labour market appears to be loosening, but only very slowly, remains tight for now, with the most recent statistics showing the unemployment rate rose slightly to 4.2% between June and August 2023, from 4.0% in the previous 3-month period, but the lack of consistency in the data between the two periods made comparisons difficult. Earnings growth has remained strong, but has showed some signs of easing; regular pay (excluding bonuses) was up 7.3% over the period and strongly in nominal terms by 6.1% for both total pay (including bonuses) up 7.2%. Adjusted and for regular pay but factoring in inflation, regular means real pay for both measures was 1.4% and total pay 1.3-2.7%. Looking forward, the November MPR shows the labour market weakening in response to the deteriorating outlook for growth, leading to the unemployment rate is expected to be around 4.25% in the second half of calendar 2023, but then rising steadily over the forecast horizon to around 5% in late 2025/early 2026 in 2025.~~

~~Having increased interest rates have also been rising sharply in the US, with the Federal Reserve increasing the range on its key interest rate to a target range of 5.25-5.5% in December 2022 to 4.25-4.5%. This rise follows four successive 0.75% rises in a pace of tightening that has seen rates increase from 0.25-0.50% in August 2023, the US Federal Reserve appears now to have concluded the hiking cycle. It is likely this level represents the peak in US rates following a more dovish meeting outcome in December 2023. US March 2022. Annual inflation has been slowing in the US but remains above 7%. GDP grew at an annualised rate of 4.9% (revised up from 2.9%) between July and September 2023, ahead of expectations for a 4.3% expansion and the 2.1% reading for Q2. But the impact from higher rates has started to feed into economic activity and growth will weaken in 2024. Annual CPI inflation was 3.1% in November 2022, but with official interest rates expected to rise even further in the coming months, a recession in the region is widely expected at some point during 2023.~~

~~Eurozone inflation has declined steadily since the start of 2023, falling to an annual rate of 4.0% in November 2023, hitting a peak annual rate of 4.4% in October 2022, before declining to 4.0% in November 2023. Economic growth has been weak and GDP contracted by 0.1% in the three months to September 2023, following an upwardly revised expansion of 0.3% (from 0.2%) in the three months to September 2022. As with other central banks the UK and US, the European Central Bank has increased rates, taking its been on an interest rate tightening cycle, pushing up its three key interest rates by 0.50% in December, following two consecutive 0.75% rises, taking its main refinancing rate to 2.5% and deposit facility, fixed rate tender, and marginal lending rates to 3.75%, 4.25% and 4.50% respectively.~~

Credit outlook:

~~Credit Default Swap (CDS) prices were volatile during 2023, spiking in March on the back of banking sector contagion concerns following the major events of Silicon Valley Bank becoming insolvent and the takeover of Credit Suisse by UBS. After then falling back in Q2 of calendar 2023, in the second half of the year, higher interest rates and inflation, the ongoing war in Ukraine, and now the Middle East, have led to CDS prices increasing steadily.~~

~~On an annual basis, Credit default swap (CDS) prices have generally followed an upward trend throughout 2022, indicating higher credit risk. They have been boosted by the war in Ukraine, increasing economic and political uncertainty and a weaker global and UK outlook, but remain well below the levels seen at the beginning of the Covid-19 pandemic.~~

~~CDS price volatility has so far been lower was higher in 2023 2022 compared to 2022, but this year has seen more of a 2024 and the divergence in prices between ringfenced (retail) and non-ringfenced (investment) banking entities has emerged once again.~~

~~Moody's revised its The weakening economic picture during 2022 led the credit rating agencies to reflect this in their assessment of the outlook on for the UK sovereign to stable from negative to reflect its view of restored political predictability following the volatility after the 2022 mini-budget. Moody's also affirmed the Aa3 rating in recognition of the UK's economic resilience and strong institutional framework.~~

~~Following its rating action on the UK sovereign, Moody's revised the outlook on five UK banks to stable from negative and then followed this by the same action on five rated as well as several local authorities. However, within the same update the long-term ratings of those five local authorities were downgraded and financial institutions, revising them from to negative from stable.~~

~~There remain are competing tensions in the banking sector, on one side from higher interest rates boosting net income and profitability against another of a which could impact bank balance sheet strength going forward. The weakening economic outlook and likely recessions that in many regions increase the possibility of a deterioration in the quality of banks' assets, while higher interest rates provide a boost to net income and profitability.~~

However, the institutions on our adviser Arlingclose's counterparty list remain well-capitalised and their counterparty advice on both recommended institutions and maximum duration remain under constant review and will continue to reflect economic conditions and the credit outlook.

Interest rate forecast:

~~Although UK inflation and wage growth remain elevated, The Authority's treasury management adviser Arlingclose forecasts that Bank Rate has peaked at 5.25%. will continue to rise in 2022 and 2023 as the Bank of England's Monetary Policy Committee will start reducing rates in 2024 to stimulate England attempts to subdue inflation which is significantly above its 2% target.~~

~~While interest rate expectations reduced during October and November 2022, multiple interest rate rises are still expected over the UK economy but will be reluctant to do so until it is sure there will be no lingering second-round effects. forecast horizon despite looming recession. Arlingclose sees rate cuts from Q3 2024 to a low of around 3% by early-mid 2026.~~

~~Arlingclose expects long-term gilt yields to be Bank Rate to rise to 4.25% by June 2023 under its central case, with the risks in the near- and medium-term to the upside should inflation not evolve as the Bank forecasts and remains persistently higher.~~

Yields are expected to remain broadly stable at current levels (amid continued volatility), following the decline in over the medium term, with 5-, 10- and 20-year gilt yields expected to average around 3.5%, 3.5%, and 3.85% respectively over the 3-year period to December 2025. The risks for short, medium and longer-term yields towards the end of 2023, which reflects the expected lower medium-term path for Bank Rate. Yields will remain relatively higher than in the past, due to quantitative tightening and significant bond supply, are judged to be broadly balanced over the forecast horizon. As ever, there will undoubtedly be short-term volatility due to economic and political uncertainty and events.

Table 1 Arlingclose Interest Rate Forecast – January 2024December 2022

	Current	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25	Mar-26	Jun-26	Sep-26
Official Bank Rate													
Upside risk	0.00	0.00	0.25	0.25	0.50	0.50	0.50	0.50	0.50	0.75	0.75	1.00	1.00
Central Case	5.25	5.25	5.25	5.25	5.00	4.75	4.25	4.00	3.75	3.50	3.25	3.00	3.00
Downside risk	0.00	0.00	-0.25	-0.50	-0.75	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00
3-month money market rate													
Upside risk	0.00	0.00	0.25	0.25	0.50	0.50	0.50	0.50	0.50	0.75	0.75	1.00	1.00
Central Case	5.40	5.40	5.40	5.30	5.15	4.80	4.30	4.10	3.80	3.50	3.25	3.05	3.05
Downside risk	0.00	0.00	-0.25	-0.50	-0.75	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00
5yr gilt yield													
Upside risk	0.00	0.25	0.75	0.85	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Central Case	3.77	3.75	3.75	3.75	3.70	3.60	3.50	3.50	3.40	3.30	3.30	3.30	3.35
Downside risk	0.00	-0.25	-0.75	-0.85	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00
10yr gilt yield													
Upside risk	0.00	0.25	0.75	0.85	0.85	0.90	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Central Case	3.72	3.75	3.80	3.80	3.80	3.80	3.80	3.80	3.75	3.65	3.60	3.65	3.70
Downside risk	0.00	-0.25	-0.75	-0.85	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00
20yr gilt yield													
Upside risk	0.00	0.25	0.75	0.85	0.85	0.90	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Central Case	4.16	4.20	4.20	4.20	4.20	4.20	4.20	4.20	4.20	4.20	4.20	4.20	4.25
Downside risk	0.00	-0.25	-0.75	-0.85	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00
50yr gilt yield													
Upside risk	0.00	0.25	0.75	0.85	0.85	0.90	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Central Case	3.76	3.80	3.85	3.90	3.90	3.90	3.90	3.90	3.90	3.90	3.95	3.95	3.95
Downside risk	0.00	-0.25	-0.75	-0.85	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00

	Current	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25
Official Bank Rate													
Upside risk	0.00	0.50	0.75	1.00	1.00	1.00	1.25	1.50	1.75	1.50	1.25	1.25	1.25
Arlingclose Central Case	3.50	4.00	4.25	4.25	4.25	4.25	4.00	3.75	3.50	3.25	3.25	3.25	3.25
Downside risk	0.00	0.50	0.75	0.75	0.75	0.75	0.75	1.00	1.00	1.00	1.00	1.00	1.00
3-month money market rate													
Upside risk	0.00	0.50	0.75	1.00	1.00	1.00	1.25	1.50	1.75	1.50	1.25	1.25	1.25
Arlingclose Central Case	3.00	4.40	4.40	4.40	4.35	4.30	4.25	4.00	3.75	3.50	3.40	3.40	3.40
Downside risk	0.00	0.50	0.75	0.75	0.75	0.75	0.75	1.00	1.00	1.00	1.00	1.00	1.00
5yr gilt yield													
Upside risk	0.00	0.70	0.80	0.90	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Arlingclose Central Case	3.43	3.60	3.80	3.80	3.80	3.70	3.60	3.50	3.40	3.30	3.30	3.30	3.30
Downside risk	0.00	0.80	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
10yr gilt yield													
Upside risk	0.00	0.70	0.80	0.90	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Arlingclose Central Case	3.47	3.50	3.60	3.60	3.60	3.60	3.50	3.50	3.50	3.50	3.50	3.50	3.50
Downside risk	0.00	0.80	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
20yr gilt yield													
Upside risk	0.00	0.70	0.80	0.90	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Arlingclose Central Case	3.86	3.85	3.85	3.85	3.85	3.85	3.85	3.85	3.85	3.85	3.85	3.85	3.85
Downside risk	0.00	0.80	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
50yr gilt yield													
Upside risk	0.00	0.70	0.80	0.90	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Arlingclose Central Case	3.46	3.60	3.60	3.60	3.60	3.60	3.60	3.60	3.60	3.60	3.60	3.60	3.60
Downside risk	0.00	0.80	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00

PWLB Standard Rate (Maturity Loans) = Gilt yield + 1.00%

PWLB Certainty Rate (Maturity Loans) = Gilt yield + 0.80%

UKIB Rate (Maturity Loans) = Gilt yield + 0.406%

UK Infrastructure Bank Rate = Gilt yield + 0.40%

Local Context

On 31st January ~~2024~~ the Authority held Enil borrowing and ~~£209.1m~~£195.3m of treasury investments.

The underlying need to borrow for capital purposes is measured by the Capital Financing Requirement (CFR), while usable reserves and working capital are the underlying resources available for investment.

The Authority is currently debt free and its capital expenditure plans do not currently imply any need to borrow over the forecast period. Investments are forecast to fall from current levels (end of ~~Feb 2024~~Jan ~~2023~~) of ~~£209m~~£195m to ~~£20m~~£34m (end Mar ~~2027~~2026) as capital funding is used to finance capital expenditure and reserves are used to finance the revenue budget as set out in the Capital programme and the Medium-Term Financial Plan.

CIPFA's *Prudential Code for Capital Finance in Local Authorities* recommends that the Authority's total debt should be lower than its highest forecast CFR over the next three years.

The Authority expects that its capital financing requirement will be nil on 31st March ~~2024~~2023 and in line with the ~~DLUHC~~MLG Guidance it expects to charge no MRP in ~~2024/25~~2023/24. The Combined Authority has no current requirement to borrow over the lifetime of the Medium Term Financial Plan and so the forecast CFR until ~~2028~~2027 is £nil.

Liability benchmark: To compare the Authority's actual borrowing against an alternative strategy, the Authority is required to calculate a liability benchmark showing the lowest risk level of borrowing.

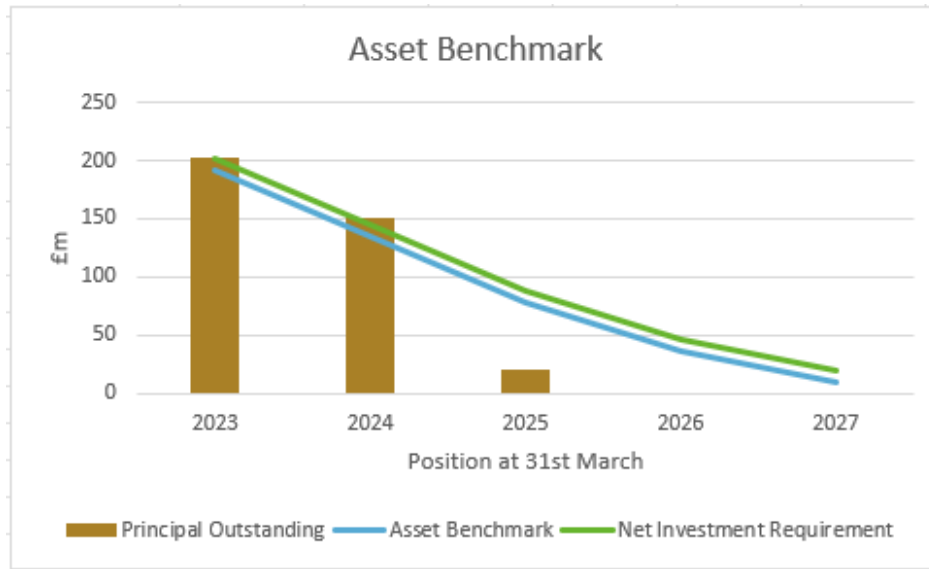
The liability benchmark is an important tool to help establish whether the Authority is likely to be a long-term borrower or long-term investor in the future, and so shape its strategic focus and decision

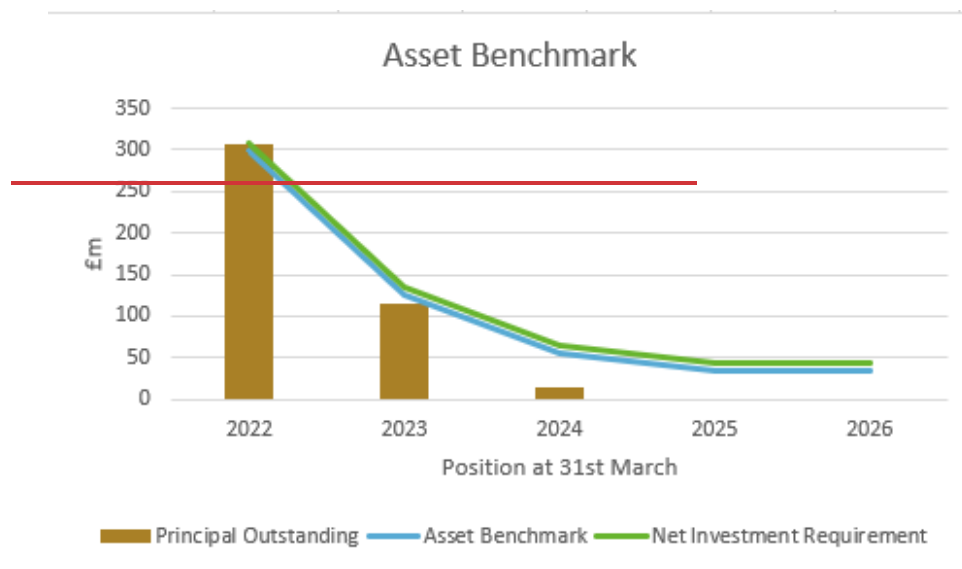
making. The liability benchmark itself represents an estimate of the cumulative amount of external borrowing the Authority must hold to fund its current capital and revenue plans while keeping treasury investments at the minimum level required to manage day-to-day cash flow.

Table 2: Prudential Indicator: Liability benchmark

	31.3.2322 Actual £m	31.3.2423 Estimate £m	31.3.2524 Forecast £m	31.3.2625 Forecast £m	31.3.2726 Forecast £m
Loans CFR	0	0	0	0	0
Less: Balance sheet resources	(202.4308.3)	(145.0435.6)	(88.064.6)	(46.143.8)	(20.044.4)
Net loans requirement	(202.4308.3)	(145.0435.6)	(88.064.6)	(46.143.8)	(20.044.4)
Plus: Liquidity allowance	10.0	10.0	10.0	10.0	10.0
Liability (Asset) benchmark	(192.4298.3)	(135.0425.6)	(78.054.6)	(36.133.8)	(10.034.4)

As there are no current plans to borrow, the medium-term forecasts in table 2 above shows an asset benchmark for comparing against investment levels but will be kept under review. The chart below shows the Asset Benchmark against committed investments, whilst it is best practice to show this for a minimum of 10 years, as the Authority is asset rich with no long-term borrowing and the MTFP only covers 4 years it would not be meaningful to go further.





Borrowing Strategy

The Authority is not currently in receipt of any loans. The balance sheet forecast shows that the Authority does not expect to need to borrow in 2024/25~~2023/24~~. However, the Authority may borrow to pre-fund future years' requirements, providing this does not exceed the authorised limit for borrowing of £84.61 million.

Objectives: The Authority's chief objective when borrowing money is to strike an appropriately low risk balance between securing low interest costs and achieving certainty of those costs over the period for which funds are required. The flexibility to renegotiate loans should the Authority's long-term plans change is a secondary objective.

Strategy: The Authority's borrowing strategy will address the key issue of affordability without compromising the longer-term stability of any future debt portfolio. ~~With short-term interest rates~~ are currently at a 15-year high but are expected to fall in the coming years and much lower than long-term rates, it is therefore likely to be more cost effective ~~over~~ in the ~~medium~~short-term to either use internal resources, or to borrow short-term loans instead.

The benefits of internal / short-term borrowing will be monitored regularly against the potential for incurring additional costs by deferring borrowing into future years when long-term borrowing rates are forecast to rise modestly. Arlingclose will assist the Authority with this 'cost of carry' and breakeven analysis. Its output may determine whether the Authority borrows additional sums at long-term fixed rates in 2024/25~~2023/24~~ with a view to keeping future interest costs low, even if this causes additional cost in the short-term.

The Authority expects to borrow any long-term loans from the PWLB or the UKIB, but will consider long-term loans from other sources including banks, pensions and local authorities, and will investigate the possibility of issuing bonds and similar instruments, in order to lower interest costs and reduce over-reliance on one source of funding in line with the CIPFA Code. PWLB loans are no longer available to

local authorities planning to buy investment assets primarily for yield; the Authority intends to avoid this activity in order to retain its access to PWLB loans.

Alternatively, the Authority may arrange forward starting loans, where the interest rate is fixed in advance, but the cash is received in later years. This would enable certainty of cost to be achieved without suffering a cost of carry in the intervening period.

In addition, the Authority may borrow short-term loans to cover unplanned cash flow shortages.

Sources of borrowing: The approved sources of long-term and short-term borrowing are:

- HM Treasury's PWLB lending facility (formerly the Public Works Loan Board)
- [The UK Infrastructure Bank Ltd](#)
- any institution approved for investments (see below)
- any other bank or building society authorised to operate in the UK
- any other UK public sector body
- UK public and private sector pension funds (except the Combined Authority's Pension Fund)
- capital market bond investors
- [retail investors via a regulated peer-to-peer platform](#)
- UK Municipal Bonds Agency plc and other special purpose companies created to enable local authority bond issues

Other sources of debt finance: In addition, capital finance may be raised by the following methods that are not borrowing, but may be classed as other debt liabilities:

- leasing
- hire purchase
- Private Finance Initiative
- sale and leaseback

- [similar asset based finance](#)

Municipal Bonds Agency: UK Municipal Bonds Agency plc was established in 2014 by the Local Government Association as an alternative to the PWLB. It issues bonds on the capital markets and lends the proceeds to local authorities. This is a more complicated source of finance than the PWLB for two reasons: borrowing authorities will be required to provide bond investors with a guarantee to refund their investment in the event that the agency is unable to for any reason; and there will be a lead time of several months between committing to borrow and knowing the interest rate payable. Any decision to borrow from the Agency will therefore be the subject of a separate report to the Board.

Short-term and variable rate loans: These loans leave the Authority exposed to the risk of short-term interest rate rises and are therefore subject to the interest rate exposure limits in the treasury management indicators below. Financial derivatives may be used to manage this interest rate risk (see section below).

Debt rescheduling: The PWLB allows authorities to repay loans before maturity and either pay a premium or receive a discount according to a set formula based on current interest rates. Other lenders may also be prepared to negotiate premature redemption terms. The Authority may take advantage of this in the future and replace some loans with new loans, or repay loans without replacement, where this is expected to lead to an overall cost saving or a reduction in risk.

Treasury Investment Strategy

The Authority holds significant invested funds, representing income received in advance of expenditure plus balances and reserves held. In the past 12 months, the Authority’s treasury investment balance has ranged between £190m196m and £265m345m, and levels are expected to be subject to the drawdown of funds to support the delivery of the Combined Authority’s priorities and objectives as set out in the Business Plan and the Medium-Term Financial Plan.

Objectives: The CIPFA Code requires the Authority to invest its treasury funds prudently, and to have regard to the security and liquidity of its investments before seeking the highest rate of return, or yield. The Authority’s objective when investing money is to strike an appropriate balance between risk and return, minimising the risk of incurring losses from defaults and the risk of receiving unsuitably low investment income. Where balances are expected to be invested for more than one year, the Authority will aim to achieve a total return that is equal or higher than the prevailing rate of inflation, in order to maintain the spending power of the sum invested. The Authority aims to be a responsible investor and when making investments with private entities will consider environmental, social and governance (ESG) issues when investing.

Strategy: As demonstrated by the liability benchmark above, the Authority expects to be a long-term investor and treasury investments will therefore include both short-term low risk instruments to manage day-to-day cash flows and longer-term instruments where limited additional risk is accepted in return for higher investment income to support local public services.

ESG policy: Environmental, social and governance (ESG) considerations are increasingly a factor in global investors’ decision making, but the framework for evaluating investment opportunities is still developing and therefore the Authority’s ESG policy does not currently include ESG scoring or other real-time ESG criteria at an individual investment level. When investing in banks and funds, the Authority will prioritise banks that are signatories to the UN Principles for Responsible Banking and funds operated by managers that are signatories to the UN Principles for Responsible Investment, the Net Zero Asset Managers Alliance and/or the UK Stewardship Code.

Business models: Under the IFRS 9 standard, the accounting for certain investments depends on the Authority’s “business model” for managing them. The Authority aims to achieve value from its treasury investments by a business model of collecting the contractual cash flows and therefore, where other criteria are also met, these investments will continue to be accounted for at amortised cost.

Approved counterparties: The Authority may invest its surplus funds with any of the counterparty types in table 32 below, subject to the cash limits (per counterparty) and the time limits shown.

Table 3: Treasury investment counterparties and limits

Sector	Time limit	Counterparty limit	Sector limit
The UK Government	50 years	Unlimited	n/a
Local authorities & other government entities	25 years	£25m	Unlimited
Secured investments *	25 years	£25m	Unlimited
Banks (unsecured) *	13 months	£15m	Unlimited
Building societies (unsecured) *	13 months	£15m	£25m
Registered providers (unsecured) *	5 years	£15m	£50m

Money market funds *	n/a	£25m	Unlimited
Strategic pooled funds	n/a	£25m	£100m
Real estate investment trusts	n/a	£25m	£50m
Other investments *	5 years	£15m	£25m

This table must be read in conjunction with the notes below

Minimum Credit rating: Treasury investments in the sectors marked with an asterisk will only be made with entities whose lowest published long-term credit rating is no lower than A-. Where available, the credit rating relevant to the specific investment or class of investment is used, otherwise the counterparty credit rating is used. However, investment decisions are never made solely based on credit ratings, and all other relevant factors including external advice will be taken into account.

For entities without published credit ratings, investments may be made where external advice indicates the entity to be of similar credit quality.

Government: Loans, bonds and bills issued or guaranteed by national governments, regional and local authorities and multilateral development banks. These investments are not subject to bail-in, and there is generally a lower risk of insolvency, although they are not zero risk. Investments with the UK Central Government are deemed to be zero credit risk due to its ability to create additional currency and therefore may be made in unlimited amounts for up to 50 years.

Secured investments: Investments secured on the borrower's assets, which limits the potential losses in the event of insolvency. The amount and quality of the security will be a key factor in the investment decision. Covered bonds and reverse repurchase agreements with banks and building societies are exempt from bail-in. Where there is no investment specific credit rating, but the collateral upon which the investment is secured has a credit rating, the higher of the collateral credit rating and the counterparty credit rating will be used. The combined secured and unsecured investments with any one counterparty will not exceed the cash limit for secured investments.

Banks and building societies (unsecured): Accounts, deposits, certificates of deposit and senior unsecured bonds with banks and building societies, other than multilateral development banks. These investments are subject to the risk of credit loss via a bail-in should the regulator determine that the bank is failing or likely to fail. See below for arrangements relating to operational bank accounts.

Registered providers (unsecured): Loans to, and bonds issued or guaranteed by registered providers of social housing and registered social landlords, formerly known as housing associations. These bodies are regulated by the Regulator of Social Housing (in England), the Scottish Housing Regulator, the Welsh Government and the Department for Communities (in Northern Ireland). As providers of public services, they retain the likelihood of receiving government support if needed.

Money market funds: Pooled funds that offer same-day or short notice liquidity and very low or no price volatility by investing in short-term money markets. They have the advantage over bank accounts of providing wide diversification of investment risks, coupled with the services of a professional fund manager in return for a small fee. Although no sector limit applies to money market funds, the Authority

will take care to diversify its liquid investments over a variety of providers to ensure access to cash at all times.

Strategic pooled funds: Bond, equity and property funds that offer enhanced returns over the longer term, but are more volatile in the short term. These allow the Authority to diversify into asset classes other than cash without the need to own and manage the underlying investments. Because these funds have no defined maturity date, but are available for withdrawal after a notice period, their performance and continued suitability in meeting the Authority's investment objectives will be monitored regularly.

Real estate investment trusts: Shares in companies that invest mainly in real estate and pay the majority of their rental income to investors in a similar manner to pooled property funds. As with property funds, REITs offer enhanced returns over the longer term, but are more volatile especially as the share price reflects changing demand for the shares as well as changes in the value of the underlying properties.

Other investments: This category covers treasury investments not listed above, for example unsecured corporate bonds and company loans. Non-bank companies cannot be bailed-in but can become insolvent placing the Authority's investment at risk.

Operational bank accounts: The Authority may incur operational exposures, for example through current accounts, collection accounts and merchant acquiring services, to any UK bank with credit ratings no lower than BBB- and with assets greater than £25 billion. These are not classed as investments, but are still subject to the risk of a bank bail-in, and balances will therefore be kept below £25m per bank. The Bank of England has stated that in the event of failure, banks with assets greater than £25 billion are more likely to be bailed-in than made insolvent, increasing the chance of the Authority maintaining operational continuity.

Risk assessment and credit ratings: Credit ratings are obtained and monitored by the Authority's treasury advisers, who will notify changes in ratings as they occur. The credit rating agencies in current use are listed in the Treasury Management Practices document. Where an entity has its credit rating downgraded so that it fails to meet the approved investment criteria then:

- no new investments will be made,
- any existing investments that can be recalled or sold at no cost will be, and
- full consideration will be given to the recall or sale of all other existing investments with the affected counterparty.

Where a credit rating agency announces that a credit rating is on review for possible downgrade (also known as "negative watch") so that it may fall below the approved rating criteria, then only investments that can be withdrawn on the next working day will be made with that organisation until the outcome of the review is announced. This policy will not apply to negative outlooks, which indicate a long-term direction of travel rather than an imminent change of rating.

Other information on the security of investments: The Authority understands that credit ratings are good, but not perfect, predictors of investment default. Full regard will therefore be given to other available information on the credit quality of the organisations in which it invests, including credit default swap prices, financial statements, information on potential government support, reports in the quality financial press and analysis and advice from the Authority's treasury management adviser. No investments will be made with an organisation if there are substantive doubts about its credit quality, even though it may otherwise meet the above criteria.

Reputational aspects: The Authority is aware that investment with certain counterparties, while considered secure from a purely financial perspective, may leave it open to criticism, valid or otherwise,

that may affect its public reputation, and this risk will therefore be taken into account when making investment decisions.

When deteriorating financial market conditions affect the creditworthiness of all organisations, as happened in 2008, ~~and 2020~~ and 2022, this is not generally reflected in credit ratings, but can be seen in other market measures. In these circumstances, the Authority will restrict its investments to those organisations of higher credit quality and reduce the maximum duration of its investments to maintain the required level of security. The extent of these restrictions will be in line with prevailing financial market conditions. If these restrictions mean that insufficient commercial organisations of high credit quality are available to invest the Authority’s cash balances, then the surplus will be deposited with the UK Government via the Debt Management Office or invested in government treasury bills for example, or with other local authorities. This will cause investment returns to fall but will protect the principal sum invested.

Investment limits: In order to minimise the risk of a single default against available reserves, the maximum that will be lent to any one organisation (other than the UK Government) will be £25m. A group of entities under the same ownership will be treated as a single organisation for limit purposes.

Credit risk exposures arising from non-treasury investments, financial derivatives and balances greater than £25m in operational bank accounts would be taken account of against the relevant investment limits when making treasury management investments, but the limits in this strategy do not apply to service investments.

Limits will also be placed on fund managers, investments in brokers’ nominee accounts, foreign countries as below. Investments in pooled funds and multilateral development banks do not count against the limit for any single foreign country, since the risk is diversified over many countries.

Table 4: Investment limits

	Cash limit
Any group of pooled funds under the same management	£50m per manager
Negotiable instruments held in a broker’s nominee account	£50m per broker
Foreign countries	£25m per country

Liquidity management: The Authority uses cash flow forecasting to determine the maximum period for which funds may prudently be committed. The forecast is compiled on a prudent basis to minimise the risk of the Authority being forced to borrow on unfavourable terms to meet its financial commitments. Limits on long-term investments are set by reference to the Authority’s medium-term financial plan and cash flow forecast.

The Authority will spread its liquid cash over at least three providers (e.g. bank accounts and money market funds) to ensure that access to cash is maintained in the event of operational difficulties at any one provider.

Treasury Management Prudential Indicators

The Authority measures and manages its exposures to treasury management risks using the following indicators.

Security: The Authority has adopted a voluntary measure of its exposure to credit risk by monitoring the value-weighted average credit score of its investment portfolio. This is calculated by applying a score to each investment (AAA=1, AA+=2, etc.) and taking the arithmetic average, weighted by the size of each investment. Unrated investments are assigned a score based on their perceived risk.

Credit risk indicator	Target
Portfolio average credit rating	6 (A)

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

Liquidity risk indicator	Target
Total cash available within 3 months	£15m

Interest rate exposures: This indicator is set to control the Authority’s exposure to interest rate risk:

Interest rate risk indicator	Limit
Upper limit on one-year revenue impact of a 1% <u>rise</u> in interest rates	£1.5m
Upper limit on one-year revenue impact of a 1% <u>fall</u> in interest rates	£1.5m

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

Maturity structure of borrowing: This indicator is set to control the Authority’s exposure to refinancing risk. As the CPCA has no planned borrowing, and a net asset benchmark the use of the suggested “Maturity Structure of Borrowing” indicator would be meaningless. If the CPCA were to take out borrowing for a specific project this strategy would be revisited in-year to reflect such a decision.

Principal sums invested for periods longer than a year (excluding loans): The purpose of this indicator is to control the Authority’s exposure to the risk of incurring losses by seeking early repayment of its investments. The limits on the long-term principal sum invested to final maturities beyond the period end will be:

Price risk indicator	2023/24	2024/25	2025/26	2026/27	No fixed date
Limit on principal invested beyond year end	£80m 50m	£35m 30m	£10m 20m		£10m

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Long-term investments with no fixed maturity date include strategic pooled funds and real estate investment trusts but exclude money market funds and bank accounts with no fixed maturity date as these are considered short-term.

Related Matters

The CIPFA Code requires the Authority to include the following in its treasury management strategy.

Financial Derivatives: Local authorities have previously made use of financial derivatives embedded into loans and investments both to reduce interest rate risk (e.g. interest rate collars and forward deals) and to reduce costs or increase income at the expense of greater risk (e.g. LOBO loans and callable deposits). The general power of competence in Section 113A of the Local Democracy, Economic Development and Construction Act 2009 removes much of the uncertainty over combined authorities' use of standalone financial derivatives (i.e. those that are not embedded into a loan or investment).

The Authority will only use standalone financial derivatives (such as swaps, forwards, futures and options) where they can be clearly demonstrated to reduce the overall level of the financial risks that the Authority is exposed to. Additional risks presented, such as credit exposure to derivative counterparties, will be taken into account when determining the overall level of risk. Embedded derivatives, including those present in pooled funds and forward starting transactions, will not be subject to this policy, although the risks they present will be managed in line with the overall treasury risk management strategy.

Financial derivative transactions may be arranged with any organisation that meets the approved investment criteria, assessed using the appropriate credit rating for derivative exposures. An allowance for credit risk calculated using the methodology in the Treasury Management Practices document will count against the counterparty credit limit and the relevant foreign country limit.

In line with the CIPFA Code, the Authority will seek external advice and will consider that advice before entering into financial derivatives to ensure that it fully understands the implications.

Markets in Financial Instruments Directive: The Authority has opted up to professional client status with its providers of financial services, allowing it access to a greater range of services but without the greater regulatory protections afforded to individuals and small companies. Given the size and range of the Authority's treasury management activities, the Chief Financial Officer believes this to be the most appropriate status.

Financial Implications

The budget for investment income in ~~2024/25~~2023/24 is £4.50.74 million, based on the expected investment portfolio ~~at during budget setting earlier in 22-23. As interest rates have proved more robust than anticipated, and available balances higher, this is likely to be exceeded and the time~~Board will continue to receive regular updates on the ~~MTFP was approved forecast income through their regular budget update reports.~~ There is no budget for debt interest paid in ~~2024/25~~2023/24.

Where investment income exceeds budget, e.g. from higher risk investments including pooled funds, or debt interest paid falls below budget, e.g. from cheap short-term borrowing, then consideration will be given to transferring a portion of the revenue savings will be transferred to a treasury management reserve to cover the risk of capital losses or higher interest rates payable in future years ~~as was done in 2022/23 in the creation of the inflation reserve.~~

Other Options Considered

The CIPFA Code does not prescribe any particular treasury management strategy for local authorities to adopt. The Chief Finance Officer believes that the above strategy represents an appropriate balance between risk management and cost effectiveness. Some alternative strategies, with their financial and risk management implications, are listed below.

Alternative	Impact on income and expenditure	Impact on risk management
Invest in a narrower range of counterparties and/or for shorter times	Interest income will be lower	Lower chance of losses from credit related defaults, but any such losses may be greater
Invest in a wider range of counterparties and/or for longer times	Interest income will be higher	Increased risk of losses from credit related defaults, but any such losses may be smaller
Borrow additional sums at long-term fixed interest rates	Debt interest costs will rise; this is unlikely to be offset by higher investment income	Higher investment balance leading to a higher impact in the event of a default; however long-term interest costs may be more certain
Borrow short-term or variable loans instead of long-term fixed rates	Debt interest costs will initially be lower	Increases in debt interest costs will be broadly offset by rising investment income in the medium term, but long-term costs may be less certain
Reduce level of borrowing	Saving on debt interest is likely to exceed lost investment income	Reduced investment balance leading to a lower impact in the event of a default; however long-term interest costs may be less certain

Appendix A - Existing Investment & Debt Portfolio Position

	Jan-2023 29 Feb 2024 ³¹ Actual Portfolio £m	Average Rate %
External borrowing:		
Public Works Loan Board	0	
Local authorities	0	
LOBO loans from banks	0	
Other loans	0	
Total external borrowing	0	
Total gross external debt	0	
Treasury investments:		
Banks & building societies (unsecured)	0.3	2.004-3
Government (incl. local authorities)	193.3478-0	5.432-89
Money Market Funds	15.547-0	5.293-45
Total treasury investments	209.1495-3	5.032-93
Net debt	(209.1495-3)	

Cambridgeshire and Peterborough Combined Authority

Minimum Revenue Provision Statement ~~2023/24~~2024/25

Annual Minimum Revenue Provision Statement ~~2023/24~~2024/25

Where the Authority finances capital expenditure by debt, it must put aside resources to repay that debt in later years. The amount charged to the revenue budget for the repayment of debt is known as Minimum Revenue Provision (MRP), although there has been no statutory minimum since 2008. The Local Government Act 2003 requires the Authority to have regard to the former Ministry of Housing, Communities and Local Government's *Guidance on Minimum Revenue Provision* (the MHCLG Guidance) most recently issued in 2018.

The broad aim of the MHCLG Guidance is to ensure that capital expenditure is financed over a period that is either reasonably commensurate with that over which the capital expenditure provides benefits, or, in the case of borrowing supported by Revenue Grant, reasonably commensurate with the period implicit in the determination of that grant.

The MHCLG Guidance requires the Authority to approve an Annual MRP Statement each year and recommends a number of options for calculating a prudent amount of MRP. The following statement incorporates options recommended in the Guidance.

- The Authority expects that its capital financing requirement will be nil on 31st March ~~2023~~2024 and in line with the MHCLG Guidance it expects to charge no MRP in ~~2023/24~~2024/25.
- For capital expenditure loans to third parties ~~that are repaid in annual or more frequent instalments of principal~~, the Authority will make nil MRP unless (a) the loan is an investment for commercial purposes and no repayment was received in year or (b) an expected credit loss was recognised or increased in-year, but will instead apply the capital receipts arising from principal repayments to reduce the capital financing requirement instead. In years where there is no principal repayment on loans that are investments for commercial purposes, MRP will be charged in accordance with the MRP policy for the assets funded by the loan, including where appropriate, delaying MRP until the year after the assets become operational. ~~While this is not one of the options in the MHCLG Guidance, it is thought to be a prudent approach since it ensures that the capital expenditure incurred in the loan is fully funded over the life of the assets~~ Sufficient MRP will be charged to ensure that the outstanding capital financing requirement (CFR) on the loan is no higher than the principal amount outstanding less the expected credit loss. This option was proposed by the government in its recent MRP consultation and in the Authority's view is consistent with the current regulations.
- Where loans are made from grant funds, there will be no Capital Finance Requirement and therefore no MRP.
- Where former operating leases have been brought onto the balance sheet ~~on 1st April 2022~~ due to the adoption of the *IFRS 16 Leases* accounting standard, and the asset values have been adjusted for accruals, prepayments, premiums and/or incentives, then the annual MRP charges will be adjusted so that the total charge to revenue remains unaffected by the new standard.
- The table below summarises the MRP Policy.

Capital Expenditure Incurred	MRP Policy
Expenditure funded by unsupported borrowing	Asset Life, annuity method - MRP will be based on the prevailing PWLB interest rate for a loan with a term equivalent to the estimated life of the project.
Finance Leases	MRP will be determined as being equal to the element of the rent or charge that goes to write down the balance sheet liability.
Secured Loans to third parties repaid in bullet form.	No MRP will be charged as reliance can be placed on the capital receipt that will be generated when the loan is repaid or, in the event of a default, the realisation of the security. If realisation of the security does not equate to the original loaned amount, the Authority will recognise the associated impairment and will charge MRP on the outstanding balance.



Cambridgeshire and Peterborough Combined Authority Board	Agenda Item 9
20 March 2024	

Title:	Improvement Plan update
Report of:	Angela Probert, Interim Director of Transformation Programme / Nick Bell. Executive Director, Resources and Performance
Lead Member:	Mayor – Dr Nick Johnson
Public Report:	Yes
Key Decision:	No
Voting Arrangements:	Recommendations A &B- To Note, no vote required Recommendations C&D- to be decided by a majority of voting Members, subject to that majority including the vote of the Mayor, or the Deputy Mayor acting in place of the Mayor.

Recommendations:	
A	Note the identified areas of ongoing concern set out in the Best Value Notice received in January 2024.
B	Note the closedown of activity in the current Improvement plan (phase 2).
C	Agree the phase 3 Improvement plan to reflect the ongoing concerns set out in the Best Value Notice received in January 2024.
D	Agree the revised terms of reference for the Independent Improvement Board going forward, to reflect the delivery of stated areas of improvement identified by the Best Value Notice received in January 2024.

Strategic Objective(s):	
The proposals within this report fit under the following strategic objective(s):	
x	Achieving ambitious skills and employment opportunities
x	Achieving good growth
x	Increased connectivity
x	Enabling resilient communities
x	Achieving Best Value and High Performance
The identified improvements set out in this report to meet concerns of Best Value Notice received in January 2024 will support the Combined Authority achieve best value and enable the delivery of agreed priorities and objectives.	

