



**CAMBRIDGESHIRE
& PETERBOROUGH**
COMBINED AUTHORITY

CAMBRIDGESHIRE & PETERBOROUGH COMBINED AUTHORITY

ANNUAL MEETING

Wednesday, 30 May 2018

10:30a.m. – 12:30p.m.

Fenland District Council, Fenland Hall, County Road, March PE15 8NQ

AGENDA

Open to Public and Press

Number	Agenda Item	Mayor/ Lead Member/ Chief Officer	Papers	Pages
	Part 1 – Governance Items			
1.1	Membership of the Combined Authority	Mayor	yes	4-6
1.2	Deputy Mayors of the Combined Authority	Mayor	oral	-
1.3	Announcements, Apologies and Declarations of Interests	Mayor	oral	-
1.4	Minutes – 28 March 2018	Mayor	yes	7-18
1.5	Petitions	Mayor	oral	-
1.6	Public Questions	Mayor	oral	-
1.7	Forward Plan	Mayor	yes	To follow

Number	Agenda Item	Mayor/ Lead Member/ Chief Officer	Papers	Pages
1.8	Appointment of the Overview and Scrutiny Committee	Legal Counsel & Monitoring Officer	yes	19-22
1.9	Appointment of the Audit and Governance Committee	Legal Counsel & Monitoring Officer	yes	23-26
1.10	Review of Constitution	Legal Counsel & Monitoring Officer	yes	27-249
1.11	Calendar of Meetings	Legal Counsel & Monitoring Officer	yes	250-252
1.12	Reference from the Audit and Governance Committee	Legal Counsel & Monitoring Officer	yes	253-339
1.13	Business Board - Decision Notice	Legal Counsel & Monitoring Officer	yes	340-347
	Part 2 – Key Decisions			
2.1	Cambridgeshire and Peterborough 2030 Prospectus	Mayor	yes	348-368
2.2	Cambridgeshire and Peterborough Four Year Plan 2018-19 -2021-22	Portfolio Holder for Strategic Planning	yes	369-418
2.3	Local Transport Capital Grant Allocation 2018-19	Mayor	yes	419-421
2.4	£100M Affordable Housing Programme	Mayor	yes	422-425

	Part 3 – Non Key Decisions			
3.1	Cambridgeshire and Peterborough Independent Economic Review	Portfolio Holder for Strategic Planning	yes	426-463
3.2	Mayoral Interim Transport Strategy Statement'	Portfolio Holder for Transport and Infrastructure	yes	464-474
3.3	Consent to Business Rate Supplements Order	Mayor	yes	475-481
3.4	Adult Education Budget (AEB) Devolution of Powers to Combined Authority	Mayor	yes	482-486
	Part 4 - Finance			
4.1	Treasury Management Strategy	Portfolio Holder for Fiscal Strategy	yes	487-512
	Part 5 – Date of next meeting			
5.1	Date: Wednesday, 27 June 2018, Council Chamber, The Guildhall Market Square Cambridge CB2 3QJ	Mayor	oral	-

The Combined Authority currently comprises the following members: Mayor: J Palmer
 Councillors: G Bull, S Count, L Herbert, J Holdich, C Roberts, C Seaton and B Smith
 Substitute members: Councillors A Bailey, M Cornwell, W Fitzgerald, R Fuller, R Hickford, K Price & TBC

Observers: J Ablewhite (Police and Crime Commissioner), J Bawden (Clinical Commissioning Group), and Councillor K Reynolds (Chairman - Cambridgeshire and Peterborough Fire Authority)

The Combined Authority is committed to open government and members of the public are welcome to attend Committee meetings. It supports the principle of transparency and encourages filming, recording and taking photographs at meetings that are open to the public. It also welcomes the use of social networking and micro-blogging websites (such as Twitter and Facebook) to communicate with people about what is happening, as it happens.

Public speaking on the agenda items above is encouraged. Speakers must register their wish to speak by making a request in writing to the Democratic Services Manager (Michelle Rowe) no later than 12.00 noon three working days before the day of the meeting. The request must include the name, address and contact details of the person wishing to speak, together with the full text of the question to be asked. For more information about this meeting, please contact Michelle Rowe at the Cambridgeshire County Council's Democratic Services on Cambridge (01223) 699180 or by email at michelle.rowe@cambridgeshire.gov.uk



CAMBRIDGESHIRE AND PETERBOROUGH COMBINED AUTHORITY BOARD	AGENDA ITEM No: 1.1
30 MAY 2018	PUBLIC REPORT

MEMBERSHIP OF THE COMBINED AUTHORITY

1.0 PURPOSE

1.1. The purpose of this report is to:

- (a) note the Members and substitute Members appointed by the Constituent Councils as set out in **Appendix 1** (to be tabled);
- (b) continue to give co-opted member status to the organisations in the report and note the named representative and substitute representative of those co-opted member organisations.

<u>DECISION REQUIRED</u>	
FROM:	
Lead Member:	James Palmer, Mayor
Lead Officer and Author:	Kim Sawyer, Legal Counsel and Monitoring Officer
Forward Plan Ref: Not applicable	Key Decision: No
<p>The Combined Authority Board is recommended to:</p> <ul style="list-style-type: none"> (a) note the Members and substitute Members appointed by constituent councils to the Combined Authority for the municipal year 2018/2019; (b) Note that the Business Board will nominate a Member and substitute Member to represent them on the Combined Authority for the municipal year 2018/2019 following the appointment of private sector members of the Board and the election of the Chair and Vice-Chair of the Business Board. 	<p><i>Voting arrangements</i></p> <p>(a)& (b) No vote required</p>

<p>(c) that the following bodies be given co-opted member status for the municipal year 2018/19:</p> <ul style="list-style-type: none"> (i) The Police and Crime Commissioner for Cambridgeshire; (ii) Cambridgeshire and Peterborough Fire Authority representative; (iii) Clinical Commissioning Group representative. 	<p>(c) Two-thirds majority of members present and voting</p>
<p>(d) Note the named representative and substitute representative for each organisation as set out in the report.</p>	<p>(d) No vote required</p>

2.0 BACKGROUND

Membership

- 2.1. In accordance with the Cambridgeshire and Peterborough Combined Authority Order 2017, each constituent council must appoint one of its elected members and a substitute member to the Combined Authority.
- 2.2. Each council made such appointments at their respective annual Council meeting in May 2018. The Members and substitute Members appointed by the Constituent Councils are set out in **Appendix 1** (to be tabled).
- 2.3. The Business Board must nominate one of its members and a substitute to the Combined Authority. The Authority appoints the Member nominated by the Local Enterprise Partnership.
- 2.4. Arrangements are being made to appoint private sector members to the Business Board. It is expected that appointments will be made from June onwards and the Business Board will appoint its Chair and Vice Chair between June and September. Following the appointments and the election of the Chair and Vice Chair, the Business Board will be asked to make nominations to the Combined Authority Board.

