

Agenda Item 11	Appendix
Single Assurance Framework	B

DRAFT
INVESTMENT COMMITTEE
Cambridgeshire & Peterborough Combined Authority

The Investment Committee has 2 distinct roles, they are:

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

Purpose	<p>The Investment Committee shall:</p> <ol style="list-style-type: none"> A. in accordance with the Single Assurance Framework and the Constitution of the Combined Authority, make investment decisions and/or make recommendations to the Board on investment decisions B. play a key part in the overall assurance arrangements of the Combined Authority through the delivery of its functions. C. advise and make decisions in line with delegated authority on behalf of the Mayor and the Combined Authority Board in the exercise of responsibilities for the Combined Authority’s functions as corporate shareholder of a company or group of companies and in their role in representing the Combined Authority as a Shareholder Representative at meetings of a company D. provide the necessary oversight, from a shareholder’s perspective, that the parameters, policies, and boundaries that the Combined Authority has established are being adhered to; Including a regular review of whether the Subsidiary provides the most effective vehicle to deliver the outcomes the Combined Authority requires and whether there are viable alternative models which might offer a more effective means of delivering its priorities
----------------	---

Accountable to:	The Combined Authority Board
------------------------	------------------------------

Membership:	<p>Lead Member for Investment & Economic Growth Representative from each Constituent Authority (x7) Business Board Chair Business Board representatives (x2)</p> <p>Ability to co-opt membership of Subject Matter Experts to assist in the undertaking of its key functions (up to 3 Co-optees)</p> <p>The Combined Authority Statutory Officers would be expected to attend all meetings in support of the Shareholder Responsibilities of the Committee</p>
--------------------	---

Chair:	The Combined Authority Board Lead Member for Investment & Growth will Chair the Investment Committee
---------------	--

Vice Chair:	The Vice-Chair will be appointed from the membership of the Investment Committee
--------------------	--



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



- liaise with the Transport & Infrastructure Committee to promote the strategic alignment of regional transport funding investment
- respond to any report or recommendation from an Overview & Scrutiny Committee

The Investment Committee has delegated authority to make decisions on behalf of the Combined Authority for each Subsidiary as follows:

- Oversight of any decisions that can only be made by the shareholder, (whether as “reserved matters” under the Shareholder Agreement and Articles of Association or pursuant to the relevant legislation applicable to that Subsidiary) such as :
 - Approval of Shareholder Agreement with each Subsidiary
 - Approval of annual Business Plan and deviations from Business Plan.
 - Approval of key appointments (including appointment, removal and or replacement of Directors of the Subsidiary) and ensuring that the Authority appointments to the board of a Subsidiary comply with the Authority’s Constitution
 - Borrowing money, granting security and giving of guarantees
 - Issuing Legal proceedings outside of ordinary business
 - Altering in any respect the articles of association of a Subsidiary or any other governing document
 - Altering the rights attached to any of the shares in a Subsidiary
 - Approving the registration of any person as a shareholder or member of a Subsidiary
 - Ensuring that subsidiaries or the subsidiaries interests are not competing against or conflicting with, other subsidiaries or their interests
 - Entering contracts that have a material effect on business of the CA, are outside of the business plan or significant in relation to the size of the business and/or the business plan.
 - Establishing proper arrangements to manage potential conflicts of interest in respect of Officers and/or members appointed to the board of a Subsidiary
 - Approval of pay and pension arrangements in respect of key employees of the Subsidiary and to ensure that decisions made to make any termination payments are in line with the law and the Subsidiary’s controlling documents.
 - Varying ownership and the amount of a Subsidiary's issued share capital and winding up of Subsidiary
 - Altering the name of any Subsidiary

Functions:

The Investment Committee has the following key functions in support of the Single Assurance Framework:

- to consider investment proposals and to make appropriate challenges to these proposals
- to oversee and monitor all investments made through the Combined Authority Investment Programme
- to add conditions to any funding decision that falls within its delegated authority and to make recommendations of conditions to the Combined Authority Board (*In all cases minimum conditions should specify the Availability Period, Conditions to Drawdown of Funds, Conditions for withdrawal of support and terms of clawback, start date and completion date for the Project or*



Programme, but shall also include any specific conditions that the Board deem appropriate on a case by case basis)

- to instruct the Combined Authority to oversee preparation of funding agreements on its behalf and as appropriate and to delegate this duty, provided always that the Combined Authority make no material deviation from the conditions added to the funding decision
- to approve the monitoring and evaluation criteria related to any funding decision and to have the ability to delegate oversight of this function where appropriate
- where oversight of monitoring and evaluation applies to the Investment Committee, to consider whether a formal review of a project or program is required and to consider this review itself or instruct the Investment Panel to do so on its behalf
- to instruct Funding Recipients to issue the necessary information for the Combined Authority to advise the Investment Committee as to the rationale behind any material delay or change in a project or program
- on completion of a review, where reasonable, to instruct Funding Recipients to complete a Change Request via the Combined Authority process
- to monitor the Combined Authority project pipeline and make recommendations to the Combined Authority Board on prioritisation and re-prioritisation to support active management of the Combined Authority's Investments.

The Investment Committee will consider applications for support from the Business Case Development Fund

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

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

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

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

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

- monitoring performance and information from each Subsidiary, in particular on financial and other risks and escalating such risks within the Authority as appropriate
- exercising decisions relating to the authority's role as shareholder, member, owner, lender, or other position of significant control over the Subsidiary, where those decisions have been delegated to the Investment Committee
- making reports and recommendations to the Combined Authority Board on areas outside of the Investment Committee delegated authority
- agreeing and entering into a Shareholder Agreement with each of the Authority's Subsidiaries



- providing an articulation of what success looks like in terms of delivery models to meet objectives such as achieving social outcomes and/or a return on investment
- agreeing a mechanism to communicate the shareholder's views to the Subsidiary by effecting systematic engagement between the Chair/CEO and shareholder roles (where in place) to assure effective performance against strategy and governance
- providing a holistic review of risk to the authority offered by all active Subsidiaries.
- considering and advising on the duties and, if any, the training needs of potential Directors to allow them to competently assume their role.
- making representations to the Directors on the Business Plans of the Subsidiary Companies or other organisations set out in this report.
- Receiving reports from the Directors, where appropriate, on the progress and conduct of business in accordance with the approved Business Plan.
- reporting to the Combined Authority Board on the performance of the Subsidiary Companies.
- in the case of forming a new Subsidiary, the Investment Committee will first scrutinise the business case for forming the Subsidiary to clarify the service components to be delivered, outcomes sought and options for how these may be delivered and undergo an effective comparison of alternative delivery models to ensure that the objectives, timescales, and drivers of forming the Subsidiary is the optimum approach and an advisory paper will be submitted to Board for a decision.
- it is expected that each Subsidiary will enter into a form of agreement with the Authority (whether as owner, controller or lender) setting out the basis of the relationship between them (each a "Shareholder Agreement").
- a detailed description of the Investment Committee's role in relation to each Subsidiary will be set out in the relevant Shareholder Agreement.

Review:

To be reviewed on an annual basis by the Investment Committee and Board.