1. Purpose

1.1	<p>This report provides the Combined Authority Board with an opportunity to:</p> <ul style="list-style-type: none"> Consider the proposed close down of activity across the phase 2 Improvement plan to address the key areas of concern identified by the External Auditor in his letter dated June 2022 and February 2023, and the Department for Levelling up, Housing and Communities (DLUHC) in its Notice dated January 2023. Agree the phase 3 Improvement plan to address the key areas of concern set out in the Best Value Notice dated January 2024. Agree the draft revised Terms of Reference for the Independent Improvement Board.
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2. Proposal

2.1	<p>Best Value Notice January 2024</p> <p>In January the Combined Authority Board was advised that a review of all improvement activity would be undertaken in February. The Board was further advised that improvement activity agreed to have been delivered would be closed down, and any live activity still to be delivered, would be moved across to Directorate Business Plans.</p> <p>A new Best Value Notice was received by the Combined Authority on 30 January 2024 for a further six month period. Therefore a continued focus on addressing key areas of concerns is still relevant by Committees, the Independent Improvement Board and the Combined Authority Board.</p> <p>The Best Value Notice (January 2024) acknowledges the steps the Cambridgeshire and Peterborough Combined Authority (CPCA) has taken to address the serious issues identified and the constructive engagement with the Independent Improvement Board and the Department for Levelling Up, Housing and Communities. It also recognises the Authority's progress in delivering the agreed improvement plan.</p> <p>The Notice acknowledges that embedding cultural change and ensuring that it is having the desired, long-term impacts is likely to take time and will require sustained effort from both officers and, indeed, members at CPCA.</p> <p>The Notice remains concerned that, despite efforts made, more work is needed to ensure effective partnership working between all levels of the Combined Authority and its constituent authorities, to enable the area to achieve its full potential.</p> <p>It notes that whilst the Independent Improvement Board (IIB) "continues to draw assurance from the work of the officer team within [CPCA], this needs to be matched by the actions of the [Combined Authority] Board itself".</p> <p>The Notice is attached as Appendix 1 and identifies the following expectations of the Combined Authority:</p> <ul style="list-style-type: none"> Continue to implement and embed the changes agreed by the Combined Authority Board as part of the improvement plan. Continue to implement and monitor cultural change across the organisation, for both officers and members, with a focus on measurable outcomes.
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	<ul style="list-style-type: none"> • Commit, through strong partnership working at both officer and member level, to develop the strategic priorities and aspirations for the area that will benefit local residents, and a credible delivery strategy for progressing these. We hope that this can be achieved through consensus but, if not all stakeholders are ready to fully engage, the opportunity should be left open for them to do so when they feel ready to. This work is also important in informing CPCA's approach to further devolution. • Continue with the independent Improvement Board, making full use of its support and engaging with its recommendations over the next six months. • Continue to engage regularly with the Department at official level throughout the period of this Notice.
2.2	<p>Closedown of the Improvement Plan (phase 2)</p> <p>The Improvement Group met on 8 February and received, and accepted recommendations regarding improvement activity in the phase 2 Improvement plan (put in place to address the Best Value Notice 2023 and outstanding External Auditor concerns)</p> <p>It was agreed that elements of activity in the improvement plan should be categorised as:</p> <ul style="list-style-type: none"> • Completed - and any future review to be held at Directorate level • Completed - no further action • Open – outstanding actions to be contained in the Improvement plan phase 3 • Open – outstanding actions to be contained (and monitored) in Directorate Business Plans currently being drafted as not contained as an area of focus in the Best Value Improvement Notice January 2024. <p>Attached as Appendix 2 is the closedown plan for current improvement activity based on the above criteria.</p> <p>Progress on activity to be contained in Directorate Business Plans will be reported to Corporate Management Team as part of a regular Directorate Business Plan monitoring report. The delivery of identified activity will reviewed by Internal Audit in 2024 /25.</p> <p>A lessons learned exercise is currently being undertaken by the Improvement Group to feed into the next phase of improvement.</p>
2.3	<p>Improvement plan phase 3</p> <p>Based on the areas of continued concern set out in paragraph 2.1, the key areas of focus and the Corporate Management Team leads in the phase 3 Improvement plan will be:</p> <ul style="list-style-type: none"> • Strategic priorities and aspirations for the area – Kate McFarlane, Director Policy & Engagement • Cultural change across the organisation, for both officers and members – Judith Barker, Executive Director of Place and Connectivity • Embed the changes agreed by the Combined Authority Board – Nick Bell (then the new Executive Director, Resources when appointed) <p>Partnership working will be covered by all three themes.</p> <p>The proposed Improvement plan (phase 3) is attached as Appendix 3. This plan is a live document and will continue to be refined to ensure it addresses the concerns identified in the Best Value Notice (January 2024).</p> <p>The Best Value Notice will be in place until the end of July 2024. The improvement to be embedded will go beyond this date and therefore the Improvement plan and Directorate Business Plans will reflect this.</p> <p>Progress against the Improvement plan will be reported to the Independent Improvement Board, the Combined Authority Board, Committees and external stakeholders in line with the arrangements in phase 2.</p>

2.4	<p>Involvement of the Local Government Association in the next phase of improvement</p> <p>The Chair of the Local Government Association, Cllr Shaun Davies wrote to the Mayor following the issue of the Best Value Notice in January 2024 offering support to address key areas of concern identified.</p> <p>A number of conversations have taken place with Rachel Litherland, Principal Advisor - East of England to identify potential areas of support for the development of the desired member culture. As the details are confirmed, they will be inserted into the Improvement plan and shared with the CA Board and other key stakeholders.</p>
2.5	<p>Engagement with Department for Levelling Up, Housing and Communities (DLUHC)</p> <p>Discussions have taken place with colleagues from DLUHC following the receipt of the Best Value Notice in January 2024.</p> <p>A schedule of meetings over the next six months has been put in place to enable the Combined Authority update DLUHC on progress on the key areas of concern set out in the Best Value Notice and to receive feedback from the Minister to ensure all areas of concern are addressed before 31 July 2024.</p> <p>Attention will be given to the gathering and sharing of evidence to demonstrate the positive progress being made.</p> <p>DLUHC colleagues have requested the opportunity to attend key events at the Combined Authority to witness first hand progress being made. A DLUHC colleague attended the stakeholder event in early March on the development of the strategic ambition for the region. Other opportunities are being identified.</p> <p>The Combined Authority Board has written a joint letter to Simon Hoare MP, Minister for Local Government, Department for Levelling Up, Housing, and Communities. The letter acknowledges DLUHC's ongoing concerns, welcomes the recognition of progress made by officers, recognises that more work is needed to ensure effective partnership working and that the CA Board as a whole needs to work more collaboratively to ensure consensus, where possible. An open invitation to the Minister has been given to visit the region to see the excellent work underway. The letter sent is attached as Appendix 4.</p>
2.6	<p>Independent Improvement Board engagement and future role</p> <p>Further to the report to the Combined Authority Board in January, the Independent Improvement Board has reviewed its current terms of reference and in line with the new Best Value Notice that has been received, has agreed to remain in place with a revised terms of reference for a further 12 months, subject to the CA Board decision in March. At the end of July 2024, the ongoing focus of the Independent Improvement Board will be reviewed further in line with the Best Value Notice, currently in place.</p> <p>Attached for information, as Appendix 5 is the draft terms of reference for consideration and agreement by the Combined Authority Board on 20 March.</p>

3. Background

3.1	The proposals set out in this report respond to the report presented to Combined Authority Board in March 2023 and the new Best Value Notice received in January 2024.
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4. Appendices

4.1	<p>Appendix 1 – Best Value Notice January 2024</p> <p>Appendix 2 – Improvement Plan phase 2 close down</p> <p>Appendix 3 – Outline Improvement plan phase 3</p> <p>Appendix 4 - Combined Authority Board letter to Simon Hoare MP, Minister for Local Government, Department for Levelling Up, Housing, and Communities</p> <p>Appendix 5 – Revised Terms of Reference Independent Improvement Board</p>
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5. Implications

Financial Implications	
5.1	The Budget update report elsewhere on the Board agenda proposes an additional £400K from Treasury Management income is approved to cover the likely costs of the Improvement Programme to the end of July 2024. This will take the total spend on the Improvement Programme to that point to £1.4m.
Legal Implications	
6.1	<p>The CPCA is required to consider the key areas of concern identified by the External Auditor in June 2022 and in the Best Value Notice received in January 2023. The CPCA Board has considered the recommendations and what, if any, action will be taken in response. In response, the CPCA Board agreed the Improvement plan in October 2022.</p> <p>The Combined Authority Board owns the Improvement Plan and as part of the process regular feedback is provided as in this report. As a Combined Authority, the CPCA operates within a highly legislated and controlled environment.</p> <p>Chapter 4 of the Constitution sets out the functions reserved to the Board. Paragraph 1.1 of Chapter 4 reserves certain functions to the Combined Authority Board including the adoption of, and any amendment to or withdrawal of certain plans and strategies including certain strategies and plans which the Improvement plan would fall under.</p>
Public Health Implications	
7.1	None
Environmental & Climate Change Implications	
8.1	None
Other Significant Implications	
9.1	None
Background Papers	
10.1	<p>CA Board report 22 March</p> <p>Best Value Notice</p> <p>External Auditor letter</p>



Department for Levelling Up,
Housing & Communities

Rob Bridge
Chief Executive
Cambridgeshire and Peterborough Combined
Authority

Max Soule
*Deputy Director, Local Government
Stewardship*

**Department for Levelling
Up, Housing and Communities**
4th Floor, Fry Building
2 Marsham Street
London SW1P 4DF
www.gov.uk/dluhc

30 January 2024

**Cambridgeshire and Peterborough Combined Authority Best Value Notice issued
on 30 January 2024**

Dear Rob,

The Department issued a Best Value Notice to CPCA on 24 January 2023 as a formal notification of the Department's concerns regarding the Authority and requesting that the Authority engages with the Department to provide assurance of improvement.

We acknowledge the steps CPCA has taken to address the serious issues at the Authority since then, including your constructive engagement with both the independent Improvement Board and the Department over the last twelve months. We recognise the Authority's progress in delivering its agreed improvement plan, which has included making permanent appointments to the senior leadership team in a robust and timely manner. The benefits of a strengthened senior officer team are reflected in the progress made against the improvement plan. Although the investigation into breaches of the member code of conduct was not concluded quickly, we note that it now has been and is an important milestone for the Authority.

However, as you know, embedding cultural change across the organisation and ensuring that it is having the desired, long-term impacts is likely to take time and will require sustained effort from both officers and, indeed, members at CPCA.

Further, the Department remains concerned that, despite efforts made, more work is needed to ensure effective partnership working between all levels of the Combined Authority and its constituent authorities, to enable the area to achieve its full potential. We note that, whilst the Improvement Board "continues to draw assurance from the work of the officer team within [CPCA], this needs to be matched by the actions of the [Combined Authority] Board itself."

Ministers remain concerned as to CPCA's capacity to comply with its Best Value Duty under the Local Government Act 1999. The Minister for Local Government has therefore made the decision to issue CPCA with this Best Value Notice.

This Best Value Notice ("Notice") is a formal notification that the Department has concerns regarding an authority and is a request that the authority engages with the

Department to provide assurance of improvement. The Department expects authorities that have been issued with Best Value Notices to continue leading their own improvement.

We expect the Authority to continue to improve and, specifically, to:

- Continue with the independent Improvement Board, making full use of its support and engaging with its recommendations over the next six months.
- Continue to implement and embed the changes agreed by the Combined Authority Board as part of the improvement plan.
- Continue to implement and monitor cultural change across the organisation, for both officers and members, with a focus on measurable outcomes.
- Commit, through strong partnership working at both officer and member level, to develop the strategic priorities and aspirations for the area that will benefit local residents, and a credible delivery strategy for progressing these. We hope that this can be achieved through consensus but, if not all stakeholders are ready to fully engage, the opportunity should be left open for them to do so when they feel ready to. This work is also important in informing CPCA's approach to further devolution.
- Continue to engage regularly with the Department at official level throughout the period of this Notice.

The Department will continue to closely monitor CPCA's progress, including by looking to the Improvement Board and your external auditor for updates and assurance that the necessary changes are being made at sufficient pace.

Whilst the Authority may continue to receive and be awarded government funding whilst under this Notice, we would emphasise that receipt of funding does not indicate the Department's broader view of the performance of the Authority, nor would it indicate any change in the status of this Notice, with individual funding programmes being managed and assured independently by their respective departments.

This Notice will remain in place for 6 months, after which time, should the Department deem it necessary to continue to seek assurance through such a Notice, a further Notice will be issued. The Notice may be withdrawn or escalated at any point based on the available evidence.

This Notice is issued outside the statutory powers held by the Secretary of State under the Local Government Act 1999 to inspect or intervene in local authorities where there is evidence of Best Value failure and, separately, under section 230 of the Local Government Act 1972 to request information from local authorities. However, a failure to demonstrate continuous improvement may be judged to contribute to Best Value failure and the Secretary of State will consider using these powers as appropriate.

It is important to ensure transparency in relation to the challenges faced by local authorities and the Department's engagement on these. A copy of this Notice will therefore be published on gov.uk. I encourage you to make a copy of this Notice available on the Authority's website, and to share it with the Improvement Board,

the Combined Authority Board and the Audit and Governance Committee. We will notify your external auditor of our decision.

Separately to this Notice, I would encourage you to continue engaging with the Local Government Association, making use of the full range of support they have to offer. A member of my team will be in touch with you to make arrangements for ongoing engagement with the Department. I look forward to receiving updates on your progress.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Max Soule', written in a cursive style.

Max Soule
Deputy Director, Local Government Stewardship

Improvement Plan (BVN 2023) - Close down of activity

Phase 2 Improvement Plan review	Colour code in table below
Completed and any future review to be located in Directorate plans	
Completed - no further action	
Move to improvement plan phase 3	
Moving to Directorate Plans	

Phase 3 Improvement Plan themes to address the concerns set out in the Best Value Notice January 2024:

1. Strategic ambitions and priorities
 2. Cultural change for members and officers
 3. Continuous Improvement
- Partnership working will go across all three improvement themes

Theme	Phase 2 Tasks/Actions	Activity Undertaken / Evidence - COMPLETED	Activity Outstanding	New Phase
Governance & Decision Making Improvement theme (Phase 2)	Reviewed Constitution & Governance improvements.	Combined Authority Board Terms of Reference Key Functions agreed at CA Board 22nd March 2023 Constitution agreed at CA Board 23rd March 2023 Officer / Member protocols agreed at CA Board 26th July 2023 Member induction and training programme Role of Business Board agreed at CA Board 23rd March 2023 The outcome of the agreed changes is seen as good practice by the LGA/ Grant Thornton review into CA governance, Centre for Governance & Scrutiny and the Combined Authority Governance Network (CAGNM10 Assurance Group). The CA's new approach to scrutiny has also been recognised by Centre for Governance and Scrutiny and a case study has been written and shared Internal audit review undertaken identifying 'Reasonable Assurance' attached	Review of structures and constitution Formal document Review - moves to Continuous Improvement	Continuous Improvement Improvement theme (Phase 3)
	Recruitment	*A new Constitution for the Combined Authority *Revised Officer / Member protocols *Training in place for members of Overview and Scrutiny Committee, Audit and Governance, CA Board *Officer support for the O&S completed *Support guides for new governance structure developed *Process in place for monitoring the new structural arrangements *Reviewed the role of the Business Board and progressed changes *Established the Economic Development Advisory Panel	Review of structures and constitution Formal document Review (DBP Resources & Performance)	Directorate Business Plan 2024/25
	Independent Council/ committee representation	Recruited independent member to Overview & Scrutiny Committee regarding independent reps		
Project, Plans and Delivery Improvement theme (Phase 2)	Clarity on process to be followed to maximise income investment and resources in place to support and maximise future Devo deals for the CA area.	Agreed overarching corporate strategy supported by MTFP and resourcing plan (currently being refreshed) Review of local and national funding reports and what these potentially mean for CPCA. Review of local and national priorities along with peer review and comparison Creation of a long list of funding options and feasibility for CPCA An analysis of the CPCA costs against funding	Refreshed and monitored Keep under review	Directorate Business Plan 2024/25 No further action (at this point)
	Performance Management (Framework)	A Performance Management Framework agreed that provides a holistic view of how well the Combined Authority is delivering against its strategic objectives identified and secured funding to support the development of the next devolution deal Procurement of external expert support Operating model to be agreed	Recruitment of permanent staff Need to implement and embed framework Review framework	Continuous Improvement Improvement theme (Phase 3)
	Risk Management (Framework)	A Risk Management Framework developed in conjunction with RSM to ensure best practice	Need to implement and embed Framework Review framework	Continuous Improvement Improvement theme (Phase 3)
	Quality standards raised across CPCA and constituent authorities	Performance Management Framework developed and agreed at CA Board	Quality checks will be undertaken as part of the monthly performance meetings. A comprehensive training package developed and resourced from (DLUHC budgets provided for purpose) Refresh training to be scheduled biannually.	Continuous Improvement Improvement theme (Phase 3)
	Project management best practice culture, training, and standards in support of SAF	*Refreshed Procurement guide and protocols agreed by CA Board on 26th July 2023 *Single Assurance Framework and implementation plan agreed by CA Board in November 2023 *Risk management Framework agreed by CA Board on 20th September 2023 *Performance Management Framework agreed by CA Board on September 2023 *Internal audit review undertaken identifying 'Reasonable Assurance' attached The SAF has now been reported back to the M10 Assurance Group as the only current ED4F approved Assurance Framework at an MCA, with M10 colleagues now able to engage with CPCA to assist them in enhancing their own Assurance Frameworks.	Create a PMO (Programme Management Office) A full business case setting out the new expanded scope and role of the PMO is being developed N.B. IB interest in this task.	Continuous Improvement Improvement theme (Phase 3)
	Provide CPCA and partners a comprehensive overview of performance.	*Agreed overarching corporate strategy supported by MTFP and resourcing plan (currently being refreshed) *Refreshed Procurement guide and protocols agreed *A Single Assurance Framework signed off by three government departments *A Risk Management Framework developed in conjunction with RSM to ensure best practice *A Performance Management Framework agreed that provides a holistic view of how well the Combined Authority is delivering against its strategic objectives *Terms of Reference being completed for Investment Committee and Panel	Implement and embed frameworks	Directorate Business Plan 2024/25
Procurement Improvement theme (Phase 2)	Review procurement strategy, policy, operations, and compliance	*Refreshed Procurement guide and protocols agreed by CA Board *Operating Model for Procurement function has been agreed and implemented *Standardised templates for contracts, service level agreements and grant agreements *Standard terms of engagement across all contract models developed *Training being rolled out	Review HR contracts with delegated authority Implement contractual changes Improve Procurement scrutiny & involvement of Procurement in BC development Implement routine for Procurement in BC involvement Refresh the Contracts & Grants Register Recruit Contract Manager Migrate Grants Register to portal	Directorate Business Plan 2024/25
			Continuous activity / review (and linked to observations of Internal Auditor) Develop KPIs	Continuous Improvement Improvement theme (Phase 3)
Partnerships Improvement theme (Phase 2)	Scoping exercise (for CPCA & Constituent Authorities)	Working group of constituent authorities pulled together to identify current partnerships & next steps	Ongoing review if required & updates to be held in DSIRs	Directorate Business Plan 2024/25
	Develop an action plan to maximise the culture of cross authority collaboration and partnership working to include:	Partnership case studies presented to the Independent Improvement Board in November 2023 attached below	Still a concern for the IB who do not believe this is 'how we work around here' focus now on the CPCA Values 'CIVIL' as structure for Phase 3 Culture Workstream	Culture Change Improvement theme (Phase 3)
	For wider partnership working. Mapping exercise required to understand the sub-region.	*Strong and effective partnership working in place - and recognised *Focus on the future vision, State of the Region and deepening Devolution *Stronger and more collegiate partnership working across the constituent councils and M10 group of MCAs *Strengthened strategic and delivery partnerships at sub-national levels, across the region	Still a concern for the IB who do not believe this is 'how we work around here' focus now on the CPCA Values 'CIVIL' as structure for Phase 3 Culture Workstream	Culture Change Improvement theme (Phase 3)
	Review of key strategies and their delivery arrangements.	Review of key strategies and policies undertaken as part of the State of the Region Review. Work overseen by Working Group made of officers from constituent Councils and wider partners.	Final report to be signed off/ made available as part of publication of State of the Region Review.	Directorate Business Plan 2024/25
Confidence, culture and capacity Improvement theme (Phase 2)	Ambition and priorities		A pipeline of key priorities and programmes and associated key asks and offers and stretch on outcomes as part of delivery Review key dependency with SAF to ensure focus and capacity is in place to deliver on identified vision and strategies coming out of activity above	Strategic Ambitions & Priorities Improvement theme (Phase 3)
	Development of future programme	Full training programme in place for CA Board and Committees	Still seen as work to do. Activity underway re longer term vision and ambitions for the region	Culture Change Improvement theme (Phase 3)
	Values and Behaviours	Values agreed by CA Board in January 2023 Suite of HR policies agreed by Employment & Skills Committee on the following dates: *23rd March 2023 *26th July 2023 And the new HR Committee on the following dates: *26th July 2023	Values and Behaviours not completely embedded or embraced by CA Board Members. This still needs to be an area of focus and suggest involvement of IB and LGA (Including involvement of Edwina and Democratic Services)	Culture Change Improvement theme (Phase 3)
	Leadership	*Values (CIVIL) and behaviours for officers and Members agreed and used in all HR policies. Values (CIVIL) embedded in recruitment, objective setting and appraisals *HR policies agreed through Employment Committee *Downward trend in turnover *Improved stability of workforce *External review of communications, engagement and public affairs with input from stakeholders completed, recommendations beginning to be implemented *Continued engagement with staff through staff conferences, surveys and weekly Teams meeting *Development of ongoing programme of continual improvement for CPCA to be seen as a Best Value organisation *Q1&2 Corporate Performance Report presented to CA Board	Officer & Member behaviours Values based recruitment policy and approach to be signed off by CMT Values to be a key element of 1-1 discussion, appraisals and mid-year review to evidence how values are owned. Initial identification of training needs from 23/24 appraisals and mid-year reviews Coaching and mentoring scheme to be developed	Directorate Business Plan 2024/25
	Recruitment, Retention, Reward & Resources	*All senior leadership team roles are currently filled by either a permanent appointment or temporary highly skilled and experienced individuals providing capacity, stability and leadership to the agendas to be delivered. *Directorate plans, appraisals and one to ones now in place and working effectively *Staff conferences and survey undertaken on a regular basis	Permanent Monitoring Officer and Exec Director Resources still to be appointed Divisional structures below Exec Director to be confirmed and implemented HR working with Exec Directors to ensure the resourcing strategy reflects an agile organisation with the skills and experience required to deliver the ambitions of CPCA - and to inform a future operating model to be developed by March 2024	Directorate Business Plan Business Plan 2024/25

Reframed Improvement Plan activity

The 3 themes for improvement identified within the Best Value Notice are:

1. **Continuous Improvement**
2. **Culture**
3. **Strategic Ambition**

In addition to the above workstreams Partnerships sits across all three but will be managed within Strategic Ambition

The outline improvement plan below sets out outcomes and associated key activities over the next 6 months to address the key areas of concerns and any outstanding elements from phase 2 of improvement. It will be reviewed on a regular basis to ensure it is fit for purpose and reflects any additional areas of concern that are raised.


Detailed delivery and resourcing plans will be developed and progress against key activity and outcomes will be reported to CA Board, A&G Committee, O&S Committee and the Independent Improvement Board.

Continuous Improvement			
Outcome	Key areas of identified improvement in the Best Value Notice	Activities to deliver identified outcome	Timeline
A robust and transparent procurement provision within the CA that enables social, financial & operational value	BVN - Continue to implement and embed the changes agreed by the Combined Authority Board as part of the improvement plan.	<ul style="list-style-type: none"> • develop KPIs to demonstrate social, operational and financial value • Undertake internal audit of procurement phase 2 improvement plan and implement recommendations • Develop procurement hub as a centre of excellence for the Authority and its partners 	30 th June 2024
A constitution and governance structure	BVN - Continue to implement and embed the changes agreed by the	<ul style="list-style-type: none"> • complete review of ToR and operations for the Business Board 	31 st May 2024

<p>that is tested and reviewed on a regular basis to ensure it remains compliant, fit for purpose and relevant</p>	<p>Combined Authority Board as part of the improvement plan. EY – Governance arrangements of subsidiary companies reviewed and improved</p>	<ul style="list-style-type: none"> • Review existing governance structures in advance of new municipal year (annual review) • Develop calendar for future reviews of the Constitution • Finalise implementation of the improvements for O&S • Implement Investment Committee (linked to SAF development) for new municipal year 	
<p>A robust and transparent process for managing decision making associated with funding arrangements within the CA</p>	<p>BVN - Continue to implement and embed the changes agreed by the Combined Authority Board as part of the improvement plan.</p>	<ul style="list-style-type: none"> • implement main changes from approved SAF by amending existing processes and developing new ones • Refine and implement proposed project prioritisation processes • Develop new monitoring and evaluation framework to support SAF • Train all key personnel (including partners) on new and revised processes • Development mechanisms to demonstrate impact of SAF and review its operation annually 	<p>31st July 2024</p>
<p>Risk Management that enables the CA to make better decisions, using the agreed risk appetite to reduce negative impacts and is tested and audited</p>	<p>BVN - Continue to implement and embed the changes agreed by the Combined Authority Board as part of the improvement plan.</p>	<ul style="list-style-type: none"> • implement recommendations from recent internal audit of risk, including embedding the risk software at directorate level • Undertake series of deep dives into major strategic risks at A&G Committee • Develop further ongoing training in risk across the organisation and, where applicable, with partners to ensure full understanding of benefits of risk management and the processes to support this 	<p>31st May 2024</p>

		<ul style="list-style-type: none"> Undertake annual review of risk framework and processes 	
Performance Management within the CA provides the basis for better decision making & under pins delivery.	BVN - Continue to implement and embed the changes agreed by the Combined Authority Board as part of the improvement plan.	<ul style="list-style-type: none"> Develop and refine metrics within existing performance reporting framework, including setting of targets and baseline data Where indicators are based on lagging national data sets develop proxy measures/lead indicators to help monitor progress in a more timely manner Develop further engagement and training with staff in CPCA and partners to ensure continued understanding of the use of performance metrics to aid decision making Annually review the performance management framework and its linked processes to ensure it remains fit for purpose and represents best value. 	31 st July 2024
Culture			
<ul style="list-style-type: none"> Officers continue to embrace and work according to our defined CIVIL values and behaviours 	BVN - Continue to implement and monitor cultural change across the organisation, for both officers and members, with a focus on measurable outcomes.	<ul style="list-style-type: none"> Review officer feedback from the most recent staff survey and staff conference to identify suggested areas for improvement Establish SLT network as a collaboration/ partnership network Continue to develop and schedule officer training sessions Maintain and develop partnerships with Trade Unions Staff recognition through staff award events, linked to values Review and track LEAP appraisals completions 	31 st July 2024
<ul style="list-style-type: none"> Focus on CA Board consideration of their public duties according to our 	BVN - Continue to implement and monitor cultural change across the organisation, for both officers and	<ul style="list-style-type: none"> Continue to develop and schedule Member Training Sessions and develop additional activities to encourage higher participation rates 	31 st July 2024

defined CIVIL values and behaviours	members, with a focus on measurable outcomes. BVN - Commit, through strong partnership working at both officer and member level, to develop the strategic priorities and aspirations for the area... We hope that this can be achieved through consensus but, if not all stakeholders are ready to fully engage, the opportunity should be left open for them to do so when they feel ready to.	<ul style="list-style-type: none"> • Consider the timing of Board Member Objective Setting Sessions • Work with delivery partners (e.g. LGA) to develop a programme of activities to raise further awareness of our CIVIL values amongst CA Board Members and to encourage members to further embrace those values • IIB working with CA Board members to support the above action – engaging with CA Board members to offer support & challenge to enable to be effective • Focus on Leadership role of the CA Board and their contribution & sign off of the Strategic Ambition documents – linked to Strategic Ambition, Priorities & Partnerships 	
Strategic Ambitions, Priorities and Partnerships			
Adopt a shared evidence base to underpin our Shared Ambitions, Priorities and Lobbying, enabling the region to speak with a unified voice.	BVN - Commit, through strong partnership working at both officer and member level, to develop the strategic priorities and aspirations for the area that will benefit local residents, and a credible delivery strategy for progressing these. We hope that this can be achieved through consensus but, if not all stakeholders are ready to fully engage, the opportunity should be left open for them to do so when they feel ready to. This work is also important in informing CPCA's approach to further devolution.	<ul style="list-style-type: none"> • Adoption of the 2024 State of the Region Review Production of the State of the Region dashboard • Development of a Devo 4 submission in readiness for the opportunity 	31 st July 2024 Ongoing
Co-ordinate, convene and facilitate the delivery of a Shared Ambition for the Cambridgeshire &	As above	<ul style="list-style-type: none"> • Initial engagement phase 1 (Board/ CEX workshop, stakeholder workshop, web presence launched) completed 	End March 2024 End July 2024

Peterborough, enabling the region to speak with a unified voice.		<ul style="list-style-type: none"> • Ambition Engagement phase (Board / CEX workshops, stakeholder workshops, online activities, forum and resident engagement) completed • Adoption of a Shared Ambition & Priorities 	31 st October 2024
Co-ordinate the joint, promotion and championing of the region to attract funding and inward investment to deliver our region's vision and strategic priorities.	As above	<ul style="list-style-type: none"> • Promote the region through the presence of the first Cambridgeshire & Peterborough pavilion and associated events at UKREF • Production of a new Cambridgeshire & Peterborough Inward Investment Prospectus 	31 st May 2024 31 st May 2024
Coordinate, convene, lobby and influence one combined voice for the region's transport and infrastructure investment priorities to unlock barriers to growth and focusing on what can be achieved collectively.	As above	<ul style="list-style-type: none"> • Coordinate, convene and influence through the Transport Summit • Adopted Infrastructure Delivery Framework (IDF) • Delivery of a Comms and Public Affairs Strategies underpinning transport summit and IDF 	End June 2024 31 st March 2024 30 th June 2024
			
Coordinate, convene and influence with one combined voice for the region's devolution opportunities and future national policy, enabling additionality for the region	As above	<ul style="list-style-type: none"> • Work with Combined Authority Board, constituent Council CEXs and partners to develop future devolution opportunities • Working with UK Mayors and UK Mayor networks to collectively shape the future Devo opportunities and future national policy 	31 st July 2024 On-going

through focusing on what can be achieved collectively.			
Proactive communication with partners and stakeholders utilising a wide range of channels to improve our reach and engagement and demonstrate our positive impact	As above	<ul style="list-style-type: none"> • Embedding member e-newsletter • Launching a new stakeholder e- newsletter • Revamping the Combined Authority website 	31 st July 2024 End June 2024 31 st March 2025



**CAMBRIDGESHIRE
& PETERBOROUGH**
COMBINED AUTHORITY

Simon Hoare MP
Minister for Local Government
Department for Levelling Up, Housing, and Communities
Fry Building
2 Marsham Street
London
SW1P 4DF

Friday 8th March, 2024

Dear Simon,

Many thanks for taking the time to notify each of us earlier this year regarding your Best Value Notice decision.

We acknowledge DLUHC's ongoing concerns regarding the Cambridgeshire & Peterborough Combined Authority and confirm our willingness and desire to continue to engage with DLUHC to provide assurance of improvement.

We appreciate your recognition of the substantial progress made by the CPCA and welcome your specific endorsement of the efforts of officers in that ongoing improvement. All members of the Board affirm the professionalism, dedication, and expertise of our workforce, and we are confident that our officers understand this Best Value decision was in no way a reflection of their efforts.

We do acknowledge that, despite the acknowledged good work of officers, more work is needed to ensure effective partnership working between all levels of the Combined Authority, including assurance that all of its constituent authorities, together with the Mayor, are able and willing to participate constructively and collaboratively in the work of the Authority in general, and the Board in particular.

We specifically acknowledge and accept that the Board as a whole needs to work more collaboratively to achieve consensus, wherever possible, in progressing the Authority's work so as to provide the assurance that you note the Improvement Board requires.

We collectively accept that the Combined Authority continues to face challenges, that we need to demonstrate further progress on those challenges, and that it is incumbent upon us all, individually and collectively, to effect the improvements that are necessary.

In closing, as a board, we would like to extend an open invitation to you to come and see our region in the flesh. There's a huge amount of excellent work going on in all corners of Cambridgeshire and Peterborough and you will no doubt take great confidence from seeing it for yourself.

Thank you again and best wishes,

A handwritten signature in blue ink, appearing to read "Dr Nik Johnson".

On behalf of the CPCA Board
Dr Nik Johnson
Mayor of Cambridgeshire and Peterborough Combined Authority
Nik.Johnson@cambridgeshirepeterborough-ca.gov.uk

Cambridgeshire and Peterborough Combined Authority Independent Improvement Board

(Revised) Terms of Reference

The Cambridgeshire and Peterborough Combined Authority Improvement Board was established by the Combined Authority Board in October 2022 to provide challenge and support to the issues identified in the Improvement Framework report presented to the Combined Authority Board on 27 July 2022.

The Combined Authority was issued a Best Value Notice on 24 January 2023 and the identified issues to be addressed were a focus for the Independent Improvement Board, alongside the concerns identified in the External Auditors letter dated June 2022.

Review

The current agreed terms of reference proposed that the Independent Improvement Board would be in place for 12 months from January 2023. A Best Value Notice issued in January 2023 was a focus for the Board in addition to the concerns set out in the External Auditors letter.

Significant progress has been made in delivering the identified improvements set out in the agreed Improvement plan and this is acknowledged by both the Independent Improvement Board and also the Department for Levelling Up Housing and Communities.

It is also recognised that there is more to do.

In January 2024 a further Best Value Notice was issued for a six month period which set out the expectation on the Combined Authority to continue to improve and, specifically, to:

- Continue with the independent Improvement Board; making full use of its support and engaging with its recommendations over the next six months.
- Continue to implement and embed the changes agreed by the Combined Authority Board as part of the improvement plan.
- Continue to implement and monitor cultural change across the organisation, for both officers and members, with a focus on measurable outcomes.
- Commit, through strong partnership working at both officer and member level, to develop the strategic priorities and aspirations for the area that will benefit local residents, and a credible delivery strategy for progressing these. We hope that this can be achieved through consensus but, if not all stakeholders are ready to fully engage, the opportunity should be left open for them to do so when they feel ready to. This work is also important in informing CPCA's approach to further devolution.

- Continue to engage regularly with the Department at official level throughout the period of this Notice.

The Independent Improvement Board recognises the role it can play in supporting the Combined Authority deliver on the areas set out above and will therefore stay in place for a further period of time; to be reviewed after six months.

Set out below is the proposed revised Terms of Reference.

1. Purpose

The revised purpose of the Improvement Board is:

- To provide external advice, support, challenge and expertise to Cambridgeshire and Peterborough Combined Authority to ensure focus, grip, pace and effective change on key areas identified in the Best Value Notice January 2024 and any remaining areas of concern set out in the External Auditors letter, June 2022.
- To support the Combined Authority Board in the delivery of identified areas of improvement set out above.
- To provide assurance to the Combined Authority Board and external agencies of the progress on delivering the identified key outcomes and associated activity set out in the revised Improvement plan.
- To identify and share learning and best practice with Members and Officers on all activities included in the Authority's Improvement Plan, including identification of development opportunities for both members and officers.

This will involve:

- Engaging with officers, Combined Authority Board members and external agencies to share insight, expertise and experience.
- Ensuring there is a single, integrated, and holistic Improvement Plan that sets out clearly the key areas of improvement that can be clearly understood and communicated internally and externally.
- To seek and receive regular reports on progress and evidence against identified areas and the effectiveness of actions taken.
- Providing regular advice, challenge, and support to the Combined Authority on the identified improvement activities, and in particular on delivery of the recommendations in the External Auditor letter, June 2022, the Best Value Notice January 2023 and any subsequent updates.

- Providing written commentary on the Council's progress to the Secretary of State for Levelling Up, Housing and Communities on the Combined Authority's progress.
- Investigating any activity within its terms of reference and seeking any information it requires from any member of staff (in compliance with the Cambridgeshire and Peterborough Combined Authority's Member/Officer Protocol); who will be directed to co-operate with any request made by the Improvement Board.
- Obtaining independent legal or other independent professional advice and to secure the attendance of third parties with relevant experience if it considers this necessary or beneficial to its work.

2. Accountability

- The Independent Improvement Board will be accountable to the Combined Authority Board and respond as required; through agreed reporting mechanisms and timelines to requests for information on progress, key risks and shared learning.
- The Independent Improvement Board will receive reports from the Chief Executive on a regular and timely manner in line with agreed reporting timelines.
- The Independent Improvement Board will ensure the Chairs of Audit & Governance Committee and the Overview and Scrutiny Committee receive regular updates on all improvement action against agreed timelines.
- The Independent Improvement Board will provide the Department for Levelling up, Housing and Communities with an update on a quarterly basis on the level of assurance and confidence it has on the progress being made against key areas of concern.

3. Membership of Independent Improvement Board

Members:

A balance of Members and officers to bring a balance of expertise and experience:

- Independent Chair
- Independent Deputy Chair
- Independent external Member representative of political groups or Independent external members deemed to bring appropriate experience and expertise

Attendees:

- Chief Executive
 - Interim Programme Director, Transformation

 - Combined Authority Board members and constituent council Chief Executives; as determined by the Chair
- Others by invitation

4. Working arrangements:

- Changes to membership can be agreed by the Independent Improvement Board.
- The Board may invite anyone who it believes will be useful in achieving its aims and purpose to attend meetings.
- The Board may request reports from officers and ask that officers attend if required.
- Individuals may raise matters directly with the Board if they are within the agreed remit of the Board through appropriate protocols.
- A&G and O&S Chairs may request to attend meetings on behalf of their committees.
- Democratic management of the meetings will be carried out by officers of the Cambridgeshire and Peterborough Combined Authority.
- The Board will be supported by the programme office to ensure that the revised programme plan is proactively tracked, kept up to date and that issues and identified risks are managed on a day-to-day basis through officers.
- Any costs associated with the Board will be met by Cambridgeshire and Peterborough Combined Authority and the Local Government Association.

5. Improvement Board meetings:

- It is proposed that the Board will be in place for six months from January 2024 and will be reviewed at this time in line with the Best Value Notice review

- The Board will continue to meet on a bi-monthly basis for six months when a review will take place and the future frequency of meetings agreed.
- Discussion and interaction during the Board meetings will be private to allow and enable constructive dialogue; officers and members being treated with respect and courtesy.
- The minutes of the Board will not be public as the Independent Improvement Board is an advisory board.

6. Venue for meetings

- To be agreed

7. Agenda

- At each meeting the Board will agree the content of the agenda for the next meeting. Standard agenda items should include:
 - Actions from previous meeting
 - Matters considered by the Chair to aid the working of the Board in pursuing its aims
 - Chief Executive's report on progress against the revised improvement plan
 - Communication (if any) from the External Auditor or Department for Levelling up, Housing and Communities
 - Progress and any issues to be communicated to key stakeholders (including staff)
 - Matters to be reported to the Cambridgeshire and Peterborough Combined Authority Board
 - Additional items for the agenda for the next meeting
 - Confirmation of date, time and venue for the next meeting

8. Review

These Terms of Reference will be reviewed after six months.



Combined Authority Board		Agenda Item
20th March 2024		10
Title:	Bus Reform and Network Delivery - Update	
Report of:	Judith Barker – Executive Director – Place and Connectivity	
Lead Member:	Cllr Anna Smith – Deputy Mayor and Chair of Transport and Infrastructure Committee	
Public Report:	Yes	
Key Decision:	Yes	
Voting Arrangements:	<p>A- To note, no vote required</p> <p>B- 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>C- 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>D- To note, no vote required</p>	

Recommendations:	
A	Note the progress with the franchising proposals including updates from the audit process of the Bus Reform Outline Business Case (OBC) including the intention to bring a decision to consult to a summer Board meeting. The CPCA Board will consider the revised Business Case and the full findings of the Auditor to inform any decision to move to public consultation
B	Approve that officers commence to prepare for an Interim Enhanced Partnership being formed to act as a 'stepping stone' to further, wider reform.
C	Note that CPCA is required to produce an updated Bus Service Improvement Plan (BSIP), in line with Department for Transport requirements, and approval is sought for delegated authority to the Executive Director Place & Connectivity, working with the Chair of the Transport and Infrastructure Committee, to update and finalise the BSIP to ensure submission by 12 June
D	Note the wider package of bus network delivery work, including the investment in bus services through the precept, bus stops infrastructure and £1 bus fare for Under 25s in the region that officers will continue work to implement

Strategic Objective(s):	
The proposals within this report fit under the following strategic objective(s):	
X	Achieving ambitious skills and employment opportunities
X	Achieving good growth
X	Increased connectivity
X	Enabling resilient communities

1. Purpose

1.1	Since the Board and Transport and Infrastructure Committee meeting in January 2024, further work has been undertaken to update the Bus Reform Outline Business Case (reviewed by the Committee and Board in September 2023) and finalise the audit stage of the process. This paper provides an update on the work which has been undertaken and recommends next steps. This has also been informed by further advice from the Department of Transport (DfT).
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2. Proposal

2.1	<p>Introduction to the Outline Business Case (OBC) Assessment for CPCA Bus Network Reform</p> <p>The Outline Business Case (OBC) for the CPCA bus network reform serves as a comprehensive assessment tool, designed to evaluate the potential pathways for transforming the region's bus services. The OBC's primary objective is to identify the most effective and sustainable model for bus service delivery, aligning with CPCA's strategic goals of improved accessibility, sustainability, and service quality. In line with other business cases, it has 5 elements: strategic, economic, financial, commercial and management cases.</p>
2.2	<p>The Process of assessing Bus Reform</p> <p>The legislation outlines the process for introducing a franchising scheme in the UK bus services sector, as detailed in the Bus Services Act 2017. A franchising scheme may not be made unless the franchising authority has complied with the requirements in sections 123B to 123H of the act. Key steps include:</p> <ul style="list-style-type: none"> • Preparation of an assessment for the proposed scheme, detailing its expected effects and comparing it with other actions. (123B) • Independent auditing of the scheme's assessment. (123D) • Public consultation, including the publication of consultation documents and consideration of feedback. (123E, F and G) • Decision and publication, where authorities decide whether to proceed with the franchising scheme based on the consultation's outcome and then publish their decision. (123H) <p>These steps aim to ensure that franchising schemes are thoroughly evaluated and that there is an opportunity for public and stakeholder engagement before any decisions are made. For more detailed information, the legislation can be found directly at the source: Bus Services Act 2017.</p> <p>CPCA is currently completing the Audit stage of this process (123D), with the intention to consult the public on the preferred option to reform the bus network in the CPCA area.</p>
2.3	<p>Scope of the OBC</p> <p>The bus reform OBC considers a range of scenarios and factors to ascertain the most viable approach for bus network reform. It considers all the dimensions of various bus service delivery models, providing a multi-faceted analysis of each option. It considers options for bus reform under three investment scenarios: low, medium, and high – each representing different levels of financial commitment and corresponding service enhancements. These scenarios are evaluated across two potential delivery models of Bus Franchising and Enhanced Partnership (EP).</p>
2.4	<p>Status of the OBC Audit</p> <p>This section provides an update on work to date on the audit process and proposes key next steps.</p>
2.5	<p>In October 2023, Grant Thornton (“the Independent Auditor”) were instructed to prepare the report on the OBC on behalf of the CPCA. The Independent Auditor is in the process of preparing their final letter which should set out their opinion that:</p> <ol style="list-style-type: none"> a. The information relied on in considering whether the CPCA would be able to afford to make and operate the Proposed Franchising Scheme, and in considering whether the Proposed Franchising Scheme would represent economic value for money, is of sufficient quality. b. The analysis of that information in the Assessment is of sufficient quality.

	<p>c. The Combined Authority had due regard to the guidance issued under section 123B of the Act¹⁰ preparing the Assessment.</p> <p>The process of the audit has highlighted some further work, which officers are reviewing. These are set out in 2.6 below.</p>
2.6	<p>The audit process is continuing and as such a summary is outlined below. Full information will be provided once the audit process has concluded with the associated formal findings.</p> <p>The strategic, management and commercial cases have remained largely similar throughout this process, demonstrating the strength of evidence and narrative in the document.</p> <p>The process of the audit has generated a request for additional evidence, focused predominantly on the economic and financial appraisal of the scheme over the 30-year appraisal period.</p> <p>Officers are ensuring a 'check and challenge' gateway review of the Outline Business Case and the further work needed to move through the audit stage to reach a satisfactory audit letter.</p> <p>This review will draw on the feedback made available by the auditors, further local analysis of the bus network and lessons learnt from other local authorities.</p> <p>This should enable all actions to be identified and undertaken efficiently and effectively to present a full picture of the Business Case and a complete audit to the Board.</p> <p>The CPCA Board will consider the full findings of the Auditor to inform a later decision to move to public consultation with the aim that this will take place in Summer 2024, subject to the above steps being resolved satisfactorily.</p>
2.7	<p>Interim Enhanced Partnership approach</p> <p>In order to maximise the benefits of bus reform as early as possible, whilst progressing franchising and the audit process, in the interests of effective management, we are preparing an approach for an interim Enhanced Partnership.</p> <p>This is in line with recently-issued DfT guidelines which require the use of enhanced partnerships as interim arrangements whilst auditing work is progressing.</p> <p>We therefore propose to work further collaborative working with local bus operators to investigate the possibility of an Enhanced Partnership being formed to act as a 'stepping stone' to further, wider reform. This would build on the engagement with local operators through the Bus Operator Forum.</p> <p>It is recommended to progress toward an interim EP, in parallel with advancing the franchising audit and plans, in conjunction with an updated BSIP to ensure existing funding from the Department for Transport is safeguarded and potential future funding schemes have the required governance in place. This work will be resourced to ensure all workstreams can progressed.</p>
2.8	<p>The outline of steps to achieve an Interim Enhanced Partnership (EP) are below as set out by DfT:</p> <ol style="list-style-type: none"> 1. Publish Notice of Intent to develop an Enhanced Partnership 2. Establish Bus Partnership Group or EP Board and define Terms of Reference (this group could evolve from the current Bus Operators Forum) 3. Collate data, background, issues, priorities 4. Develop EP Plan (drawn from Bus Strategy and BSIP ambitions) 5. Develop EP Scheme, encompassing all current spending and commitments and future ones agreed with operators, along with operator requirements; establish bespoke variation process for the scheme 6. Submit draft EP to operators (operator objection period) – must be 28 days 7. Consultation with statutory consultees – operators, neighbouring authorities, TC, Transport Focus, Police, CMA and any other as necessary 8. Authority makes the Plan/Scheme and publishes notice to the effect, publishing them on the website

2.9	<p style="text-align: right;">Item 10</p> <p>Bus Service Improvement Plan (BSIP)</p> <p>The Department for Transport mandated in 2021 every local transport authority in England to draft and submit a BSIP, reflecting the current state and ambition of the local bus network.</p> <p>The CPCA submitted a BSIP in October 2021 and have subsequently completed a refresh of the document.</p> <p>The Department for Transport has recently released further guidance for how all local transport authorities should refresh and update their BSIP, requiring this to be done by 12 June 2024. They expect to see next steps on bus reform in this refresh. Our proposal for an interim Enhanced Partnership alongside an update on franchising in a paper to a summer Board should ensure this clarity for DfT.</p> <p>Three key components are required:</p> <ul style="list-style-type: none"> • Update the baseline to reflect changes on the bus network from 2021 to 2023/24 – including issues and opportunities • Set out the improvement programme to the bus network for 2024/25 • Outline a pipeline of prioritised proposals for 2025-2029 that will improve the bus network further <p>The Department for Transport have been clear this is not an immediate ‘bidding’ document but rather an outline of ambition for post 2025 that can be assessed for future funding schemes.</p> <p>A deadline of 12 June 2024 has been set for all local transport authorities for submission. DfT has acknowledged that due to political approval processes, the BSIP may be in draft.</p> <p>Officers are working to fully interpret the guidance and joining DfT sessions to learn more. A package of work will be commissioned to update and refresh the existing BSIP in line with guidance in order to deliver an updated document to DfT.</p> <p>Officers are engaging regularly with DfT Officers on how the BSIP works in parallel with wider bus reform opportunities. DfT have been clear that the CPCA BSIP document will need to demonstrate a clear vision of bus reform and a delivery timeline. It will need to set out how proposals for 2025-2029 can be delivered in both an Enhanced Partnership or Franchising Environment and a clear timeline for bus reform decisions.</p>
2.10	<p>Bus Network Service Improvements:</p> <p>Recent approvals at the Combined Authority Board (31 January 2024) have enabled development work on investment into the bus network, namely the implementation of new and enhanced services (funded by the Mayoral precept increase), the implementation of a £1 fare for Under 25s in the region and the improvement of bus stops/shelters. This section of the paper updates on those areas.</p> <p>The aim of the precept funded development work into bus service improvements is to improve connections for residents, increase patronage and enable easier access for communities to public transport. A project team has been set up and a methodology for assessing the potential services against critical metrics has been established.</p> <p>The methodology from inception to implementation is as follows:</p> <ol style="list-style-type: none"> 1. Assess and analyse the shortlist of bus route suggestions from the public consultation and survey in line with key bus network planning metrics to inform the nature of route. 2. Outline recommendations of routes aligned with success factors, operational costs and patronage forecasts. 3. Deliverable: ‘Plan on a Page’ for each service proposal, setting out the background to the proposal, main characteristics and metrics along with summary maps and analysis, accompanied by a summary spreadsheet bringing together all the main metrics. 4. Recommend services that would need to be implemented via a contracted method and (subject to legal/procurement advice) those via commercial negotiations. 5. Devise timetables for routes that enable efficient operational delivery.