Co-opted Members

- 2.5. In accordance with the Combined Authority's Constitution, the Combined Authority agreed that the following bodies be given co-opted member status for the municipal year 2017/18. The Combined Authority are asked to agree that these organisations continue their co-opted member status for the municipal year 2018/19 and for future years until the Board decides otherwise.

Organisation	Named representative	Names Substitute Member
The Police and Crime Commissioner for Cambridgeshire	Jason Ablewhite (Commissioner)	Deputy Police and Crime Commissioner – Councillor Ray Bisby
Cambridgeshire and Peterborough Fire Authority representative	Councillor Kevin Reynolds	Vacancy
Clinical Commissioning Group representative.	Jessica Bawden Director of Corporate Affairs	Dr Gary Howsam

- 2.6. The status of co-opted Member is set out in the constitution. A co-opted member organisation shall be represented at meetings of the Combined Authority Board by a named representative or a named substitute. Those members and their substitute members are required to complete a declaration of interest form.

3.0 FINANCIAL IMPLICATIONS

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

4.0 LEGAL IMPLICATIONS

- 4.1. These are dealt with in the report.

5.0 SIGNIFICANT IMPLICATION

- 5.1. These appointments are made by the constituent councils according to statutory rules. They are not a matter of choice for the Combined Authority, other than the appointment of organisations as co-opted members.

6.0 APPENDICES

- 6.1. Appendix 1 – Membership of Combined Authority Board (to be tabled)

<u>Source Documents</u>	<u>Location</u>
Various Council reports of each of the Constituent Councils	Constituent Council websites

Agenda Item No.1.4



**CAMBRIDGESHIRE
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CAMBRIDGESHIRE & PETERBOROUGH COMBINED AUTHORITY: MINUTES

Date: Wednesday, 28th March 2018

Time: 10.30a.m. – 1.00p.m.

Present: J Palmer (Mayor)

G Bull – Huntingdonshire District Council, S Count - Cambridgeshire County Council, L Herbert – Cambridge City Council, J Holdich – Peterborough City Council, D Mason (substituting for C Seaton – Fenland District Council), C Roberts – East Cambridgeshire District Council, and P Topping – South Cambridgeshire District Council

Observers: J Ablewhite (Police and Crime Commissioner)), G Howsam (substituting for J Bawden (Clinical Commissioning Group)), and Councillor J Peach (substituting for Councillor K Reynolds (Chairman, Cambridgeshire and Peterborough Fire Authority))

157. APOLOGIES AND DECLARATIONS OF INTERESTS

Apologies received from Councillor C Seaton, and J Bawden and Councillor K Reynolds.

Councillor Roberts declared a non-statutory disclosable interest under the Code of Conduct in relation to Minute No.168, as a Director of the East Cambridgeshire Trading Company. He did not take part in the debate or vote.

The Chief Executive also declared a non-statutory disclosable interest under the Code of Conduct in relation to Minute No.169, as a Director of the Greater Cambridgeshire Greater Peterborough Local Enterprise Partnership (GCGP LEP).

158. MINUTES – 28TH FEBRUARY 2018

The minutes of the meeting held on 28th February 2018 were agreed as a correct record and signed by the Mayor.

159. PETITIONS

No petitions were received.

160. PUBLIC QUESTIONS

No public questions were received.

161. FORWARD PLAN

The Board noted the Forward Plan of Executive Decisions dated to be published on 26 March 2018. The Mayor confirmed that there would be no meeting in April.

It was resolved unanimously to approve the Forward Plan of Executive Decisions dated to be published on 26 March 2018.

The Mayor made the following announcements before proceeding with the agenda:

- the Combined Authority had made it through to the next round of funding with Government for the Cambridge North East Fringe housing development.
- the Combined Authority had received the first tranche of £1.3M funding for the Local Energy Hub project which was being co-ordinated by the new Business Board.
- the Government had agreed funding of £40M to the new Business Board.

162. CAMBRIDGESHIRE AND PETERBOROUGH STRATEGIC SPATIAL FRAMEWORK (NON STATUTORY)

The Portfolio Holder for Strategic Planning reported that the Districts Councils had effective local plans totalling 100,000 new homes and 90,000 new jobs by 2036. As part of Phase 1, the non-statutory Cambridgeshire and Peterborough Strategic Spatial Framework would bring all these plans together in one place. The next phase would scope the opportunities for longer-term strategic planning until 2050. The Framework supported the Combined Authority's ambition for sustainable growth, and would be used to attract resources from Government. Attention was drawn to the following reflected in the Framework: the importance of connectivity; the need to ensure growth was spread across the geography of Cambridgeshire; the importance of tackling areas of deprivation and inequality; and the importance of a Quality Charter to ensure high quality development. In conclusion, the Portfolio Holder thanked all local authorities and other partners for their input.

One Member was reassured that the Framework would not affect local plans, and that consultation would go beyond the local plan timeframe. However, he queried the lack of reference to social and cultural infrastructure. He was aware that the Arts Council had attempted to talk to the Authority on two occasions, and urged that a meeting take place as soon as possible. The Portfolio Holder acknowledged the importance of existing local plans. He also stressed the importance of community inclusion which had been patchy in several new developments. It was therefore important to identify cultural and environmental assets which could contribute to planning growth including investing in arts and culture.

Another Member welcomed the unifying vision provided by the Framework for Cambridgeshire and Peterborough. He drew attention to the section on utilities and, in particular, digital connectivity and communications. He stressed that this was integral to the success of any new community. He therefore hoped that partners could continue to work together to deliver them particularly across borders.

The Board was informed that South Cambridgeshire District Council (SCDC) had a joint local plan with Cambridge City Council, which reflected increased joint working amongst District Councils. Attention was drawn to the fact that not all the Local Plans had been adopted, which was contrary to what was indicated in the Framework. SCDC was still waiting for the Government Inspector to give her opinion. The Portfolio Holder

acknowledged the need for minor amendments, and expressed his frustration at the time taken to approve the Local Plan.

The Mayor commented on the importance of members of the Board meeting regularly and working together for the mutual benefit of growth in Cambridgeshire and Peterborough.

It was resolved unanimously to:

- a) approve this first phase of the Cambridgeshire and Peterborough Strategic Spatial Framework (Non Statutory).
- b) note the intention of the Portfolio Holder for Strategic Planning to bring a report to the Board in June scoping proposals for the status, approach and resources needed to deliver the next phase of the Framework to 2050.

The Mayor agreed to

- c) exercise his general power of competence to publish the Cambridgeshire and Peterborough Strategic Spatial Framework following a vote of unanimous consent subject to including the minor amendments raised at the meeting.

163. TRANSPORT DELIVERY 2018/19

The Transport and Infrastructure Director presented a report identifying the key transport interventions which were being promoted. It also provided an overview of the transport interventions currently being funded by the Combined Authority. It was noted that the pipeline of schemes proposed in the report built on the Priority Transport Schemes approved by the Board in October 2017. Attention was drawn to the benefits of such a pipeline, which could contribute to the Authority's objectives. Members were reminded of the methodology for prioritising investment which included a full scoring matrix at Appendix B. Members noted the strategic transport projects which had potential to deliver significant benefits to the area. They also noted a table setting out the pipeline of schemes which had secured funding in October and those where funding was being requested, which included the lead authority and the delivery partner. Attention was drawn to LEP transport priorities, other local authority transport, and strategic transport bodies. The funding table and key funding sources were set out in the report.

One Member raised the need for funding to be identified to reflect Mass Rapid Transit for Peterborough. Another Member stressed the need to bring out explicitly the economic mission in relation to supporting the objectives set out in the Authority's vision. He highlighted the importance of an economic analysis, as the transport infrastructure was needed to enable economic prosperity. The Chief Executive acknowledged the relevance of these points. The Economic Commission was currently leading on the development of a Local Industrial Strategy, which would dovetail with the future Local Transport Plan and transport initiatives.

It was resolved unanimously to:

- a) agree a total budget allocation of £18.305m, comprising £16.13m in 2018/19 and £2.18m in 2019/20 for the rolling programme of priority transport and infrastructure schemes.
- b) note the £6.65m funding secured from the National Productivity Investment Funding for 2018/19 which was included within the total budget allocation.

- c) agree the pipeline of projects set out in the multi-year transport programme.
- d) authorise the Chief Executive to delegate responsibility and budget for the production of feasibility studies, business case or designs for each of the projects within the multi-year transport programme to a delivery partner, provided that all such studies, business cases and designs are to be reported back to the Combined Authority Board for approval.

164. DIGITAL CONNECTIVITY INFRASTRUCTURE: IMPROVING MOBILE COVERAGE AND INCREASING THE FULL FIBRE FOOTPRINT ACROSS CAMBRIDGESHIRE AND PETERBOROUGH

The Programme Director Connecting Cambridgeshire introduced a report detailing the importance of fast, reliable internet connections for economic growth. She reminded the Board that the Connecting Cambridgeshire Programme had been running for several years. She explained that Superfast Broadband included full fibre and mobile connectivity. It was noted that mobile connectivity in Cambridgeshire and Peterborough was worse than the England average. She highlighted proposals for public access Wi-Fi particularly in the market towns. It was noted that it would be achieved by maximising private sector investment and using public funding. The proposed programme would run from April 2018 through to March 2022.

In welcoming the report, the Peterborough City Council representative highlighted the £30m from the City Council to provide connectivity to businesses, schools, CCTV, Traffic Control, and to connect fibre to most houses. The Cambridgeshire County Council representative commented that he was proud of the achievements of the Connecting Cambridgeshire Programme, which had exceeded its 95% target for superfast broadband coverage in the County. The programme now had a very ambitious target to reach over 99% coverage by the end of 2020. This was a real marker to business that Cambridgeshire and Peterborough could deliver in terms of connectivity.

Members were informed that the legislation relating to mobile coverage was not the same as broadband. With the establishment of the Combined Authority there was an opportunity to improve mobile coverage above the national average, which was set out in the report. The Police and Crime Commissioner reported that the emergency services were investing in mobile technology but struggled to get a secure network on Wi-Fi in the home or office. One Member commented that connectivity infrastructure was not just about the economy, it could also be used to address rural isolation. The CCG representative reported that it would enable health care to be delivered differently via a TeleMed solution, and was important for reactive and preventative health care.

The Mayor commented that digital connectivity was an integral part of daily life, and it was not acceptable to have some areas where you could not make or receive a phone call.

It was resolved unanimously to:

- a) note the digital infrastructure and mobile coverage in Cambridgeshire and Peterborough and endorse the vision for the Mayoral Combined Authority to be a leading area for digital connectivity.
- b) approve in principle a budget of up to £5.66m to support the extension of the Connecting Cambridgeshire programme.

- c) authorise the Chief Executive, in consultation with the Mayor, to approve the business case and draw-down of funds in accordance with the approved business case relating to improvements to mobile coverage and the full fibre footprint for Cambridgeshire and Peterborough.
- d) delegate to the Director of Strategy and Planning authority to approve the programme reporting and delivery arrangements in partnership with Cambridgeshire County Council and the other Combined Authority Constituent Councils.

165. UNIVERSITY OF PETERBOROUGH – INTERIM ACCOMMODATION OPTIONS

Before the Portfolio Holder Skills introduced the report, the Portfolio Holder for Fiscal Strategy proposed an amendment requesting that the following wording be added to the recommendation: *“subject to the Combined Authority seeking security over the future assets of the University of Peterborough with a view to recycling funding”*. Whilst he fully supported a University of Peterborough, it was important that the Authority secured its assets in the event of changing circumstances, and recycled the funding accordingly. Other Members acknowledged that the Portfolio Holder for Fiscal Strategy was right to seek security of funding. The Portfolio Holder for Skills accepted the amendment and agreed that it should be included as part of the whole recommendation to the Board.