6. Engage with local community groups and/or other forums. (following Leader advice and in **10** timescales).
7. Engage with bus operators on tender opportunities and make recommendations on seeking new entrants into the market to ensure effective competition.
8. Collaborate on branding requirements to ensure clear expectations with operator engagement.
9. Conduct the tender process and negotiations with bus operators.
10. Recommend monitoring and evaluation methods for route improvements including collection of patronage data and reliability/punctuality and clear measures of success.

Progress to date

Engagement sessions have been held with each constituent council to work through the route outlines, demand responsive transport proposals and seek additional feedback on local considerations to inform final bus route planning. Further clarification sessions and feedback have been sought from community groups and officers as required.

These sessions and feedback have informed the construction of initial route and timetable proposals. Further analysis of the routes using software modelling will enable officers to consider the suggestions against a range of metrics. The proposals fall into three main types of solution:

- Frequency improvements to existing services;
- Amendments to existing routes (and the resulting timetable); or
- New Services to improve connectivity, or provide new journey opportunities.

In each case, consideration of the possible impact on existing services is being factored into the analysis to ensure there are no unintended consequences (e.g. abstraction from existing services, or duplication of resource).

In the appendix to this report is a summary table outlining the key metrics associated with the bus service improvements. The services are in the final part of the design phase.

Once the design phase has concluded, work will commence at pace on the implementation of the services. Subject to procurement and legal advice, it is intended to negotiate changes to commercial and contracted services first, whilst the open tender process is conducted for the new changes.

Implementation work will take place over the summer period.

2.11

£1 youth fare scheme:

The aim of the £1 youth fare scheme is to enable a more affordable and attractive fare offer for a key demographic in the region, who are reliant on public transport for access to education, work and leisure opportunities.

Since board approval to move to the implementation of a £1 fare scheme, work has developed on the following components:

- Engagement and negotiations with local bus operators, to secure participation in the scheme. This has included working through a range of items raised in a collaborative manner through in person and online sessions
- Setting up a card production method for the scheme, to enable each young person who applies, a photo card that enables each bus driver to identify they're participating in the scheme and can implement the discount to a £1 fare at the point of use
- Work is ongoing to set up an application portal to enable each young person to apply for the card they need for the scheme

Once final approval has been secured with bus operators in the region, a formal scheme will be written up and shared with operators. This will outline the details of the scheme, reimbursement methods and any mechanisms for further review during the 12 months of the scheme.

Work is progressing for the scheme to commence in May/June 2024.

Bus Stop/Shelter Improvements:

Item 10

At the TIC in November 2023, officers outlined the approach to a bus stop audit across the region. The aim of the audit was to establish how many stops there are, where they are and an outline of their condition. At present 2981 stops have been identified in the Bus Stop database for the region.

The audit also revealed the complexity of bus stops/shelter ownership, with a variety of arrangements through constituent councils.

With budget now approved to improve bus stops/shelters, officers have devised an initial methodology on how to apply the available funding in a targeted manner to have maximum benefit to passengers:

- Develop and apply an assessment criteria to form an initial high priority 50 stops/shelters that would benefit from investment, linked to safety, security and ease of waiting environment.
- Develop a list for features that will be improved within budget requirements, with a clear before and after to demonstrate improvements to residents.
- Seek feedback from local Members and communities to inform the final approach.
- Link improvements to the precept investments, to ensure clearer monitoring and evaluation opportunities for investment in bus services and enable a more integrated, targeted package of improvements.

Once the precept investment routes have been finalised in the design phase, a cross project working group will be set up to ensure collaboration across the projects. It is intended for the bus stop/shelter improvement project to work at pace once the criteria assessment has been finalised.

Network Stability/Service Changes:

The Combined Authority were formally notified of changes to Stagecoach's commercial network, namely Services: F, 25 and 9. Within the current deregulated environment, commercial operators submit changes to services via the Traffic Commissioner.

Unfortunately, all the services outlined below were cited as significantly loss making and unable to continue in their current form.

Service 9:

- Stagecoach has proposed changes to service 9, operating between Littleport, Ely, and Cambridge.
- At present, the service operates hourly in both directions during the morning and evening peak period, and every other hour during the off-peak period. This will be reduced to three journeys operating in each direction across the whole day.
- Using data provided by Stagecoach, it is estimated that the cost per passenger journey figure would be £1.76 for a potential contracted service. This is well below the benchmark of £12 that has previously been used
- **Due to the severe degradation in service that residents will face, a contracted service that restores as much of the service to its current form will be introduced, subject to a tender process.**

Service F:

- Stagecoach will remove an early morning and evening links from Fenstanton on to the Busway at St Ives
- Stagecoach introduced this in 2022 and provide this commercially, but they now consider it to be unsustainable, due to running costs and low patronage.
- According to the patronage data provided by Stagecoach, there is an average of two passengers per day travelling on the 07:40 journey. If correct, this would give a cost per passenger journey figure of £97.50. In the recent bus review, the benchmark figure was £12.
- **It is recommended to not replace these journeys due to the very low value for money figure.**

	<p>Service 25: Item 10</p> <ul style="list-style-type: none"> • Stagecoach have cancelled service 25, currently operating between Trumpington Park & Ride and Babraham Road Park & Ride via the Cambridge Biomedical Campus and Addenbrooke's Hospital. Route 25 also serves the southern section of the Great Kneighton development in Trumpington. Busway A also passes through the centre of the development, providing access to Trumpington Park & Ride, Royal Papworth Hospital (for Francis Crick Avenue), Addenbrooke's Hospital and Cambridge railway station with onward journeys to Cambridge city centre, King's Hedges, and villages on the Busway track enroute to St Ives. • It is recommended to link this into the precept work - services from Trumpington to the rail station and Addenbrookes are on the precept suggestion list. If analysis comes out from that process that suggests improvements to either frequency or connectivity across Trumpington, officers can package it together and work further with the local community on an integrated approach. <p>Demand Responsive Transport (DRT):</p> <p>Work has commenced following the decision in the November 2023 TIC committee and the Combined Authority board in January 2024 to approve further Demand Responsive Trials in the region.</p> <p>The areas identified for DRT are Fenland, East Cambridgeshire and South Cambridgeshire. The following steps outline the components of how the services will be developed from inception to implementation:</p> <ul style="list-style-type: none"> • Design outline service zones based on feedback, operational efficiency and journey purpose in parallel to the assessment of the precept investment suggestion list • Complete research work and recommendations for procuring a technology provider for all three services. This would enable integration and clear oversight from the Combined Authority over data related to the service to inform monitoring, evaluation and improvements • Complete concept designs for branding, to ensure the services are reflective of the communities they will serve • Tender services • Implement services with clear monitoring and evaluation plans to inform measures of success for the trials. <p>The next step is to finalise the design of the zone of operation, whilst securing a technology partner for the trial period. Following that, officers will work at pace to implement the services over the summer of 2024.</p>
2.12	Officers will continue work on the package of funded network improvements and bring updates to future boards and TICs with the aim of delivering all projects throughout 2024/25.

3. Background	
3.1	The development and reform of the bus network in Cambridgeshire and Peterborough is shaped by a myriad of policies and strategies, spanning local, regional, and national levels. These policies not only direct the operational aspects of bus services but also reflect broader goals in areas such as climate change, economic development, and urban planning.

3.2	<p style="text-align: right;">Item 10</p> <p>National Policy and Strategy:</p> <p>The National Bus Strategy for England, 'Bus Back Better', introduced in March 2021, represents a fundamental shift in the government's approach to bus networks. This strategy emerged in response to the dual challenges of declining national patronage and the impact of the COVID-19 pandemic. It advocates for a reconsideration of the existing deregulated bus network model and encourages the exploration of alternative delivery methods, including Enhanced Partnerships and Franchising.</p> <p>Key tenets of 'Bus Back Better' include:</p> <ul style="list-style-type: none"> • Integrated services and simple ticketing systems to facilitate ease of use. • Ambitious improvements in bus service frequency, reliability, and coverage. • A strong focus on achieving net-zero targets and supporting the government's Levelling Up agenda by connecting people to jobs, education, and services more effectively. <p>Regional Policies:</p> <p>England's Economic Heartland (EEH) strategy, 'Connecting People Transforming Journeys', envisions a world-class, decarbonised transport system capitalising on regional technological expertise. This strategy underscores the importance of public transport and shared transport solutions for sustainable growth and improved quality of life.</p>
3.3	<p>The Cambridgeshire and Peterborough Local Transport and Connectivity Plan (LTCP) set out visions for a transport network that supports economic growth, social inclusion, and environmental sustainability. Key goals include:</p> <ul style="list-style-type: none"> • Enhancing access to jobs and services via sustainable transport modes. • Promoting social inclusion through affordable and accessible public transport. • Addressing pollution and aiming for net-zero emissions by 2050. • Improving the resilience and reliability of the transport network. <p>The LTCP's objectives dovetail with the ambitions outlined in the National Bus Strategy, reinforcing the need for a transformative approach to bus service delivery in the region.</p>
3.4	<p>These policies and strategies collectively underscore the importance of a reimagined bus network in Cambridgeshire and Peterborough - one that is more integrated, efficient, and aligned with contemporary social, economic, and environmental goals. Franchising emerges as a compelling option within this policy context, offering a route to achieving these broad objectives and addressing the challenges of the current bus service delivery model.</p>

4. Appendices

4.1	Appendix 1: Report Summary Table
4.2	Appendix 2: Vision and Context for Bus Reform

5. Implications

Financial Implications

5.1	<p>The approved 2023/24 budget provides resource for the next stages of the Bus Reform project to be undertaken.</p> <p>The full financial implications of bus franchising will be considered at the final decision-making stage and will be informed by the statutory and internal processes identified in the paper. The decision to invest public funding into buses under a franchise will remove some flexibility for future budget setting as the financial commitments are required for the medium to long term. The level of public subsidy required will need to demonstrate Value For Money, and this will be determined once the Auditors are content with all the assumptions underpinning the Business Case.</p> <p>If the Authority fails to comply with the DfT requirement to submit a refreshed BSIP by the 12th June then it will put at risk BSIP funding for 2024/25 and future years.</p>
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The current MTFP includes the following for the schemes referred to in this report

	2023/24	2024/25	2025/26
	£	£	£
£1 Youth Fare Scheme	0	4,000,000	500,000
Bus Stop Infrastructure	0	500,000	500,000
Bus Services (including mayoral Precept)	7,015,000	15,046,000	15,318,000

Legal Implications

6.1 Compliance with the Bus Services Act 2017

Franchising Powers: The Bus Services Act 2017 grants local transport authorities, like CPCA, the power to implement franchising schemes. This involves assuming responsibility for the provision of bus services, which traditionally fell under private operators in a deregulated market.

Statutory Requirements: The Act sets out specific statutory requirements that CPCA must adhere to when implementing a franchising scheme. This includes conducting an assessment of the proposed franchising arrangement, demonstrating that it would contribute to the implementation of the local transport policies, and showing that it offers value for money.

Public Consultation Process

Legal Mandate for Consultation: The Act mandates a thorough public consultation process before any franchising scheme is implemented. This consultation must be comprehensive, inclusive, and transparent, allowing for input from various stakeholders, including current bus operators, passengers, and the general public.

Consideration of Responses: CPCA is legally required to consider consultation responses carefully and use them to inform the final decision on the franchising model. The authority must also publish a report summarising the consultation process and its outcomes.

Procurement and Contractual Obligations

Tendering Process: Implementing a franchising model involves a tendering process for bus service contracts. This process must comply with procurement regulations, ensuring fairness, transparency, and non-discrimination in the selection of bus operators.

Contract Management: The legal implications extend to contract management with selected operators. Agreements must outline service standards, performance metrics, financial arrangements, and mechanisms for dispute resolution.

Risks of Legal Challenges

Potential for Challenges: There is a risk of legal challenges from existing bus operators or other stakeholders who may contest the franchising decision or process. CPCA must ensure that all legal procedures are meticulously followed to mitigate this risk.

Judicial Review: Decisions related to franchising can be subject to judicial review, particularly if there are allegations of procedural impropriety or non-compliance with statutory duties.

Regulatory Compliance and Monitoring

Ongoing Compliance: Once the franchising scheme is in place, CPCA will have ongoing responsibilities to ensure compliance with transport and environmental regulations.

Monitoring and Enforcement: The authority must establish mechanisms for monitoring contractual compliance by operators and enforce regulations to maintain service standards and protect passenger interests.

In conclusion, the legal implications of transitioning to a franchising model are substantial and require meticulous adherence to legislative requirements and regulatory standards. The CPCA must undertake a rigorous and legally compliant approach in its franchising scheme, covering all aspects from public consultation to procurement and ongoing regulatory compliance.

Public Health Implications

7.1	<p>The investment in the Cambridgeshire and Peterborough Combined Authority (CPCA) bus network, particularly under the franchising model, presents significant public health benefits:</p> <ul style="list-style-type: none"> • Accessibility to Healthcare: An efficient bus network ensures easier access to healthcare and essential services, crucial for vulnerable populations. • Improved Air Quality: Transitioning to an eco-friendly bus fleet will enhance air quality, reducing health risks associated with air pollution. • Encouragement of Active Travel: Better bus connectivity promotes walking, contributing to physical fitness and reducing lifestyle-related health conditions. • Mental Well-being and Social Inclusion: Reliable bus services can alleviate travel-related stress and encourage social interaction, enhancing mental health and community cohesion. <p>While these benefits are notable, it's important to manage any transitional disruptions effectively to maintain public support for the long-term health advantages of the investment.</p>
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Item 10

Environmental & Climate Change Implications

8.1	<p>Environmental Impact of CPCA Bus Network Investment</p> <p>The investment in the bus network, particularly the transition to a franchising model, would make a substantial positive impact on the environment. This initiative is a key part of the region's commitment to combating climate change and enhancing environmental sustainability. By introducing a more eco-friendly bus fleet, which could include electric buses, the CPCA will significantly lower greenhouse gas emissions associated with public transport.</p> <p>Improvement in Air Quality and Resource Conservation</p> <p>Another important environmental benefit is the improvement in air quality. A modern, cleaner bus fleet will reduce the emission of harmful pollutants, contributing to a healthier atmosphere and overall public health. This aligns with broader efforts to create a more sustainable and liveable urban environment. Additionally, the move towards an efficient public transport system is expected to contribute to the conservation of natural resources. By optimising fuel usage and embracing sustainable practices, the initiative will reduce the ecological footprint of the region's transportation network, aligning with broader environmental conservation goals.</p> <p>Promoting Sustainable Urban Mobility</p> <p>The investment aims to promote sustainable urban transport by encouraging a modal shift from private car use to public transport. This shift is critical for reducing overall vehicle emissions, easing traffic congestion, and creating a more sustainable urban transport system. The enhanced bus network will not only meet immediate transportation needs but will also play a vital role in the region's long-term sustainable development.</p>
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Other Significant Implications

9.1	<p>Impact on Large and SME Bus Operators</p> <p>The proposed investment in the CPCA bus network, particularly under a franchising model, has specific implications for both large and small to medium-sized enterprise (SME) bus operators in the region. This section outlines these implications in the context of increased investment in the bus network and CPCA's commitment to supporting operators of all sizes.</p> <p>Opportunities for Large Operators:</p> <p>Expanded Business Opportunities: Increased investment in the bus network would provide larger operators with opportunities to expand their services and modernise their fleets, especially in adopting more environmentally friendly vehicles.</p> <p>Stable Contractual Relationships: Franchising models offer the potential for stable, long-term contracts, providing large operators with predictable revenue streams and clearer operational parameters.</p> <p>Enhanced Service Standards: With a franchising model, large operators will need to adhere to higher service standards set by CPCA, necessitating improvements in efficiency, customer service, and reliability.</p> <p>Challenges and Support for SME Operators:</p> <p>Market Entry and Competition: The franchising model may present challenges for SME operators in terms of market entry and competition with larger companies. CPCA will ensure that franchising</p>
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	<p>contracts are accessible to SMEs, by designing smaller contract packages and ensuring a transparent bidding process.</p> <p>Engagement and Collaboration: Actively engaging with SME operators throughout the transition process will be vital. This engagement would include consultation, feedback mechanisms, and collaborative planning to ensure that their unique challenges and needs are addressed.</p> <p>Maintaining a Diverse and Competitive Market:</p> <p>Encouraging Diverse Participation: To ensure a healthy, competitive market, CPCA will continue to encourage participation from both large and SME operators. This diversity enriches the service offerings and fosters innovation in service delivery.</p> <p>Balancing Interests: It is essential to balance the interests and capabilities of both large and SME operators. This balance ensures a fair and equitable market, providing choices for consumers.</p> <p>While increased investment in the bus network under a franchising model presents numerous opportunities for bus operators, it also raises challenges, particularly for SMEs. CPCA's approach will aim to foster an environment that supports and encourages the growth of operators of all sizes, ensuring a competitive and diverse market that ultimately benefits the entire region.</p>
Background Papers	
10.1	Previous decision on Bus Reform, CPCA TIC paper, 29/04/2020 CMIS > Meetings
10.2	Previous decision on Bus Reform, CPCA Board paper, 20/09/2023 CMIS > Meetings

Reference (linked to position in precept suggestion list from January board paper)	Start / Finish Points	Main points served	Characteristics/ Market Served	Service Category	Population in Catchment	Public Transport Trips within Catchment ¹	Expected single journey ²	Round trip time (incl. layover)	Headway (frequency)	Forecasted Additional Peak Vehicle Requirement
1, 17 Express via Busway	Cambridge – Huntingdon	Milton Road, Busway / Science Park, Busway / Histon & Impington, Longstanton P&R, Swavesey, Fenstanton	Largely limited stop catering for longer distance trips	New	3,320	89,640	0:54	1:59	60	2
1	Huntingdon – Alconbury Weald	Alconbury Weald	Connecting communities to urban centre	New	3,370	90,990	0:26	1:00	60	1
2 North option 1	Newmarket Rd P&R – Madingley Rd P&R – Part loop	Newmarket Rd P&R, Milton P&R, Science Park, Cambridge North Rail station, Histon Rd/ U of Camb, Madingley Rd P&R	Urban inner city circular service	New	16,723	451,521	0:56	2:00	60	2
2 North option 2	Newmarket Rd P&R – Madingley Rd P&R – Part loop	Newmarket Rd P&R, Milton P&R, Impington, Histon Rd/ U of Camb, Madingley Rd P&R	Urban inner city circular service	New	14,508	391,716	0:49	1:49	60	2
2 South	Grantchester – Fulbourn Hospital/ Capital Park – Part loop	Queens Road, Grantchester, Trumpington P&R, Shelford/Babraham P&R, Addenbrookes	Urban inner city circular service	New	10,867	293,409	0:51	1:52	60	2
2 Full loop	Circular within Cambridge – Full loop	Impington, Histon Rd/ Uni of Camb, Queens Road, Grantchester, Addenbrookes	Urban inner city circular service	New	32,610	880,470	2:09	4:28	60	5
3 Trumpington/ Addenbrookes Increased Frequency	Trumpington P&R – Addenbrookes Hospital (and connections to Cambridge)	Trumpington, Addenbrookes, Rail Station	Urban limited stop service	Commercial	Further discussion with commercial operator needed					
4 Route 18 diversion via Parkside	Cambridge – St Neots	Cambridge Bus Station, Grantchester, Barton, Cambourne, St Neots	Villages/suburbs between St Neots, Cambourne and Cambridge	Contract	29,938	808,326	Expected to be within existing resource			
5 Busway A Service additional stops on Histon Rd	St Ives – Addenbrookes Hospital	Histon Rd, Central Cambridge, Addenbrookes	Inner Cambridge	Commercial	Further discussion with commercial operator needed					
5 Histon Road New Link	Orchard Park – Addenbrookes Hospital	Orchard Park, Histon Road, Queens Road/University, Addenbrookes	Inner Cambridge	New	14,329	386,883	0:21	0:52	60	1
6 Zipper 1 amendment	Ely – Wilburton/ Aldreth	Aldreth, Haddenham, Stretham	Linking villages to Ely main centre	Contract	3,361	90,747	Expected to be within existing resource			
6 Zipper 2 extension	Ely – March	Sutton, Chatteris, Wimblington, Mepal, Witchford	Linking villages to main centres such as March & Ely	Contract	14,413	389,151	0:52	1:55	60	1
6 New Zipper 3	Ely – Sutton	Lancaster Way, Witchford, Wentworth, Witcham, Mepal, Sutton	Linking villages to Ely main centre	New	5,466	147,582	0:32	1:15	90	1
7	Longstanton P&R – Sutton	Earith, Willingham, Sutton	Rural linking villages to Busway and Sutton (for onward connections)	New	3,525	95,175	0:29	1:00	60	1

¹ Trips within catchment calculated from total population within 400m catchment from bus stops (Census 2021) multiplied by Public Transport Trips per person (National Travel Survey - table NTS0303a: Average number of trips by main mode (27 trips per person per year): England, 2002 onwards).

² All running times are estimated and subject to confirmation.

Shaded colour denotes the type of service (new, currently contracted, currently commercial)

Reference (linked to position in precept suggestion list from January board paper)	Start / Finish Points	Main points served	Characteristics/ Market Served	Service Category	Population in Catchment	Public Transport Trips within Catchment ¹	Expected single journey ²	Round trip time (incl. layover)	Headway (frequency)	Forecasted Additional Peak Vehicle Requirement
8, 9 Revised Service 11 - Blue	Cambridge – Soham	Burwell, Swaffham Prior, Swaffham Bulbeck, Lode, Stow cum Quy	Direct service linking main points to Cambridge and Soham	New	16,615	448,605	0:56	2:00	60	2
8, 9 New Service - Orange	Newmarket – Addenbrookes Hospital	Burwell, Reach, Swaffam Prior, Swaffam Bulbeck, Bottisham & Wilbrams, Fulbourn	Largely rural – Linking villages to main centres	Contract	7,008	189,216	1:16	2:43	60	Existing Svc 11 resource
10 DRT East Cambridge	Isleham (1) and Little Downham (2) zones	Two Zone Options currently provided	Demand Responsive Service	New	(1) 18,108 (2) 35,020	488,916 945,540	Maximum wait times will be established			1
11 68 Extension to Morrisons	Wisbech Horse Fair – Wisbech Tesco	Orchard House, Rosmini Centre, Tesco	Provides a connection for Wisbech residents to Morrisons	Contract	7,998	215,946	Expected to be within existing resource			
12 31 diversion to Amazon option 1	Ramsey – Peterborough	Ramsey, Pondersbridge, Whittlesey, Stanground	To connect Whittlesey to employment sites	Partial Contract	13,049	352,323	Expected to be within existing resource			
12 31 diversion to Amazon option 2	Ramsey – Peterborough	Ramsey, Pondersbridge, Whittlesey, Stanground	To connect Whittlesey to employment sites	Partial Contract	14,739	397,953	Expected to be within existing resource			
12 33 diversion to Amazon option 1	March – Peterborough	Smarch, Coates, Whittlesey, Stanground	To connect Whittlesey to employment sites	Commercial	16,942	457,434	Expected to be within existing resource			
12 33 diversion to Amazon option 2	March – Peterborough	Smarch, Coates, Whittlesey, Stanground	To connect Whittlesey to employment sites	Commercial	18,469	498,663	Expected to be within existing resource			
13 Wisbech - Chatteris New	Wisbech - Chatteris	Manea Rail station, Christchurch, Three Holes, Upwell	Connecting communities to towns, rail and other facilities	New	4,395	118,665	1:17	2:45	60	3
13 Downham Market extension	Wisbech – Downham Market	Downham Market, Three Holes, Upwell	Connecting communities to towns, rail and other facilities	Contract	2,753	74,331	0:55	2:00	60	1
14	Covered by Options under Reference 6									
15	Covered by Options under Reference 6									
16 DRT Fenland	March – Chatteris zone	Chatteris, Manea, Wimblington, March, Christchurch, Benwick, Doddington	Demand Responsive Service	New	40,725	1,099,575	Maximum wait times will be established			1
17	Covered by Options under Reference 1									
18 Service 66 Frequency Increase	Godmanchester – Huntingdon – St Neots	Fenstanton, Godmanchester, Huntingdon, Hinchingsbrooke Hosp, Brampton, St Neots	Local connections into Huntingdon centre and Hospital	Contract	16,702	450,954	0:57	2:00	60	1
19 302 Co-ordination	March – St Ives	Doddington, Chatteris, Warboys	Largely rural providing direct connection to main centres or by interchange	Contract	12,537	338,499	0:57	2:00	120	Existing Svc 302 resource
19 Revised Service 305	Huntingdon – Chatteris	Huntingdon, Warboys, Ramsey, Chatteris	Largely rural providing direct connection to main centres or by interchange	Contract	20,769	560,763	1:06	2:23	90	1

Reference (linked to position in precept suggestion list from January board paper)	Start / Finish Points	Main points served	Characteristics/ Market Served	Service Category	Population in Catchment	Public Transport Trips within Catchment ¹	Expected single journey ²	Round trip time (incl. layover)	Headway (frequency)	Forecasted Additional Peak Vehicle Requirement
20 X2/X3 Additional Journeys	Huntingdon – Cambridge	Godmanchester, Cambourne, West Cambridge (X3), Coton & Grantchester (X2), Addenbrookes (X3)	Interurban direct service between main centres	Partial Contract	27,866	752,382	Further discussion with operator needed			
21 904 Improved Frequency and later journeys		Alconbury Weald, Sawtry, Stilton, Hampton	Linking well spaced communities to main centres	Commercial	12,482	337,014	1:02	2:14	90	1
22 Peterborough Orbital	Circular within Peterborough – Full loop	Railway station, Weston Home Stadium, Ortongate centre, Bretton Centre, Central Park, Embankment, Cavell Centre	Inner urban	New	38,803	1,047,681	0:51	1:52	60	2
23 Linking Service 4 to 36A to extend Svc 4	Parnwell – Peterborough - Eye	Parnwell, Eye, Thorney	Local connections to main centre	Contract	22,871	617,517	0:57	2:00	60	Existing 4 and 36A resource
24 Route 5/5A Frequency increase	Dogsthorpe – Peterborough - Yaxley	Dogsthorpe, Peterborough train station, Weston Homes Stadium	Urban – linking suburbs to City Centre	Partial Contract	40,151	1,084,077	Existing running times maintained – Frequency increase only			2
25 Integrate Service 1A and 5A	St Ives – Bar Hill	Fenstanton, Fen Drayton, Over, Swavesey/Willingham, Longstanton P&R	Rural connections to main town and Busway	Contract	8,734	235,818	0:56	2:00	60	Existing 1A & 5A resource
26 Svc 4 Improved frequency & Extension	Cambourne – Cambridge	Cambridge City Centre, Coton, Cambourne	Suburb connections to city centre	Partial Contract	15,695	423,765	0:41	1:33	30	2
27 Service 8 Extn to Rampton	Rampton – Cambridge	Rampton, Cottenham, Impington, Orchard Park	Suburb connections to city centre	Commercial	19,757	533,439	0:38	1:26	30	Existing Svc 8 resource
28 Service X13 Frequency Increase	Haverhill – Cambridge	Addenbrooke's Hospital, Linton, Haverhill	Suburb connections to city centre	Commercial	13,102	353,754	Further discussion with commercial operator needed			
29 South Cambridgeshire DRT	Cambourne zones – (1) North and (2) South	Two Zone Options currently provided – North & South of the A428	Demand Responsive Service	New	(1) 21,995 (2) 23,196	593,865 626,292	Maximum wait times will be established			1

Appendix 2: Vision and Context for Bus Reform

The Vision

The CPCA envisions a transformative future for its bus network, one that is not only responsive to the current needs of its residents and businesses but also considers future demands and challenges. This vision is underpinned by a set of factors that align with our broader strategic objectives, encompassing social, economic, and environmental considerations.

Enhanced Accessibility and Connectivity:

Our primary ambition is to significantly improve the accessibility and connectivity of the bus network. This involves expanding the network to underserved areas, enhancing the frequency and reliability of services, and extending operational hours to provide more comprehensive coverage throughout the day and week. The goal is to make buses a viable and preferred option for a wider array of travel purposes, including commuting, education, healthcare access, and leisure activities.

Economic Growth and Opportunity:

A robust and efficient bus network is pivotal to supporting the region's economic aspirations. By facilitating easier access to job markets, commercial centres, and educational institutions, an enhanced bus service can play a crucial role in driving economic growth and opportunity across Cambridgeshire and Peterborough.

Social Inclusion and Equity:

Recognising the diverse needs of our community, the bus network aims to promote social inclusion by providing affordable, safe, and accessible transportation options. This is particularly crucial for vulnerable groups, students, the elderly, and those without access to private vehicles, ensuring that all residents have equitable access to essential services and opportunities.

Environmental Sustainability:

In line with regional and national targets for carbon reduction and environmental sustainability, the bus network aims to contribute significantly to these goals. This includes transitioning to low or zero-emission buses, promoting modal shift away from private car usage, and integrating the bus network with other sustainable transport modes such as cycling and walking.

Customer-Centric Service and Experience:

A key ambition is to transform the customer experience of bus travel. This involves not just the physical aspects of travel, such as comfort and convenience but also the overall service experience including ticketing, customer service, and the provision of real-time travel information. Embracing digital technologies and innovations plays a significant role in achieving this goal.

Financial and Operational Sustainability:

Ensuring the long-term financial and operational sustainability of the bus network is crucial. This involves exploring funding models, enhancing the cost-effectiveness of services, and ensuring that the network can adapt to changing demographic and travel patterns over time.

The ambitions for the bus network in Cambridgeshire and Peterborough are comprehensive and multifaceted, aiming to create a transport system. These ambitions set the context for considering franchising or an enhanced partnership as a strategic approach to realise this transformative vision for our bus services.

Existing Challenges and the Need for Bus Reform

As the CPCA contemplates the future of its bus network, it is important to acknowledge the existing challenges that necessitate bus reform. These challenges not only impede the current effectiveness of our bus services but also pose significant barriers to achieving our long-term strategic ambitions.

Declining Patronage and Service Viability:

One of the most pressing challenges is the declining patronage of bus services, a trend exacerbated by the COVID-19 pandemic. This decline has affected the commercial viability of many routes, leading to service reductions and cancellations, particularly in less densely populated or economically less affluent areas. The result is a vicious cycle: reduced services lead to lower patronage, which further diminishes service viability.

Operational and Financial Constraints:

The increasing operational costs, partly due to rising fuel prices and maintenance expenses, pose significant financial challenges. These costs are coupled with limited funding options, placing a strain on the ability to maintain, let alone expand, service offerings. The need for investment in modern, eco-friendly buses adds another layer to these financial challenges.

Network Fragmentation and Lack of Coordination:

Under the current deregulated system, the bus network suffers from fragmentation, with multiple operators running different services with limited coordination. This fragmentation leads to inconsistencies in service quality, fare structures, and scheduling, making the network less user-friendly and hindering the potential for integrated multimodal transport solutions.

Customer Experience and Accessibility Issues:

Customer experience varies significantly across the network, with issues such as lack of real-time information, inconsistent service quality, and inadequate coverage during off-peak hours and in rural areas. Improving accessibility for all, including those with mobility challenges, is a key concern that needs to be addressed.

Environmental Impact:

The environmental impact of the existing bus fleet, primarily comprised of diesel-powered vehicles, is a growing concern, especially in light of regional and national goals for reducing carbon emissions. Transitioning to a greener fleet is important and requires substantial investment and strategic planning.

Response to Changing Travel Patterns:

The evolving nature of work and travel patterns, accelerated by the pandemic, presents both a challenge and an opportunity. There is a need to adapt the bus network to meet these changing patterns, such as the rise in flexible working, which affects peak travel times and demands for connectivity.

The Process of assessing Bus Reform

The legislation outlines the process for introducing a franchising scheme in the UK bus services sector, as detailed in the Bus Services Act 2017. A franchising scheme may not be made unless the franchising authority has complied with the requirements in sections 123B to 123H of the act. Key steps include:

- Preparation of an assessment for the proposed scheme, detailing its expected effects and comparing it with other actions. (123B)
- Independent auditing of the scheme's assessment. (123D)
- Public consultation, including the publication of consultation documents and consideration of feedback. (123E, F and G)
- Decision and publication, where authorities decide whether to proceed with the franchising scheme based on the consultation's outcome and then publish their decision. (123H)

These steps aim to ensure that franchising schemes are thoroughly evaluated and that there is an opportunity for public and stakeholder engagement before any decisions are made. For more detailed information, the legislation can be found directly at the source: [Bus Services Act 2017](#).

CPCA is currently completing the Audit stage of this process (123D), with the intention to consult the public on the preferred option to franchise the bus network in the CPCA area.

The Case for Reform: Franchising and Enhanced Partnership

In addressing the challenges facing our bus network, the CPCA is considering two primary models for reform: Bus Franchising and Enhanced Partnership. Each model offers distinct approaches to improving our bus services, and their potential merits and challenges have been given careful consideration through the business case process.

Enhanced Partnership (EP)

Potential: An Enhanced Partnership allows for a collaborative approach with existing bus operators. It can lead to quick wins in improving services, as it builds on existing relationships and structures. EPs can introduce unified standards for service delivery, fare structures, and potentially, some level of integrated ticketing. This model is particularly beneficial where there is a willingness among operators to work together towards shared objectives. An EP has been used in other part of England as a transition stage, enabling authorities to understand if improvements are possible without the financial risk of franchising.

Challenges: The effectiveness of an EP is highly dependent on the degree of consensus and collaboration among participating operators. It may offer less control to CPCA compared to franchising and could be limited in its ability to bring about changes or large-scale network restructuring, as experienced in other places. The other Mayoral Combined Authorities in England (Greater Manchester, West Yorkshire, South Yorkshire, Liverpool City Region, West Midlands) have had EP's in place for a number of years and are now perusing franchising as the preferred future model. The EP model is less likely to ensure consistency across the entire network, as operators retain a significant degree of autonomy.

Bus Franchising

Potential: Franchising offers CPCA the ability to exert comprehensive control over the bus network, including routes, timetables, fares, and service standards. This model facilitates a more coordinated and user-focused approach, allowing for a unified brand, integrated ticketing systems, and a more efficient allocation of resources. Franchising can also drive improvements in service quality and consistency, making the bus a more attractive option for users.

Challenges: Implementing a franchising model requires substantial upfront investment and resource commitment. There are complexities involved in the tendering process and ongoing management of contracts. A decision to franchise will require the CPCA to manage financial uncertainty. The business case is based on making assumptions on the operating costs of buses in the short and long term to establish if franchising is affordable. The assumptions have been tested and challenged through the business case development process, and are identified as the main risk to long term affordability. The CPCA will be able to manage this risk through contracting procedures and updating financial models during franchise periods. The scenario testing which has been undertaken for the business case identifies how CPCA can control the cost of the network through procurement and network planning.

Enhanced Partnership vs. Franchising in the context of increasing Public Sector investment

The escalating levels of public sector investment in the bus network present distinct opportunities and challenges within the frameworks of Enhanced Partnership and Franchising models. The increasing reliance on public funding necessitates a careful evaluation of how this investment translates into control, efficiency, and network enhancement under each model.



Combined Authority Board		Agenda Item
20 March 2024		11
Title:	Corporate Performance Report, Q3 2023/24	
Report of:	Jules Ient, Head of Policy, Insight and Performance	
Lead Member:	Cllr Edna Murphy	
Public Report:	Yes	
Key Decision:	No	
Voting Arrangement:	A simple majority of all Members present and voting	

Recommendations:	
A	Scrutinise and agree performance information relating to the Combined Authority's Corporate Key Performance Indicators.
B	Scrutinise and agree performance information relating to the Combined Authority's Most Complex Programmes and Projects.
C	Scrutinise and agree performance information relating to the Combined Authority's Headline Priority Activities.
D	Note progress to evaluate the impact of the Devolution Deal Investment Fund in a Gateway Review.

Strategic Objective(s):	
The proposals within this report fit under the following strategic objective(s):	
X	Achieving ambitious skills and employment opportunities
X	Achieving good growth
X	Increased connectivity
X	Enabling resilient communities
X	Achieving best value and high performance
The performance information presented relates to the achievement of outcomes and outputs of all five strategic objectives, strengthening scrutiny and accountability in line with expectations outlined in the English Devolution Accountability Framework (EDAF).	

1. Purpose

1.1	Sections 2 - 5 and Appendix A present Corporate Key Performance Indicators (KPIs) performance information in a Balanced Scorecard, Red, Amber, Green rating summary and Dashboard, for Members' scrutiny and comment.
1.2	Section 6 and Appendix B present Most Complex Programmes and Projects performance information in a Red, Amber, Green rating summary, an exception report and dashboard, for Members' scrutiny and comment.
1.3	Section 7 presents Headline Priority Activities performance information in narrative form, for Members' scrutiny and comment.
1.4	Section 8 presents an update on the planned evaluation of the impact of the Combined Authority's Devolution Deal, for Members to note.
1.5	Section 9 describes planned further implementation of the Performance Management Framework.

2. Corporate Key Performance Indicators (KPIs) Balanced Scorecard and Dashboard

2.1 The Combined Authority's Balanced Scorecard in Section 2.2 summarises the performance of 27 Key Performance Indicators. Metrics are classed as owned by the Combined Authority when the ability to change performance lies wholly or mainly with the Combined Authority. Metrics are classed as State of the Region when the ability to change performance does not lie solely with the Combined Authority.

The metrics below were chosen with the rationale of applying a balanced scorecard approach encompassing four perspectives: State of the Region, Internal Process, Learning and Growth and Financial. This allows the Combined Authority to link long-term strategies to shorter-term actions.

Metrics owned by the whole region	Metrics owned by the Combined Authority
Metric 1: Gross Value Added for Cambridgeshire and Peterborough Area	Metric 16: Number of contract waivers that are active
Metric 2: Total jobs in Cambridgeshire and Peterborough	Metric 17: Percentage of projects delivered on time
Metric 3: Number of jobs per working age person in Cambridgeshire and Peterborough	Metric 18: Website Accessibility Score
Metric 4: Number of active businesses per 10,000 working age population	Metric 19: Proportion of staff who have completed Data Protection and Information Security courses
Metric 5: Number of business startups per 10,000 working age population	Metric 20: Number of FOI requests responded and completed within 20 days of review
Metric 6: New Housing Completions per 1000 of population	Metric 21: Total number of jobs created and supported by key Combined Authority Economy and Growth funds
Metric 7: Number of Local Super Output Areas in the 20% most deprived nationally	Metric 22: Enrolments onto and achievements supported by adult education services funded by CA investment
Metric 8: Proportion of the Cambridgeshire and Peterborough working age population with level three, four and above qualifications	Metric 23: Number of apprenticeships created by CA funded investment
Metric 9: 19+ further education and skills achievements per 100,000 population	Metric 24: Cumulative number of homes retrofitted through schemes led by Greater South East Net Zero Hub
Metric 10: Total annual net CO2 emissions in Cambridgeshire and Peterborough	Metric 25: Proportion of Cambridgeshire and Peterborough region with gigabit broadband availability
Metric 11: Total CO2 from transport	Metric 26: Proportion of staff feeling valued by the Combined Authority
Metric 12: Percentage of households in fuel poverty	Metric 27: Forecast vs budget loss/carried forward (current financial year)

	Metric 13: Proportion of land (hectares) that is classed as nature rich	
	Metric 14: Killed or seriously injured (KSI) casualties	
	Metric 15: Mode share	
2.2	<p>The information presented for each metric comprises:</p> <ul style="list-style-type: none"> • Mapping to Combined Authority strategic objective • Mapping to indicator of progress • Ownership • Reporting period • Date of latest available data • Previous period performance • Current period performance • Direction for improvement • Direction of travel • Red, Amber, Green (RAG) rating of direction of travel compared to direction for improvement • Target • Red, Amber, Green (RAG) rating of current period performance compared to target 	
2.3	A dashboard for each metric is presented in Appendix A and includes summary performance information, data visualisation, target (where available), metric description, commentary, actions and links to data source(s).	
2.4	Targets have been set by a variety of means appropriate to the measure in question. This has included relevant partnerships (Cambridgeshire and Peterborough Climate Partnership, Vision Zero Partnership), Government departments (Department for Energy and Net Zero, HM Treasury), individual teams (Adult Education, Economy and Growth, Data Protection, Finance, Programme Management) and external consultants (Cambridgeshire and Peterborough Independent Economic Review 2018).	

3. Balanced Scorecard

3.1 The following metrics have changed from Q2 2023/24 to Q3 2023/24. The full Balanced Scorecard can be found at Appendix A.