The Portfolio Holder for Skills reminded the Board that £6.3m had originally been agreed for interim accommodation. He proposed removing the word “interim” in order to provide a permanent site, which could easily be extended. He therefore recommended Option 3 which would be delivered at a cost of £9.74m minus £2.7m. He reported that the City Council had plans to deal with housing. He raised concern about an inaccurate article in the Peterborough Telegraph which implied that the site would be providing accommodation for 3,000 students. It was important to note that the site would be a place for learning not for providing sleeping accommodation for students.

Other Members welcomed the proposal and thanked partners for helping to reach this point. One Member highlighted the need for a cycle bridge over the river. The Portfolio Holder for Skills reported that a bridge was integral for the development around the University but not the University itself. A proper cycle bridge and disabled access would need to be provided but not funded by the Combined Authority.

The Portfolio Holder for Fiscal Strategy drew attention to the fact that the most expensive option was being recommended. He commented that it was not expensive if it achieved best value. A City Centre site would be a great facility attracting students to Peterborough. He was not in favour of a split site and commented that there was only a marginal difference in unit costs. In his view, it was a justifiable investment in future students to improve economic growth in Peterborough.

One Member queried the ability of the University to compete in the market place. In response, the Mayor acknowledged that the University needed to set itself apart from other universities to be something exceptional. It was important that the University did not chase every student pound but instead provided graduates who could then feed into the local economy. He stressed the need for courses to reflect and strengthen the economic area taking advantage of the area’s history in relation to engineering. Given the problem with teacher retention, it should also provide teacher training. Other areas would include science courses in order to encourage the spread of scientific jobs to the north of the county and create a larger Silicon Fen, and Agri-tech. The Portfolio Holder for Skills had been informed that one or two companies would re-locate to Peterborough if they could link in to the University, which would bring research and more highly skilled jobs to Peterborough and Fenland.

The Mayor congratulated the City Council and partners. He reported that the Combined Authority was committed to investing in the City to provide a high quality university. However, he acknowledged the need for the Authority to also protect its finances. He expected that the Combined Authority investment would also attract private sector investment in Peterborough.

It was resolved unanimously to approve:

Option 3 (recommended option): Allocate a budget of £9.74m to base all facilities on the Embankment development site, subject to the Combined Authority seeking security over the future assets of the University of Peterborough with a view to recycling funding. This is a single site solution.

166. £70M CAMBRIDGE CITY DEVOLUTION HOUSING PROGRAMME

Before inviting the Interim Lead on Housing to introduce the report, the Mayor proposed an amendment to recommendation (a) to add the following: *“and approve funding for the year 1 schemes of £971,216”*. The purpose of the amendment was to ask for payment of the funding for delivering the housing schemes referred to in the report. The amendment was supported by all members of the Board.

Members were reminded of the arrangement with Cambridge City Council to deliver up to 500 Council houses with the £70m secured from Government. The City Council also intended to rely upon additional freedoms to use other housing resources, including receipts from Right to Buy sales, to provide additional funding for the programme. Attention was drawn to Appendix A showing that two units had been completed and a further fourteen were expected start on site by the end of March. 130 units would be built between April to December 2018. There were 467 sites in programme at design, planning and delivery stages so the Combined Authority was well on its way to meeting the target total of 500 delivery (start on site). Arrangements for working with the City Council were set out in Appendix B.

One Member welcomed the report, which clarified the financial arrangement with the Combined Authority. It was noted that the Combined Authority was the accountable body. The Board was informed that the City Council’s Planning Committee was considering development on the old Mill Road Depot site. There was also £50m plus of City Council and market funding.

The Portfolio Holder for Fiscal Strategy requested clarification regarding payments to made quarterly in arrears against invoices. The Interim Lead on Housing agreed to investigate as to whether this related to works done on purchases delivered rather than proforma invoices. **Action Required.**

It was resolved unanimously to:

- a) note the progress in year 1 of the programme and approve funding for the year 1 schemes of £971,216.
- b) note the forward pipeline.
- c) agree to receive further quarterly progress reports.
- d) note the arrangements for a Strategic Partnership Agreement with Cambridge City Council as the Combined Authority’s delivery partner for the £70m programme.

167. £100M AFFORDABLE HOUSING PROGRAMME

The Mayor drew attention to the four confidential appendices, and informed the Board that he would need to exclude the press and public if it wished to discuss them.

The Interim Lead on Housing explained that the report set out progress in achieving the first phase of approvals in the £100m secured to deliver 2,000 affordable homes across Cambridgeshire and Peterborough by the end of March 2022. Attention was drawn to the added value created by the Business Case, which included creating a revolving fund to outlast the five year programme. Members were advised of Phase 1 Quick Wins, which showed that 73% of the approved new homes across eight schemes would start on site by 31 March 2018. Members noted a table detailing current completion forecasts by local authority area by Quarter 4 2019/20. Attention was drawn to the forward programme and pipeline development. The current status of the pipeline was detailed in the table at Section 5.11., which showed that the Authority was on track to meet its affordable homes target. Members were also advised of four schemes which needed Combined Authority grant funding, which had the support of each respective Local Authority Housing Enabling Manager.

In discussing the report, individual members of the Board raised the following issues:

- welcomed the progress made but queried what had happened to the Housing Task Force Group, which enabled each constituent Council to engage in this work. Another Member reported that he was unaware that this Group had not met, and added that it was important to re-engage every membership council in order to get projects moving. The Interim Lead on Housing reassured the Board that all schemes had been co-developed with the Local Authority Housing Enabling Managers. Although there was no Task Group, there was a sub-regional housing group which met monthly with officers.
- expressed concern that vulnerability had not been reflected in the report. The commitment to support vulnerable residents with complex needs should be a 'golden thread' through the housing programme, and included in future reports. In response, the Mayor confirmed that this would be the case in future. **Action Required.**
- highlighted the need for the new building money to be recycled.
- highlighted the need to review the terms of the grant for £3.66m for the next Phase 2 of affordable housing schemes. The Portfolio Holder Fiscal Strategy reported that he did not like the re-labelling grants. He stressed the importance of the Authority reaching its target within the time constraints. He raised the need for a clawback mechanism if delivery partners failed to meet their targets. He was aware that the viability of schemes had been assessed and that the Authority might need to fund gaps. However, the market conditions could change as a result of a delay leading to a significant funding gap, which should be funded by the organisation delivering the scheme. Other Members acknowledged the need for due diligence. It was important that there should be a clawback mechanism if people failed to deliver. It was noted that this could also accelerate delivery. One Member reported that the criteria included the viability of schemes. The Portfolio Holder Fiscal Strategy acknowledged that testing had been carried out based on predictions but it was important that this was measured afterwards.
- questioned whether all the appendices should have been excluded.
- expressed concern about the progress being made. One Member raised the need to strengthen the trajectory which was currently not strong enough. He reported that 253 units had originally been predicted in 2017/18 as Phase 1 Quick Wins but this

was now down to 185 units. It was important to take the opportunity to identify extra projects to avoid paying back some of the funding to Government. South Cambridgeshire, Huntingdonshire and Peterborough had the biggest affordability problem. He was concerned that the numbers for Northstowe were not on track. He therefore requested that a 'watch-list' be established for any projects not delivered at the halfway point of September 2019. It was also important to have a Plan B if the Authority was not on schedule by this date.

- noted that the infrastructure work at Mare Fen, Northstowe would help deliver 540 units. The Portfolio Holder for New Homes and Communities reminded the Board that the Business Case had agreed that South Cambridgeshire had the highest need. It was important to discuss in public any proposal to revisit this strategy or move away from the position agreed with DCLG. The Portfolio Holder Fiscal Strategy reported that he was concerned about the delivery timeframe. He suggested that it was more important to bring forward as many schemes as possible rather than to concentrate too much on where they should be located. Although, the Authority needed to focus on the areas of high need, it also needed to keep in mind the end date.
- acknowledged that if the Authority did not have large sites like Northstowe, it would not reach its target. Although smaller sites were important, it was the big sites which would deliver. The Portfolio Holder for New Homes and Communities stressed that it was critical the Authority had a 'watch-list' containing a realistic assessment of sites. The Authority needed to be consistent in providing a clear message to people working with it in relation to its intention and purpose.
- acknowledged that it was sensible to only pay out funding once schemes had started. Housing Associations would be able to draw down funding as they delivered. If they could not deliver within the timescale, the grant would be pulled and given to the next tranches of houses.

The Portfolio Holder Fiscal Strategy proposed an amendment, seconded by the Deputy Mayor, to add the following to recommendation c) *subject to the terms of the grant agreement being agreed between the Section 151 officer and the Portfolio Holder for Fiscal Strategy*, and an additional recommendation e) *agree that the grant conditions be reviewed generally by the Legal Counsel and Section 151 officer, in consultation with the Portfolio Holder for Fiscal Strategy*. On being put to the vote, the amendment was carried.

It was resolved unanimously to:

- a) note the progress of the Phase 1 housing scheme approvals agreed by the Board in July 2017.
- b) note the forward pipeline of affordable housing schemes, including emerging strategic sites.
- c) commit grant funding of £3.66m for the next Phase 2 of affordable housing schemes subject to the terms of the grant agreement being agreed between the Section 151 officer and the Portfolio Holder for Fiscal Strategy.
- d) agree to receive further progress reports on a quarterly basis.
- e) agree that the grant conditions be reviewed generally by the Legal Counsel and Section 151 officer, in consultation with the Portfolio Holder for Fiscal Strategy.

168. EAST CAMBRIDGESHIRE STRATEGIC COMMUNITY LAND TRUST (CLT) PROGRAMME – PROVISION OF LOAN FACILITY

The Mayor drew attention to the two confidential appendices, and informed the Board that he would need to exclude the press and public if it wished to discuss them. The Deputy Mayor reminded the Board that he had a non-statutory disclosable interest under the Code of Conduct, as a Director of the East Cambridgeshire Trading Company (ECTC). He had taken legal advice which had confirmed that he could introduce the report but not debate or vote on the issue. The Chief Executive of East Cambridgeshire District Council (ECDC) was therefore present to answer questions on the report that the Deputy Mayor was prevented from answering.

The Deputy Mayor reported that he was pleased to bring a report detailing an exciting much needed affordable way of providing homes owned by the community, which required no grant or public subsidy. Members were reminded of the background to Community Land Trusts (CLTs) and the work of the ECTC. The Board was being asked to approve a £6.5m commercial loan facility from the £100m Housing Programme to ECTC for a CLT scheme for 54 homes in Haddenham. Although, this scheme was ready to build, it could not commence until sales income had been received from the sales of homes at Ely and Soham. The Authority would therefore be able to speed up the delivery of new homes with the provision of a commercial loan facility to ECTC.

The Board was also being asked to authorise the Chief Executive to bring forward detailed proposals and the business case to the next Board meeting for the provision of a ten year commercial loan facility capped at £40m to fund the East Cambridgeshire CLT Programme of up to a level of 250 homes per annum for 10 years. It was noted that ECDC was also working with SCDC on its first CLT in Cottenham.

The Portfolio Holder for Fiscal Strategy proposed an amendment, seconded by the Portfolio Holder for Skills, to recommendation a) to add the following: *terms including security over the loan or assets, step in rights and/or parent guarantee from East Cambs District Council and in consultation with the Mayor and the Portfolio Holder for Fiscal Strategy.* He reported that he did not want to delay the scheme but it was important the Authority had some security over the loan. Other Members acknowledged the need for due diligence. On being put to the vote, the amendment was carried.