Scorecard Perspective	Strategic Objective	Indicator of progress	Metrics	Ownership	Reporting Period	Date of Latest Available Data	Previous Period Performance	Current Period Performance	Direction for Improvement	Direction of Travel	RAG Rating against direction of travel	Target	RAG Rating against target
State of the Region (Shared Ownership)	Achieving Good Growth	Business Environment and Growth	Metric 4: Number of active businesses per 10,000 working age population	All	Annual	Dec-22	729	726	↑	↓	Amber	N/A	Target N/A
			Metric 5: Number of business startups per 10,000 working age population	All	Annual	Dec-22	84.84	82.08	↑	↓	Amber	N/A	Target N/A
	Housing and Social Well-being	Metric 6: New Housing Completions per 1000 of population	All	Annual	Mar-23	4.73	5.37	↑	↑	Green	N/A	Target N/A	
Improving Connectivity	Road Safety	Metric 14: Killed or seriously injured (KSI) casualties	All	Annual	Dec-22	435	458	↓	↑	Red	353	Red	
Internal Process (CPCA Ownership)	Achieving Best Value and High Performance	Contract Management Efficiency	Metric 16: Number of contract waivers that are active	CPCA	Monthly	Dec-23	7.58	7.58	↓	→	Amber	N/A	Target N/A
		On-Time Project Delivery Rate	Metric 17: Percentage of projects delivered on time	CPCA	Annual	Mar-23	0.00%	100.00%	↑	↑	Green	100.00%	Green
		Inclusive Website Experience	Metric 18: Website Accessibility Score	CPCA	Monthly	Dec-23	82.00%	64.00%	↑	↓	Red	N/A	Target N/A
		Data Security Awareness	Metric 19: Proportion of staff who have completed Data Protection and Information Security courses	CPCA	Monthly	Dec-23	77.24%	83.21%	↑	↑	Green	100.00%	Red
		Efficient FOI Request Handling	Metric 20: Number of FOI requests responded and completed within 20 days of review	CPCA	Annual	Dec-23	100.00%	94.74%	↑	↓	Red	90%	Blue
	Achieving Good Growth	Job Creation and Support	Metric 21: Total number of jobs created and supported by key Combined Authority Economy and Growth funds	CPCA	Annual	Jan-24	7,711	14,249	↑	↑	Green	6,835	Blue
	Ambitious Skills and Employment Opportunities	Advancing Education and Skills	Metric 22: Enrolments onto and achievements supported by adult education services funded by CA investment	CPCA	Annual	Feb-23	16,740	19,468	↑	↑	Green	17,000	Blue
			Metric 23: Number of apprenticeships created by CA funded investment	CPCA	Quarterly	Dec-23	723	804	↑	↑	Green	1,400	Red
Enabling Resilient Communities	Sustainable Housing, Energy and Infrastructure	Metric 24: Cumulative number of homes retrofitted through schemes led by Greater South East Net Zero Hub	CPCA	Monthly	Sep-23	3,230	3,265	↑	↑	Amber	3,745	Red	
Improving Connectivity	Digital Connectivity	Metric 25: Proportion of Cambridgeshire and Peterborough region with gigabit broadband availability	CPCA	Annual	Dec-23	71.00%	79.65%	↑	↑	Green	55.00%	Blue	
Learning and Growth (CPCA Ownership)	Achieving Best Value and High Performance	Stability of workforce	Metric 26: Proportion of staff feeling valued by the Combined Authority	CPCA	Bi-annual	Dec-23	58.33%	60.20%	↑	↑	Amber	N/A	Target N/A
Financial (CPCA Ownership)	Achieving Best Value and High Performance	Financial Planning and Sustainability	Metric 27: Forecast vs budget loss/carried forward (current financial year)	CPCA	Monthly	Dec-23	87.47%	89.00%	↑	↑	Amber	100.00%	Red

4. RAG ratings for Corporate KPIs owned by the Combined Authority

4.1	Metrics are classed as owned by the Combined Authority when the ability to change performance lies wholly or mainly with the Combined Authority.		
4.2	Direction of travel compared to direction for improvement: summary of RAG ratings		
	RAG rating	Description	Number of metrics
	Red	change in performance from previous period to current period is more than 5% and in the opposite direction to direction for improvement	2
	Amber	change in performance from previous to current period is 5% or less	4
	Green	change in performance from previous period to current period is more than 5% and in line with direction for improvement	6
	Total		12
			100.0%
4.3	Direction of travel compared to direction for improvement: red rated metrics		
	Metric 18: Website Accessibility Score		
	Metric 20: Number of FOI requests responded and completed within 20 days of review		
4.4	Current period performance compared to target: summary of RAG ratings		
	RAG rating	Description	Number of metrics
	Red	current performance is off target by more than 10%	3
	Amber	current performance is off target by 10% or less	0
	Green	current performance is on target by up to 5% over target	2
	Blue	current performance is on target by more than 5%	4
	Target N/A	these measures track key activity being undertaken, without a current performance target	3
	Total		12
			100.0%
4.5	Current period performance compared to target: red rated metric		
	Metric 19: Proportion of staff who have completed Data Protection and Information Security courses		
	Metric 23: Number of apprenticeships created by CA funded investment		
	Metric 24: Cumulative number of homes retrofitted through schemes led by Greater South East Net Zero Hub		

5. RAG ratings for State of the Region Corporate KPIs

5.1	Metrics are classed as State of the Region when the ability to change the performance does not lie wholly or mainly with the Combined Authority.			
5.2	Direction of travel compared to direction for improvement: summary of RAG ratings			
	RAG rating	Description	Number of metrics	Proportion of metrics
	Red	change in performance from previous period to current period is more than 5% and in the opposite direction to direction for improvement	4	26.67%
	Amber	change in performance from previous to current period is 5% or less	7	46.67%
	Green	change in performance from previous period to current period is more than 5% and in line with direction for improvement	4	26.67%
	Total		15	100%
5.3	Direction of travel compared to direction for improvement: red rated metrics			
	Metric 3: Number of jobs per working age person in Cambridgeshire and Peterborough			
	Metric 10: Total annual net CO2 emissions in Cambridgeshire and Peterborough			
	Metric 11: Total CO2 from transport			
	Metric 14: Killed or seriously injured (KSI) casualties			
5.4	Current period performance compared to target: summary of RAG ratings			
	RAG rating	Description	Number of metrics	Proportion of metrics
	Red	current performance is off target by more than 10%	2	13.3%
	Amber	current performance is off target by 10% or less	0	0.0%
	Green	current performance is on target by up to 5% over target	0	0.0%
	Blue	current performance is on target by more than 5%	1	6.7%
	Target n/a	these measures track key activity being undertaken, to present a rounded view of information relevant to the service area, without a current performance target	12	80.0%
	Total		15	100%
5.5	Current period performance compared to target: red rated metrics			
	Metric 10: Total annual net CO2 emissions in Cambridgeshire and Peterborough			
	Metric 14: Killed or seriously injured (KSI) casualties			

6. Summary of Most Complex Programmes and Projects RAG ratings and exception report

6.1	Programmes and Projects are classed as Most Complex when a Combined Authority Funded programme or project is considered most significant in terms of value, strategic fit and where there would be significant impact if failure to deliver. This list is subject to change. Due to the inherent complexity of these projects, there is likely to be a higher percentage at amber than when considering less complex projects.		
6.2	A summary of RAG ratings for Most Complex Programmes and Projects is as follows.		
	RAG rating	Description	Number of programmes and projects
	Red	Without action, successful delivery is highly unlikely.	0
	Amber	Without action, successful delivery is in doubt, and/or there is uncertainty and risk surrounding future deliverability.	4
	Green	High level of confidence in successful delivery.	3
	Total		7
6.3	There are no red rated Most Complex Programmes and Projects.		

7. Headline Priority Activities

7.1	<p>Climate Summit</p> <p>On Thursday 9th November, the Combined Authority hosted the Cambridgeshire & Peterborough Climate Partnership: The green future at the Maltings in Ely.</p> <p>The summit was convened by Mayor Dr Nik Johnson to raise awareness of the steps the region has taken so far to tackle climate change and our bold ambitions for the future. The summit also discussed the further actions required at a regional and national level to reach net zero emissions and brought together partners and stakeholders from a wide range of organisations.</p> <p>Following the summit, attendees have been provided with an opportunity to provide further feedback on existing plans and a platform to continue to engage with the work of the Cambridgeshire & Peterborough Climate Partnership.</p>
7.2	<p>Engineering UK Inquiry</p> <p>Engineering UK have published a 5-point plan to grow and sustain engineering and technology apprenticeships for young people. <i>Fit for the future: Growing and sustaining engineering and technology apprenticeships for young people</i>, is an inquiry that had been led by Lord Knight and Lord Willetts.</p> <p>The Combined Authority provided evidence to the inquiry and attended the 5-point plan launch. It is welcome to see much of the Combined Authority's recommendations within the report. The report identifies barriers such as funding disparities, lack of awareness, and application process challenges for young people and businesses, all of which must be addressed to make apprenticeships more accessible. It aligns with the Combined Authority's strategic approach, emphasising the importance of engaging more employers, diversifying job boards, and promoting diversity champions.</p>
7.3	<p>UK's Real Estate Investment & Infrastructure Forum</p> <p>The Combined Authority have booked a pavilion at the UK's Real Estate Investment & Infrastructure Forum (UKREiiF) 21-23rd May 2024. UKREiiF is the largest cross sector property conference in the UK, forecasting 10,000 delegates in 2024. It is an opportunity to showcase Cambridgeshire and</p>

	<p>Peterborough investment propositions to a national and international audience of developers, investors and occupiers . It will also heighten awareness of the Combined Authority.</p> <p>A small multi-disciplinary team are working to produce a programme of events and marketing materials for the pavilion, and will be looking to work in partnership with our constituent authorities, partners and stakeholders to develop these further in the near future.</p>
7.4	<p>Why hasn't UK regional policy worked?</p> <p>The Combined Authority has welcomed Harvard University's recent report: <i>Why hasn't UK regional policy worked?</i>, authored by Dan Turner, Harvard Kennedy School, Nyasha Weinberg, Harvard Kennedy School, Esme Elsdon, University College London and Ed Balls, King's College London & Harvard Kennedy School. The authors interviewed ninety-three top level political and official policymakers across the UK (spanning six decades of experience).</p> <p>We support the report's findings that the Mayoral Combined Authority model, coupled with sustainable local government funding, can be the vehicle to form the basis for a cross-party consensus on regional growth. The report also makes a strong case of deeper skills devolution and an acknowledgement that skills policy must align with local business needs and industry strategy. The Combined Authority are echoing these recommendations in conversations with the Government, regarding Cambridge 2040, deeper devolution at the Autumn Statement.</p>

8. Planned evaluation of the impact of the Combined Authority's Devolution Deal

8.1	<p>The Devolution deal commits a £20m per annum Investment Fund (referred to as Gainshare) to the Combined Authority over 30 years. This funding is subject to 5-year independent gateway reviews to assess the impact investment funds have made in the local area on economic growth. Ekosgen has supported the Combined Authority in developing the Mid-term report, the current phase of the Gateway Review process. This has included the development of eight draft papers that have been submitted to DLUHC's consultants SQW for review. Feedback from this review will be incorporated into a mid-term report. The evidence papers are:</p> <ul style="list-style-type: none"> • Covid Micro Grants impact evaluation report • Digital Connectivity impact evaluation report • Market Towns Phase 2 progress plus evaluation • University of Peterborough update and next steps evidence paper • Contextual Economic Forecast evidence paper • Progress Evaluation evidence paper • Market Towns Phase 1 evidence paper • Complementary Workstreams evidence paper <p>Following the mid-term report, Eskogen will hold Case Study interviews on the Complimentary Workstreams process and on Capacity Development and Partnership.</p>
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9. Implementation of the Performance Management Framework (PMF)

9.1	<p>The CA is working to embed the new Performance Management Framework, a key component of the Single Assurance Framework (SAF).</p>
9.2	<p>Thematic reports</p> <p>Work has begun to develop quarterly Thematic Performance Reports encompassing Dashboards of Key Performance Indicators (KPIs) relevant to the remit of the particular thematic committee. The quarterly Thematic Performance Reports will be scrutinised by our Corporate Management Team (CMT) and the relevant thematic committee (Skills and Employment Committee, Environment and Sustainable Communities Committee, Transport and Infrastructure Committee or Business Board). Whilst this work is in development, progress updates will be reported via Directors' Highlight Reports.</p>

9.3	<p>Developing an effective performance management culture</p> <p>The Combined Authority is developing plans to establish and embed an effective performance management culture for the organisation. As part of the implementation of the Performance, Risk and Single assurance Framework, the Programme Office are developing a change handbook, incorporating the CPCA frameworks and governance into once place. The new project reporting governance implementation will be established from June 2024.</p> <p>Training sessions have been run for members and officers to explain the new minimum reporting requirements. This includes training on the Performance Management Framework given to all staff and Board/Committee training. A lessons learned training will also take place and will be captured through Microsoft PowerApps and shared with partners to enable a community of learning and collaboration.</p> <p>Training for CPCA officers has been undertaken in the following areas:</p> <ul style="list-style-type: none"> • Project Management – Association of Project Manager Fundamentals • Project Management – Association of Project Manager Professional Qualification • Risk Management Framework and Processes – RSM Auditors • Risk Management – 4Risk software • Procurement training • Contract Management training
9.4	<p>Accountability to the public</p> <ul style="list-style-type: none"> • A Projects Performance Dashboard will be published on our website, which will include reporting on all Combined Authority projects. The Dashboard will be able to be filtered by area so residents, stakeholders or members can view the projects we are delivering in their area. • The KPI Dashboards will also be published on our website • Mayoral Question Time events are in development, that will enable the public to question the Mayor and members on a broad range of topics including the economy and growth, transport, skills and digital connectivity. These will be a mixture of face to face and virtual events • Social and Digital Media will also be utilised to effectively communicate the Corporate Performance Reports. • A performance communications plan will be developed to go live in June 2024.
9.5	<p>Use of technology</p> <p>The Corporate KPIs dashboard is a spreadsheet that can only be shared with Members as a printed PDF. The Combined Authority plans to transition to Power BI, a platform that is routinely used by MCAs and other local authorities. This will provide Members with ongoing access to the data and the ability to drill down into the data, for example by geography. Power BI training took place in Q2.</p>

10. Appendices

12.1	Appendix A – Balanced Scorecard and Corporate KPIs Dashboard Q3 2023/24
12.2	Appendix B – Most Complex Programmes and Projects Dashboard Q3 2023/24

11. Implications

Financial Implications

12.1	<p>There are no immediate direct financial implications as a consequence of the delivery of this Q3 performance report.</p> <p>The Gateway review in 2025, is the next in the 5-yearly reviews of the Combined Authority's investment fund (a.k.a. gainshare) agreed as part of the devolution deal, continuation of the Combined Authority's £20m p.a. devolved funding is tied to passing these gateways.</p>
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Legal Implications	
12.2	<p>This report needs to be seen in the context of the legal and constitutional nature of the Combined Authority itself. Under Section 3 of the Local Government Act 1999 (as amended by s137 of the Local Government & Public Involvement in Health Act 2007), the Combined Authority is under a general duty to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.</p> <p>Whilst there may be Legal implications as a result of the delivery of the Combined Authority's Corporate Plan and its Priorities, there are no direct Legal implications as a consequence of the delivery of this performance report.</p>
Public Health Implications	
12.3	<p>This Q3 report does not have direct public health impacts. Achieving, or supporting the achievement of Green RAG ratings for relevant public health KPIs will have implications that need to be considered by thematic Committees.</p>
Environmental & Climate Change Implications	
12.4	<p>This Q3 report does not have direct environmental & climate change impacts. Achieving, or supporting the achievement of Green RAG ratings for relevant climate and environment KPIs will have implications that need to be considered by thematic Committees.</p>
Other Significant Implications	
12.5	<p>There are no immediate equality, diversity and inclusion implications as a consequence of the delivery of this Q3 performance report. However, future performance reports will develop and implement equality data categories for the KPIs.</p>
Background Papers	
12.6	None

Corporate Performance Report Q3 2023/24
Corporate KPIs Dashboard

RAG Rating against direction of travel	Description
Red	change in performance from previous period to current period is more than 5% and in the opposite direction to direction for improvement
Amber	change in performance from previous to current period is 5% or less
Green	change in performance from previous period to current period is more than 5% and in line with direction for improvement

RAG Rating against target	Description
Red	current performance is off target by more than 10%
Amber	current performance is off target by 10% or less
Green	current performance is on target by up to 5% over target
Blue	current performance is on target by more than 5%
Target N/A	these measures track key activity being undertaken, to present a rounded view of information relevant to the service area, without a current performance target

Scorecard Perspective	Strategic Objective	Indicator of progress	Metric	Ownership	Reporting Period	Date of Latest Available Data	Previous Period Performance	Current Period Performance	Direction for Improvement	Direction of Travel	RAG Rating against direction of travel	Target	RAG Rating against target
State of the Region (Shared Ownership)	Achieving Good Growth	Economic Performance and Job Market	Metric 1: Gross Value Added for Cambridgeshire and Peterborough Area	All	Annual	Dec-21	26,704	28,649	↑	↑	Green	27,272	Blue
			Metric 2: Total jobs in Cambridgeshire and Peterborough	All	Annual	Jun-21	519,000	516,000	↑	↓	Amber	N/A	Target N/A
			Metric 3: Number of jobs per working age person in Cambridgeshire and Peterborough	All	Annual	Jun-21	0.98	0.90	↑	↓	Red	N/A	Target N/A
		Business Environment and Growth	Metric 4: Number of active businesses per 10,000 working age population	All	Annual	Dec-22	729	726	↑	↓	Amber	N/A	Target N/A
			Metric 5: Number of business startups per 10,000 working age population	All	Annual	Dec-22	84.84	82.08	↑	↓	Amber	N/A	Target N/A
		Housing and Social Well-being	Metric 6: New Housing Completions per 1000 of population	All	Annual	Mar-23	4.73	5.37	↑	↑	Green	N/A	Target N/A
			Metric 7: Number of Local Super Output Areas in the 20% most deprived nationally	All	Every 4 years	Jul-19	54	62	↓	↑	Green	N/A	Target N/A
	Ambitious Skills and Employment Opportunities	Workforce Educational Attainment and Skills	Metric 8: Proportion of the Cambridgeshire and Peterborough working age population with level three, four and above qualifications	All	Annual	Aug-21	62.60%	64.00%	↑	↑	Amber	N/A	Target N/A
			Metric 9: 19+ further education and skills achievements per 100,000 population	All	Annual	Mar-22	2,297	2,204	↑	↓	Amber	N/A	Target N/A
	Enabling Resilient Communities	Carbon Emissions Reduction	Metric 10: Total annual net CO2 emissions in Cambridgeshire and Peterborough	All	Annual	Jun-21	5,951	6,372	↓	↑	Red	6,372	Red
			Metric 11: Total CO2 from transport	All	Annual	Jun-21	1,947	2,189	↓	↑	Red	N/A	Target N/A
		Energy Affordability and Fuel Poverty	Metric 12: Percentage of households in fuel poverty	All	Annual	Mar-22	12.90%	11.70%	↓	↓	Amber	N/A	Target N/A
	Improving Connectivity	Biodiversity and Nature Conservation	Metric 13: Proportion of land (hectares) that is classed as nature rich	All	Every 2 years	Jul-21	11.50%	10.50%	↑	↓	Amber	N/A	Target N/A
			Road Safety	Metric 14: Killed or seriously injured (KSI) casualties	All	Annual	Dec-22	435	458	↓	↑	Red	353
Sustainable Transportation		Metric 15: Mode share	All	Annual	Oct-21	9.03%	14.23%	↑	↑	Green	N/A	Target N/A	
Internal Process (CPCA Ownership)	Achieving Best Value and High Performance	Contract Management Efficiency	Metric 16: Number of contract waivers that are active	CPCA	Monthly	Dec-23	7.58	7.58	↓	→	Amber	N/A	Target N/A
		On-Time Project Delivery Rate	Metric 17: Percentage of projects delivered on time	CPCA	Annual	Mar-23	0.00%	100.00%	↑	↑	Green	100.00%	Green
		Inclusive Website Experience	Metric 18: Website Accessibility Score	CPCA	Monthly	Dec-23	82.00%	64.00%	↑	↓	Red	N/A	Target N/A
		Data Security Awareness	Metric 19: Proportion of staff who have completed Data Protection and Information Security courses	CPCA	Monthly	Dec-23	77.24%	83.21%	↑	↑	Green	100.00%	Red
		Efficient FOI Request Handling	Metric 20: Number of FOI requests responded and completed within 20 days of review	CPCA	Annual	Dec-23	100.00%	94.74%	↑	↓	Red	90%	Blue
	Achieving Good Growth	Job Creation and Support	Metric 21: Total number of jobs created and supported by key Combined Authority Economy and Growth funds	CPCA	Annual	Jan-24	7,711	14,249	↑	↑	Green	6,835	Blue
	Ambitious Skills and Employment Opportunities	Advancing Education and Skills	Metric 22: Enrolments onto and achievements supported by adult education services funded by CA investment	CPCA	Annual	Feb-23	16,740	19,468	↑	↑	Green	17,000	Blue
			Metric 23: Number of apprenticeships created by CA funded investment	CPCA	Quarterly	Dec-23	723	804	↑	↑	Green	1,400	Red
	Enabling Resilient Communities	Sustainable Housing, Energy and Infrastructure	Metric 24: Cumulative number of homes retrofitted through schemes led by Greater South East Net Zero Hub	CPCA	Monthly	Sep-23	3,230	3,265	↑	↑	Amber	3,745	Red
	Improving Connectivity	Digital Connectivity	Metric 25: Proportion of Cambridgeshire and Peterborough region with gigabit broadband availability	CPCA	Bi-annual	Dec-23	71.00%	79.65%	↑	↑	Green	55.00%	Blue
Learning and Growth (CPCA Ownership)	Achieving Best Value and High Performance	Stability of workforce	Metric 26: Proportion of staff feeling valued by the Combined Authority	CPCA	Bi-annual	Dec-23	58.33%	60.20%	↑	↑	Amber	N/A	Target N/A
Financial (CPCA Ownership)	Achieving Best Value and High Performance	Financial Planning and Sustainability	Metric 27: Forecast vs budget loss/carried forward (current financial year)	CPCA	Monthly	Dec-23	87.47%	89.00%	↑	↑	Amber	100.00%	Red

Commentary

The GVA for C&P was £22,765m in 2015. By 2016, it experienced a growth rate of approximately 5.00%, reaching £23,891m. The upward trend continued in 2017, with a growth rate of around 6.28%, resulting in a GVA of £25,397m. In 2018, the GVA grew by about 3.19%, reaching £26,212m. The positive trajectory persisted, and in 2019, the GVA rose by approximately 3.33% to £27,090m. Despite the challenges of the 2020 Covid-19 pandemic, the region's GVA remained resilient at £26,704m, experiencing a negative growth rate of approximately -1.43%. The year 2021 exhibited a recovery, marked by a growth rate of approximately 6.92%, leading to a GVA of £28,649m.

Date of Latest Available Data	Previous Period	Current Period	Change in Performance	Direction for Improvement	Direction of Travel	RAG Rating against direction of travel	Target (£billion)	RAG Rating against target
Dec-21	£26,704	£28,649	6.79%	↑	↑	Green	£27,272	Blue

Metric Description

Gross Value Added is an indicator of the CPCA's 'Achieving Good Growth' strategic objective. The provided time series data portrays the progression of Gross Value Added (GVA) in Cambridgeshire & Peterborough (C&P) from 2015 to 2021. GVA quantifies the total value of goods and services produced within the region's economy.

As part of its devolution deal in 2017, the CPCA took on the target of almost doubling GVA to £40 billion by 2040 over 25 years. It represents the economic contribution of industries within that area and indicates the overall economic health and productivity. Tracking this indicator allows the CPCA to identify, inform, and compare the economic trends of the region. The GVA data for Cambridgeshire and Peterborough (C&P) can be sourced from the Office for National Statistics (ONS) GVA balanced tables. ONS compiles GVA figures based on various data sources, including business surveys, tax records, and national accounts.

While GVA is a valuable metric, it has certain limitations that should be taken into account when interpreting the data:

Target clarity: The devolution deal commits the Combined Authority to delivering a GVA increase from £22bn (the recorded GVA for 2015 at time of Devolution Deal writing) to over £40bn over 25 years. However, the widespread use of the phrase 'doubling GVA' has given rise to a series of alternative targets that deviate from the precise devolution deal commitment.

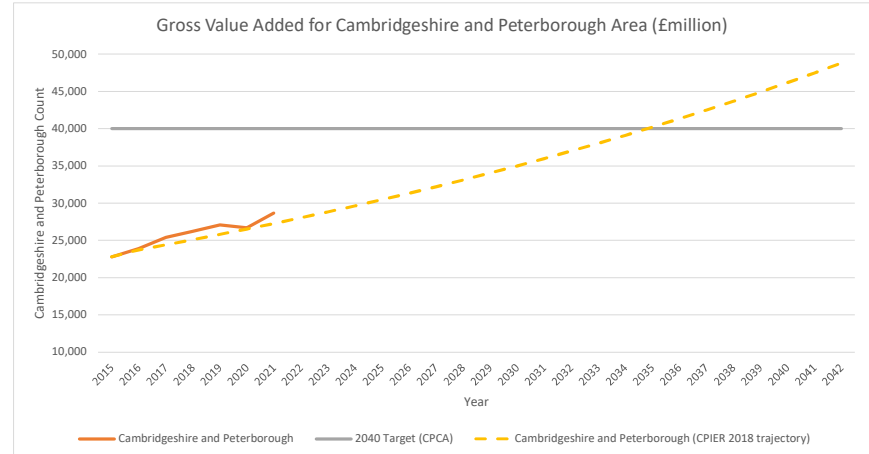
Revisions: Each new publication of GVA revises the record of previous years GVA figures. Most revisions reflect either the adoption of new statistical techniques or the incorporation of new information.

Limited Scope: GVA measures the economic output but does not provide a full picture of economic well-being or social factors such as inequality or quality of life.

Sector Variation: As GVA averages economic performance across all industries and sectors it does not capture the disproportionate impact of more dominant sectors on overall GVA trends.

It is useful to combine GVA data with other indicators and contextual information to gain a comprehensive understanding of the combined authority's economic performance and make well-informed decisions.

The target for this metric was developed from the Cambridgeshire and Peterborough Independent Economic Review in 2018 following the trajectory calculated in the review.



Dataset Link(s)

<https://www.ons.gov.uk/economy/grossdomesticproductgdp/datasets/regionalgrossvalueaddedbalancedbyindustrylocalauthoritiesbyitl/region>

Actions

The Combined Authority has a portfolio of programmes and projects that are designed to increase GVA. The Combined Authority is achieving good growth through a series of holistic tailored interventions. These cover the economic growth inputs of skills, infrastructure and business support. Examples of the support we offer include but are not limited to:
 To deliver an inclusive and world-class local skills system we fund projects that tackle further education cold spots such as ARU Peterborough Phase 3, and deliver learning aims with the provision of education and training courses for adults aged 19 and over. We are tackling access barriers to employment and education opportunities, by improving connectivity across the Combined Authority region in reforms to our bus network and delivering rail and station improvements such as Soham Station. We are supporting good jobs and higher wages with our strategies and plans for high growth sectors such as Agri-tech, Life Sciences and Advanced Manufacturing, and accelerating business growth with projects such as the Market Town Masterplans.

Commentary

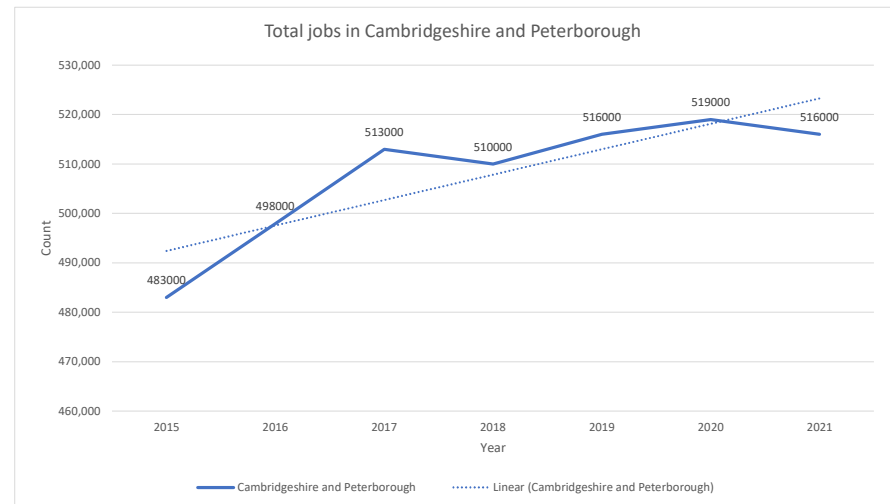
From 2015 to 2021, the overall trend in number of jobs in Cambridgeshire and Peterborough showed an upward trajectory, with slowdowns in 2018 and 2021. Total jobs increased from 483,000 in 2015 to 519,000 in 2020. In 2021, there was a slight decline to 516,000 jobs. This data suggests that the region's economy has been relatively resilient, experiencing overall job growth despite potential challenges. The COVID-19 pandemic's impact is likely to have contributed to the dip in job numbers in 2021.

Date of Latest Available Data	Previous Period	Current Period	Change in Performance	Direction for Improvement	Direction of Travel	RAG Rating against direction of travel	Target	RAG Rating against target
Jun-21	519,000	516,000	-0.58%	↑	↓	Amber	N/A	Target N/A

Metric Description

This metric measures the total number of jobs within Cambridgeshire and Peterborough. The total number of job is the sum of employees (Business Register and Employment Survey), self-employment jobs (Annual Population Survey), government-supported trainees (DFES and DWP) and HM Forces (MoD).

There are some limitations in monitoring this metric. The metric considers only the total number of jobs and does not provide detailed insights into the nature of these jobs, such as their sectors, quality or wage levels. Job numbers can fluctuate due to seasonal variations, economic cycles and external factors. Therefore, the metric should be interpreted in the context of broader economic trends.



Dataset Link(s)

<https://www.nomisweb.co.uk/datasets/jd>

Actions

The CA has invested in a number of projects and programmes supporting job growth since 2021. These are detailed in Metric 21. Ongoing programmes include Enterprise Zones, UK Shared Prosperity Fund, Rural England Prosperity Fund and Market Towns. Plus monitored outputs/outcomes from capital investments from following programmes: Local Growth Fund, Getting Building Fund, Recycled Local Growth Fund, Community Renewal Fund.

The Business Board has recently approved funding to create new Economy Team in the CA, and officers are working on implementation with recruitment currently being undertaken. This team will focus on trade and investment, innovation adoption, net zero businesses and delivery of sector strategies. The Growth Works service has ended and particular functions have transferred to CA from 1st January 2024 including skills brokerage, careers hub and Growth Hub. Post April 2024, there are plans for the CA to expand this work, particularly the Business Support offering in Growth Hub but also new programmes launching such as the Business and Social Impact Fund (£9.5m).

Commentary

The overall trend for the number of jobs per working age person in C&P from 2015 to 2021 shows a slight positive trajectory. The decline in 2021 can be attributed to the global pandemic and has not yet returned to pre-2021 levels. C&P has consistently demonstrated a higher ratio of jobs per working-age person compared to the England average during this period. Starting at 0.91 in 2015, the ratio experienced gradual growth, reaching 0.98 in 2020. In comparison, England's metric started at 0.84 in 2015, and rose to 0.88 in 2019, with a slight decline to 0.85 in 2020. However, in 2021, there was a dip in C&P to 0.90 jobs per resident, while England increased to 0.86. This could be attributed to various factors, including economic fluctuations and changes in industry composition. The data illustrates the region's employment vitality, as Cambridgeshire and Peterborough maintained a consistently higher number of jobs per working-age person than the national average.

Date of Latest Available Data	Previous Period	Current Period	Change in Performance	Direction for Improvement	Direction of Travel	RAG Rating against direction of travel	Target	RAG Rating against target
Jun-21	0.98	0.90	-8.16%	↑	↓	Red	N/A	Target N/A

Metric Description

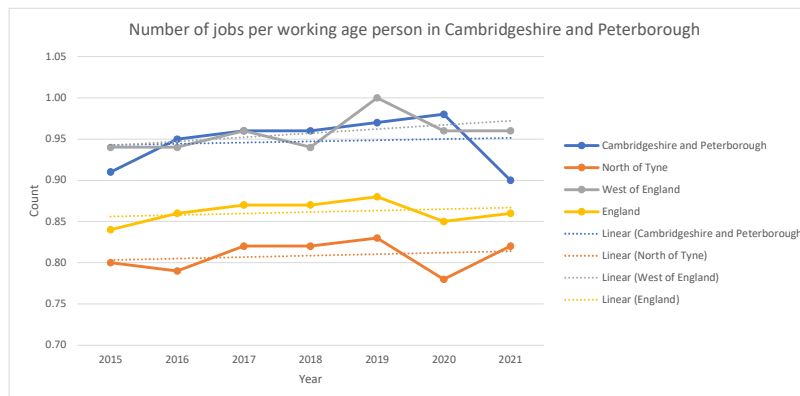
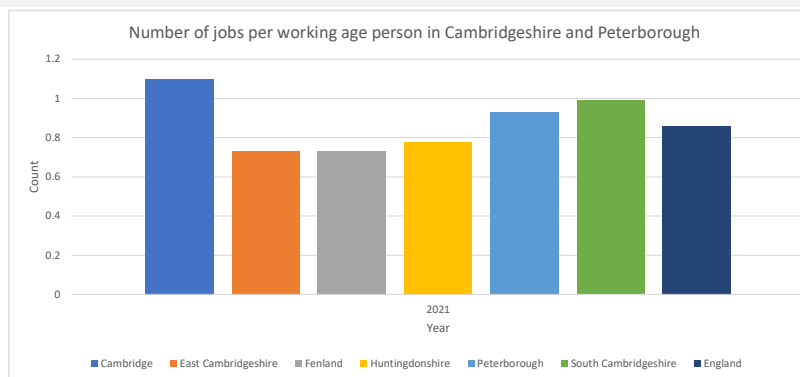
This metric measures the average number of jobs available in Cambridgeshire and Peterborough per working age resident (aged 16-64).

Number of jobs is the sum of employees (Business Register and Employment Survey), self-employment jobs (Annual Population Survey), government-supported trainees (DFES and DWP) and HM Forces (MoD).

Using working age population as the denominator, the performance of the CA area can be compared with the performance of England.

This metric provides insights into the employment opportunities and economic activity within C&P. Monitoring the number of jobs per working age person is crucial for understanding labour market dynamics, employment trends and economic development.

A limitation is that fluctuations in the metric may be influenced by changes in economic conditions, industry composition, and government policies.



Dataset link(s)

<https://www.nomisweb.co.uk/reports/lmp/comb/1853882376/report.aspx#tabjobs> (ONS job density)

Metric definition <https://www.nomisweb.co.uk/datasets/jd>

Actions

The CA has invested in a number of projects supporting job growth since 2021. These are detailed in Metric 21. Ongoing programmes include Enterprise Zones, UK Shared Prosperity Fund, Rural England Prosperity Fund and Market Towns.

The Business Board has recently approved funding to create new Economy Team in the CA, and officers are working on implementation. This team will focus on trade and investment, innovation adoption, net zero businesses and delivery of sector strategies. Some functions of the GrowthWorks service were transferred to CA at the end of December 2023 including skills brokerage, careers hub and growth hub. Post April 2024, the CA will expand this work increasing the business support offer through the Growth Hub offer.

Metric 4: Number of active businesses per 10,000 working age population

Commentary

The number of active businesses per 10,000 working age population in Cambridgeshire and Peterborough has fallen slightly, from 729 in 2021 to 726 in 2022. Growth was stronger pre-COVID and has flattened post-COVID (725 in 2020, 729 in 2021 and 726 in 2022). This performance was above that of the UK in 2021, however 2022 data for the UK is not yet available.

Date of Latest Available Data	Previous Period	Current Period	Change in Performance	Direction for Improvement	Direction of Travel	RAG Rating against direction of travel	Target	RAG Rating against target
Dec-22	729	726	-0.37%	↑	↓	Amber	N/A	Target N/A

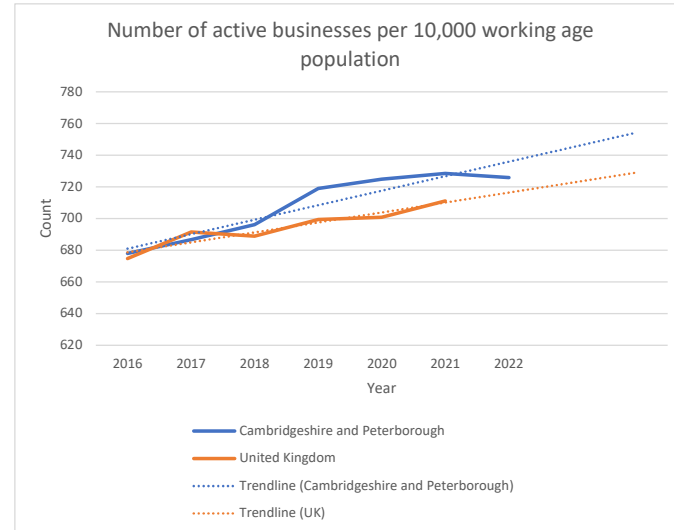
Metric Description

The metric provides insight into the dynamics of business activity within Cambridgeshire and Peterborough. It focuses on tracking active businesses over a specific period.

The data for this metric is collected from the Inter Departmental Business Register (IDBR), maintained by the Office for National Statistics (ONS). The IDBR stores comprehensive records of all businesses registered in the UK and tracks their activities.

Using working age (16-64) population as the denominator, the performance of the CA area can be compared with the performance of United Kingdom.

Measuring this metric comes with limitations. Active business data may not capture unregistered businesses, potentially underrepresenting the full scope of entrepreneurial activities in the region.



Dataset Link(s)

<https://www.ons.gov.uk/businessindustryandtrade/business/activitysizeandlocation/datasets/businessdemographyreferencetable>
<https://www.ons.gov.uk/peoplepopulationandcommunity/populationandmigration/populationestimates/datasets/estimatesofthepopulationforenglandandwales>

Actions

Whilst the Growth Works programme was running between Feb21 until Dec23 the mobilisation of support for start-ups via the Growth Hub team (embedded into Growth Works) and the Community Renewal Fund start up support programme really peaked activity during late 2022 and so benefits of those activities likely to reflect from early 2023 onwards.

In terms of supporting businesses to survive and grow the main outputs from the Growth Works Growth Coaching programme and Capital grants peaked activity in final year (2023) and the impact and outcome from these interventions likely to be measured from 2023 onwards into 2024.

From April 2024 there are plans for an expanded Growth Hub business support offer which includes additional support to all businesses including start-ups, growing businesses, social sector and inward investment.

Commentary

The number of business startups per 10,000 working age population has fallen from 84.84 in 2021 to 82.08 in 2022. Performance has fluctuated since 2016, with an overall level trend. Performance was below the UK average in 2021, however 2022 UK data is not yet available.

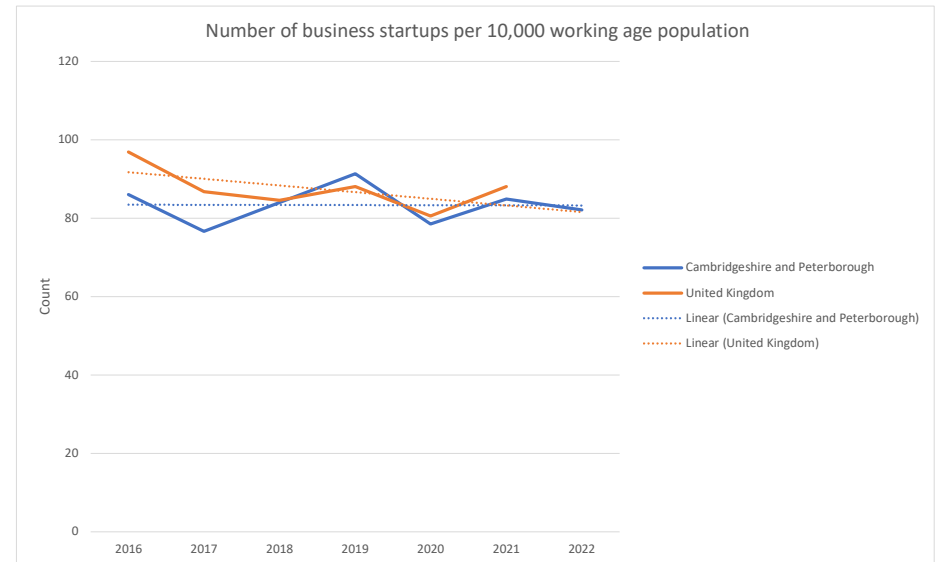
Date of Latest Available Data	Previous Period	Current Period	Change in Performance	Direction for Improvement	Direction of Travel	RAG Rating against direction of travel	Target	RAG Rating against target
Dec-22	84.84	82.08	-3.26%	↑	↓	Amber	N/A	Target N/A

Metric Description

The metric measures the count of newly established businesses within Cambridgeshire and Peterborough.

The data for this metric is collected from the Inter Departmental Business Register (IDBR), maintained by the Office for National Statistics (ONS). The IDBR stores comprehensive records of all businesses registered in the UK and tracks their activities.

There are limitations to this metric as it only captures the number of business startups and does not provide information about their size and industry sector. Also, it may not include unregistered startups, potentially underrepresenting the full extent of entrepreneurial activity in the region.



Dataset Link(s)

<https://www.ons.gov.uk/businessindustryandtrade/business/activitysizeandlocation/datasets/businessdemographyreferencetable>
<https://www.ons.gov.uk/peoplepopulationandcommunity/populationandmigration/populationestimates/datasets/estimatesofthepopulationforenglandandwales>

Actions

Whilst the Growth Works programme was running between Feb21 until Dec23 the mobilisation of support for start-ups via the Growth Hub team (embedded into Growth Works) and the Community Renewal Fund start up support programme really peaked activity during late 2022 and so benefits/impacts of those activities likely to reflect from early 2023 onwards.

In terms of supporting businesses to survive and grow the main outputs from the Growth Works Growth Coaching programme and Capital grants peaked activity in final year (2023) and the impact and outcomes from these interventions likely to be measured from 2023 onwards into 2024.

From April 2024 there are plans for an expanded Growth Hub business support offer which includes additional support to all businesses including start-ups, growing businesses, social sector and inward investment.

Commentary

In the 2022/23 financial year, there were 5.37 housing completions per 1000 population in Cambridgeshire and Peterborough, a 13.52% increase from 4.73 in 2021/22.

Cambridgeshire and Peterborough's housing completions per 1000 population has consistently been higher than the East region and the national average for England. Over the last twenty years, England's housing stock has gone up by 19%, whilst Cambridgeshire and Peterborough's stock has gone up by 29% (source: dwelling stock estimates from ONS live tables). Our housing delivery rate has been one of the highest in the country. An important factor for this metric is the underlying rate of population growth.

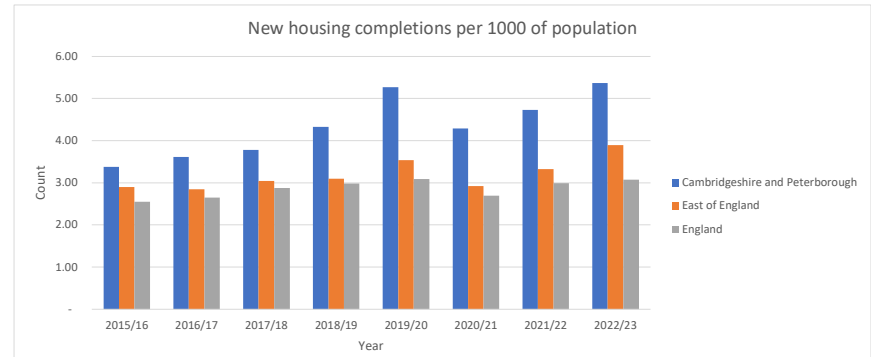
Date of Latest Available Data	Previous Period	Current Period	Change in Performance	Direction for Improvement	Direction of Travel	RAG Rating against direction of travel	Target	RAG Rating against target
Mar-23	4.73	5.37	13.52%	↑	↑	Green	N/A	Target N/A

Metric Description

This metric measures the annual number of new housing completions per 1000 of the population in Cambridgeshire and Peterborough, offering insights into the relationship between housing development and population growth.

The data for this metric is sourced from the Office for National Statistics (ONS) Housebuilding: UK Permanent Dwellings Started and Completed by Local Authority dataset. The dataset provides comprehensive information on the number of new dwellings started and completed by local authority.