In discussing the report, individual members of the Board raised the following issues:

- queried whether the Authority had the power to loan, and whether ECTC had applied to anyone else for a loan and been rejected. Legal Counsel drew attention to Section 5.1, which confirmed that the Authority had the ability to lend. The Chief Executive of ECDC reported that the District Council had provided the ECTC with a £5m loan when first established. There had been no further applications for loans.
- highlighted the need to separate the giving of a loan for affordable housing and the need to pay the money back. Therefore it was important there was due diligence around the business case in order to achieve both aims. Members were reminded that the £40m loan would be the subject of a report to the next meeting.
- welcomed the amendment. However, expressed concern that the Authority had only recently been informed of this proposal. One Member reported that the Business Case should be approved by the Board first. He suggested that it was not cost free as the money could be used in different ways. He queried why the District Council could not fund the ECTC. The Chief Executive of ECDC reminded the Board that the Council was a small rural district council and had already provided £5m. It would like to provide further loan facilities but was unable to do so given its size. As such,

it needed to look to other funding sources to accelerate the programme. He reported that if funding was not forthcoming, the Haddenham project would need to be funded from the sale of homes at Ely and Soham, which was likely to delay it due to seasonal issues.

- expressed concern, whilst understanding the issues relating to seasonality, that there was no business case to demonstrate how it would fit in to the Authority's overall strategy. The Portfolio Holder for New Homes and Communities reported that the proposals for Northstowe had not yet been worked up so funding was not being sought. He was therefore looking for a level of consistency.
- expressed support for CLTs and acknowledged that whilst 19 affordable homes was useful, it was small compared to the Authority's target. The Board's job was to review business cases to make sure the funding was not disproportionately allocated to small schemes. It was therefore suggested that this proposal should be taken to the May meeting to be considered as part of a total package. It would then be clear whether a more general loan was needed given the small number of affordable houses. The same Member added that it was important to consider all options. The Chief Executive of ECDC reminded the Board that the programme used 'a land value capture' mechanism to provide the cross subsidy necessary to build CLT owned affordable homes and other community benefits/assets within the scheme. A mixed market was therefore part of the CLT programme. He reported that the District Council had started to provide the necessary information to inform the business case, which would meet the strategic aims of the Combined Authority. He acknowledged the need for further discussions with the Mayor and the Portfolio Holder Fiscal Strategy, and confirmed that the District Council would provide support and assurance. The Portfolio Holder Fiscal Strategy reported that he was not sure whether a business case would have made much difference as this project was not assessed the same way as other projects. The proposed delegation would ensure that structures were tested. He reported that the Haddenham Scheme would not stop other housing schemes coming forward.

The Mayor highlighted the need to do things differently in a way central Government had failed to do. It was important to be innovative and exciting in order to push the agenda to create a better society for Cambridgeshire and Peterborough. He acknowledged that CLTs were not the answer to every issue but they were a significant way forward. CLTs enabled housing to be delivered within 18 months from first engagement to planning permission thereby accelerating growth. This could only be achieved by engaging with the community. He urged Board Members to use this opportunity to develop similar schemes in their areas.

It was resolved to:

- a) approve the provision of a commercial loan facility capped at £6.5m from the £100m Housing Programme for a period of two years to East Cambs Trading Company Ltd for the CLT scheme at West End Gardens, Haddenham. Approval was subject to completion of the business case, due diligence and agreement of loan terms including security over the loan or assets, step in rights and/parent guarantee from East Cambs District Council to the satisfaction of the Chief Executive, Monitoring Officer and Section 151 Officer in consultation with the Mayor and the Portfolio Holder for Fiscal Strategy.
- b) authorise the Chief Executive to bring forward detailed proposals and the business case to the next Board meeting for the provision of a ten year £40m commercial loan facility capped at £40m to fund the East Cambs Strategic CLT Programme.

169. THE BUSINESS BOARD AND BUSINESS TRANSFER AGREEMENT (FROM THE GREATER CAMBRIDGE GREATER PETERBOROUGH LOCAL ENTERPRISE PARTNERSHIP)

The Deputy Mayor commented on the technical nature of this report, and asked the Chief Executive to explain the detail. Attention was drawn to the following four points covered by the report: the vision for the new Business Board; financial position on business transfer; accountable body transitional arrangements; and the new Business Board. Members noted a table detailing the Business Board's relationship with the Combined Authority Board. Members were also advised of the existing capital funding for the LEP programmes of work. It was noted that £28,648,032 would be transferred from the County Council to the Combined Authority on 1 April 2018.

Members were reminded that the Mayor had already committed £400,000 in cash to ensure a successful winding up of the GCGP LEP company. In return, £42m in capital funding would be available to support the economy and business growth. The Board was advised of indemnity cover arrangements for the former Directors of the GCGP LEP, the Chief Executive and Claire Higgins. Attention was drawn to the Business Transfer Agreement attached as Appendix A, which included TUPE arrangements, and business and supplier contracts. In conclusion, the Chief Executive thanked staff and the County Council for their support regarding the transfer.

One Member queried whether the £50m debt to the Department for Transport for the A14 had been taken into account. The Chief Executive reported that it had been identified along with the Cambridge Compass Enterprise Zone.

It was resolved unanimously to:

- a) agree the vision of how the new Business Board would operate.
- b) agree in principle the Business Transfer Agreement between the Greater Cambridgeshire Greater Peterborough Local Enterprise Partnership to the Cambridgeshire and Peterborough Combined Authority.
- c) ratify the commitment of £400,000 in cash to the GCGP LEP which was made by the Mayor on the 20 March 2018 in order to ensure a successful winding up of the GCGP LEP company.
- d) agree the longer-term indemnity around the GCGP LEP liabilities as set out in the attached side letter.
- e) agree that Legal Counsel and the Section 151 Officer could make any required changes and sign-off on the final fund amount (Schedule 1) in the Accountable Body Transitional Agreement.
- f) agree that any final insubstantial amendments that were required prior to signing the Business Transfer Agreement, Deed of Indemnity and Authorised Body Transitional Agreement could be made by the Legal Counsel, in consultation with the Mayor as portfolio holder for governance.
- g) agree that the Legal Counsel be authorised to sign the Business Transfer Agreement, Deed of Indemnity and Authorised Body Transitional Agreement for and on behalf of the Combined Authority.

170. MARKET TOWN MASTERPLANS FOR GROWTH

The Deputy Mayor reminded the Board of the pilot approach undertaken in St Neots, the lessons learnt and the move to the delivery phase.