The limitations of this metric are it shows C&P's housing development relative to its population but does not necessarily show that this is enough for demand of housing. The metric also does not consider other factors that might influence housing development, such as economic conditions, land availability, and planning regulations.



Dataset Link(s)

<https://cambridgeshireinsight.org.uk/planning/monitoring-housing-business-and-renewable-energy-development/>
<https://www.ons.gov.uk/peoplepopulationandcommunity/housing/datasets/housebuildingukpermanentdwellingsstartedandcompletedbylocalauthority>

Actions

Our constituent councils are responsible for setting housing targets and making allocations in their local plans. The Combined Authority is supporting delivery of new housing through its investment in transport infrastructure, and developing an Infrastructure Delivery Framework to identify solutions to combatting barriers to supplying sufficient water and energy for new homes plans. This will support developers to build new homes in Cambridgeshire and Peterborough.

Metric 7: Number of Local Super Output Areas in the 20% most deprived nationally

Commentary

Cambridgeshire and Peterborough had 62 Local Super Output Areas (LSOAs) in the 20% most relatively deprived nationally in 2016 – six more than in 2015. Three are in Cambridge City, one more than 2015. Two are in Huntingdonshire, the same as 2015. Eleven are in Fenland, one less than in 2015, and of these, four are in the 10% most relatively deprived nationally. 46 are in Peterborough, six more than in 2015, and of these, 16 are in the 10% most deprived nationally, two less than in 2015. Neither East Cambridgeshire or South Cambridgeshire have any LSOAs in the top 20% most deprived nationally. The overall trend for this metric will be reviewed further as the two year data points are not enough to show projections.

The Indices of Multiple Deprivation are made up of seven different domains: Living Environment, Barrier to Housing, Crime, Health, Education, Employment and Income. These are added together and weighted accordingly to calculate the overall score of multiple deprivation. Using these, you can determine which domains are affecting the LSOAs or district the most in terms of levels of deprivation. The second graph below shows the Cambridgeshire and Peterborough breakdowns of these domains, showing the percentage of LSOAs in each decile nationally, for each domain. It shows that Cambridgeshire and Peterborough have Barriers to Housing as the region's worst scoring domain.

Date of Latest Available Data	Previous Period	Current Period	Change in Performance	Direction for Improvement	Direction of Travel	RAG Rating against direction of travel	Target	RAG Rating against target
Jul-19	54	62	12.90%	↓	↑	Green	N/A	Target N/A

Metric Description

The metric measures the number of LSOAs in the 20% most deprived nationally within Cambridgeshire and Peterborough. It draws data from the English Indices of Deprivation 2019, a dataset provided by the Ministry of Housing, Communities & Local Government. This metric highlights the variations in deprivation across different local authorities within the region, providing insights into areas with greater disparities and potential social inequalities.

There have been some changes to the IMD since 2010 such as changes to indicators used. Almost all of the indicators in the Indices of Deprivation 2015 have been updated with little or, at most, minor changes. There are a small number of new or modified indicators:

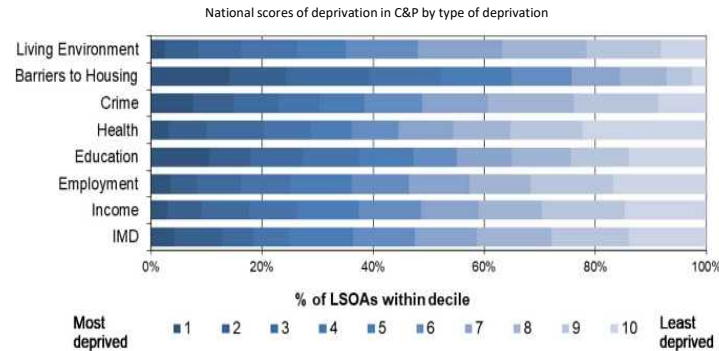
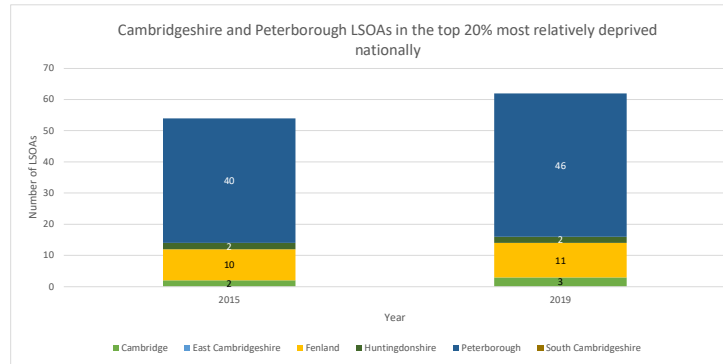
- two new indicators have been added due to the introduction of Universal Credit into the benefits system
- two indicators have been modified due to changes to the benefit system.

There have been no changes in the geographies used when compared to the 2015 IMD. These remain based on 2011 LSOAs.

Fortunately, the weightings of the indicator groups have remained the same since 2015.

There are some limitations to this metric. A limitation of this metric is that the latest reported data were from 2019. Please note the IMD cannot be used to:

1. Show how deprived a place is: IMD measures relative deprivation, and relative change.
2. Measure absolute change over time: scores are relative to each other and may not represent real change
3. Say how affluent a place is: indicators identify aspects of deprivation, not affluence.
4. Identify deprived people: IMD measures relative deprivation of an area. Within every area there will be those who are deprived and those who are not.



Dataset Link(s)

[https://view.officeapps.live.com/op/view.aspx?src=https%3A%2F%2Fassets.publishing.service.gov.uk%2Fgovernment%2Fuploads%2Fsyst](https://view.officeapps.live.com/op/view.aspx?src=https%3A%2F%2Fassets.publishing.service.gov.uk%2Fgovernment%2Fuploads%2Fsystem%2Fuploads%2Fattachment_data%2Ffile%2F833973%2Ffile_2_-_loD2019_Domains_of_Deprivation.xlsx&wdOrigin=BROWSELINK)

Actions

A key Combined Authority funded project that is tackling deprivation head-on is the University of Peterborough, which is entering Phase 3. Another programme is the Community Renewal Fund, which has targeted deprived communities including those in Fenland and Peterborough. Interventions include individuals skills training, business grants for internships and advice for business start-ups.

Commentary

The time series from 2015 to 2021 shows Cambridgeshire and Peterborough exhibiting a positive trend in the percentage of the working age population with level three, four, and above qualifications. Starting at 57.20% in 2015, this percentage declined slightly to 55.90% in 2016 and 55.40% in 2017. However, it significantly increased from 2018 onwards, reaching 64% in 2021. England's working age population also saw an upward trend, rising from 52% in 2015 to 58.20% in 2021.

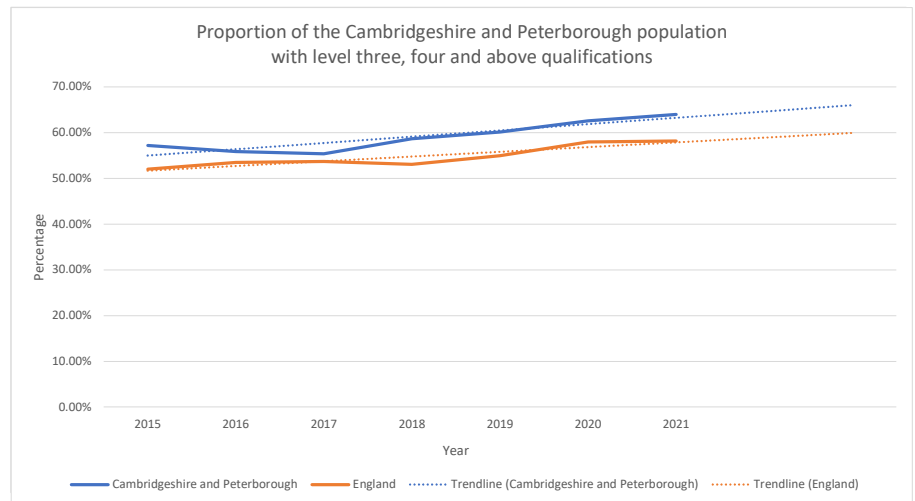
Date of Latest Available Data	Previous Period	Current Period	Change in Performance	Direction for Improvement	Direction of Travel	RAG Rating against direction of travel	Target	RAG Rating against target
Aug-21	62.60%	64.00%	1.40%	↑	↑	Amber	N/A	Target N/A

Metric Description

This metric measures the percentage of working age people aged 16 to 64 within Cambridgeshire and Peterborough (C&P) who possess qualifications at level three, four and above.

The data are obtained from the Office for National Statistics (ONS) dataset of "percentage of 16-64 population that hold a qualification at Level 3 or above".

Limitations of this metric are changes in migration patterns or demographic shifts may influence the indicator over time, impacting the comparability of data across different periods. The data might not capture the quality and relevance of the qualifications, and some qualifications might not align with the National Qualifications Framework.


Dataset Link(s)

https://oflog.data.gov.uk/adult-skills?show_selected_la=Show+selected+authorities&show_cipfa_nns=Compare+to+CIPFA+Nearest+Neighbours

Actions

The CA is actively marketing Level 3 courses. As outlined in the Employment and Skills Strategy, the CA is committed to doubling Level 3 qualifications that we commission year on year. We continue to develop Level 3 Skills Bootcamps and have commissioned new courses in more sectors for this academic year. We're working with our partner training providers to ensure there is a comprehensive Level 3 offer for all our residents aligned to employer demand.

The development of ARU Peterborough ensures that provision is available at Level 4 and above in a HE cold spot where there was limited access to HE previously.

Commentary

In Cambridgeshire and Peterborough, 19+ further education and skills achievements per 100,000 population fell 4.22% from 2,297 in 2020/21 to 2,204 in 2021/22. This downward trend is similar to the trend seen for other Combined Authority regions. However, compared to other Combined Authority regions, C&P is the second lowest after West of England.

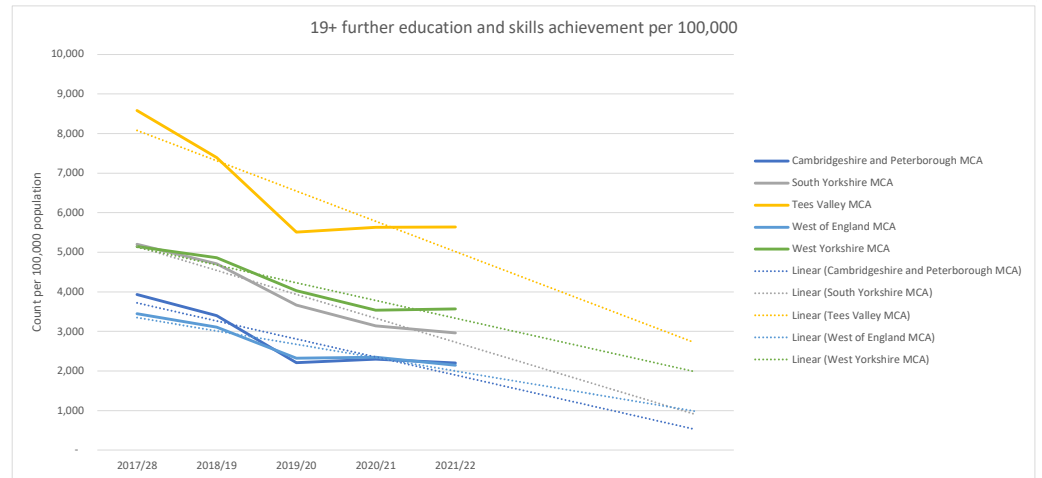
Date of Latest Available Data	Previous Period	Current Period	Change in Performance	Direction for Improvement	Direction of Travel	RAG Rating against direction of travel	Target	RAG Rating against target
Mar-22	2,297	2,204	-4.22%	↑	↓	Amber	N/A	Target N/A

Metric Description

The metric measures the number of successful achievements in further education and skills training attained by individuals aged 19 and above, per 100,000 population within Cambridgeshire and Peterborough. This metric can be effective in evaluating the attainment of further education and skills qualifications among adult learners.

The data for this metric are collected from the Individualised Learner Record (ILR) by the Department for Education (DfE). The ILR contains detailed information about learners, their qualifications, and the courses they undertake.

There are limitations to this metric. It focuses on the number of qualifications achieved and may not capture the quality or relevance of the qualifications obtained. Due to the aggregated measure, it does not account for variations in the types of skills and courses completed, which could range from basic skills to advanced professional certifications. The data may not capture all adult learners, particularly those engaged in informal or non-accredited learning.



Dataset Link(s)

[Local Authority Data Explorer - DLUHC Data Dashboards](#)

Actions

The CA is launching a new skills brokerage in January 2024, which will be a one-stop-shop for learners looking for courses. It will incorporate a new all-age careers service making advice accessible to all our residents.

We continue to work with all our partners to ensure provision is accessible to all. Our commissioning is targeted to communities in most need to tackle skills gaps and education deprivation.

We work closely with the Chamber of Commerce in the development of the local Skills Improvement Plan.

We continue to establish ourselves as a system leader within the skills landscape, working with the Department for Work and Pensions and other partners, to ensure best value and avoidance of duplication.

Metric 10: Total annual net CO2 emissions in Cambridgeshire and Peterborough

Commentary

From 2015 to 2021, total annual net carbon emissions in Cambridgeshire and Peterborough (C&P) declined from 7,021.0 ktCO2 in 2015 to 6,371.9 ktCO2 in 2021. This reduction reflects the national and local efforts to curb carbon emissions. A larger dip in CO2 emissions in 2020 and subsequent increase in 2021 was partly due to the effects of the Covid-19 pandemic. The total comprises distinct categories such as "Industry Total," "Commercial Total," "Public Sector Total," "Domestic Total," "Transport Total," "Land Use and Agriculture," "Agriculture Total," and "Waste Management Total." Each of these categories contributes to the overall trend observed in the total emissions. The declining CO2 emissions signify progress towards net zero goals and highlight the impact of measures taken to mitigate carbon footprint. The overall trend in the time series shows a positive trend during 2015-2021. However, after the global pandemic lockdowns in 2021, an increase in CO2 emissions can be observed and does not align with the target trajectory to achieve net zero goals. The next release of CO2 data will be reviewed against the target trajectory.

Date of Latest Available Data	Previous Period	Current Period	Change in Performance	Direction for Improvement	Direction of Travel	RAG Rating against direction of travel	Target	RAG Rating against target
Jun-21	5951	6372	6.61%	↓	↑	Red	6372	Red

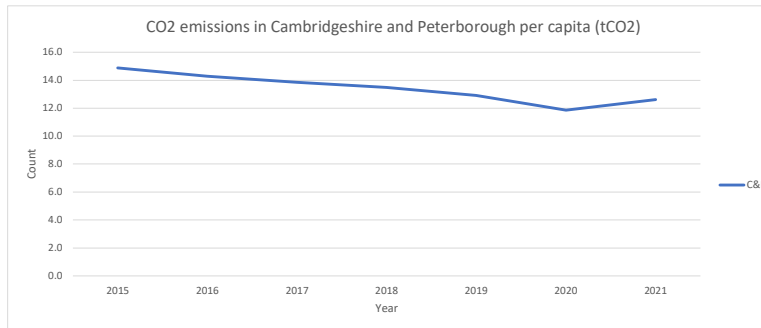
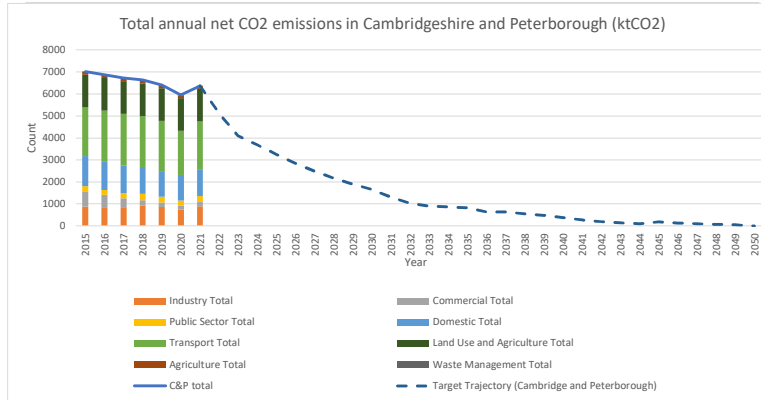
Metric Description

Analysing the total carbon dioxide emissions data is critical to assess the sustainability and the impacts of all activities in Cambridgeshire and Peterborough. These emissions are a result of various human activities, including energy production, transportation, industrial processes, land and residential activities. It helps to determine the extent to which the region is contributing to climate change and can be used to track progress in reducing emissions over time.

The data for this metric are sourced from the Department for Business, Energy & Industrial Strategy (BEIS). BEIS collects and compiles data from various sources, including emissions data reported by industries, energy providers and transportation sectors.

There are two targets to achieve net zero. The CPCA is committed to achieving net zero emissions of its own operations by 2030. The Cambridgeshire and Peterborough Climate Partnership has set a goal of reaching net zero for their Cambridgeshire and Peterborough region as a whole by 2050. A target trajectory has been produced to outline the reductions required to reach this goal.

A limitation of this metric is that it measures CO2 not CO2 equivalent gases. Cambridgeshire and Peterborough's net zero by 2050 target is based on CO2 equivalent gases. This metric will be developed further to achieve greater alignment with the target measure.



Dataset Link(s)

<https://www.gov.uk/government/collections/uk-local-authority-and-regional-greenhouse-gas-emissions-national-statistics>

Actions

The CA has a major convening role, including being the accountable body for the Greater South East Net Zero Hub and lead organisation for the Cambridgeshire and Peterborough Climate Partnership with an associated Climate Action Plan 2022-25. This is driving collaborative efforts to reduce emissions, such as supporting farmers to change land use and driving the roll out of electric vehicle charging points. The Combined Authority has directly invested in a number of climate projects including a Fund for Nature and retrofitting of care homes. A climate summit took place in November 2023, that reviewed the ongoing challenge of meeting the statutory responsibility of reaching net zero by 2050, and explored actions to accelerate improved performance. The CA's main lever of direct impact is through its transport responsibilities. As Strategic Transport Authority the CA is bringing forward a refreshed Local Transport and Connectivity Plan with an emphasis on active travel, reduction in fossil fuel use and supporting the public transport network, including a bus reform programme. Another area of focus is retrofit. Cambridgeshire Action on Energy Partnership will be deploying £10m of funding for retrofitting domestic properties and the CA is commissioning retrofit skills training opportunities.

Commentary

In 2015, Cambridgeshire and Peterborough's (C&P) total CO2 emissions from transport stood at 2,218 ktCO2. From 2016 to 2018, CO2 emissions increased reaching a peak of 2,360 ktCO2 in 2017. In 2019, emissions experienced a minor dip to 2,289 ktCO2, and this trend continued into 2020, dropping further to 2,012 ktCO2. Notably, 2020's value was significantly lower than pre-2020 levels, likely influenced by the Covid-19 pandemic and related restrictions. However, in 2021, CO2 emissions increased to 2,189 ktCO2. This level remains lower than the pre-pandemic peak of 2,360 ktCO2 in 2017, indicating that while some increase was observed, emissions have not fully reverted to prior levels. The overall trend of the time series during 2015-2021 show an increase during the earlier years with a decrease after 2017. Further review is needed after the next data release to show if C&P is emitting fewer CO2 from transport as the 2020 pandemic data may give the impression that the region is moving towards a negative trend.

A closer examination of the data also reveals sector-specific contributions to CO2 emissions. Road transport, encompassing A roads, motorways, and minor roads, constitutes a major portion of emissions. Among these, A roads have consistently contributed the most CO2 emissions. Diesel railways and 'Other' transport segments also contribute to the overall emissions profile.

Date of Latest Available Data	Previous Period	Current Period	Change in Performance	Direction for Improvement	Direction of Travel	RAG Rating against direction of travel	Target	RAG Rating against target
Jun-21	1,947	2,189	11.04%	↓	↑	Red	N/A	Target N/A

Metric Description

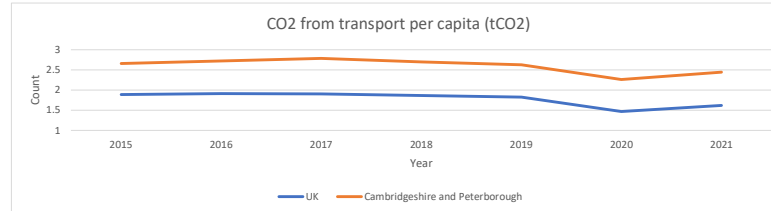
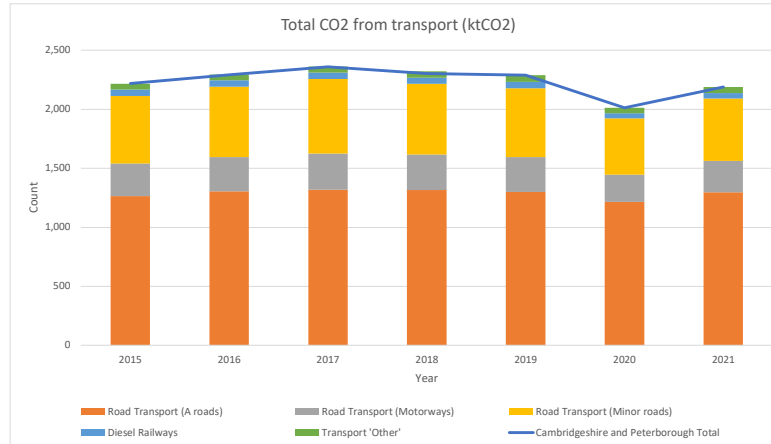
Total CO2 from transport for Cambridgeshire and Peterborough monitors the environmental impacts of transport in the region.

Transportation is a significant contributor to greenhouse gas emissions, particularly CO2. By reporting on the Total CO2 from Transport, the CA can assess and communicate the environmental impact of transportation activities.

This information is crucial for understanding the scale of emissions and taking appropriate measures to mitigate and reduce them. From this, CO2 emissions from transport in C&P can be compared with national averages.

The data for this indicator are from the Department for Business, Energy & Industrial Strategy (BEIS). The transport CO2 is categorised into road transport (A roads, motorways, minor roads), diesel railways and other transport.

A limitation of the data is that there is a lag in the reporting of data as the latest data is from 2021.



Dataset Link(s)

<https://www.gov.uk/government/statistics/uk-local-authority-and-regional-greenhouse-gas-emissions-national-statistics-2005-to-2021>

Actions

The forthcoming Bus Network Review will improve bus services and CO2 emissions. The roll out of electric vehicle charging will support more people to use electric vehicles. Improvements to pedestrian and cycle paths will increase opportunities for walking and cycling. We are campaigning for rail investment, including an upgrade to Ely rail junction that will enable movement of heavy goods to shift from road to rail.

Measures to address transport-related emissions further could include promoting public transportation, encouraging the use of electric or low-emission vehicles, enhancing cycling infrastructure, and supporting telecommuting and other sustainable mobility options. By continuing to focus on reducing CO2 emissions from transport, the CPCA can contribute to mitigating climate change and improving air quality, leading to a greener, more sustainable future for the region and achieve net zero targets.

Commentary

The time series data highlights the trend of fuel poverty in Cambridgeshire and Peterborough (C&P) from 2015 to 2021. In 2015, C&P's fuel poverty rate stood at 7.60%. This rate experienced a sudden increase to 9.56% in 2016, followed by a slight uptick to 9.70% in 2017. Subsequently, the rate remained relatively steady, with a decrease to 9.50% in 2018. A significant surge in fuel poverty was observed in 2019, with the rate increasing to 13.40%, marking a considerable change from the preceding years and reaching the national average. 2020 to 2021 exhibited a downward trend, with a decrease to 12.90% in 2020, and a further decline to 11.70% in 2021. Comparatively, the fuel poverty rate in C&P was generally lower than the England average throughout this period. An overall increasing trend of fuel poverty underlines the importance of consistent efforts to address energy equity and provide support to vulnerable households.

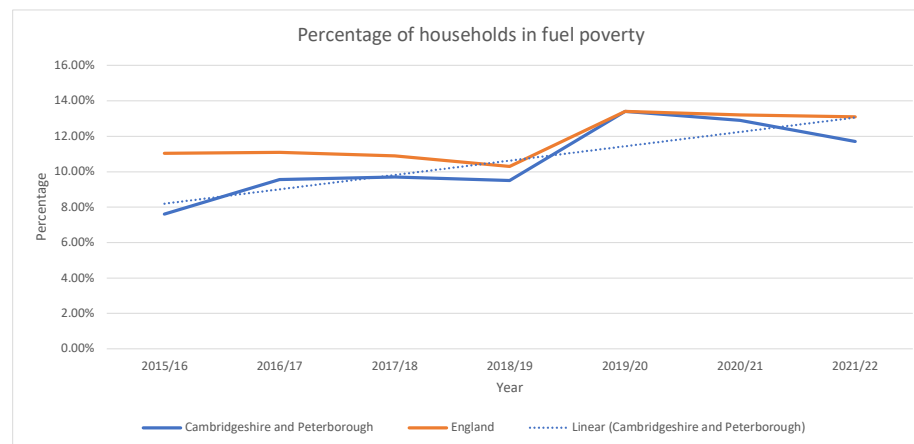
Date of Latest Available Data	Previous Period	Current Period	Change in Performance	Direction for Improvement	Direction of Travel	RAG Rating against direction of travel	Target	RAG Rating against target
Mar-22	12.90%	11.70%	-1.20%	↓	↓	Amber	N/A	Target N/A

Metric Description

This metric measures the proportion of households within Cambridgeshire and Peterborough that are experiencing fuel poverty. Fuel poverty is defined as a situation where a household is unable to afford adequate heating to maintain a comfortable and healthy living environment, often due to high energy costs and low household income. This metric is crucial for assessing the level of energy affordability and the well-being of households in C&P. Monitoring the percentage of households in fuel poverty helps identify vulnerable communities and target interventions to address energy affordability issues.

The data for this metric is collected by the Department for Business, Energy & Industrial Strategy (BEIS) and the Department for Energy Security and Net Zero. Data is sourced through the English Housing Survey (EHS) and energy consumption records.

The metric does not capture all factors contributing to energy affordability, such as variations in household size, energy efficiency of dwellings, and local energy prices



Dataset Link(s)

<https://www.gov.uk/government/statistics/fuel-poverty-detailed-tables-2023-2022-data>

Actions

The Combined Authority action on this metric is focussed on:
 Greater South East Net Zero Hub support for energy efficiency through homes retrofitting.
 Investment in local renewable energy generation, such as the Solar Energy Farm.
 Working with constituent councils to develop a Local Area Energy Plan (LEAP) for Cambridgeshire, alongside the LEAP that is already in place for Peterborough.

Commentary

The data on the graph covers the years 2019 and 2021. In 2019, Cambridgeshire and Peterborough (C&P) had a nature-rich land rate of 11.50%. This means that approximately 11.50% of the total land area within the region contained diverse ecosystems, wildlife habitats, and protected natural areas. By 2021, there was a decrease in the proportion of nature-rich land in the region, with the rate declining to 10.50%.

The CA is looking into the data to understand this decrease. An overall trend can be difficult to determine with two data points. We will be working towards reviewing the next data release to have a clearer picture on the changes in nature rich land in C&P. A key function of the Local Nature Recovery Strategy is to map habitats so information collected as part of the Strategy development will feed into this metric.

Date of Latest Available Data	Previous Period	Current Period	Change in Performance	Direction for Improvement	Direction of Travel	RAG Rating against direction of travel	Target	RAG Rating against target
Jul-21	11.50%	10.50%	-1.00%	↑	↓	Amber	N/A	Target N/A

Metric Description

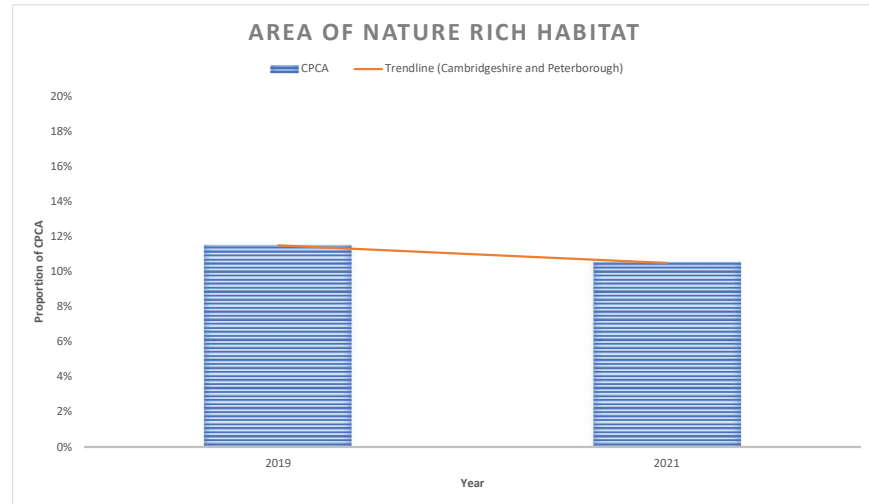
This metric measures the percentage of land in Cambridgeshire and Peterborough that is classified as nature-rich. Nature-rich land refers to areas with diverse and thriving ecosystems, including natural habitats, biodiversity hotspots and protected areas that support a wide variety of plant and animal species.

The data for this metric is sourced from the Cambridgeshire and Peterborough Parks Partnership's Natural Capital Assessment of Cambridgeshire and Peterborough. The measurement involves conducting assessments of designated nature reserves, wildlife sites, green spaces and other protected areas to estimate the total hectares of nature-rich land.

Data collection and assessment processes may not cover all natural habitats, leading to potential underrepresentation of nature-rich land.

External factors such as urbanisation, climate change and habitat degradation can influence the metric, requiring ongoing monitoring to identify changes in nature-rich land over time.

By focusing on enhancing and preserving nature-rich areas, the region can foster healthy ecosystems, protect valuable biodiversity and support sustainable land management practices to reach the Combined Authority's net zero targets.



Dataset Link(s)

2019: <https://www.cperc.org.uk/downloads/Cambridgeshire%20habitat%20mapping%20-%20final%20report.pdf>

2021: <https://cpparkpartnership.org.uk/wp-content/uploads/2023/01/Cambridgeshire-Peterborough-natural-capital-report.pdf>

Actions

The Combined Authority has limited direct responsibility for the management of land. However, in 2023 the Combined Authority was given the new statutory responsibility to produce a Local Nature Recovery Strategy by 2025. This will be developed in partnership with Natural Cambridgeshire, incorporating many local environmental organisations, and will map existing areas of nature rich habitat and identify priorities for recovery and expansion. The Combined Authority also has a Fund for Nature as is investing in specific projects to increase biodiversity.

Understanding the reasons behind the decrease in nature-rich land and conducting comprehensive assessments of the region's ecosystems will aid in formulating targeted conservation plans. Collaborative efforts among governmental bodies, conservation organisations, and local communities are essential to promote sustainable land management practices and preserve the valuable biodiversity and ecosystem services.

Commentary

The time series depicts a downwards trend in the number of KSI casualties within Cambridgeshire and Peterborough (C&P) during 2015-2022. Progress in reducing KSI casualties took place during 2018 to 2020, however the latest KSI count in 2022 has increased from 435 to 458 casualties. A linear trendline shows that current levels of progress may not be enough to reach the 2030 target.

Date of Latest Available Data	Previous Period	Current Period	Change in Performance	Direction for Improvement	Direction of Travel	RAG Rating against direction of travel	Target	RAG Rating against target
Dec-22	435	458	5.01%	↓	↑	Red	353	Red

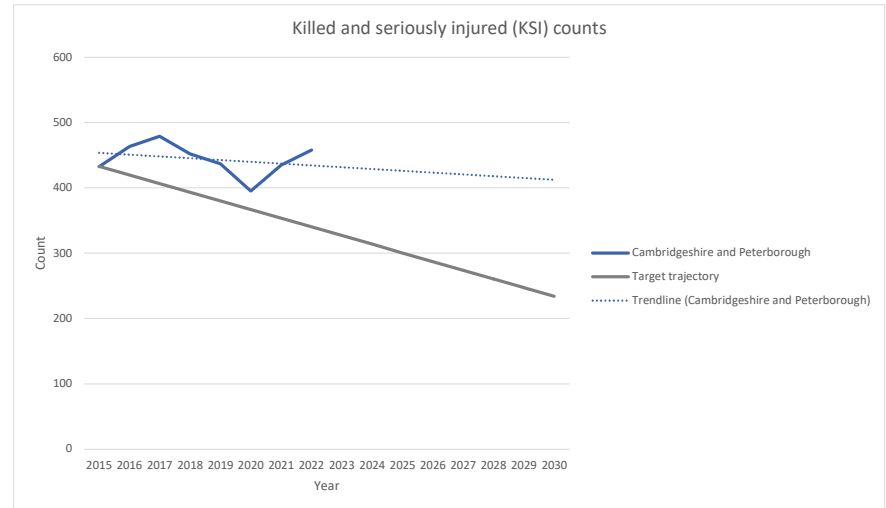
Metric Description

The KSI measures the number of individuals who have been killed or seriously injured in road traffic accidents in Cambridgeshire and Peterborough. This measures progress towards creating a safe region that ensures the safety of all users of the road network.

The data for this metric are published by the Department for Transport's (DfT) national statistics on road accidents and casualties. The data are sourced from reporting agencies such as law enforcement, emergency services, and local authorities.

The Cambridgeshire and Peterborough Vision Zero Partnership has adopted the goal of zero deaths or severe serious injuries in the partnership area by 2040 and a 50% reduction in KSI casualties by 2030 (234 people killed or seriously injured in Cambridgeshire and Peterborough by 2030).

Limitations of this measure include the potential underreporting of incidents, subjectivity of injury severity classification, and reporting delays that may affect data accuracy and timeliness. Also, the metric focuses on KSI casualties and may not capture less severe injuries or property damage-only accidents. Despite these limitations, the KSI indicator remains a crucial indicator for identifying areas of improvement and implementing safety measures to reduce fatalities and serious injuries on the roads.



Dataset Link(s)

<https://roadtraffic.dft.gov.uk/custom-downloads/road-accidents>

Actions

KSI is a very important metric but one that the CPCA has relatively limited control over. As the transport authority we have set the strategic direction, the policies and priorities for Safety in transport in the LTCP which was approved by the Board in November 2023. The Board also allocated £1m of funding for road safety in the MTFP in January 2024, the CPCA will be working with partners, including the Vision Zero Partnership to shape how that is prioritised and spent. Continued implementation of road safety measures and interventions to sustain the downward trend in KSI casualties and improve overall road safety in the area. The Combined Authority will be working with the Vision Zero Partnership to develop and implement a Road Harm Strategy over the course of the next financial year. The action plan within this strategy will help to deliver schemes and initiatives (funding allocated within the budget).

Commentary

Walking and cycling mode share has fluctuated. Travelling by walking through the Cambridge City boundary, River Cam Screenline and Market Towns was highest in 2019 with 45,023 entries and exits. There was a significant drop in 2020, which can be linked to the Covid-19 pandemic. Cycling followed a similar trajectory, showing a high proportion of trips in 2019 before a dip in 2020, and then recovering in 2021 but not recovering to pre-pandemic levels. Car travel continues to be the primary mode of transportation within the C&P region. The proportion of car travel particularly increased due to the effects of Covid-19. Motorcycles and light goods vehicles usage displayed minor variations, indicating relative stability in these modes. Bus usage fluctuated, with an increase in 2019 and then a subsequent decrease in 2020. Sustainable mode share fluctuated. There was a significant decline in 2020, potentially linked to the challenges of the pandemic. However, the sustainable mode share rebounded in 2021. Overall, the data underscore the significance of car travel in the region while also highlighting efforts to promote sustainable transportation modes. Fluctuations in mode share may be influenced by various factors, such as infrastructure developments, economic conditions and external events. The shifts in sustainable mode share reveal the nature of transportation behavior and the ongoing need for policies that encourage eco-friendly modes of commuting.

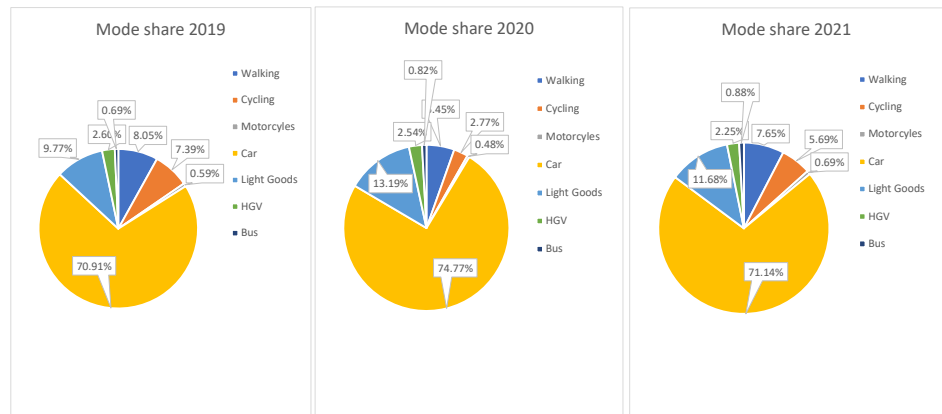
Date of Latest Available Data	Previous Period	Current Period	Change in Performance	Direction for Improvement	Direction of Travel	RAG Rating against direction of travel	Target	RAG Rating against target
Oct-21	9.03%	14.23%	5.20%	↑	↑	Green	N/A	Target N/A

Metric Description

This metric offers insights into the distribution of transportation modes used by individuals within Cambridgeshire and Peterborough from 2019 to 2021. This metric analyses the proportion of journeys undertaken by various modes of transportation, such as walking, cycling, public transport, motorcycles (including mopeds, scooters and motor cycle combinations), light goods, HGV and car usage. Data for this metric are sourced from the Cambridgeshire County Council's official road traffic data repository. The data are collected through sensors that capture movements entering leaving the Cambridge City boundary, River Cam crossings and Market Towns.

The performance recorded in this metric is the proportion of sustainable mode share in C&P. This comprises walking, cycling and bus travel.

While the metric provides a valuable snapshot of transportation preferences, it might not capture nuanced variations across different routes or purpose of travel. Additionally, it may not account for potential shifts in transportation behavior due to external factors such as special events or temporary circumstances. Also, the data are incomplete because only Cambridge, East Cambridgeshire, Fenland and Huntingdonshire have reported data for this metric. Another limitation is that there are no specific mention of electric-powered transport modes in the data for example, electric scooters.



Dataset Link(s)

<https://www.cambridgeshire.gov.uk/residents/travel-roads-and-parking/roads-and-pathways/road-traffic-data>

Actions

The Combined Authority sets the strategic policy position - with the emerging Local Transport and Connectivity Plan establishing a baseline and a direction of travel for the organisation and partners. During the development of the Plan the CA has advocated for the use of sustainable transport modes. In addition, we have employed an Active Travel Lead who promotes behavioural change and assists in the development of funding bids for active travel modes and non-motorised modes. Due to the nature of this work - the outputs from this work (specifically in relation to modal shift) will take time to materialise.

Commentary

The rolling 12 month average of contract waivers that are active was unchanged at 7.58 from November to December 2023.

Date of Latest Available Data	Previous Period	Current Period	Change in Performance	Direction for Improvement	Direction of Travel	RAG Rating against direction of travel	Target	RAG Rating against target
Dec-23	7.58	7.58	0%	↓	→	Amber	N/A	Target N/A

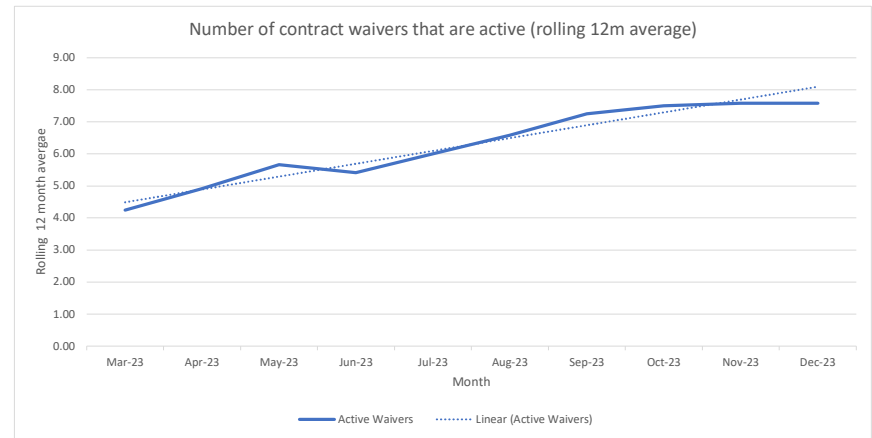
Metric Description

Contract waivers refer to the formal granting of exceptions or relaxations from specified terms or obligations outlined in contractual agreements. These waivers are typically authorised by the Combined Authority to address specific circumstances that may arise during the implementation of projects. The waivers allow for deviations from contractual terms while ensuring that the overall commitments are upheld.

Tracking the number of active contract waivers provides valuable insights into the flexibility and adaptability of our procurement processes. It helps the CA identify areas where waivers are frequently requested and evaluate the effectiveness of our contractual requirements. By monitoring this metric, the CA can assess our ability to respond to unique circumstances and identify opportunities for streamlining the CA's procurement procedures. The goal is to reduce the number of waivers that are active over time. A decrease in waivers suggests that the Combined Authority's (CA) procurement processes are well-aligned with its needs, minimising the requirement for exceptions and waivers. It signifies that the CA's contractual requirements are clear, comprehensive, and effectively address the unique needs of projects. A decrease in waivers also indicates improved efficiency and compliance with established procedures, reducing risks and potential delays in project execution. The data shows the number of active waivers over rolling 12 month average. This is utilised to provide a more stable representation of the trend over time.

The data for this metric is collected through the internal tracking system used by the procurement office. This enables the CA to accurately track the number of active waivers over a specific period.

It is also important to consider limitations of the metric. External factors such as changes in regulations and unforeseen circumstances can lead to the need of increasing waivers but does not necessarily indicative of contract management and performance issues.



Dataset Link (s)

Actions

1. Work is currently been undertaken to establish a Single Assurance framework within the CA which will involve procurement from the beginning for business cases coming up, which then enables better planning and mitigates the need for waiver processes
2. After an external procurement audit review, an action plan is being developed to streamline procurement processes
3. Gateways processes, and a process map will be developed for officers as guidance on procurement processes
4. Training will be provided to officers once improvement work has been implemented and new implemented and processes are in place

Commentary

The data presented covers 2019/20 to 2023/24 to date. In 2019/20, the CPCA achieved 100% success rate in delivering projects on time. However, this was followed by a decline to 43% in 2020/21, reflecting a challenge in maintaining the same level of timeliness. The year 2021 saw a further reduction to 0%, although only a very small number of projects completed and the delays were within 6 months, but nevertheless indicating potential issues in project schedule. A positive shift occurred in 2022/23, as the CPCA regained a 100% success rate in on-time project delivery. The 2023/4 data is currently at 0% as of August 2023, however underperformance only relates to one project and it was caused by supplier delays to the delivery of electric buses (outside our control). The trajectory indicates the region's projection to consistently improve and eventually attain a 100% success rate in project timeliness.

Date of Latest Available Data	Previous Period	Current Period	Change in Performance	Direction for Improvement	Direction of Travel	RAG Rating against direction of travel	Target	RAG Rating against target
Mar-23	0.00%	100.00%	100%	↑	↑	Green	100%	Green

Metric Description

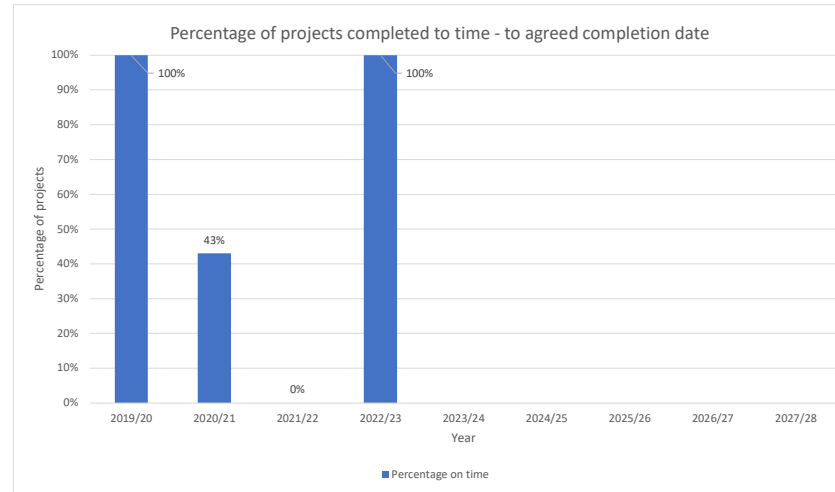
This metric evaluates the timeliness of project completions within the Combined Authority (CA). This metric relies on data recorded by the Programme Management Office. It offers insight into the organisation's project management efficiency, reflecting the proportion of projects that adhere to their scheduled timelines.

A target of 100% was set by the Programme Management Office.

While the metric provides a valuable indicator of project management effectiveness, it may not capture the complexities that can affect project schedules. Factors beyond control, such as unexpected external influences or changes in project scope, can impact the accuracy of this metric. Moreover, the metric doesn't provide a detailed view of the reasons behind potential delays, limiting its ability to convey the full context of project outcomes.

This metric is currently reported on annually as there is currently a lag between the completion of projects and that being reported to the Combined Authority - often the accurate figure cannot be known until after the financial year has ended. However, work is ongoing to move this to live data. As part of the Continuous Improvement element of the Improvement Programme, through the embedding of the SAF, the CPCA monitoring processes are improving and by the end of 2024 we will begin reporting on live data. The ambition is to make this a leading indicator so we know and can report in real time when a project is about to slip, rather than has slipped. And once it has slipped we can report that in real time.

Even though it is reported annually, monthly highlight reports are created and reviewed by PMO, and any issues identified are escalated either through a project or programme board, or through Performance & Risk meetings with the ED for Resources & Performance.



Financial year	Projects completed	Projects on time - agreed
2019/20	1	1
2020/21	7	3
2021/22	4	0
2022/23	2	2

Dataset Link(s)
Actions

Further work is planned on reporting which will allow greater scrutiny of which projects are on track and off track. Improvements to performance and an embedded change control process will also support with this.

Commentary

The Combined Authority's website accessibility score fell from 82.00% in November 2023 to 64.00% in December.

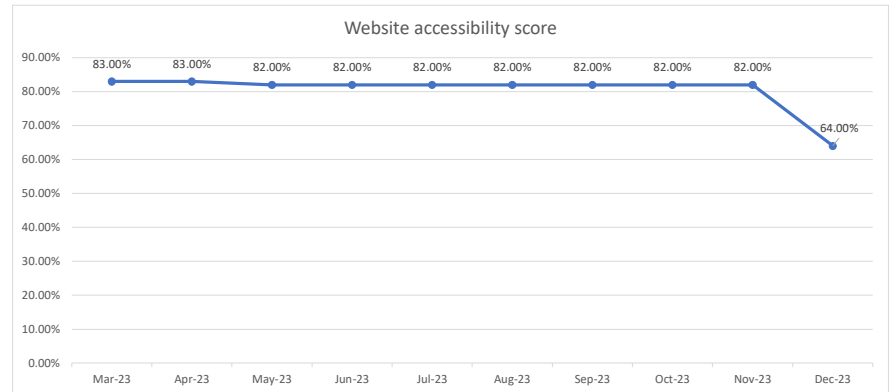
Date of Latest Available Data	Previous Period	Current Period	Change in Performance	Direction for Improvement	Direction of Travel	RAG Rating against direction of travel	Target	RAG Rating against target
Dec-23	82.00%	64.00%	-22%	↑	↓	Red	N/A	Target N/A

Metric Description

This metric measures the level of accessibility of the Combined Authority's (CA) website to individuals with disabilities. This indicator demonstrates the CA's efforts to ensure that its website is accessible to all individuals, including those with visual, auditory, cognitive, or mobility impairments. It promotes equal access to information, services, and opportunities, and reflects the authority's commitment to inclusivity and meeting legal requirements related to accessibility.

Making our website easy for everyone to use and understand means that we can be as open and transparent as possible. We are working on ensuring full compatibility with established accessibility standards: Web Content Accessibility Guidelines (WCAG 2.1). Assessment of WCAG compliance can be very qualitative, so we use the assessment tool SilkTide, which specialises in accessibility best practice for local authority websites.

While the accessibility score is a useful indicator, it may not capture the full user experience of individuals with disabilities. User feedback and real-world testing by individuals with diverse disabilities can provide valuable insights beyond automated assessments. Additionally, as technology and accessibility standards evolve, it is important to regularly update the evaluation criteria and adapt to emerging accessibility requirements.



Dataset Links(s)

- [https://cambridgeshirepeterborough-ca.gov.uk/WCAG 2.1 guidelines](https://cambridgeshirepeterborough-ca.gov.uk/WCAG-2.1-guidelines)
- <https://www.gov.uk/service-manual/helping-people-to-use-your-service/understanding-wcag#meeting-government-accessibility-requirements>

Actions

The recent drop in this metric is disappointing but not unexpected. The current Combined Authority website is nearing the end of its lifespan and we are taking proactive measures to rise to this challenge. Throughout Summer and Autumn 2023, we carried out an independent external review into our Communications, Engagement and Public Affairs activity, which highlighted the need to improve the Combined Authority website, to enact this funding has been secured through the 2024-25 Medium Term Financial Plan to rebuild the website. The rebuild will be focused on improving the user experience for everyone, which will include best practise alignment to the national Web Content Accessibility Guidelines. We expect this work to commence in Q3 this year but in the meantime will be taking reactive measures to try and reverse the recent drop in this metric.

Metric 19: Proportion of staff who have completed Data Protection and Information Security courses

Commentary

There was a dip in the proportion of staff who have completed data protection and information security courses in November to 77.24%, due to a number of new starters and staff being on a yearly cycle for redoing the training. This figure rose in December to 83.21% but is still more than 10% below target.

Date of Latest Available Data	Previous Period	Current Period	Change in Performance	Direction for Improvement	Direction of Travel	RAG Rating against direction of travel	Target	RAG Rating against target
Dec-23	77.24%	83.21%	5.97%	↑	↑	Green	100%	Red

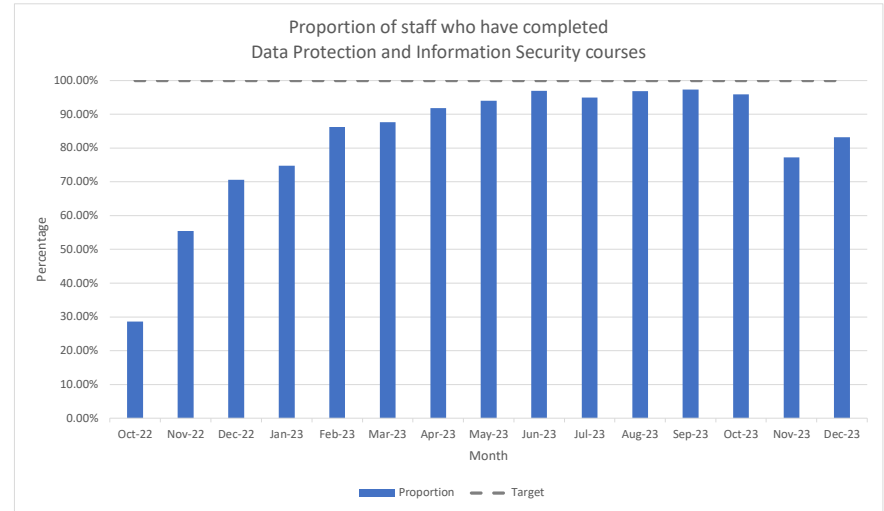
Metric Description

The Data Protection course was introduced to staff on 1 September 2021 and the Information Security course introduced in September 2022. Employees complete the courses when they join the CPCA (or when the course was first introduced for staff already in post) and then again on the anniversary of completion of the previous year's courses. The aim is to ensure that all staff (temporary/permanent/contractors/interims) complete the mandatory Data Protection and Information Security courses within their first week of employment with the CPCA. The completion of the course indicates that staff are carrying out the training. The quiz at the end of the course indicates that the person understands the training provided.

This indicator measures the percentage of staff within the Combined Authority (CA) who have successfully completed Data Protection and Information Security courses. The metric reflects the level of training and awareness among employees regarding data protection practices and information security protocols. It provides insights into the organisation's ability to safeguard sensitive data and mitigate risks associated with data breaches or unauthorised access. By monitoring the completion rates, the CA can assess the effectiveness of training initiatives and overall compliance with data protection regulations and information security best practice. As for the data, the data starts from October 2022 because this was the first time the information security course has been introduced.

There are limitations within this indicator. The completion of courses does not necessarily indicate the effectiveness of the training in enhancing employees' knowledge or changing their behaviors. Additional metrics, such as post-training assessments or real-world performance indicators, may be needed to evaluate the impact of the training on staff's data protection and information security practices.

The target of 100% was set by the CA's Data Protection Officer, as it is essential that all staff complete the two courses.



Dataset Link(s)

Actions

Regular communication to be sent out to staff as reminders of Data Protection/Information Security course requirements. Regular spot checks on the office to take place eg make sure that confidential papers are not left on desks, check photocopier for left papers, ensure that screens are locked. Devise a quiz to go on staff newsletter.

Commentary

94.74% of FOI requests were responded to and completed within 20 days of review in 2023, above the target of 90% but less than the 100% figure in 2022. The reason for not completing 100% of FOI's within 20 days in 2023 is because three responses were complex requests and required more detailed information and required correspondence to be retrieved from inboxes which took time.

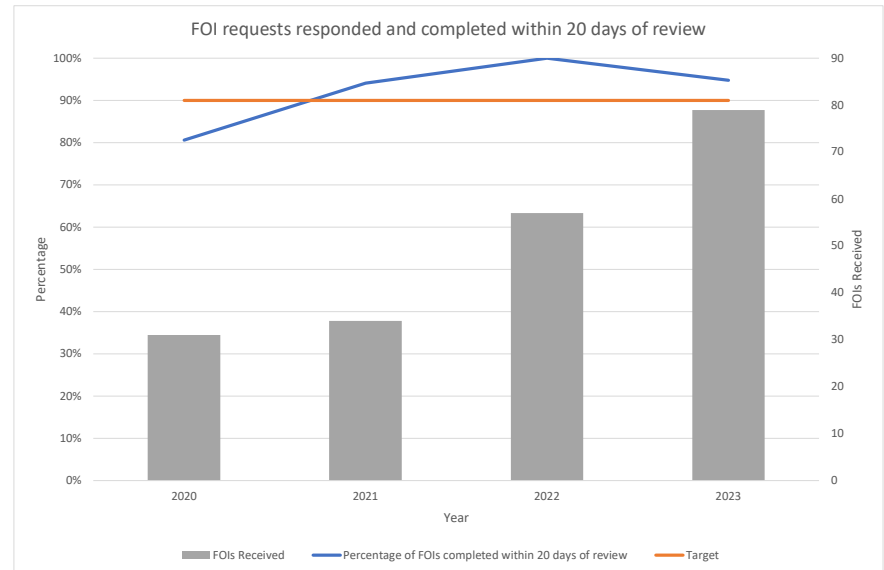
Date of Latest Available Data	Previous Period	Current Period	Change in Performance	Direction for Improvement	Direction of Travel	RAG Rating against direction of travel	Target	RAG Rating against target
Dec-23	100.00%	94.74%	-5.3%	↑	↓	Red	90%	Blue

Metric Description

This metric measures the efficiency of the Combined Authority (CA) in responding to and completing Freedom of Information (FOI) requests within a timeframe of 20 days from the date of review. FOI requests are an important aspect of transparency and accountability, allowing the public and stakeholders to access information held by the CA. Responding to and completing FOI requests within the prescribed timeframe demonstrates the CA's commitment to open governance and timely provision of information.

There is a limitation in measuring this metric. FOI requests can vary significantly in complexity and scope, ranging from simple enquiries to extensive data or document requests. The metric does not differentiate between the complexity or size of requests, potentially leading to an oversimplified assessment of performance. Some requests may require more time and resources to fulfill, which may not be reflected in the metric.

The aim is for 90% or above of requests to be completed within the statutory 20 days. However, it should be noted that there is a provision within the FOI/EIRs Acts for extensions to be applied. The target of 90% was set by the CA's data protection officer following the Information Commissioner's Office's FOI guidelines and responses rates. The Monitoring Officer is informed of any FOIs that are not completed within the statutory 20 days. The Information Risk Group Meeting is held monthly and all FOI statistics are reported to that group. The co-ordinator of this group is the Data Protection Officer and other attendees are Executive Director (Resources and Performance), Monitoring Officer, Head of PMO, Finance rep, Head of Digital Services. A report is submitted to the Audit and Governance Committee on a yearly basis giving all of the FOI statistics for the previous year. This is a request of the Audit and Governance Committee.



Year	2020	2021	2022	2023
FOIs completed		80.65%	94.12%	100.00%
Target		90.00%	90.00%	90.00%
Received		31	34	57
Over 20 days		6	2	0

Dataset Link(s)

Actions

To continue achieving the 90% target, the CA will make sure that all staff comply with the deadlines set for responding.

Metric 21: Total number of jobs created and supported by key Combined Authority Economy and Growth funds

Commentary

The total number of jobs created and supported by key CA Economy and Growth funds rose from 7,711 in March 2023 to 14,249 in January 2024. The overall trend of the time series show a positive trajectory with an increase in jobs created and supported after 2022/23. This continued increase is significantly above target and is on track to continue during 2023/24.

Date of Latest Available Data	Previous Period	Current Period	Change in Performance	Direction for Improvement	Direction of Travel	RAG Rating against direction of travel	Target	RAG Rating against target
Jan-24	7,711	14,249	46%	↑	↑	Green	6,835	Blue

Metric Description

This metric allows the Combined Authority (CA) to track and evaluate the economic effectiveness of the authority's investments in job creation and support within the region. Data are reported cumulatively.

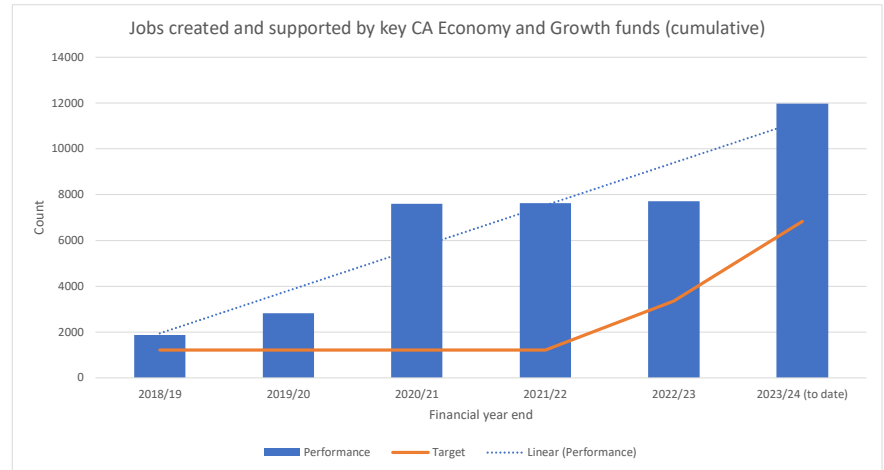
Data for this metric is collected through monitoring and reporting systems that track the direct and indirect employment outcomes for the following Economy and Growth Funds on a quarterly basis:

- Local Growth Fund
- Getting Building Fund
- Recycled Local Growth Fund
- Community Renewal Fund
- Shared Prosperity Fund

This data provides the CA with a comprehensive understanding of the job creation and support facilitated by its investments, enabling the authority to assess its contribution to regional economic growth and employment opportunities.

There is a limitation that the jobs created and supported does not show the full picture of how CA projects funded by other funds directly or indirectly create jobs. These funds are not the only way the CA create jobs as other programmes in different directorates can also influence job creation but not recorded here.

The target trajectory has been set by Economy and Growth programme managers.



Dataset Link(s)

Link to E&G Implementation Plan

<https://cambridgeshirepeterborough.sharepoint.com/:w:/s/ChiefExecutiveOffice-03PolicyAndStrategy/Ef40TFckNBJGgO-yPAYiOiUBxZjgEau5fKKyHCeRtiNM7g?e=hli8kt>

Actions

Monitoring of the economic picture and funded projects will continue.

Metric 22: Enrolments onto and achievements supported by adult education services funded by CA investment

Commentary

In 2019/20 and 2020/21, the national lock-downs due to the Covid-19 pandemic meant that colleges and training centres were closed. While delivery transitioned online, enrolments were below pre-pandemic levels. During the 2021/22 academic year, performance greatly improved with an 8% increase in enrolments from 15,474 to 16,740. Mid-year data for 2022/23 shows an upward trajectory, with a 14% increase from 2021/22 to February 2023 to 19,468 enrolments. Current performance is above the target of 17,000 enrolments and the time series overall shows a positive trend.

Achievements also increased from 94.00% in 2021/22, to 95.00% in February 2023, above the target of 90%.

Date of Latest Available Data	Previous Period	Current Period	Change in Performance	Direction for Improvement	Direction of Travel	RAG Rating against direction of travel	Target	RAG Rating against target
Feb-23	16,740	19,468	14.01%	↑	↑	Green	17,000	Blue

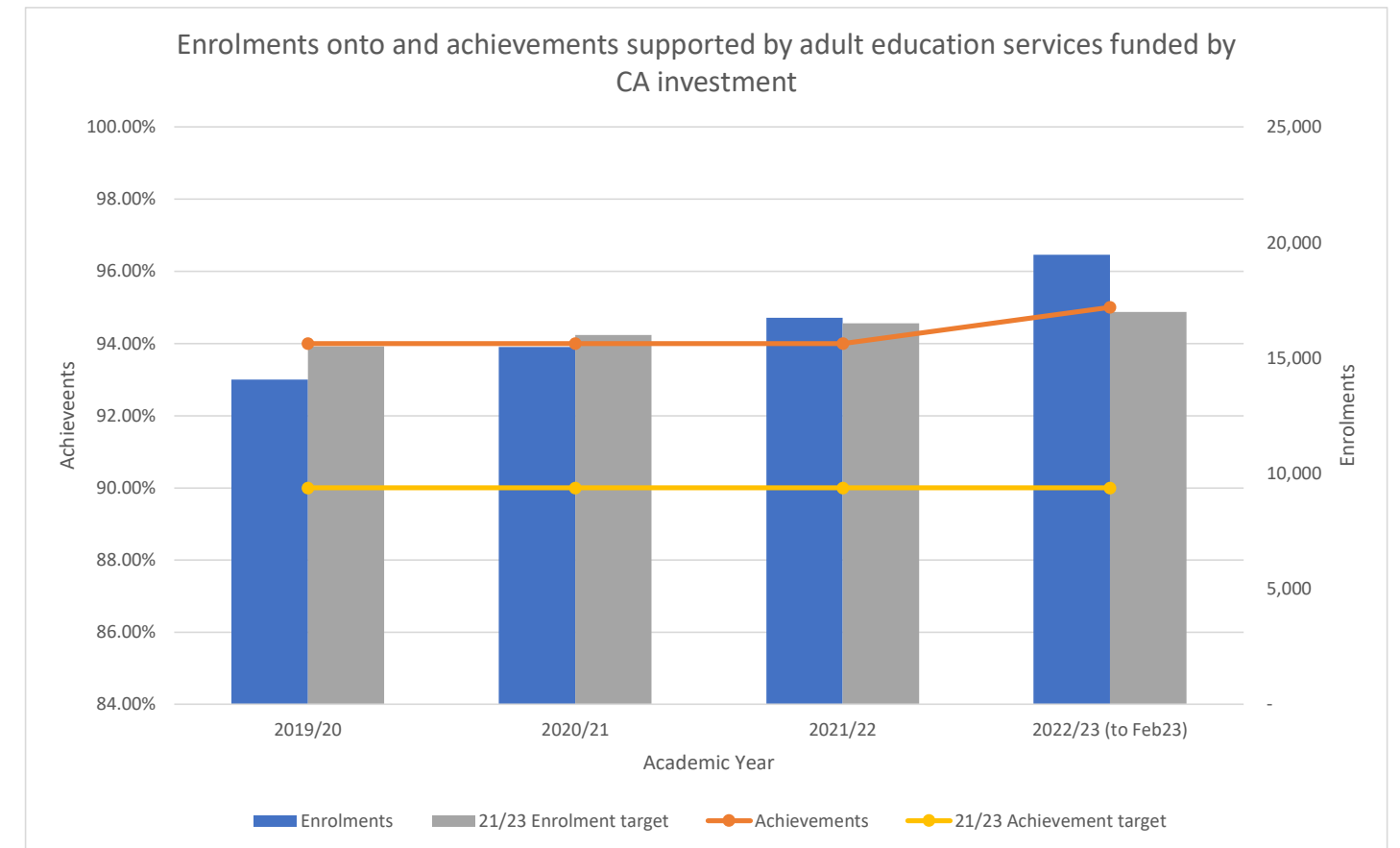
Metric Description

This metric tracks the number of individuals enrolling in adult education services and their subsequent accomplishments, such as completion of courses, attainment of certifications, or improvement in relevant skills. This KPI provides the Combined Authority with valuable insights into the reach and impact of the funded programmes, helping assess ability to support and empower individuals in their pursuit of education and professional growth.

The data are reported in academic years from 2021/22, with the current period mid-year data reported to February 2023.

The target for this metric was developed by the Adult Education programme manager, calculating the yearly targets reviewing historical annual performance. By having targets for both enrolments and achievements, the CA can aim to not only work to increase enrolment numbers but also analyse the proportion of students that actually achieve the qualifications and transition to employment.

Regarding reporting, annual return to DfE is a governance requirement. Performance is also reported half yearly to the Skills Committee and monitor performance quarterly in the Skills team. Depending on risk analysis, decisions are made to monitor on a monthly basis.



Dataset Link(s)

Actions

1. Continue to focus on improving CPCA internal business processes and compliance.
2. Continue to build and strengthen CPCA contract management capability.
3. Focus on improving data quality and tracking outcomes.

Commentary

The number of apprenticeships created by CA funded investment grew from 723 at the end of Q2 2023/24 to 804 at the end of Q3, however this is more than 10% below the target of 1400. Please note, our contract with GEG, the delivery partner for Growth Works Service ceased on 31/12/23 and the overall Apprenticeship target was missed by 596 due to a number of external factors, including the pandemic and businesses adapting post this period.

Date of Latest Available Data	Previous Period	Current Period	Change in Performance	Direction for Improvement	Direction of Travel	RAG Rating against direction of travel	Target	RAG Rating against target
Dec-23	723	804	10.07%	↑	↑	Green	1,400	Red

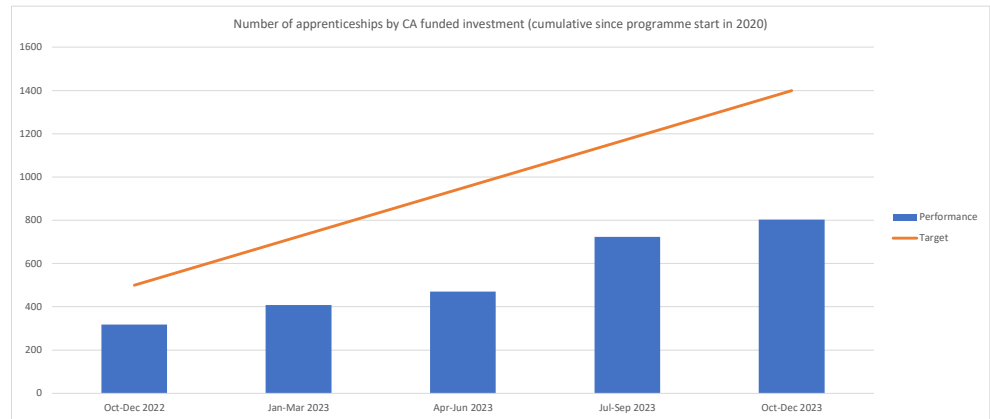
Metric Description

This metric reflects the Combined Authority's (CA) commitment to promoting skills development, fostering employment opportunities and supporting the growth of a skilled workforce.

The count of apprenticeships created is determined by tracking the number of apprenticeship starts that are directly facilitated through the Combined Authorities investments or activities. Specifically the data that is collected and reported by Growth Works is contained within the report. Further Apprenticeships are also created within projects or initiatives receiving financial support or incentives from the Combined Authority.

A limitation of this metric is it does not show where these apprenticeships are taking place in the CA region. This analysis would be helpful in improving the provision and targeting the regions where the service is needed.

The target was developed by the CA's apprenticeship provider, Growth Works. This has been agreed through discussions with the programme managers and compared to the national environment for apprenticeships.



Dataset Link(s)

Actions

Growth Works with Skills have been tasked with a number of actions to increase the additionality of Apprenticeship provision in the area which are detailed below. Our UKSPF skills project is currently developing activities to increase the availability and uptake of Apprenticeships across the region. In period activities include:

1. Working with the NHS & Public Sector to increase capability and influence creation of more Apprenticeships
2. Focus on the Manufacturing sector to support the development of technical skills leading to engineering as a progression route will support the much-needed boost to capability in manufacturing and engineering organisations.
3. Closer work with Schools, Colleges and Universities. As levy payers, these institutes have a high number of people and yet struggle to recruit. Apprenticeships provide an ideal solution to attract, train and retain both academic and professional staff.
4. Life Sciences & Digital companies require a broad range of skills, from laboratory technicians, data analysts and digital technology professionals to sales and business administration. The volumes are not necessarily high, but the importance of embedding a culture of apprenticeship training in life sciences & digital cannot be understated for the sustainability of employment for local people in this industry.
5. Foundation sectors – hospitality, retail and other sectors with high volume recruitment could benefit from a more structured approach to their people development. Apprenticeships provide a good opportunity for sectors that frequently employ seasonal or transient workers to actively invest in staff and create career pathways.

Metric 24: Cumulative number of homes retrofitted through schemes led by Greater South East Net Zero Hub

Commentary

Sustainable Warmth:

LAD3: Capital spent £27,860,058.56. Now Closed.

HUG1: Capital spent £5,157,841.73. Now Closed .

Delivery for LAD3 & HUG1 is completed by September with cumulative figures.

Final figures are below: LAD3 - Target: 3368(Delivered - 2788), HUG1- Target: 448(Delivered - 439).

HUG2: 63 homes are in progress (54 Cornerstone delivery) (9 WarmWorks), Warmworks have submitted 1 batch of 11 properties, using SW pricing temporarily. Forecasted delivery for Year 1 lower than expected. Agility Eco and E.ON are currently in the mobilisation stage, preparing for first batches. Quality Assurance has been procured to cover all delivery schemes. Grant Funding Agreements: Down to 3 left to be issued via Virtual Signature. The majority of GFAs issued have now been signed, countersigned with Capacity & Capability funds released to LAs. We now have all 4 delivery partners in contract. The EEPM team have started to collate and monitor KPIs where the delivery partner has started delivery in their area. We still have 3 GFA to issue, though we know few of these LAs are carrying on with comms and marketing.

Remaining GFAs agreed and signed. To note: share of approximately £40,255.20 capacity funding can be claimed amongst the 10 remaining LAs, only once their signed GFA AND signed Claim Form 1

- We are ensuring all partners (delivery agents and LAs) are marketing the scheme, to increase referrals
 - First batches to be submitted for Agility Eco and E.ON.
- Mini competition (pricing/supplier onboarding) for Warmworks supply chain in progress.

	Date of Latest Available Data	Previous Period	Current Period	Change in Performance	Direction for Improvement	Direction of Travel	RAG Rating against direction of travel	Target	RAG Rating against target
LAD3	Sep-23	2,788	2,826	1.34%	↑	↑	Amber	3,368	Red
HUG1	Sep-23	442	439	-0.68%	↓	↓	Amber	377	Green

Metric Description

This indicator measures the cumulative count of homes that have completed retrofit aimed at improving energy efficiency, through schemes led by the Greater South East Net Zero Hub (GSEZNH). The purpose of retrofit is to raise the energy efficiency ratings of low income and low EPC rated homes (those rated D, E, F or G) and also support low-income households with the transition to low-carbon heating. The Department for Energy Security & Net Zero (DESNZ) and the GSEZNH expect retrofit to result in:

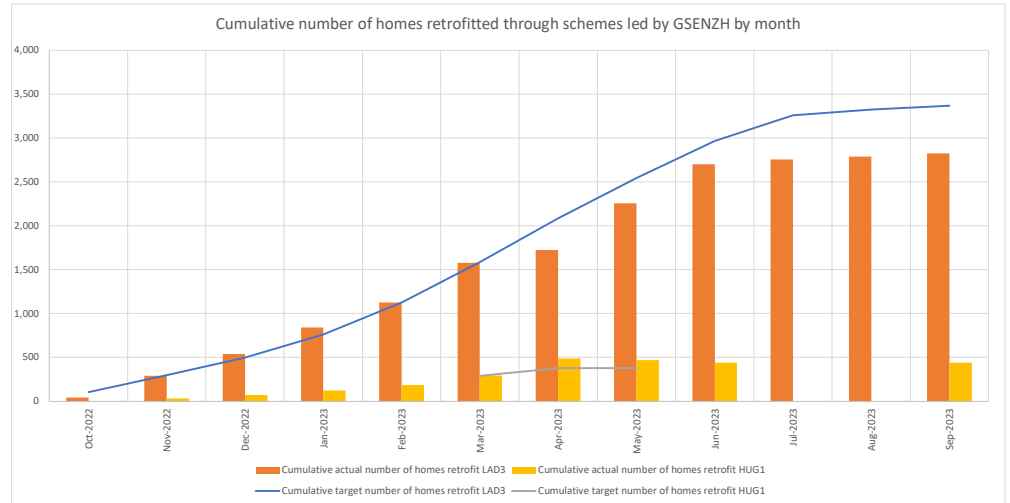
- Tackle fuel poverty by increasing low-income homes' energy efficiency rating while reducing their energy bills – a key principle of the 2021 fuel poverty strategy; Sustainable Warmth: Protecting Vulnerable Households in England.
 - Deliver cost-effective carbon savings to carbon budgets and progress towards the UK's target for net zero by 2050.
 - Deploy low carbon heating, supporting the transition away from fossil fuel-based heating and supporting supply chain growth of the clean heating sector.
 - Support clean growth and ensure homes are thermally comfortable, efficient, with a reduced impact on the environment and well-adapted to climate change.
 - Support economic resilience and a green recovery in response to the economic impacts of Covid-19.
 - Deliver better quality, safer, more energy efficient homes in rural areas.
- This reflects the CA's commitment to sustainability and its efforts to mitigate climate change.

There are currently three live schemes led by the GSEZNH reporting retrofits of properties: Local Authority Delivery phase 3 (LAD3) and Home Upgrade Grant phase 1 (HUG1). LAD3 treats homes which use mains gas to heat them and HUG 1 treats homes off mains gas. Home Upgrade Grant phase 2 (HUG2).

The GSEZNH was set up to support the Local Enterprise Partnerships in the Greater South East region, and to work with them, their local authority members and the wider public sector, to accelerate the development of local energy projects. The CPCA is the Accountable Body for the GSEZNH. The Accountable Body is the employer of the GSEZNH operations team and responsible for the grant provided to the GSEZNH by the DESNZ.

Currently CPCA area local authorities are not included in LAD3, HUG1 or HUG2 delivery led by the GSEZNH being in other consortia, while those local authorities within GSEZNH delivery vary by scheme and are from across the GSEZNH area.

Updated targets for both LAD3 and HUG1 were agreed with DESNZ in March 2023 through the Managed Closure process which are presented here together with the actual cumulative number of homes which have completed a retrofit installation, by month.



Dataset Link(s)

- <https://www.gov.uk/government/publications/apply-for-the-sustainable-warmth-competition>
- <https://www.gov.uk/government/publications/home-upgrade-grant-phase-2>
- <https://www.gov.uk/government/statistics/green-homes-grant-local-authority-delivery-lad-and-home-upgrade-grant-hug-release-may-2023>

Actions

- Complete closeout of HUG1 and LAD3 scheme. (Now Closed)
- Continue to mobilise delivery of HUG2 scheme.
- Change request to be actioned to cover reduction on delivery numbers for Year 1(HUG2).
- Meeting with DESNZ 9th February to discuss potential policy changes to HUG2.

Metric 25: Proportion of Cambridgeshire and Peterborough region with gigabit broadband availability

Commentary

The performance of this metric from 2022 to 2023 has shown a significant increase of 8.65% from 71.00% to 79.65%, taking the Combined Authority's performance above the England average. Comparing trend to target trajectory from 2021 to 2023 leads to the conclusion that the metric is likely to be on track to achieve the 85% target earlier than 2025.

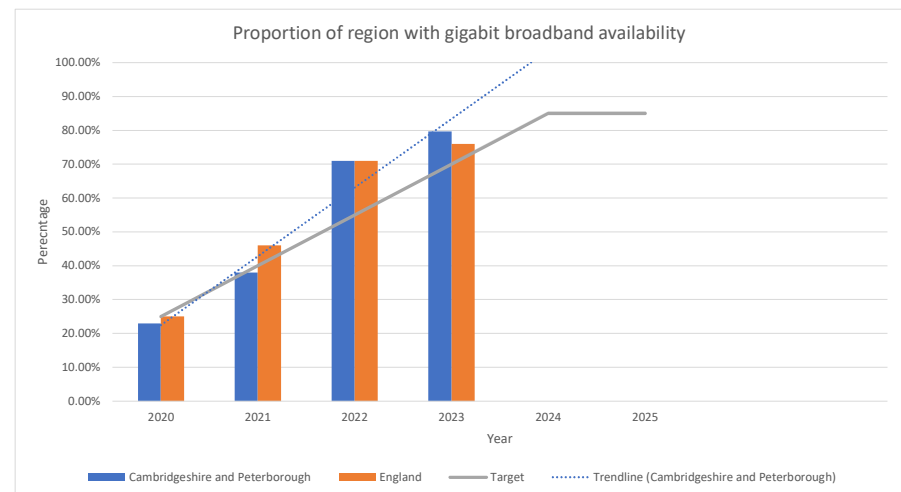
Date of Latest Available Data	Previous Period	Current Period	Change in Performance	Direction for Improvement	Direction of Travel	RAG Rating against direction of travel	Target	RAG Rating against target
Dec-23	71.00%	79.65%	8.65%	↑	↑	Green	55%	Blue

Metric Description

This metric assesses the accessibility and coverage of broadband internet services within Cambridgeshire and Peterborough (C&P). This metric utilises data sourced from the Ofcom Connected Nations Annual Reports. It provides insights into the extent of broadband infrastructure and coverage, aiding in evaluating the region's digital connectivity and potential disparities in access to high-speed internet services.

While the metric offers valuable insights into coverage, it's important to recognize that availability data might not encompass the quality and consistency of broadband services. Moreover, reported availability might not align precisely with real-world experiences in certain instances, potentially leading to a partial view of the actual digital connectivity landscape.

The target of 85% by 2025 was set by HM Treasury and a target trajectory was developed by the CA.



Dataset Link(s)

<https://www.ofcom.org.uk/research-and-data/multi-sector-research/infrastructure-research/connected-nations-2022/data>
<https://researchbriefings.files.parliament.uk/documents/CBP-8392/CBP-8392.pdf>

Actions

Commentary

In January 2023, the recorded percentage of staff feeling valued was 42.55%. The subsequent data point in June 2023 reflected a significant improvement, with the percentage of staff feeling valued rising to 58.33%. The most recent survey in December 2023 continues to show an increase, with the percentage of staff feeling valued rising to 60.2%. Although the increase from June 2023 to December 2023 is smaller than the previous increase, it should be noted that almost double the amount of staff responded to the December survey.

This metric does not specifically explore insights into the factors which contribute to people feeling valued and as such it will start to be helpful to consider alongside other metrics within the survey. The December survey saw many positive trends in other areas, including over 80% of permanent staff indicating that they saw themselves working for the Combined Authority in 12 months time and over 67% recommending the Combined Authority as a great place to work. The survey also reflected that staff recognised the improvements that had been made.

Date of Latest Available Data	Previous Period	Current Period	Change in Performance	Direction for Improvement	Direction of Travel	RAG Rating against direction of travel	Target	RAG Rating against target
Dec-23	58.33%	60.20%	1.87%	↑	↑	Amber	N/A	Target N/A

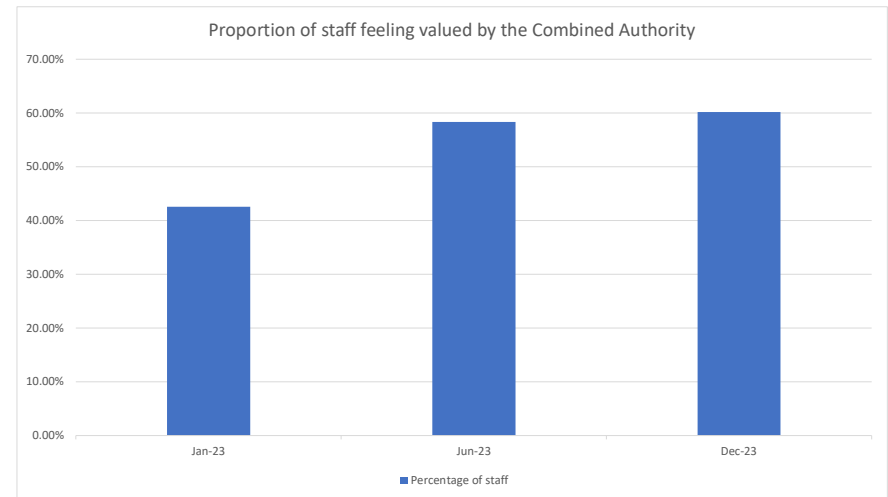
Metric Description

This metric assesses the extent to which employees within the Combined Authority feel valued within their work environment. It measures the percentage of staff members who report feeling valued based on responses collected through the staff survey. The survey collects anonymous feedback from employees regarding their workplace experiences, including aspects related to job satisfaction, engagement, and organisational culture.

The data points on the graph draw on data collected from responses to Question 10 of the survey. This question evaluates the extent to which employees feel valued, with ratings of 4 or 5 on a scale of 1 to 5 indicating a positive perception of being valued. The goal for the organisation of attaining a 65% level of staff feeling valued aligns with the overarching objective of fostering a workplace culture that prioritises employee well-being and recognises their contributions. This interim target is based upon the starting point in January 2023 and the journey undertaken through the current Best Value Notice. This will continue to be reviewed.

One key limitation of this metric is that it relies on voluntary participation in the staff survey. If not all staff members participate, the calculated proportion might not fully represent the sentiment of the entire workforce. Additionally, the metric does not provide insights into specific factors contributing to staff members' perceptions of feeling valued, which requires further qualitative analysis.

Data relating to whether permanent staff see themselves working for the Combined Authority in the next 12 months and whether they recommend the Combined Authority as a great place to work is based upon those employees which rated those questions as either a 4 or a 5.



Dataset Link(s)

Actions

Staff were engaged on the survey results at a staff conference in February and will be part of action plans to be taken forward. Directors will work with their teams to understand their individual directorate results and build directorate action plans. Trade Union colleagues have and will continue to be engaged on the staff survey and our continued ways to improve. Further work to understand where the organisation can continue to improve and build upon good practice is being undertaken. As the staff surveys continue to develop, benchmarking against external Authorities will be explored.

Commentary

At the end of December 2023, the percentage of budget expected to be spent was 89%, a 1% increase compared to the 87% indicated at the end of November 2023. The overall time series from Apr-Dec shows a peak as additional budget was added in July and then a reduction due to underspend on Growth Company Capital investments and slippage on Affordable Housing grants, A141 & St Ives and A10 upgrade. Further details are available in the budget monitoring reports to CA Board.

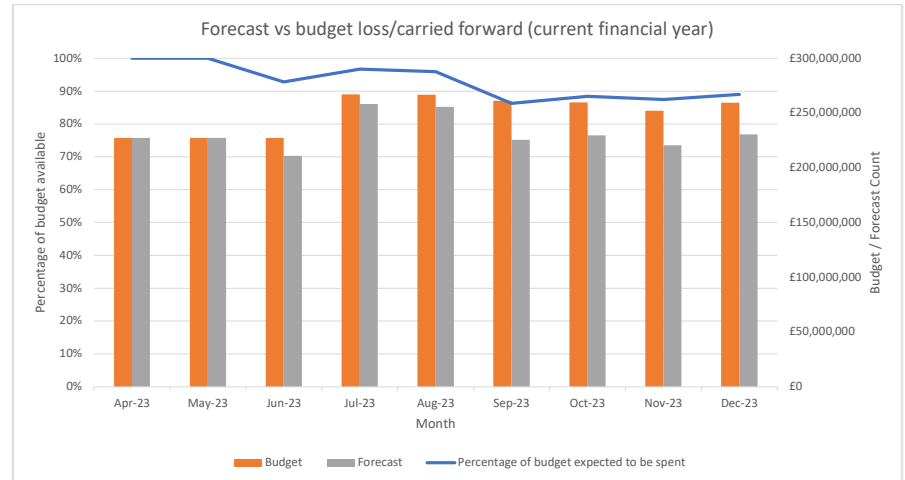
Date of Latest Available Data	Previous Period	Current Period	Change in Performance	Direction for Improvement	Direction of Travel	RAG Rating against direction of travel	Target	RAG Rating against target
Dec-23	87.47%	89.00%	1.53%	↑	↑	Amber	100%	Red

Metric Description

The metric represents the percentage of the total budget agreed at MTFP (including increase during the year) that has been forecasted to be spent to the end of March 2024.

The metric includes both revenue and capital expenditure.

The target for this metric has been set by the finance team. Although the optimal result will be for all the budget available for the year to be spent, slippage is expected as a result of changes in programmes' delivery schedules.



Dataset Link(s)

Actions

Regular conversations between programme managers and finance managers will ensure a thorough understanding of the forecast position, aiding the decision-making process and solving issues through facilitating dialogue.

Corporate Performance Report Q3 2023/4

Most Complex programmes and projects update

Data from end of January 2024

Item 11

Key: RAG Rating	
RAG rating	Description
Red	Without action, successful delivery is highly unlikely.
Amber	Without action, successful delivery is in doubt, and/or there is uncertainty and risk surrounding future deliverability.
Green	High level of confidence in successful delivery.

Key: Direction of Travel	
Improving Trend	↑
Worsening Trend	↓
No Change	→

Complex Programme / Project definition

Programmes and Projects are classed as Most Complex when a Combined Authority Funded programme or project is considered most significant in terms of value, strategic fit and where there would be significant impact if failure to deliver. This list is subject to change. Due to the inherent complexity of these projects, there is likely to be a higher percentage at amber than when considering less complex projects.