One Member drew attention to the critical spread of Market Towns as detailed on page 248. He commented that the spread of growth in the County rested heavily on the Market Towns. Other Members welcomed the process which had resulted in a good galvanising effect for St Neots but urged officers to use information already available. It was important to engage the public in future rather than rely on a Steering Group so that views of the total community were known. It was also important to consider how Market Towns fed into development elsewhere. One Member highlighted the need to circulate the lessons learnt from the pilot in a report to the Board. **Action Required.**

It was resolved unanimously to:

- a) note the proposed principles and role of Market Town Masterplans for Growth as set out in this report
- b) approve the sum of £50,000 to develop a Masterplan for each of the nine market towns (total budget of £450,000)
- c) note that each Masterplan was to be reported to a subsequent Combined Authority Board for approval
- d) note the collaborative arrangements of a Partnership Team with the relevant District Council to develop and subsequently lead the Masterplans

171. DATE OF NEXT MEETING

It was resolved to note the date of the next meeting – Wednesday, 30 May 2018
Fenland District Council, Fenland Hall, County Road, March PE15 8NQ

The Mayor reported that three members of the Overview and Scrutiny Committee were standing down at elections in May. He therefore thanked Councillors Riley, Carter and Hayward for their contribution to the Combined Authority in its first year.

Mayor



CAMBRIDGESHIRE AND PETERBOROUGH COMBINED AUTHORITY BOARD	AGENDA ITEM No: 1.8
30 MAY 2018	PUBLIC REPORT

APPOINTMENT OF THE OVERVIEW AND SCRUTINY COMMITTEE

1.0 PURPOSE

1.1. The purpose of this report is to:

- (a) note the political balance on constituent councils following local elections and by-elections;
- (b) agree the size of the Overview and Scrutiny Committee and agree the political balance on the committee (**Appendix 1**);
- (c) appoint the Members and substitute member nominated by constituent councils and confirm these appointments (**Appendix 2** - to be tabled).

<u>DECISION REQUIRED</u>	
Lead Member:	Mayor, James Palmer
Lead Officer and Author:	Kim Sawyer, Legal Counsel and Monitoring Officer
Forward Plan Ref: Not applicable	Key Decision: No
<p>The Combined Authority Board is recommended to:</p> <ul style="list-style-type: none"> (a) confirm that the size of the Overview and Scrutiny Committee should be 14 members; two members from each constituent council and two substitute members for the municipal year 2018/2019; (b) to agree the political balance on the committee as set out in Appendix 1; (c) confirm the appointment of the Member and substitute Member nominated by constituent councils to the Overview and Scrutiny Committee for the municipal year 2018/2019 as set out in Appendix 2 (to be tabled). 	<p><i>Voting arrangements</i></p> <ul style="list-style-type: none"> (a) At least two-thirds majority of all Members (b) & (c) Simple majority of the Members

2.0 BACKGROUND

- 2.1. In accordance with the Combined Authorities (Overview and Scrutiny Committees, Access to Information and Audit Committees) Order 2017, the Combined Authority is required to establish an Overview and Scrutiny Committee.
- 2.2. The 2017 Order sets out the rules for membership. The membership of the Overview and Scrutiny as a whole should reflect so far as reasonably practicable the balance of political parties of the constituent councils when taken together. The balance is based on membership of political parties, not political groups, on constituent councils across Cambridgeshire and Peterborough.
- 2.3. On 3 May 2018, there were local elections for most constituent councils. The Combined Authority is therefore required to review the political balance on constituent councils across the combined authority area.
- 2.4. In March 2017, the Combined Authority agreed that to ensure an equitable representation across each constituent authority, two members from each council should be appointed to the Overview and Scrutiny Committee representing a total membership of fourteen members. The Combined Authority has agreed that substitute members should be appointed for each position. Any substitute members should come from the same party as the Member they are substituting for to maintain political balance.
- 2.5. The Combined Authorities (Overview and Scrutiny Committees, Access to Information and Audit Committees) Order 2017 states that the combined authority must appoint such a number of members of each of the constituent councils to an overview and scrutiny committee, so that the members of the committee taken as a whole reflect so far as reasonably practicable the balance of political parties for the time being prevailing among members of the constituent councils when taken together. Based on a 14 member committee, the Conservative and Putting St Neots First are level at 7.33 and .33. The Conservative Party has 52.37 % and therefore, should retain the majority on the Overview and Scrutiny Committee with 8 seats. The Board are recommended to review its political balance on the committee based on the above principles and approve the political balance as set out in **Appendix 1** based on a 14 member committee.
- 2.6. Constituent Councils have nominated the members and substitute members listed in **Appendix 2** (to be tabled) for the municipal year 2018/19 based on the political balance set out in **Appendix 1**.

3.0 FINANCIAL IMPLICATIONS

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

4.0 LEGAL IMPLICATIONS

4.1. These are dealt with in the report.

5.0 SIGNIFICANT IMPLICATIONS

5.1. Not applicable.

6.0 APPENDICES

6.1. Appendix 1 – Political Balance on the Overview and Scrutiny Committee

6.2. Appendix 2 – Nominations from Constituent Councils (to be tabled)

<u>Source Documents</u>	<u>Location</u>
Various Council reports of each of the Constituent Councils	Constituent Council websites

Appendix 1

Overview and Scrutiny Committee of 14													
POLITICAL BALANCE ACROSS THE COUNTY as at 4 May 2018													
	Total	Vacancy	Conserv.	Labour	Putting St Neots First	Independ ent	Werrington First	Liberal Party	Liberal Democr ats	Green	UKIP	Total	Entitleme nt
CAMBRIDGESHIRE	2	0	36	7	2	2	0	0	14	0	0	61	1 Conserv. 1 Lib Dem
PETERBOROUGH	2	0	31	14	0	2	3	1	7	1	1	60	1 Conserv ative I Labour
HUNTINGDONSHIRE	2	0	30	4	6	5	0	0	7	0	0	52	1 Conserv ative 1 Independ ent
EAST CAMBS	2	0	35	0	0	1	0	0	3	0	0	39	2 Conserv atives
SOUTH CAMBS	2	0	11	2	0	2	0	0	30	0	0	45	1 Conserv ative, I Lib Dem
CAMBRIDGE CITY	2	0	0	26	0	2	0	0	13	1	0	42	1 Labour 1 Lib Dem
FENLAND	2	0	34	0	0	3	0	0	2	0	0	39	2 Conserv atives
TOTAL		0	177	53	8	17	3	1	76	2	1	338	
POLITICAL BALANCE %													
			52.37	15.68	2.37	5.03	0.89	0.30	22.49	0.59	0.30	100.00	
Seat allocation May 2018			8	2	0	1	0	0	3	0	0	14	
Committee seat allocation	14		7.33	2.20	0.33	0.70	0.12	0.04	3.15	0.08	0.04	14.00	