Project/programme	Description	RAG	Direction of travel	Update/narrative on status	Next key milestone	Outcomes and Impacts	Number 1 risk and mitigation
Peterborough Station Quarter	Regeneration of Peterborough station and the area around Peterborough Train Station – known as Station Quarter. A site consisting of circa 18 acres of underutilised land around the station.	Amber	→	The Peterborough Station Quarter OBC is now complete and progression of the FBC. The amber status remains at the stage as further engagement with DfT, DLUHC, and ATE continues to reduce risk of business case not being approved.	Proposal of Full Business Case – due October 2024	<ul style="list-style-type: none"> - New Access to Western Entrance - Improved public access - Regeneration of City, increased footfall in city centre. - Enhanced passenger facilities - Range of commercial and retail spaces - Improved pedestrian and cycling routes and facilities - Increased GVA - Reduction Co2 	<p>Number 1 Risk - Lack of clarity over future location of Maintenance Delivery Unit</p> <p>Mitigation – Network Rail to make early decision as to preferred location for MDU</p>
University of Peterborough	The Combined Authority, Peterborough City Council and Anglia Ruskin University (ARU) have been working closely together as partners and with key stakeholders in designing and building the university and research facility.	Green	↑	Phase 1 and 2 constructed and completed projects. Phase 3 Works are on site are now well underway and at present are due for practical completion in July 2024. The overall RAG status remains green, with the overall status moving in a positive direction with action plans to mitigate being made at pace	Phase 3 construction works to be completed – July 2024	<ul style="list-style-type: none"> - Increased productivity - Support economic development for region - Increased number of people in Higher Education and achieving degrees that are business focused - Increased graduates in area 	<p>Number 1 Risk - Unconfirmed design elements</p> <p>Mitigation – Early focus in RIBA 5 to firm up provisional sums and get early cost certainty on known variations. The inclusion of this risk on the register sets an amount of contingency within the risk budget presenting the option to draw down on contingency to cover changes that may arise.</p>
Net Zero Programme	A capital fund comprising Sustainable Warmth (Local Authority Delivery Phase 3 and Home Upgrade Grant Phase 1), and Home Upgrade Grant Phase 2 being delivered by the	Amber	→	Home Upgrade Grant Phase 2 is now in delivery. 3 delivery partners in contract. The project is amber as progressing HUG2 referrals to delivery has a number of barriers, primarily cost caps for measures.	HUG2 end of year process (pending requirements guidance from DESNZ)	<ul style="list-style-type: none"> - CO2 reduction - Percentage households living in fuel poverty reduced - 2,788 homes upgraded from LAD3. 	Risk – High attrition rate for HUG2 properties (1,800 referrals over 60% do not meet criteria/measure cost caps).

Item 11

	Greater South East Net Zero Hub.			Sustainable Warmth – managed closure plan decision received. LAD3 funds underspend ~£4.1m. HUG1 will have an underspend of c £2.4m. Pending external audit.		- 439 homes upgraded from HUG 1 HUG2 – 99 homes DESNZ batch approved	Mitigation – raised with DESNZ, in October and at each progress meeting, expecting policy update in January, this has been delayed twice, now expected 16/02
Bus Reform Programme	Delivering better public transport to our citizens. Projects within the programme are the Bus Reform Outline Business Case to assess the case for franchising and enhanced partnership, Zero Emission Buses (including Peterborough Electric Bus Relocation), Demand Responsive Transport, Bus Service Improvement Plan, Roadside Inventory and Network Review.	Amber	→	£4.6m of Bus Service Improvement Plan+ funding has been secured and Y1 funding allocated. Zero Emission Buses (ZEBRA) have launched successfully. TING is running well and Demand Responsive Transport analysis project is now complete and being taken into new network plans. Projects started are (1) to analyse and record roadside infrastructure, and (2) to investigate integrated ticketing. We have started developing a feasibility scheme for replacing the old Peterborough bus garage with one appropriate for investment in electrification - this is currently being pushed forward by PCC and CPCA. The Bus Reform Business Case is currently with the Auditor for review, with the intention to seek approval from the CPCA Board to proceed with public consultation in Q4.	1. Commence on writing a new Bus Service Improvement Plan draft to DfT due in June. 2. Network review, with recommendations to Transport Committee on bus subsidy reductions on target to progress through committee and Board in march. 3. For the Board to be able to consider the bus reform proposals, the business case audit needs to be complete. As at 29 February, 4 of 5 cases were broadly complete but more work on economic modelling.	- Increased patronage on public transport - Stability and expansion of network to re-establish connectivity, frequency and reliability. - Reduction in car traffic - Reduce CO2 Emissions	Number 1 Risk – Economic condition change (e.g. interest rates, economic growth forecasts). Mitigation – Mitigation plan being reassessed in the light of the National Bus Strategy. Risk – Resources – being brought in to enable delivery of bus actions. Risk – continue to work with auditors to understand issues and will continue to consider options to maximise benefits for public, undertaking a gateway review if required.
Adult Education Provision	To provide Adult Education that can be accessed by employers and individuals to fund a broad range of training. The programme also includes a Level 3 adult education offer through Free Courses for Jobs funding.	Green	→	The project status is Green as the programme overall is on target for delivery of the budget by the end of 2023/24 R14 academic year. Enrolments onto Adult Education Budget (AEB) funded courses are 8,704 enrolments to date at R05 which is a 10% increase compared with the same point last year, this is across 5,855 learners which is 3% increase compared to last year. There is an expected full year spend at £4,790,278. The Expected Full Year Spend does not include earnings boost, or for EAS manual adjustments which will be calculated post mid-year reconciliation. Free Courses for Jobs (FCFJ) are 377 enrolments to date, across 375 learners. This is compared to 262 enrolments at the same period last year, giving an increase of 44%. Expected full year spend at £393,860. The team have issued Grant Agreements to all Grant funded providers for the new academic year 2023/24 and issued variations to extend delivery of procured independent training providers into year 2 in line with their 5-year contracts. There are a number of direct awards to finalise. The	Milestone Contracts for ITP Direct Awards 23/24	- Employee jobs - Growth (GVA) - Enrolments onto Adult Education courses - Double enrolments in Level 3 courses.	Number 1 Risk - Delay in Procurement process and AEB unable to procure New Independent Training Provider resulting in reduced outcome for 2023/24 Mitigation - 1. Performance review: meetings with Providers currently offering Level 3 to identify headroom and growth case for Level 3 2. AEB procured additional local provider for Level 3 offer 3. Ongoing marketing campaign to increase enrolments 4. Ongoing Level 3 delivery group with partners to drive up performance 5. Over-contracted 6. Market shaping and pipeline activities of potential providers 7. Marketing promotion of the offer and additional

Item 11

			team also updated and published key technical funding rules for 2023/24.			flexibilities introduced to meet local need.
Business Growth Service	The Service consists of 5 workstreams, these are: 1.A Growth Coaching Service 2. An Inward Investment Service 3.A Skills Brokerage Service including Careers Hub 4.A Capital Growth Investment Fund 5. A Growth Hub service	Amber →	The Growth Works was transferred into CPCA in January 2024. Following a mobilisation phase, the service was officially launched on 27/05/21. The Programme is currently in delivery of Year 2, Quarter 9. Project status remains at Amber as there are concerns with under-performance at service line level despite the overall jobs target being met by the programme.	Implement Exit Plan, including transfer of assets and TUPE requirements	<ul style="list-style-type: none"> - Growth (GVA) - New Jobs (5278) - Apprenticeships (1400) - 1705 Additional training 	<p>Number 1 Risk - Loss of personnel from CPCA convinced with recruitment challenges e.g. challenge to secure temps or contractors</p> <p>Mitigation - Interim resource and additional staff member recruited to support programme management</p>
Market Town Masterplans	Masterplans developed to provide an evidence base and a set of priorities for the market towns to consider to realise their future economic growth potential. Phase 1 provided the investment to implement masterplans. Phase 2 providing investment to strengthen local communities and groups and to support social enterprises and community-owned businesses.	Green →	<p>Phase 1 investment fully committed and delivery underway, with a portfolio of 52 projects. A total of 30 projects are now completed, 10 projects are 'in delivery' (to be completed by March 2024), 9 projects are 'in delivery' (completion expected March 2025), and 1 project 'in delivery' (completion expected March 2026). Update management report went to Business Board and CA Board in January 2024 to report on programme delivery progress and performance.</p> <p>Phase 2 of the Programme - Stream 1 Community Ownership of Local Businesses (Plunkett Foundation), Stream 2 Social Enterprise Hubs (Social Enterprise East England) and Stream 3 STEM roadshow Exhibitions (Cambridge Science Centre). Social Enterprise East of England also commissioned to undertake additional Strategy development work and to deliver of impact growth business pilot programme for the sector.</p>	To complete delivery of Stream 1, 2 and 3 and prepare for programme completion and closure evaluation by May 2025.	<ul style="list-style-type: none"> - Jobs created and safeguarded - Revitalised market towns - Bringing back vacant assets into use through community ownership - Driving footfall - Improving cultural local sense of pride in place - Improving community space 	<p>Number 1 Risk – ability to award all capital grant committed within the two-year timeframe.</p> <p>Mitigation: Timescale and funding modelling undertaken during business case development informed by soft market testing and initial engagement with potential partners. It will also need to be tested by the delivery partners during bidding process. CPCA Fund Manager to liaise with LAs, growth hubs, FSBs, CoC to promote the funds to local organisations.</p>



Combined Authority Board		Agenda Item
20 March 2024		12
Title:	Q3 Corporate Risk Report	
Report of:	Nathan Bunting	
Lead Member:	Mayor Dr Nik Johnson	
Public Report:	Yes	
Key Decision:	No	
Voting Arrangements:	To note- No need for voting	

Recommendations:	
A	To note the risk register, dashboard and heat map in Appendix 1-3.
B	To note the update on progress of the Risk Software implementation
C	To note the plan for risk deep dives

Strategic Objective(s):	
The proposals within this report fit under the following strategic objective(s):	
X	Achieving ambitious skills and employment opportunities
X	Achieving good growth
X	Increased connectivity
X	Enabling resilient communities
X	Achieving Best Value and High Performance
Our principles of risk management support the consistent and robust identification and management of risk within desired levels across the organisation, supporting openness, challenge, innovation, and excellence in the achievement of our strategic objectives.	

1. Purpose	
1.1	To note the risk register, dashboard and heat map in Appendix 1-3.
1.2	To note the update on progress of the Risk Software implementation
1.3	To note the plan for risk deep dives

2. Proposal

2.1 The CPCA are accountable for delivering in a complex and changing environment. Managing risk and uncertainty is critical to the successful delivery of strategic aims.

To support the management of risk the Risk Management Framework and Procedure was approved at September 2023 CPCA Board. Implementing of the framework has commenced and is ongoing.

The Risk Management Framework and Procedure documents were co-produced and co-designed with the following groups from May to August 2023:

M10 Assurance network – 3 sessions

Internal Officer Working Group – 4 sessions – (officers from across all CPCA service areas).

Sessions covering the Single Assurance Framework, Performance Management Framework and Risk Management Framework,

External Working Group – 4 sessions – (nominated officers from all CPCA constituent councils). Sessions covering the Single Assurance Framework, Performance Management Framework and Risk Management Framework.

This is the first risk report to Board since its approval and is one further step to embedding the framework. As it is the first report we will not focus on changes and instead focus on the status of the risks in 2.2.

Appendix 1 sets out all the risks in a register format. Appendix 2 is the risk dashboard which shows the risks by category, proximity and score (inherent, residual and target). Appendix 3 maps the risks on a heatmap, and from the next report will show which are above risk appetite.

All risks are reviewed monthly with risk leads and have been included in this report. Risks are also reviewed monthly at the Corporate Management Team meeting.

The reviews have taken place through our new 4Risk software (see 2.3) and early evidence is showing that the format and ease of reviewing is leading to improved reporting, as noted by the Audit & Governance Committees at the recent March 2024 meeting.

As the software captures and documents all changes, in future reports we will offer a detailed summary of what has changed since the previous report.

2.2 There are 15 risks on the Corporate Risk Register. The 15 residual risk scores (risks scores after controls are in place) are:

1 red very high risk
1 amber high risk
11 yellow medium risks
2 green low risks

The 1 very high risk is Future Funding

The Future Funding causes are:

- a) No replacement of devolved multi-year funding streams which are coming, or have come, to an end e.g. Transforming Cities Fund, housing investment funds and Local Growth Funding.
- b) Replacement of these funding sources with centrally controlled 'calls' for CAs and LAs to bid for grants for specific projects.
- c) Potential change of government following general election may lead to different funding priorities than CPCA currently prioritises.

The Future Funding effects are:

- a) Lack of a long-term funding settlement impairs the Combined Authority's ability to plan strategic investments.
- b) Reduces the CA's ability to deliver projects considered a local priority, as only those which can attract national investment receive funding.
- c) Impact on staff retention as employment may be fixed term to match to current funding giving little certainty to employees.
- d) Potential inability to meet the aspirations contained within the original devolution deal from 2017.

The 1 amber high risk is Cyber Security

The Cyber Security cause is:

Cyber Security incident due to: Unauthorised applications, Human error, Misaid equipment, Breach of network / data or Fraudulent activity due to phishing attempts.

The Cyber Security effect is:

Potential loss of data and systems and inability to operate business critical services.

Current controls/mitigations can be found in appendix 1

2.3 Implementation of Risk Register software – 4Risk

In May 2023, risk software was procured (4Risk supplied by RSM). The investment in new corporate, web-based risk software will allow a central and auditable platform to register risks associated across the work programme.

The Corporate Risk Register is now on 4Risk and we are in the process of adding the Service Registers (Transport, Skills, Business, Climate etc.) following the completion of the one-to-one training that has been taking place by RSM (including subsidiary companies).

The software is now being used to update corporate risks, and in February 2024 the PMO met with each risk lead to update risks live on the system.

There is an auditable log of changes on 4Risk which will be shared with A&G and Board so that there is effective oversight over what has changed between Board cycles.

2.4 Risk Deep Dives

Starting from the Q4 report we will be completing a risk deep dive into those risks that exceed our risk appetite. This will be sent to the Corporate Management Team, Audit & Governance Committee and Combined Authority Board.

Furthermore, Audit & Governance Committee and Board members can request a risk deep dive.

3. Background

3.1 The Combined Authority Risk Management Framework and Procedure was reviewed at 08 September Audit & Governance Committee, and approved 20 September Combined Authority Board. Work continues in embedding the Framework and Procedure, including through training and software.

3.2 The Framework notes that the Programme Management Office are responsible for ensuring that the Corporate Risk Register is maintained, updated and that risks are regularly reviewed with the Executive Director of Resources & Performance, Corporate Management Team, Audit & Governance, CPCA Board and the Risk Owners.

The Combined Authority Board is responsible for:

	<ul style="list-style-type: none"> • Adopting and reviewing the Risk Management Framework • Receiving recommendations from the Audit & Governance Committee (A&G) as to the Authority's arrangements for the management of risk and on any concerns that risks are being accepted which the Authority may find unacceptable. • Identify and propose new strategic risks • Review annual report from A&G <p>This item is key to ensure the above are completed. This is a standing item every quarter.</p> <p>A&G receive a Risk Report at every meeting, most recently at the March 2024 meeting. A&G is responsible for overseeing the Authority's Risk Management Framework and Procedures and the Corporate Risk Register, to ensure that risk management is being done to the appropriate standard and in line with this framework.</p>	Item 12
3.3	<p>Training</p> <p>To embed the use of the Risk Management Framework and new software for recording risk, training has been undertaken across the CPCA both for members and officers. Dates of completed training are as follows:</p> <p>A&G Committee</p> <p>November 2022</p> <p>March 2023</p> <p>CPCA Officers (incl. subsidiary companies)</p> <p>February 2023</p> <p>February 2024 - 4Risk software</p> <p>Corporate Management Team</p> <p>April 2023 - Risk Appetite training</p> <p>(NB the risk appetite statement is incorporated within the Risk Management Framework).</p> <p>Refresher training is scheduled to take place each year.</p>	

4. Appendices	
4.1	<p>Appendix 1. Corporate Risk register</p> <p>Appendix 2. Risk Dashboard</p> <p>Appendix 3. Residual movement heatmap</p>





5. Implications	
Financial Implications	
5.1	There are no direct financial implications to this report.
Legal Implications	
5.2	<p>The Cities and Local Government Devolution Act 2016 established the requirement for Combined Authorities to appoint an audit committee whose functions include reviewing and assessing the authority's risk management, internal control and corporate governance arrangements.</p> <p>The Accounts and Audit Regulations 2015, Regulation 3, provides that: 'A relevant authority must ensure that it has a sound system of internal control which</p>

	<p>(a) facilitates the effective exercise of its functions and the achievement of its aims and objectives; (b) ensures that the financial and operational management of the authority is effective; and</p> <p>(c) includes effective arrangements for the management of risk.</p> <p>The proposals in this report contribute to the CPCA's effective arrangements for the management of risk.</p>
Public Health Implications	
5.3	None
Environmental & Climate Change Implications	
5.4	None
Other Significant Implications	
5.5	None
Background Papers	
5.6	Corporate Risk Report - Audit & Governance Committee (08 March 2024)

Generated Date	01 Mar 2024 15:57
Risk Criteria	
Project	CPCA Risk Register
Risk Area	Corporate

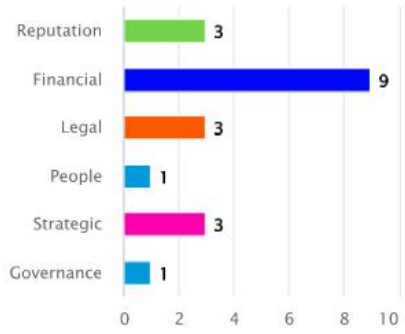
Item 12

CPCA Risk Register												
Reference	Title	Risk Type	Owner	Inherent Priority	Controls Summary	Residual Priority	Residual Direction of Travel	Detail	Actions Owner	Assurance Line	Current Implementation Date	Target Priority
1047	Future viability of the CA	Strategic	CEO	Very High (5:5=25)	a) Developing an improvement plan in order to build confidence with central government. - Complete b) Actions contained within original improvement plan now complete. c) Had a revised Best Value Notice that recognises the significant work that has been achieved and addressed most issues, a revised improvement... d) Developed and implemented a new governance model, in effect, from 31st May, 2023 - complete e) Improved communications between partners delivered. f) Partnership mapping completed to identify and develop critical strategic and operational partnerships. g) Particular focus now on partnerships that extend beyond the local area (e.g. EEH, OxCam Arc)..	Medium (3:3=13)	=					Medium (2:3=8)
1052	National policies on climate change impacting on CPCA funding	Strategic	Strategic Planning Officer	Very High (4:4=21)	a) Corporate Strategy approved with (a) Resilience as one of the corporate objectives, and (b) climate as one of the six capitals. b) Public Affairs engaging with local and national decision-makers to illustrate impact of policy changes on the area. c) Keeping Climate action plan up to date, keeping evidence base current. e) Maintaining effective networks and national and regional level to enable horizon scanning. Regular progress reporting on net zero progress and climate impacts to Climate Partnership (quarterly) and E&SC Committee.	Medium (2:4=12)	=	Clear messaging on climate impacts and the need for change. Launch of enhanced website information.	Strategic Planning Officer	3rd	31 Dec 2023	Low (1:3=4)
1073	Transforming Cities Fund (TCF)	Financial	Head of Transport	Very High (4:4=21)	Assessing the TCF funding programme around deliverability and cost undertaken. Where schemes will no longer be delivered and there will be a... Regular meetings with DfT to highlight the programme and project management measures in place - discussions based on quarterly returns and positive...	Medium (3:3=13)	=	f) Respond to government's request for information and evidence to inform their "study" - ongoing - complete g) Liaise with DfT on the additional programme management tools and associated information to maintain confidence in the deliverability of the programme	Head of Transport Head of Transport	3rd 3rd	30 Nov 2023 30 Nov 2023	Medium (3:2=9)
1088	Governance - VFM risk relating to governance	Strategic	CEO	Very High (5:3=22)	Both the A&G and O&S Committees have been briefed on the issues and are making their own recommendations to the board and will work to support the... Permanent appointments have been made to all CMT roles including a permanent CEO who started in June 2023 and clear processes in place to replace... Regular engagement with external auditors, Independent Improvement Board, DLUHC and BEIS. Letter written by CEO to DLUHC and BEIS officials seeking release of the funds now that significant improvements have been made, or if the... Improvement Plan in place since October 2022 that has delivered very significant improvements within the Combined Authority and is now moving into...	Medium (3:3=13)	=					Low (2:2=5)
1093	Culture	Reputation	CEO	Very High (5:3=22)	a) Governance review underway as part of Improvement Plan. - complete b) Funding secured from LGA to help develop constructive discussions between members. - complete Regular staff engagement and surveys have shown progress on organisation culture and the CIVIL values have been agreed. Next stage of Improvement... Ongoing engagement with Members and Officers to display appropriate behaviours.	Medium (3:3=13)	=					Medium (2:3=8)
1117	Financial - Underspend	Financial	Executive Director Resources and Development	Very High (3:5=20)	a) Implementing self service financial reporting which will enable project managers to more easily identify if there is a disconnect between... b) Financial RAG ratings are in place so it can be seen immediately as part of the monthly performance reporting. c) Active programme/project management by those responsible within the CPCA. In process of introducing work in progress commitment accounting	Medium (3:3=13)	=	Development of directorate self service reports including RAG rating. This work will be supported by corporate project management, budget management and risk training. PMO and Finance to work with service to identify which projects are actually not delivering and which are delivering but not having funds drawn down by delivery partners. Working with our external project partners on transport projects being delivered by partners, developments in reporting	Assistant Director Resources and Performance Assistant Director Resources and Performance Executive Director Resources and Development	2nd 1st 2nd	31 Mar 2024 31 Mar 2024 31 Mar 2024	Medium (2:3=8)
1125	EQIA	Legal	Head of Legal and Deputy Monitoring Officer	Very High (5:3=22) Item 12	Each project will undertake an EQIA as part of the Single Assurance Framework. EQIA training will be undertaken as part of the SAF training programme. EQIA policy needs to be developed prior to the equalities impact assessment	Medium (3:3=13)	=	EQIA legal review to be undertaken	TBC	2nd	30 Nov 2024	Medium (2:3=8)
1135	Cyber Security	Financial	Executive Director Resources and Development	Very High (5:4=24)	a) Data recovery - cloud based organisation. b) Recovery time - due back in minutes. c) Devices stock held to reissue equipment d) All devices are encrypted to protect from unauthorised access. e) Data access role based. f) Active monitoring on all systems. g) Yearly training to educate end users. h) Large number of system controls re. login protection - two factor authentication. i) SOCITM Cyber Essential accreditation done yearly. j) Remedial funding from DLUHC to support Cyber Security.	High (4:2=14)	=	Continue to develop CPCA Cyber security position with the support of Local Digital and industry best practices from GCHQ.	Executive Director Resources and Development	2nd	31 Mar 2024	Medium (3:2=9)
1007	Future Funding	Financial	Executive Director Resources and Development	Very High (5:5=25)	a) Optimise the CA's ability to successfully bid into funding 'calls' - strategies and new PMO functions b) Workshops with partners to identify opportunities to deliver projects without Government grant c) Lobby Government for greater freedoms and flexibilities in funding, including devolved multi-year settlements d) Consider use of existing CA powers to fund future programmes e) Manage stakeholder expectations regarding CA resources available to deliver strategic objectives	Very High (5:3=22)	⬆️	Engage with local partners, M10 colleagues & DLUHC to secure new long-term funding with greater freedoms and flexibilities through the devo negotiations with DLUHC. We are now working on developing the role of the PMO in line with the review completed in 2023. Implementation of the Single Assurance Framework to ensure best use of remaining discretionary funding sources.	Executive Director Resources and Development Executive Director Resources and Development Executive Director Resources and Development	3rd 3rd 3rd	30 Nov 2023 30 Nov 2023 30 Nov 2023	High (4:2=14)
1136	HR Operations	Legal	Assistant Director for Human Resources	Very High (4:4=21)	a) Digital review has been undertaken to identify system challenges and issues b) Quick wins have been identified and implemented. c) Long term solution HRIS to be agreed and new system procured which will generate process improvements and efficiencies d) Retrospective checks taking place over coming months on existing processes e) New staff added to the HR team	Medium (3:2=9)	=	Budget for business change (review all HR processes) and technology circa £30k p.a. Implementation costs circa £50k Budget for business change (review all HR processes) Phased approach to implementation starting with recruitment to application tracking software (our biggest challenge as we grow). Core HR system, performance management, learning and development, and payroll. HR staff to be upskilled.	Assistant Director for Human Resources Assistant Director for Human Resources Assistant Director for Human Resources Assistant Director for Human Resources Assistant Director for Human Resources	2nd 2nd 2nd 2nd 1st	31 Jul 2024 31 Jul 2024 31 Jul 2024 31 Jul 2024 31 Jul 2024	Low (2:1=3)
1001	Inflation	Financial	Executive Director Resources and Development	Very High (4:4=21)	a) Lobby government to highlight our position and what will happen without a more sustainable funding solution b) Project delivery - enter into fixed price contracts, i.e. transferring inflationary risk to contractors. c) Project delivery delays mitigated by active project management to minimise slippage. d) Reconsideration of the use of CA powers to use financial freedoms. e) Engage with DLUHC to secure new devolution deal with sustainable funding at its core. f) Budget and project managers consider the impact of inflation on their budgets each year as part of the development of the MTFP. g) £2.4m put aside in 22-23 from underspend into inflation reserve to be used when/if needed to cover revenue inflation risk.	Medium (3:3=13)	=	Implementation of the SAF will include active monitoring of the capital programme and create a route for projects to be accelerated to fill any space created by delays within the overall programme. Programme managers and Budget Holders reviewed their budgets as part of the 24/25 MTFP cycle and these updated costs are being included in the draft MTFP development.	Executive Director Resources and Development Executive Director Resources and Development	2nd 2nd	01 Jan 2024 01 Jan 2024	Medium (2:3=8)

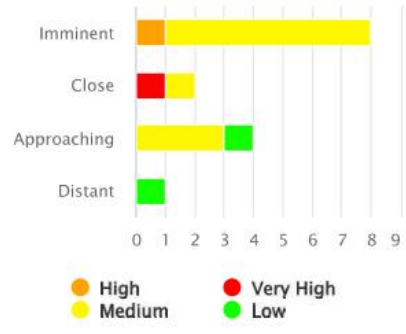
Reference	Title	Risk Type	Owner	Inherent Priority	Controls Summary	Residual Priority	Residual Direction of Travel	Detail	Actions Owner	Assurance Line	Current Implementation Date	Target Priority
1015	Workforce/HR	Financial	Assistant Director for Human Resources	High (3.4=17)	a) Workforce planning - redeployment of staff / temporary contracts b) The introduction of establishment control measures across the CA by Finance and HR (owner) brings greater control on vacancies within the... c) The HR Business Partner will hold regular meetings with Executive and Assistant Directors to monitor recruitment activity and create a pipeline...	Low (2.2=5)		Recruitment register being created, to fortnightly at ET and is extended to include planned leavers to enable us to take a more strategic view on vacancies.	Assistant Director for Human Resources	2nd	31 Dec 2023	Low (2.2=5)
								Develop workforce strategy/plan to align with Business Plan (this needs to be reviewed in context of improvement work), including specific approval for fixed term contracts linked to funding and effects of inflation.	Assistant Director for Human Resources	2nd	31 Dec 2023	
								Keep close to ET members in the context of potential changes to funding streams as a result of the EY letter. And update recruitment tracker accordingly.	Assistant Director for Human Resources	2nd	31 Dec 2023	
								Financial implications of funding stream coming to an end, for example, exit payments	Assistant Director for Human Resources	2nd	31 Dec 2023	
1068	University of Peterborough future expansion	Financial	Executive Director Economy and Growth	Medium (3.3=13)	The wider CA finances are insulated from the performance of Prop Co 1 and Prop Co 2 by no future expenditure being reliant on financial returns... Phase 2: Marketing underway to seek to identify tenants. Conversations with ARU regarding new shareholders agreement continue.	Medium (3.2=9)		Working groups have been created to progress with the OPA and find solutions for the relocation of existing local amenities which currently occupy the site.	Executive Director Economy and Growth	2nd	31 Mar 2024	Low (2.2=5)
								Engage with partners to establish programme delivery for future phases / programme business case.	Executive Director Economy and Growth	2nd	31 Mar 2024	
2310	Net Zero Hub / HUG2	Reputation, Financial	Executive Director Resources and Development	High (3.4=17)	Modelling and looking at cost control as part of the change request Working with our supply chain to maximise capital delivery per property. Review end of Q1 our progress and then decide on further controls	Medium (3.3=13)						Medium (3.2=9)
2307	Subsidiary companies and shareholder membership	Reputation, Financial, Legal, People, Governance	Chief Officer Legal and Governance & Monitoring Officer (Interim)	Medium (3.3=13)	Shareholder/Investment Committee establishment with regular oversight of the companies. CPCA appoint directors on boards of these companies.	Low (2.1=3)						Low (2.1=3)

Item 12

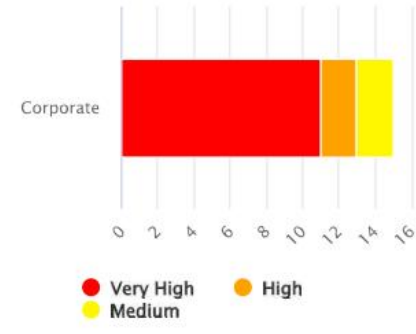
Risks by Category



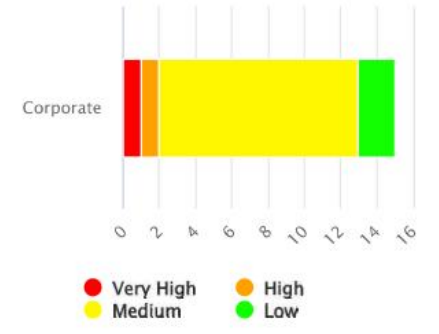
Risks by Proximity



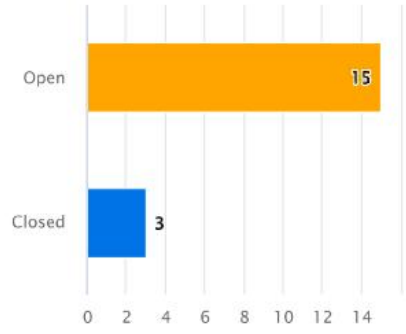
Risks by Inherent Score



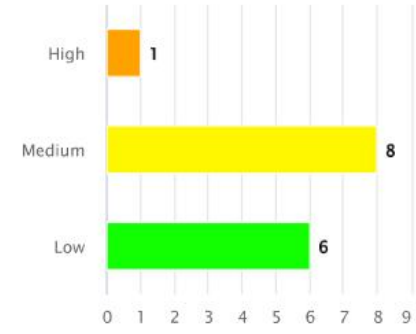
Risks by Residual score



Risks by Status



Risks by Target Score



5 - Critical

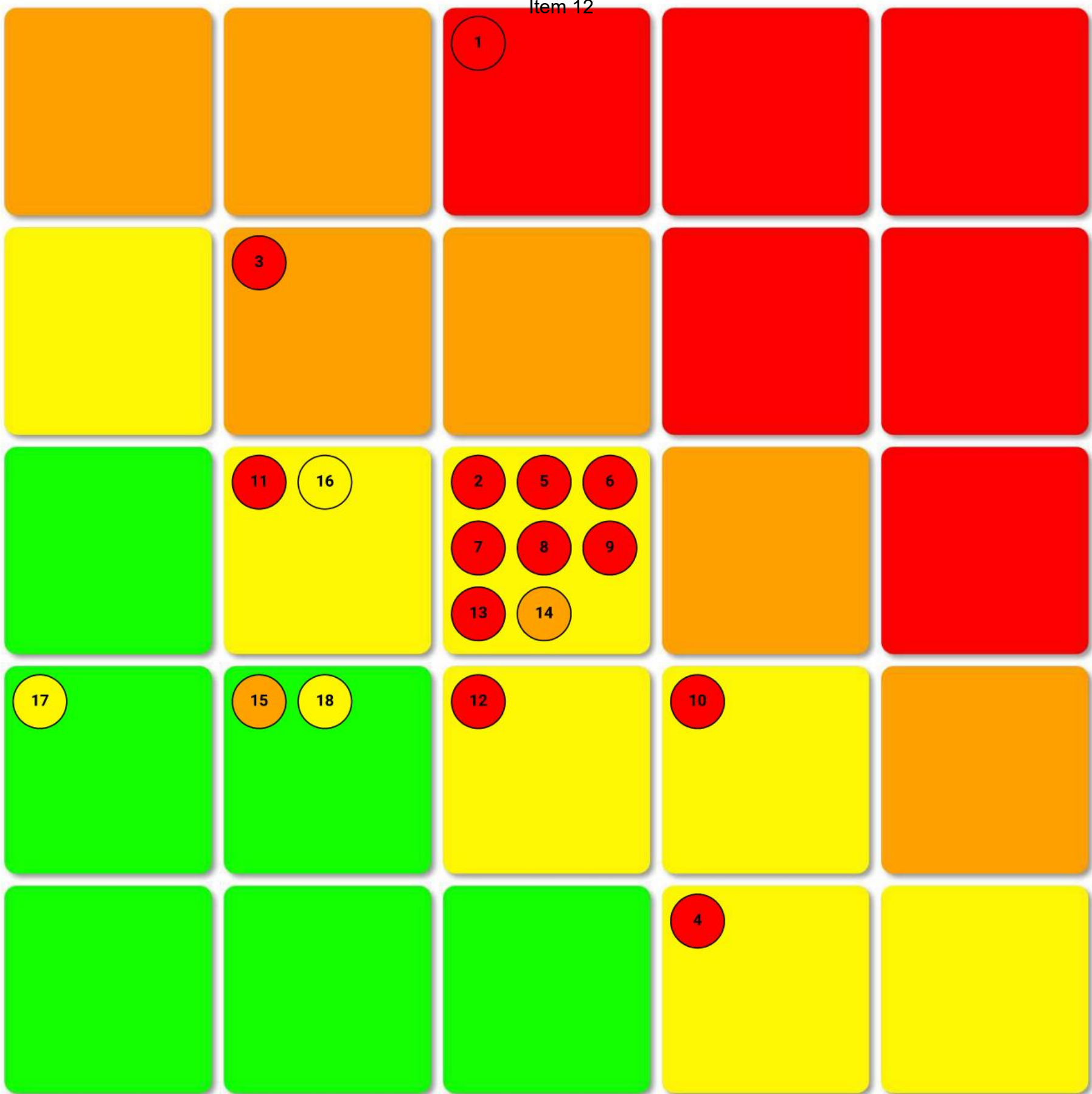
Item 12

4 - Major

3 - Moderate

2 - Minor

1 - Negligible



Impact

Likelihood

1 - Rare

2 - Unlikely

3 - Possible

4 - Likely

5 - Almost Certain

Matrix Id	Reference	Title	Inherent	Residual	Target	
1	CRR0002	Future Funding	Very High	Very High	High	↗
2	CRR0004	Future viability of the CA	Very High	Medium	Medium	↗
3	CRR0014	Cyber Security	Very High	High	Medium	↗
4	CRR0006	Net Zero Hubs (2)	Very High	Medium	Low	↗
5	CRR0010	Culture	Very High	Medium	Medium	↗
6	CRR0013	EQIA	Very High	Medium	Medium	↗
7	CRR0009	Governance - VfM risk relating to governance	Very High	Medium	Low	↗
8	CRR0008	Transforming Cities Fund (TCF)	Very High	Medium	Medium	↗
9	CRR0001	Inflation	Very High	Medium	Medium	↗
10	CRR0005	National policies on climate change impacting on CPCA funding	Very High	Medium	Low	↗
11	CRR0015	HR Operations	Very High	Medium	Low	↗
12	CRR0016	Net Zero Hubs (1)	Very High	Medium	Medium	↗
13	CRR0012	Financial - Underspend	Very High	Medium	Medium	↗
14	CRR0018	Net Zero Hub / HUG2	High	Medium	Medium	↗
15	CRR0003	Workforce/HR	High	Low	Low	↗
16	CRR0007	University of Peterborough future expansion	Medium	Medium	Low	↗
17	CRR0017	Subsidiary companies and shareholder membership	Medium	Low	Low	↗
18	CRR0011	Subsidiary Companies	Medium	Low	Low	↗



Combined Authority Board		Agenda Item
20 March 2023		13a
Title:	Greater South East Net Zero Hub Delegations	
Report of:	Maxine Narburgh, Regional Head GSE (Greater South East) Net Zero Hub	
Lead Member:	Councillor Bridget Smith, Lead Member for Environment & Sustainable Communities	
Public Report:	Yes	
Key Decision:	Yes – KD2023/041	
Voting Arrangements:	Decided by a majority of voting Members, subject to that majority including the vote of the Mayor, or the Deputy Mayor acting in place of the Mayor.	

Recommendations:

A	Delegate authority to the Executive Director of Place and Connectivity and any replacement (or substitute) as set out in table 1, to make decisions on behalf of the Combined Authority when sitting on the Net Zero Hub Board(s).
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Strategic Objective(s):

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

Enabling resilient communities
The GSE NZH provides technical assistance and grant administration to support decarbonisation and net zero. Objective 4, Place & Connectivity Business Plan is to deliver the Local Net Zero programmes of work to: i) achieve good growth ii) ambitious skills and employment opportunities and iii) resilient communities.

1. Purpose

1.1	This report updates the Senior Responsible Officer (SRO) from the Director of Resources and Performance to the Director of Place and Connectivity. The report outlines the scope of decisions that need to be made to enable the Greater South East Net Zero Hub to fulfil the requirements of the Memorandums of Understanding (MoUs) with the Department for Energy Security and Net Zero.
1.2	The Board is recommended to approve delegations to the Director of Place and Connectivity (or substitute) to make decisions relating to the business of the Greater South East Net Zero Hub.
1.3	All decisions out of scope or above the financial thresholds will be directed to the Environment and Sustainable Communities Committee and Combined Authority Board as applicable.

2. Proposal

2.1	<p>The proposal is for the Combined Authority Board to delegate functions to the Director of Place and Connectivity (any replacement or substitute) to make decisions relating to the business of the Greater South East Net Zero Hub (GSENZH).</p> <p>The GSENZH has governance and project boards that provide strategic direction and make advisory decisions on Hub funds, the delegation to the Director to act on those decisions will enable implementation on the behalf of the Combined Authority Board.</p> <p>The delegations are provided in Table 1, all decisions will be reported to the Environment & Sustainable Communities Committee and/or Combined Authority Board.</p>
2.2	<p>The proposal will meet the strategic objectives by enabling the decisions of the GSENZH governance boards to be implemented in line with the Combined Authority policy and processes. The decisions of the GSENZH governance boards are aligned with the GSENZH programme objectives to accelerate Net Zero across the region and support public sector decarbonisation.</p>

3. Background

3.1	<p>In 2018 the Combined Authority Board agreed to become the Accountable Body for the Greater South East Net Zero Hub (GSENZH) on the recommendation of the eleven Local Enterprise Partnerships that comprise the GSE Net Zero Hub Board.</p>
3.2	<p>The Greater South East Net Zero Hub (GSENZH) delivers a number of programmes for the Department for Energy Security and Net Zero (DESNZ) across the GSE region, this includes:</p> <ul style="list-style-type: none"> a) Local Net Zero – a public sector net zero support programme, providing strategic and technical support, grant funds, strategic project delivery and knowledge transfer to accelerate and upscale investible local net zero projects. b) Public sector estate decarbonisation – supporting public sector project pipeline development. c) Local Energy Advice Demonstrator - Grant programme administration d) Domestic Retrofit – Sustainable Warmth and HUG2 (Home Upgrade Grant 2) project delivery e) Strategic projects– this includes several ringfenced projects, initiative and pilots being delivered on behalf of the DESNZ.
3.3	<p>The DESNZ requires the GSENZH Board to provide the strategic direction on behalf of its constituent local authorities and stakeholders and to be involved in decision making.</p>
3.4	<p>The GSENZH Hub Board is not a decision-making Board, to enable the Board to be involved in decision-making the Combined Authority Board can delegate to a Combined Authority Officer to act upon the recommendations of the Hub Board.</p>
3.5	<p>The Combined Authority Board can also delegate authority to a Combined Authority Officer to undertake functions to enable the acceptance, commissioning and delivery of projects and programmes of work.</p>
3.6	<p>The recommended delegations grant authority to:</p> <ul style="list-style-type: none"> a) Undertake activities to meet the objectives of the MoUs b) Agree variations to MoUs c) Accept new MoUs d) Vary the capital and revenue delivery of the domestic retrofit schemes e) Administer grant funded programmes f) Set up advisory boards/steering groups/funding panels
3.7	<p>The delegated authority is requested for the Executive Director of Place and Connectivity (or substitute). This may be supported by recommendations from the Hub Board/Project Board, consultation with the Chair of the Environment and Sustainable Communities Committee and Monitoring Officer dependent on thresholds.</p>

3.8	All decisions are made on the principle that they will not impact the Combined Authority budget or staffing arrangements, and such approvals or decisions, where noted, will be reported to the next meeting of the Environment and Sustainable Communities Committee and Combined Authority Board on the exercise of that delegation.																									
3.9	<table border="1"> <thead> <tr> <th data-bbox="181 293 240 338"></th> <th data-bbox="245 293 1174 338">Delegation</th> <th data-bbox="1179 293 1500 338">Limitation</th> </tr> </thead> <tbody> <tr> <td data-bbox="181 344 240 898">1.</td> <td data-bbox="245 344 1174 898"> <p>Delegate authority to the Executive Director of Place and Connectivity (or substitute), upon the recommendation of the Hub Board:</p> <ul style="list-style-type: none"> a) To agree funding allocations for the use of GSENZH funds. b) To develop and design grant programmes in line with GSENZH objectives. c) To commission/procure services, projects and toolkits, and to award and enter into contracts. d) To approve the award of grants. e) To procure services and award contracts for DESNZ ringfenced projects arising out of the GSENZH MoU(s). f) To execute the corresponding grants, contracts and agreements. <p>Where the decisions do not impact the Combined Authority budget or staffing arrangements. 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		Such approvals or decisions to be reported to the Environment and Sustainable Communities Committee on the exercise of that delegation.	Item 13a
8		Delegate authority to the Executive Director of Place and Connectivity, to agree to the mobilisation of the HUG2 project, commence procurement, invite bids and award to successful bidders, and the creation of budget lines to expend the HUG2 funding.	Award contracts up to £156m

Table 1. Delegations to the Director of Place and Connectivity (or substitute)

4. Appendices

4.1 None

5. Implications

Financial Implications

5.1 The GSEZHZ programmes are fully funded and the cost of all support is entirely chargeable to the grants and thus will not increase the Combined Authorities net staffing costs.

Legal Implications

5.2 The Combined Authority Board has the power to delegate its functions, which are not reserved to it, to committees, sub-committees, officers, joint committees or other local authorities pursuant to section 101 of the Local Government Act 1972, section 9EA of the Local Government Act 2000 and regulation 5 of the Local Authorities (Arrangements for the Discharge of Functions) (England) Regulations 2012.

5.3 Chapter 4 Rule 4.6.1 of the Combined Authority's Constitution provides that the Combined Authority Board has the power to delegate its functions, which are not reserved to it, to Committees, Sub-Committees, Officers, Joint Committees or other Local Authorities. The Board cannot delegate its functions to individual members of the Board.

5.4 In addition, the Combined Authority Board may delegate functions in accordance with a standing scheme of delegation (adopted and updated from time to time) and by specific delegations given in relation to certain matters.

Public Health Implications

5.5 The report recommendations will have a neutral impact on public health.

Environmental & Climate Change Implications

5.6 The report recommendations have positive implication for the environment and climate change, enabling timely decision making.

Other Significant Implications

5.7 All delegation decisions will be compliant with the Combined Authority processes and procedures.

Background Papers

5.8 None



Combined Authority Board		Agenda Item
20 March 2023		13b
Title:	Delegation to Officers	
Report of:	Edwina Adefehinti- Interim Director of Law & Governance and Monitoring Officer	
Lead Member:	Councillor Edna Murphy, Lead Member for Governance	
Public Report:	Yes	
Key Decision:	No	
Voting Arrangements:	<p>Recommendations A, B and D- A 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.</p> <p>Recommendation C- A vote in favour, by at least two-thirds of all Members (or their Substitute Members) appointed by the Constituent Councils present and voting to include the Members appointed by Cambridgeshire County Council and Peterborough City Council, or their Substitute Members.</p>	

Recommendations:	
A	Delegate authority to the Assistant Director of Skills to accept CEC funding and to enter into and finalise all necessary contracts and Grant Funding Agreements in consultation with the CFO and MO.
B	<p>Delegate authority to the Executive Director of Economy and Growth to approve (enhanced) business support arrangements via Growth Hub during 2024/25 FY</p> <p>Delegate authority to the Executive Director of Economy and Growth to accept funding from DBT and approve the funding plan that will form schedule in DBT funding agreement</p> <p>Delegate authority to the Executive Director of Economy and Growth to accept funding the BB/CAB approved to be used to enhance the CPCA's Growth Hub offer in 2024/25 FY</p> <p>Delegate authority to the Executive Director of Economy and Growth to contract with service providers and contractors to deliver elements of the additional business support services included in Growth Hub plan for 2024/25 FY</p>
C	Delegated authority to the Executive Director for Place and Connectivity in consultation with the Monitoring Officer and Chief Financial Officer for the retendering of any bus routes which an operator gives notice that it will cease to provide between 25 March and the next meeting of the Transport and Infrastructure Committee.
D	<p>To delegate authority to the Assistant Director for Skills, in consultation with the Chief Finance Officer and Monitoring Officer to:</p> <p>a) enter into grant funding agreements and/or service contracts with training providers to deliver Innovation Fund project activity. This can either be with new (following a procurement exercise) or existing providers</p> <p>extend and /or vary contracts with existing providers where appropriate.</p>

Strategic Objective(s):

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

X	Enabling resilient communities
x	Achieving best value

1. Purpose

1.1	Delegated authority is sought in order to enable expedient decisions regarding time sensitive matters.
1.2	To ensure that the Combined Authority continues to provide relevant and statutory functions to its residents.

2. Proposal

2.1	The proposal is for the Combined Authority Board to delegate functions to the Directors listed in the recommendations above.
2.2	The proposal will meet the strategic objectives by enabling decisions to be made lawfully and within required timelines during the pre-election period.

3. Background

3.1	The Combined Authority Board can also delegate authority to a Combined Authority Officer to undertake functions to enable the acceptance, commissioning and delivery of projects and programmes of work.
3.2	<p>Careers: Funding from the Careers and Enterprise Company (CEC) for the CPCA Careers Hub is allocated on an annual basis. The Combined Authority has held a contract with the Careers and Enterprise Company for the delivery of the Enterprise Advisor Network since 2018 to link schools and businesses to support careers education, benefitting young people with their future learning and career path.</p> <p>The CPCA Careers Hub works with all mainstreams, FE, SEND and Alternate Provision establishments in the region with the goal of making it easier for schools and colleges to improve how they prepare young people for their next steps</p> <p>The Hub supports Careers Leaders to access training and support, and to collaborate in a focussed way, bringing together best practice and local labour market insight of the benefit of young people, employers and the wider region.</p>
3.3	<p>Growth Hub:</p> <p>DBT have provided funding for several years via a grant agreement with LEP's and Combined Authorities to provide a Growth Hub service giving business support across their areas.</p> <p>The Cambridgeshire and Peterborough Combined Authority received £298,000 grant from DBT in 2023/24 FY to deliver Growth Hub service.</p> <p>DBT have confirmed there will be funding in 2024/25 FY but at time of writing this paper have not confirmed the exact amount, it is expected that confirmation of amount will come during next few weeks and before signing off on a grant for 24/25 DBT will require a written plan returned covering what the grant will be used to fund, this will be required during April or May.</p> <p>In parallel the Business Board recommended and Combined Authority in July 2023 approved funding of £573k for 3 years starting in 2024/25 FY to deliver an enhanced offer of business support via the</p>

	<p>Growth Hub. In developing the plan for DBT 2024/25 FY the activities and provision will also include the enhanced services being funded by this additional BB/CAB funding to broaden the offer to support businesses.</p> <p>To implement the new plan from DBT grant and mobilise the enhanced service offer from BB/CAB funds as soon as possible from 1st April 2024 there will be requirement to recruit new business advisors and mentors, contract with service providers for some elements of support programme plus purchase delivery tools and programme delivery back office for example marketing and CRM licences.</p>																									
3.4	<p>The current modus operandi does not give the Skills Team the agility to respond to the changing market/ provider/skills gaps in provision. This delegation gives us more flexibility and will enable us to utilise more of the funding which is available to the CPCA through AEB devolution. At present, we often can't spend our money quickly enough in the funding year because of our inability to respond to critical points in the academic year such as growth points. In response to feedback from employers and wider stakeholders, we are moving towards a more direct focus on our growth and priority sectors, starting with some specific work on sector talent pipelines. This approach will allow us to engage in 'test and learn' activities through the Innovation Fund which are then evaluated and brought into the mainstream if they are successful and meet demand.</p>																									
3.5	<p>In the eventuality that bus operators serve notice on a contracted route, CPCA would need to act immediately to ensure the continuity of service. Without this delegation, services may not continue in this eventuality and residents would face a gap in service.</p>																									
3.6	<table border="1" data-bbox="181 855 1525 2085"> <thead> <tr> <th data-bbox="181 855 240 913"></th> <th data-bbox="240 855 1174 913">Delegation</th> <th data-bbox="1174 855 1525 913">Limitation</th> </tr> </thead> <tbody> <tr> <td data-bbox="181 913 240 1055"></td> <td data-bbox="240 913 1174 1055">a) Delegate authority to the Assistant Director of skills to accept CEC funding and to enter into and finalise all necessary contracts and Grant Funding Agreements in consultation with the CFO and MO.</td> <td data-bbox="1174 913 1525 1055"></td> </tr> <tr> <td data-bbox="181 1055 240 1196"></td> <td data-bbox="240 1055 1174 1196">b) Delegate authority to the Executive Director of Economy and Growth to approve (enhanced) business support arrangements via Growth Hub during 2024/25 FY</td> <td data-bbox="1174 1055 1525 1196"></td> </tr> <tr> <td data-bbox="181 1196 240 1337"></td> <td data-bbox="240 1196 1174 1337">c) Delegate authority to the Executive Director of Economy and Growth to accept funding from DBT and approve the funding plan</td> <td data-bbox="1174 1196 1525 1337"></td> </tr> <tr> <td data-bbox="181 1337 240 1478"></td> <td data-bbox="240 1337 1174 1478">d) Delegate authority to the Executive Director of Economy and Growth to accept funding the BB/CAB approved to be used to enhance the CPCA's Growth Hub offer in 2024/25 FY</td> <td data-bbox="1174 1337 1525 1478"></td> </tr> <tr> <td data-bbox="181 1478 240 1619"></td> <td data-bbox="240 1478 1174 1619">e) Delegate authority to the Executive Director of Economy and Growth to contract with service providers and contractors to deliver elements of the additional business support services included in Growth Hub plan for 2024/25 FY</td> <td data-bbox="1174 1478 1525 1619"></td> </tr> <tr> <td data-bbox="181 1619 240 1883"></td> <td data-bbox="240 1619 1174 1883">f) Delegated authority to the Executive Director for Place and Connectivity in consultation with the Monitoring Officer and Chief Financial Officer for the retendering of any bus routes which an operator gives notice that it will cease to provide between 25 March and the next meeting of the Transport and Infrastructure Committee</td> <td data-bbox="1174 1619 1525 1883"></td> </tr> <tr> <td data-bbox="181 1883 240 2092"></td> <td data-bbox="240 1883 1174 2092">g) To delegate authority to the Assistant Director for Skills, in consultation with the Chief Finance Officer and Monitoring Officer to: (i) enter into grant funding agreements and/or service contracts with training providers to deliver Innovation Fund project activity. This</td> <td data-bbox="1174 1883 1525 2092"></td> </tr> </tbody> </table>			Delegation	Limitation		a) Delegate authority to the Assistant Director of skills to accept CEC funding and to enter into and finalise all necessary contracts and Grant Funding Agreements in consultation with the CFO and MO.			b) Delegate authority to the Executive Director of Economy and Growth to approve (enhanced) business support arrangements via Growth Hub during 2024/25 FY			c) Delegate authority to the Executive Director of Economy and Growth to accept funding from DBT and approve the funding plan			d) Delegate authority to the Executive Director of Economy and Growth to accept funding the BB/CAB approved to be used to enhance the CPCA's Growth Hub offer in 2024/25 FY			e) Delegate authority to the Executive Director of Economy and Growth to contract with service providers and contractors to deliver elements of the additional business support services included in Growth Hub plan for 2024/25 FY			f) Delegated authority to the Executive Director for Place and Connectivity in consultation with the Monitoring Officer and Chief Financial Officer for the retendering of any bus routes which an operator gives notice that it will cease to provide between 25 March and the next meeting of the Transport and Infrastructure Committee			g) To delegate authority to the Assistant Director for Skills, in consultation with the Chief Finance Officer and Monitoring Officer to: (i) enter into grant funding agreements and/or service contracts with training providers to deliver Innovation Fund project activity. This	
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	<p>can either be with new (following a procurement exercise) or existing providers (ii) extend and /or vary contracts with existing providers where appropriate.</p>	Item 13b
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Table 1. Delegations to the Director of Place and Connectivity (or substitute)

4. Appendices	
4.1	None

5. Implications	
Financial Implications	
5.1	There are no specific financial considerations from this proposed decision, however timely decision making through effective delegation is important to demonstrate Best Value.
Legal Implications	
5.2	The Combined Authority Board has the power to delegate its functions, which are not reserved to it, to committees, sub-committees, officers, joint committees or other local authorities pursuant to section 101 of the Local Government Act 1972, section 9EA of the Local Government Act 2000 and regulation 5 of the Local Authorities (Arrangements for the Discharge of Functions) (England) Regulations 2012.
5.3	Chapter 4 Rule 4.6.1 of the Combined Authority’s Constitution provides that the Combined Authority Board has the power to delegate its functions, which are not reserved to it, to Committees, Sub-Committees, Officers, Joint Committees or other Local Authorities. The Board cannot delegate its functions to individual members of the Board.
5.4	In addition, the Combined Authority Board may delegate functions in accordance with a standing scheme of delegation (adopted and updated from time to time) and by specific delegations given in relation to certain matters.
Public Health Implications	
5.5	None
Environmental & Climate Change Implications	
5.6	None
Other Significant Implications	
5.7	All delegation decisions will be compliant with the Combined Authority processes and procedures.
Background Papers	
5.8	<p>Business Board July 2023 – item 3.2 Business Board Plan for Remaining Strategic Funds Document.ashx (cmis.uk.com)</p> <p>Combined Authority Board July 2023 – Item 18 Plan for Remaining Strategic Funds Document.ashx (cmis.uk.com)</p>



Combined Authority Board		Agenda Item
20 March 2024		14
Title:	Update on State of the Region 2024	
Report of:	Jules Ient, Head of Policy, Insight and Performance	
Lead Member:	Mayor, Dr Nik Johnson	
Public Report:	Yes	
Key Decision:	No	
Voting Arrangements:	N/a	

Recommendations:	
A	Note progress to develop the 2024 State of the Region review.
B	Note proposed further development in future years.

Strategic Objective(s):	
The proposals within this report fit under the following strategic objective(s):	
X	Achieving ambitious skills and employment opportunities
X	Achieving good growth
X	Increased connectivity
X	Enabling resilient communities
X	Achieving Best Value and High Performance
The State of the Region review evidence base will inform decision making across all five strategic objectives.	

1. Purpose	
1.1	<p>This paper outlines the purpose and benefits of the State of the Region Review, progress, stakeholder feedback received to date, next steps and future plans. Specifically:</p> <ul style="list-style-type: none"> • Section 2 describes the rationale for and benefits of State of the Region 2024. • Sections 3 describes the collaborative framework around the project. • Sections 4&5 describe progress and stakeholder feedback to date. • Section 6 describes the planned next steps for the completion of State of the Region 2024. • Section 7 sets out proposed future development of State of the Region 2025 and beyond. • Section 8 describes the background to the project.

2. Rationale and benefits

4.1	The need for a robust and up-to-date State of the Region evidence base to underpin Combined Authority (CA) decision making was identified in the 2022 Improvement Programme. It also features as a key deliverable in the 2023-2025 Corporate Strategy.
4.2	A comprehensive and transparent State of the Region evidence base is considered best practice for Combined Authorities. A best practice review has highlighted that West Yorkshire Combined Authority (WYCA), West Midlands Combine Authority (WMCA)) and Greater London Authority (GLA) have produced State of the Region reports.
4.3	<p>The agreed objectives of the State of the Region 2024 review are to:</p> <ul style="list-style-type: none"> • Create a relevant, reliable and accessible evidence base on the current state of the Cambridgeshire and Peterborough Region. • Assess the impact of recent macro-economic factors on how residents live, and businesses operate. • Champion the contribution the region is making regionally, nationally, and internationally. • Ensure the evidence base adds value to what is already being done locally and is aligned with locally established methodologies and reporting measures. • Ensure that the evidence base is accessible to stakeholders from diverse sectors including local government, business and voluntary and community. • Gain visibility and buy-in for the evidence base through communications and engagement. • Achieve best value use of public funding by building on existing work. • Build local data analysis and interpretation skills and capacity. • Future proof the evidence base with an annual refresh and automation interacting with external datasets.
4.4	<p>The planned outcomes of the State of the Region 2024 review are for the:</p> <ul style="list-style-type: none"> • The CA, its partners and stakeholders understand the current and potential future economic, socio-economic and environmental state of the region, and how recent macro-economic factors have impacted how residents live and businesses operate. • Findings to inform conversations and positioning with government, national and regional stakeholders. • Findings to give a clear sense of priorities, to inform future strategies, programmes, deepening devolution proposals and inward investment. • Findings to inform the development of a long-term ambition for Cambridgeshire and Peterborough as a place. • Findings are perceived as a call to action for co-ordinated policy development and delivery of projects, services, and investment to realise a shared ambition. • CA and its partners and stakeholders to use the evidence base to inform strategic planning and identify funding opportunities. • Public to have easier access to the data. • CA's values to be embedded and visible through this work.

3. Collaborative Approach

3.1	The State of the Region 2024 review has been co-designed and co-produced with a broad partnership of local government, higher education, health, and voluntary and community sector partners.
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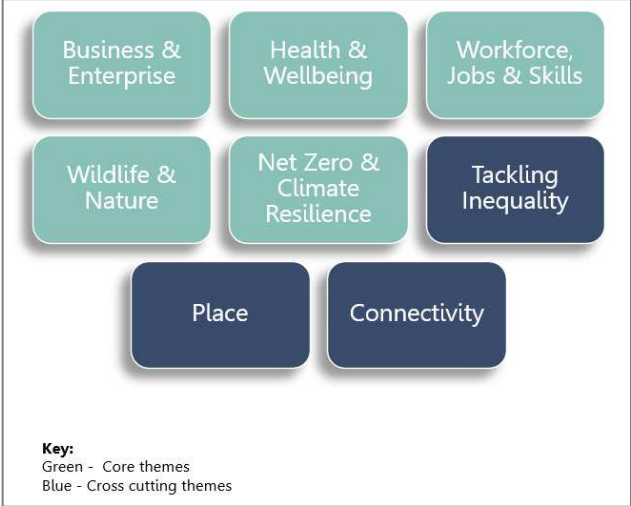


3.2	A Technical Working Group meets fortnightly and is responsible for providing technical advice and expertise to aid the development of the State of the Region 2024.
3.3	A State of the Region and Shared Ambition Working Group meets monthly and is responsible for overseeing the State of the Region and Shared Ambition projects and acts as a sounding board and critical friend to the Technical and Engagement Working Groups. This includes reviewing and assessing the key plans and outputs, identifying interdependencies and opportunities between these projects and other work being delivered by partners.

4. Progress to date

4.1	<p>The State of the Region 2024 project has been structured across eight workstreams, with continuous engagement, co-design and iterative feedback built into the approach throughout. Workstreams 1-4 are complete, workstreams 5-7 are in progress and workstreams 8-9 are pending.</p> <ol style="list-style-type: none"> 1. Policy & Strategy Review 2. Literature and Best Practice Review 3. Data Framework and Indicators Development 4. Progress Update Report 5. Data Collection and Gap Analysis 6. Beta Dashboard Development 7. Promotion and Communication 8. Report and Digital Assets 9. Handover, Training and Support
4.2	<p>Policy and Strategy Review – complete</p> <p>A Policy and Strategy review has developed understanding of partners’ current and planned policies and strategies, identifying the themes and indicators that will provide the most useful evidence and fully reflect the region’s anticipated analytical and future policy work. A total of sixteen interviews have taken place with key stakeholders to inform this.</p>
4.3	<p>Literature and Best Practice Review – complete</p> <p>The Literature and Best Practice review has reviewed other Combined Authorities’ State of the Region evidence bases, other international and national indicator frameworks (including the UN’s Sustainable Development Goals, Doughnut Economics, Six Capitals, Wellbeing Goals and the Legatum Prosperity Index) and relevant academic literature. This has built understanding of best practice in indicator frameworks, dashboard interaction and data storytelling. Findings have been shared with partners, with the headlines being:</p> <ul style="list-style-type: none"> • The identification of key thematic areas is commonplace amongst the best practice approaches reviewed. However, there is no uniform approach to selecting themes of indicators: themes are bespoke and chosen to align with local/regional policy and strategy framework.

	<ul style="list-style-type: none"> • The majority of indicators in the reports and dashboards reviewed primarily make use of national data sets. However, Cambridge and London demonstrate how locally-specific datasets can bring additional insight to the understanding of a region. • Dashboards enable users to interrogate the data behind associated reports and compare indicators across different locations and dates. A dashboard containing different visualisation methods can assist with data understanding while additional links to methodology and data sources enable users to delve deeper and perform additional analysis. • Storytelling presents an opportunity to enhance user engagement.
4.4	<p>Data Framework and Indicators development – complete</p> <p>A workshop was held with stakeholders to validate the emerging themes and arrive at a recommended structure of themes to underpin the State of the Region review. The process arrived at the identification of eight themes – five core and three cross-cutting. Proposed core themes are Business & Enterprise; Health and Wellbeing; Workforce, Jobs and Skills; Wildlife and Nature; and Net Zero and Climate Resilience. Cross-cutting themes are Tackling Inequality, Place and Connectivity.</p> <p>The development of detailed indicators has been supported by a comprehensive bottom-up process and appraisal to select the best indicators across each of the identified themes. Appraisal has arrived at a proposed set of over 110 priority metrics.</p> <p>The appraisal criteria were:</p> <ul style="list-style-type: none"> • Alignment with existing local frameworks • The degree of trust in the data • The relevance of the data • The degree to which the data supports future needs • The ease of understanding of the data • The degree to which the data is up-to-date or current • The degree to which the data can be split by, or linked to data on protected characteristics • Any restrictive licenses or costs • The ability to utilise time series to observe trends through time • The degree to which the data is locally sourced • The degree to which the data is expected to remain available in coming years • The ability to drill down by geography • The availability of comparators • The degree to which the data ingestion and processing can be automated
4.5	<p>Progress Update Report – complete</p> <p>This report has provided a snapshot of progress to date and a sample of initial data analysis, to help stakeholders understand the future scope and presentation of the evidence base and direction of travel. Further feedback is welcomed.</p>
4.6	<p>Data Collection and Gap Analysis – in progress</p> <p>Each priority metric is being investigated to develop an agreed analysis and data collection methodology and identify gaps in data availability.</p>
4.7	<p>Beta Dashboard Development – in progress</p> <p>Work is underway to co-design an interactive dashboard that adds value to local digital assets and is accessible for intended audiences. A key input to the final report will be a storyboard. This will map out the narrative and key data used from start to finish and, as an evolving document, enable and invite</p>



	feedback and questions from stakeholders. Stakeholders have engaged with a collaborative dashboard storyboarding workshop.
4.8	<p>Promotion and Communication – in progress</p> <p>Consideration is being given to branding and communication of the State of the Region 2024 report and digital assets, to ensure it best supports dissemination of, and engagement with the relevant data assets. Agreeing clear branding and communication will ensure alignment within the final deliverables of the State of the Region to deliver a coherent, joined-up narrative.</p>

5. Summary of stakeholder feedback	
5.1	A progress update report has been reviewed by Combined Authority Chief Executives and Cambridgeshire and Peterborough Public Service Board, Leaders Strategy Meeting and Overview and Scrutiny Committee Informal Meeting. A summary of the feedback received is highlighted in paragraphs 5.2 to 5.9.
5.2	<p>Reception</p> <ul style="list-style-type: none"> • Support for this important piece of work, which will be one unifying place for people to gain a better understanding of the region. • Seen as moving in the right direction and catching up with best practice for Combined Authorities. • Disappointment at limited breadth of initial analysis shared at this point.
5.3	<p>Collaboration</p> <ul style="list-style-type: none"> • Desire to shape the project and provide feedback on what is most interesting and relevant. • Consideration to working group representation from the Police and Crime Commissioner's office. • Interested in direct access to data.
5.4	<p>Purpose</p> <ul style="list-style-type: none"> • Opportunity to challenge inequalities and ensure these are clearly drawn out. • Opportunity for constituent authorities and wider partners to think about how to use it individually and collectively. • Important to gain engagement from all CA members and officers and that the data will be widely used. • Important to focus on what is relevant to what the CA can change and what influences the lives of residents. • Challenge to provide new insight and add value to the work that already exists.
5.5	<p>Name</p> <ul style="list-style-type: none"> • Suggestion to change name of project to State of the Region 2024 to distinguish from future State of the Region reviews.
5.6	<p>Economic analysis</p> <ul style="list-style-type: none"> • Confirmation of the importance of data sharing and integration with existing frameworks. • Need to review relevance of sector categories to reflect Higher Education (HE) knowledge transfer and agriculture strengths of the region. • Important to bring out skills and economic inactivity data.
5.7	<p>Infrastructure</p> <ul style="list-style-type: none"> • Request to see infrastructure overlaid on geospatial analysis. • Welcome seeing planned growth, housing and industrial development. • Information about house prices is helpful.

5.8	<p>Disaggregation</p> <ul style="list-style-type: none"> • Interest in breakdown by local authority district and lower super output area, to highlight geographic differences and identify problems and opportunities. • Breakdown by ethnicity important, and more granular analysis by ethnicity and wider protected characteristics would be valued. 	Item 14
5.9	<p>Presentation</p> <ul style="list-style-type: none"> • Need to ensure clear visualisations e.g. labelling of keys. • Need to ensure that the use of acronyms is avoided. 	

6. 2024 review - planned next steps

6.1	<p>Data Collection, Analysis and Visualisation</p> <p>Further work will take place to collect, analyse and visualise the data aligned to the project methodology and in response to stakeholder feedback. The project will achieve best value by aligning with and building on existing local and regional frameworks, reusing existing data and analysis where it exists. The review will add value by filling gaps and layering and grouping different indicators. This will enable data to be compared across geographies. An analysis of desired information compared to what is currently available will highlight opportunities to commission new research.</p>
6.2	<p>Digital assets</p> <p>Work will continue to co-develop an interactive dashboard, including user testing workshops to gain feedback from intended audiences on a beta version.</p>
6.3	<p>Promotion and Communication</p> <p>A promotion campaign plan to support the roll out of the State of the Region 2024 will be developed. The aim is to launch the State of the Region 2024 report and digital assets to stakeholders in July 2024.</p>
6.4	<p>Approval of State of the Region Report and Digital Assets</p> <p>The aim is to present the State of the Region 2024 report and associated digital assets to Overview & Scrutiny Committee Board in July 2024.</p>
6.5	<p>Handover support</p> <p>All data will be handed over to the CA and training and process documentation will be provided, to enable future annual updates to be undertaken in-house.</p>

7. Proposed future development - State of the Region 2025 and beyond

7.1	<p>An annual update of the data, dashboard and report will be developed by the CA's Policy, Insight and Performance team in collaboration with partners.</p>
7.2	<p>For some of the proposed indicators, data is not currently available at the desired level of granularity e.g. by local super output area or by a specific protected characteristic. Where appropriate, new research will be commissioned to fill identified gaps.</p>
7.3	<p>In parallel, the CA and other partners from the region sit on the Oxford and Cambridge Partnership's Data Observatory steering group. The two projects are at a similar stage with similar objectives. Potential areas for collaboration are being explored including aligning the two frameworks, sharing learning and co-commissioning new research.</p>

8. Background

8.1	In October 2022, Board approved the Improvement Plan with the action in Workstream A “Insight and evidence are used to assess the state of the region and inform policy direction and priorities for the CA”.
8.2	In January 2023, Board approved the 2023-25 Corporate Strategy with the deliverable “During 2023/24 the Combined Authority will work with partners across the area to undertake a ‘State of the Region’ review. The review will enable the next evidence-based strategy to be formed that embraces innovation, seeks opportunities, and identifies future desired devolution. This will build upon the outcomes achieved because of this strategy and agree the policies and actions needed to achieve a prosperous and sustainable Cambridgeshire and Peterborough on into the future.”
8.3	In June 2023, a workshop took place with stakeholders, to co-develop the scope of the project. The workshop sought views on strengths and weaknesses of the previous Cambridgeshire and Peterborough Independent Economic Review, extent of any refresh, opportunities for co-development, timescales, extent of wider engagement and how to build on existing data and insight.
8.4	In July 2023, Board agreed to endorse the planned refresh of the previous Cambridgeshire and Peterborough Independent Economic Review evidence base to inform a new State of the Region Review, and approved drawdown of £150k funding to resource the work.
8.5	City Science were appointed as consultants to the project in November 2023, following an open competitive procurement process.

9. Appendices

9.1	None
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10. Implications

Financial Implications

10.1 There are no new financial implications from this report.

Legal Implications

10.2 There are no legal implications. However, the contents of this report demonstrate that the Combined Authority is complying with its best value duty.

Public Health Implications

10.3 The impact of State of the Region 2024 will contain information and evidence about the health and wellbeing of the area. One of the 5 core themes is health and wellbeing. As a regional report it will then inform stakeholders and deliver partners to enable maximising public health benefits resulting from delivering sustainable growth and tackling inequalities.

Environmental & Climate Change Implications

10.4 The impact of State of the Region 2024 is anticipated to include better decision making around achievement of the national statutory requirement of Net Zero emissions and delivery of local targets and strategies.

Other Significant Implications

10.5 None

Background Papers

10.6 None



Combined Authority Board		Agenda Item
20 March 2024		15
Title:	Senior Appointments - AMENDED REPORT	
Report of:	Rob Bridge, Chief Executive Officer	
Lead Member:	Mayor Dr Nik Johnson	
Public Report:	Yes	
Key Decision:	No	
Voting Arrangements:	A simple majority of members present and voting. To be carried, the vote must include the vote of the Mayor, or the Deputy in place of the Mayor.	

Recommendations:	
A	Note the contents of this report.
B	Note that a further report will be submitted to the board, prior to the meeting of 20 March, following the interviews being held on Wednesday 13 March 2024 and Thursday 14 March 2024. This subsequent report will note the recommendations from the HR Committee on the preferred candidates. The recommendations of this subsequent report will require board approval.
C	To approve the recommendation made by the Members of the HR Committee at the meeting on 13 March 2024 that the preferred candidate be appointed to the Statutory position of Executive Director Resources (section 73 Officer).
D	To approve the short-term acting up appointment of the current Assistant Director of Finance to the statutory position of section 73 officer, if required, to take effect from 18 May 2024.
E	To approve the recommendation made by the members of the HR Committee at the meeting on 14 March 2024 that the preferred candidate be appointed to the statutory position of Director of Legal and Governance (Monitoring Officer).
F	Delegate to the Chief Executive the function of agreeing with the successful candidates the terms and conditions of appointment, including associated start date and any other requirements and actions necessary to finalise arrangements.

Strategic Objective(s):	
The proposals within this report fit under the following strategic objective(s):	
x	Achieving Best Value and High Performance

1. Purpose	
1.1	To outline the process that has been undertaken for the recruitment of the Executive Director Resources (Section 73 Officer) and the Director of Legal and Governance (Monitoring Officer), both of which are statutory roles within the Combined Authority.

2. Proposal

2.1	Both posts are senior strategic roles within the Cambridgeshire and Peterborough Combined Authority and hold statutory responsibilities. The roles both report to the Chief Executive and are members of the Corporate Management Team with responsibility for the management and coordination of employees within the Combined Authority.
2.2	At the time of publication of this report, final interviews had not taken place. Formal interviews will take place at the HR Committees being held on Tuesday 13 March 2024 and Thursday 14 March 2024. Recommendations from both HR Committees on these days will follow this report.
2.3	The board will be required to formally approve any candidates that are recommended for appointment due to both posts being Statutory posts.
2.4	It is requested that the names of the preferred candidates remain exempt from publication to allow time for the candidates to communicate their departure from their current organisations.

3. Background

3.1	The recruitment process adopted for both roles is being led by the Chief Executive and the Assistant Director of HR. The process has been supported by the Executive Director Resources and Performance (s73 Officer).
3.2	Penna Executive recruitment agency were appointed to support the Combined Authority with the search elements of the recruitment process through to the selection of recommended candidates.
3.3	Following national advertisements and executive searches undertaken by Penna, 20 applications were received for the role of Executive Director Resources with 6 candidates longlisted for technical interview. 18 applications were received for the role of Director of Legal and Governance with 4 candidates longlisted for technical interviews.
3.4	A shortlisted pool of candidates was proposed by Penna at the HR Committee held on the 8 March 2024. At this meeting a decision was made by the HR Committee to invite 2 candidates for final interview in respect of the Executive Director Resources position and 2 candidates in relation to the Director of Legal and Governance.
3.5	At the time of publication of this report, the formal interviews had not yet taken place. Candidates will be required to attend a formal interview with members of the HR committee on the 13 March 2024 for the role of Executive Director Resources and 14 March 2024 for Director of Legal and Governance. Additionally, stakeholder engagement took place with the candidates comprising a number of CEX's of CPCA constituent authorities. Other key CPCA staff and external partners engaged with candidates between 11 -13 March 2024. At the end of the stakeholder session participants took the opportunity to discuss and give feedback for the candidate which will be shared with the HR Committee on the 13 and 14 March. Psychometric assessment was also undertaken with candidates.
3.6	The HR Committees on 13 March 2024 and 14 March 2024 will be asked to formally vote on their preferred candidate for each post, details of which will be provided in a separate report following the committees.

4. Appendices

4.1	Exempt Appendix A: To follow after the completion of the formal interviews
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5. Implications

Financial Implications	
5.1	Budget provision has been made for the positions within the staffing establishment, There are no additional financial implications.
Legal Implications	
6.1	These posts will be recruited to in line with the criteria and procedure set out in the Officer Employment Procedure Rules.
6.2	Chapter 12 Rule 2.1 of the constitution-Terms of Reference for the HR Committee provides: The functions of the HR Committee are: a) To make recommendations to Combined Authority Board on the appointment of the Head of Paid Service (Chief Executive), Monitoring Officer and Chief Finance Officer (“the statutory officers”).
6.3	Chapter 18, Rule 3.1(f) of the Constitution provides that: (a) The Combined Authority Board will approve the appointment of the Head of Paid Service (Chief Executive), the Monitoring Officer and the officer with the responsibilities set out in section 73(1) of the Local Government Act 1985 (Chief Finance Officer) (“the statutory officers”) following the recommendation of the Committee.
Public Health Implications	
7.1	N/A
Environmental & Climate Change Implications	
8.1	N/A
Other Significant Implications	
9.1	N/A
Background Papers	
10.1	N/A



Combined Authority Board		Agenda Item
20 March 2024		16a
Title:	Careers Hub Academic Year 2024/2025	
Report of:	Laura Guymer	
Lead Member:	Cllr Lucy Nethsingha	
Public Report:	Yes	
Key Decision:	KD2024/007	
Voting Arrangements:	A 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.	

Recommendations:	
A	Accept the Careers and Enterprise Company (CEC) core funding offer and allocate the match funding from UKSPF and Post SPF Skills Support.
B	Accept future grant funding that is awarded by the CEC in addition to core funding, up to the value of £150,000 for projects aligned to strategic priorities
C	Delegate authority to the Interim Assistant Director of Skills, in consultation with the Chief Finance Officer and Monitoring Officer to enter into grant funding agreements with CEC and contracts and grant funding agreements for the delivery of the Careers Hub.

Strategic Objective(s):	
The proposals within this report fit under the following strategic objective(s):	
X	Achieving ambitious skills and employment opportunities This work is primarily aligned to achieving Ambitious Skills and Employment Opportunities and will help achieve a number of outcomes measures within the Corporate Strategy.

1. Purpose	
1.1	Funding from the Careers and Enterprise Company (CEC) for the CPCA Careers Hub is allocated on an annual basis. The Combined Authority anticipate notification of this funding in Q2 of 2024 for the 2024/25 academic year.
1.2	The report to the Skills and Employment Committee outlined the anticipated funding for the delivery of the Careers Hub for the academic year 2024/25, along with recognising the opportunity for additional funding from CEC outside of core funding. The report outlines the potential of entering into delivery contracts for the continuation of delivery in Cambridge, East Cambridgeshire and South Cambridgeshire.

2. Proposal

2.1	We have received communication from the Careers and Enterprise Company, anticipating funding for the academic year of 2024/25 to be in line with funding received for the current academic year, which for the academic year of 2023/24 is a maximum allocation of £309,000
2.2	In addition, the Careers and Enterprise Company has funding available outside of core funding to deliver Hub focused projects, aligned to strategic regional need. Typically, funding is accessed via a competitive tendering process. It is the intention of the Careers Hub to submit proposals to access additional funding.
2.3	The funding from the Careers and Enterprise Company is subject to match funding from the Combined Authority and at the time of taking a paper to Skills and Employment Committee to note, match funding was not secured.
2.4	Match funding of £130,000 is now secure £65,000 has been identified via UKSPF to cover the period of September 2024 – March 2025 and £65,000 from provision from post SPF Skills Support in the MTFP to cover the period April 2025 to August 2025. Grant funding is expected to be in the sum of approx. £310,000 for the academic year 2024/2025.
2.5	A Grant offer has not yet formally been received, but to avoid a delay in delivery, we are seeking approval in advance to ensure we have all governance requirements in place in advance of September 2024.

3. Background

3.1	Background details are contained within the report to Skills and Employment Committee, found in section 5.8.
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4. Appendices

4.1	There are no appendices to this report
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5. Implications

Financial Implications

5.1	A budget line for the CEC contract is established
5.2	Funding is anticipated to be c£310,000 for the academic year of 2024/25
5.3	Match Funding for c£130,000 has been identified

Legal Implications

5.4	There will be requirements for either contracts or grant funding agreements to be agreed with recipients of the grant. The legal team will be involved in finalising these agreements to ensure that all legal requirements are met and that conditions of the grants are recognised.
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Public Health Implications

5.5	Good employment opportunities have a positive impact on overall health and wellbeing. The Careers Hub provides support to educational institutes in support of them offering inspiring and aspirational Careers Education to young people in the region.
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Environmental & Climate Change Implications

5.6	None
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Other Significant Implications		Item 16a
5.7	None	
Background Papers		
5.8	Document.ashx (cmis.uk.com)	



Combined Authority Board		Agenda Item
20 March 2024		16b
Title:	Recommendations from Skills and Employment Committee	
Committee Date:	4 March 2024	
Meeting Link:	Skills & Employment Committee 4 March 2024	

Agenda Item	Improving Efficiency and Effectiveness (Adult Education Budget) KD2024/012
Recommendations:	<p>The Combined Authority is recommended to approve:</p> <ul style="list-style-type: none"> • The in-year amendments for existing providers which include growth requests for high-performing providers and reprofiling of funding where providers have underperformed • The establishment of a flexible Innovation Fund, allowing us to respond to regional activities that underpin the priorities identified within the Employment and Skills strategy.
Voting Arrangements:	A simple majority of voting members
Strategic Objectives:	<p>Achieving ambitious skills and employment opportunities Achieving good growth Enabling resilient communities</p>
Purpose:	<p>To proposes a number of actions that will improve the efficiency and effectiveness of how we utilise our devolved Adult Education Budget funding. Specifically:</p> <ul style="list-style-type: none"> • A more agile and simplified approach to commissioning decisions and funding allocation; enabling us to be more responsive to changing market conditions and learner/ employer needs • A new approach to managing our Innovation Fund which provides us with greater flexibility to test new ideas at pace • An outline of how we plan to review Community Learning provision in order to improve its effectiveness in supporting the most disadvantaged communities and individuals. – and pilot how we improve impact assessment • An update on ESFA funding rate changes to the Adult Education Budget and the likely impact on the AEB performance.
Report and Appendices:	<p>Skills & Employment Committee 4 March 2024 - Item 5 - Improving Efficiency and Effectiveness (Adult Education Budget) Appendix A – AEB Impact Evaluation Appendix B. Skills Committee 9 Jan 2023 - Alignment of Procurement and Contracting Appendix C. FE funding and accountability system consultation summary of responses</p>
Background Papers:	Employment and Skills Strategy 2022



Combined Authority Board		Agenda Item
20 March 2024		17
Title:	Recommendations from Transport and Infrastructure Committee	
Committee Date:	13 March 2024	
Meeting Link:	Transport and Infrastructure Committee 13 March 2024	

Agenda Item	E-Scooter Trial Update
Recommendations:	The Combined Authority Board is recommended to: <ul style="list-style-type: none"> • Approve the extension of the e-scooter trial to 31 May 2026
Voting Arrangements:	A simple majority of voting members
Strategic Objectives:	Achieving ambitious skills and employment opportunities Achieving good growth Increased connectivity Enabling resilient communities
Purpose:	To seek agreement to extend the e-scooter trial to 31 May 2026.
Report and Appendices:	TIC 13 March 2023 – Item 6 E-Scooter Trial Update Appendix A - E-Scooter Data Report
Background Papers:	October 2022 CA Board meeting – E-Scooter update and next steps June 2023 TIC meeting - E-Scooter Update

Agenda Item	LTCP and Associated Strategies KD2024/001
Recommendations:	The Combined Authority Board is recommended to: <ul style="list-style-type: none"> • Approve the reprofiling of the approved funding across the next three financial years as set out in 3.2 • Delegate authority to the Executive Director in consultation with the Chief Finance Officer and Monitoring Officer to enter into Grant Funding Agreements with Cambridgeshire County Council and Peterborough City Council to develop the strategies for 2024/25.
Voting Arrangements:	A vote in favour by at least two thirds of the members present including the Cambridgeshire County and Peterborough members or their substitutes.
Strategic Objectives:	Achieving ambitious skills and employment opportunities Achieving good growth Increased connectivity Enabling resilient communities
Purpose:	To provide an update on the Plan and the next steps to the follow-on strategy and work streams that needs to be undertaken to deliver the objectives of the plan.

Report and Appendices:	TIC 13 March 2024 – Item 7 LTCP and Associated Strategies	Item 17
Background Papers:	Combined Authority Board Nov 2023 Combined Authority Board Jan 2024	

Agenda Item	Transforming Cities Fund KD2024/002	
Recommendations:	<p>The Combined Authority Board is recommended to:</p> <ul style="list-style-type: none"> • Delegate authority to the Executive Director for Place and Connectivity in consultation with the Chief Finance Officer and Monitoring Officer to sign change requests with Cambridgeshire County Council and Peterborough City Council concerning TCF projects • Delegate authority to the Executive Director for Place and Connectivity in consultation with the Chief Finance Officer and Monitoring Officer to agree change of deeds to the Grant Funding Agreement with Cambridgeshire County Council and Peterborough City Council concerning TCF projects. 	
Voting Arrangements:	A vote in favour by at least two thirds of the members present including the Cambridgeshire County and Peterborough members or their substitutes.	
Strategic Objectives:	Achieving ambitious skills and employment opportunities Achieving good growth Increased connectivity Enabling resilient communities	
Purpose:	To provide an update in relation to the Transforming Cities Fund (TCF) and agree the additional works that will be undertaken to utilise project underspend.	
Report and Appendices:	TIC 13 March 2024 – Item 8 Transforming Cities Fund Appendix A. Transforming Cities Fund and St Ives Local Imps - Underspend Report January 2024 Appendix B. 240124 CPCA January payment letter	
Background Papers:	16 November 2023 Transport and Infrastructure Committee Paper 15 March 2023 Transport and Infrastructure Committee Paper	



Combined Authority Board		Agenda Item
20 March 2024		18
Title:	Recommendations from Business Board	
Board Date:	4 March 2024	
Meeting Link:	Business Board 4 March 2024	

Agenda Item	Business Board Terms of Reference and Governance
Recommendations:	<p>That the Business Board:</p> <ul style="list-style-type: none"> A Approve the Terms of Reference (attached at Appendix A) for submission to the CPCA Board for consideration and adoption within the CPCA Constitution B Request CPCA to bring role profiles to the next meeting of the Business Board in line with the roles set out in 2.6 for consideration and approval. C Request CPCA Officers to undertake the necessary actions in order to deliver the cadence for meetings set out in 2.9 to 2.13 D Endorse the responses set out in 2.14 and 2.15 to the CPCA Board requests for formal response to the CPCA Board. E Recommend the good practice identified in 2.17 to the CPCA Board for implementation by CPCA Officers.
Voting Arrangements:	A simple majority of voting members
Strategic Objectives:	<p>Achieving ambitious skills and employment opportunities</p> <p>Achieving good growth</p> <p>Increased connectivity</p> <p>Enabling resilient communities</p>
Purpose:	To agree a new Terms of Reference for the Business Board that aligns with the role and functions agreed for the Business Board by CPCA Board in March 2023
Report and Appendices:	Business Board 4 March 2024 – Item 1.4 Business Board Terms of Reference and Governance Appendix A
Background Papers:	<p>CPCA Review of Governance (July 2022): Document.ashx (cmis.uk.com)</p> <p>CPCA Interim CEX Assessment 2022 (October 2022): Document.ashx (cmis.uk.com)</p> <p>CPCA Improvement Plan Phase 2 (March 2023): Document.ashx (cmis.uk.com)</p> <p>CPCA Governance Arrangements Report (January 2023): Document.ashx (cmis.uk.com)</p> <p>CPCA Governance Arrangements Report (March 2023): Document.ashx (cmis.uk.com)</p> <p>Metro Dynamics Report (March 2023): CPCA Business Board review (cmis.uk.com)</p> <p>CPCA Improvement Plan Phase 2: Document.ashx (cmis.uk.com)</p> <p>Business Board Governance (May 2023): Document.ashx (cmis.uk.com)</p> <p>English Devolution Accountability Framework: English Devolution Accountability Framework - GOV.UK (www.gov.uk)</p>

Agenda Item	Business Growth and Social Impact Investment Fund Update	Item 18
Recommendations:	To note the updates contained within this report	
Voting Arrangements:	No vote required	
Strategic Objectives:	Achieving ambitious skills and employment opportunities Achieving good growth Increased connectivity Enabling resilient communities	
Purpose:	To provide a progress update since the Full Business Case and drawdown of the £10million Gainshare funding for this programme was approved by the Combined Authority Board in November 2022.	
Report and Appendices:	Business Board 4 March 2024 – Item 3.2 Business Growth and Social Impact Investment Fund Update Appendix A - Combined Authority Board – extracted minutes of meeting 30 November 2022	
Background Papers:	Combined Authority Board - Gainshare Equity Fund Report Combined Authority Board 30 November 2022 Agenda Item 4.5	

Agenda Item	UK Shared Prosperity Fund and Rural England Prosperity Fund Update	
Recommendations:	To note the updates contained within this report	
Voting Arrangements:	For noting only. No vote required.	
Strategic Objectives:	Achieving ambitious skills and employment opportunities Achieving good growth Increased connectivity Enabling resilient communities	
Purpose:	To provide an update on the progress made in delivering the UK Shared Prosperity Fund (UKSPF) Programme and Rural England Prosperity Fund (REPF) Programme to the Business Board.	
Report and Appendices:	Business Board 4 March 2024 – Item 3.3 UK Shared Prosperity Fund and Rural England Prosperity Fund Update Appendix 1 – UKSPF Dashboard Appendix 2 – REPF Dashboard	
Background Papers:	UKSPF Investment Plan - CA Board 27 July 2022 UKSPF Implementation Plan - CA Board 22 March 2023 REPF Approval paper – Business Board July 2023	