CAMBRIDGESHIRE AND PETERBOROUGH COMBINED AUTHORITY BOARD	AGENDA ITEM No: 1.9
30 MAY 2018	PUBLIC REPORT

APPOINTMENT OF THE AUDIT AND GOVERNANCE COMMITTEE

1.0 PURPOSE

1.1 The purpose of this report is to:

- (a) agree the size and political balance of the Audit and Governance Committee;
- (b) appoint the members and substitute Member nominated by constituent councils to the Committee;
- (c) appoint the Chair and Vice-Chair to the Committee.

<u>DECISION REQUIRED</u>	
Lead Member:	Mayor, James Palmer
Lead Officer and Author:	Kim Sawyer, Legal Counsel and Monitoring Officer
Forward Plan Ref: Not applicable	Key Decision: No
<p>The Combined Authority Board is recommended to:</p> <ul style="list-style-type: none"> (a) confirm that the size of the Audit and Governance Committee should be 8 members; one member and one substitute from each Constituent Council and one independent person for the municipal year 2018/2019; (b) to agree the political balance on the committee as set out in Appendix 1; (c) confirm the appointment of the Member and substitute Member nominated by Constituent Councils to the Committee for the municipal year 2018/2019 as set out in Appendix 2 (to be tabled); 	<p><i>Voting arrangements</i></p> <ul style="list-style-type: none"> (a) At least two-thirds majority of all Members (b) & (c) Simple majority of the Members

- | | |
|--|--|
| (d) appoint a Chair and Vice Chair of the Audit and Governance Committee for the municipal year 2018/2019. | |
|--|--|

2.0 BACKGROUND

Membership of the Audit and Governance Committee

- 2.1 In accordance with the Combined Authorities (Overview and Scrutiny Committees, Access to Information and Audit Committees) Order 2017, the Combined Authority is required to establish an Audit Committee.
- 2.2 The Order 2017 sets out the rules for membership. The membership of the committee as a whole should reflect so far as reasonably practicable the balance of political parties of the constituent councils when taken together. The balance is based on membership of political parties, not political groups, on constituent councils across Cambridgeshire and Peterborough.
- 2.3 For 2017/18, the Board agreed that the Audit and Governance Committee should have seven constituent members, one Member from each Constituent Council, together with one Independent person. The Board are asked to agree that the size of the committee remains the same.
- 2.4 The implications of applying political proportionality to a seven constituent member committee are detailed in **Appendix 1**.
- 2.5 Accordingly constituent councils have nominated the members and substitute members listed in **Appendix 2** (to be tabled) for the municipal year 2018/19 based on the political balance calculation.

Chair and Vice Chair

- 2.6 In accordance with the Constitution, the appointment of the Chair and Vice-Chair of the Audit and Governance Committee is reserved to the Board. The Combined Authorities (Overview and Scrutiny Committees, Access to Information and Audit Committees) Order 2017 requires the Combined Authority to appoint at least one independent person to the Audit and Governance Committee.
- 2.7 In May 2017, the Board appointed Mr Alan John Pye as the independent person for a term of four years ending May 2021. The Board also agreed that Mr Pye should be appointed as Chair of the Committee and asked the Audit and Governance Committee to elect a Vice Chair for the municipal year 2017/18. In June, the Board agreed to enhance the independent person's allowance when the post holder takes the chair.

- 2.8 The Board is asked to appoint a Chair and Vice-Chair of the Committee for the municipal year 2018/19.

3.0 FINANCIAL IMPLICATIONS

- 3.1 In accordance with the Cambridgeshire and Peterborough Combined Authority Order 2017 no remuneration is to be payable by the Combined Authority to its constituent council members.
- 3.2 In June 2017, the Board agreed that the appointed independent person should receive an allowance of £1534per annum. This allowance was enhanced from £920 in recognition of the additional responsibilities of the Chair.

4.0 LEGAL IMPLICATIONS

- 4.1 These are dealt with in the report. The requirement to appoint at least one member as an independent person of the Audit Committee is set out in the Local Democracy, Economic Development and Construction Act 2009.

5.0 SIGNIFICANT IMPLICATIONS

- 5.1 Not applicable.

6.0 APPENDICES

- 6.1 Appendix 1 – Political Balance on the Audit and Governance Committee
- 6.2 Appendix 2 – Nominations from Constituent Councils (to be tabled)

<u>Source Documents</u>	<u>Location</u>
Various Council reports of each of the Constituent Councils	Constituent Council websites

Appendix 1													
Audit and Governance Committee of 7													
POLITICAL BALANCE ACROSS THE COUNTY asat 4 May 2018													
	Total	Vacancy	Conservative	Labour	Putting St Neots First	Independent	Werrington First	Liberal Party	Liberal Democrats	Green	UKIP	Total	Entitlement
CAMBRIDGESHIRE	1	0	36	7	2	2	0	0	14	0	0	61	1 Lib Dem
PETERBOROUGH	1	0	31	14	0	2	3	1	7	1	1	60	1 Conservative
HUNTINGDONSHIRE	1	0	30	4	6	5	0		7	0	0	52	1 Conservative
EAST CAMBS	1	0	35	0	0	1	0	0	3	0	0	39	1 Conservatives
SOUTH CAMBS tbc	1	0	11	2	0	2	0	0	30	0	0	45	1 Lib Dem
CAMBRIDGE CITY	1	0	0	26	0	2	0	0	13	1	0	42	1 Labour
FENLAND	1	0	34	0	0	3	0	0	2	0	0	39	1 Conservatives
TOTAL		0	177	53	8	17	3	1	76	2	1	338	
POLITICAL BALANCE %													
			52.37	15.68	2.37	5.03	0.89	0.30	22.49	0.59	0.30	100.00	
Seat allocation May 2018			4	1	0	0	0	0	2	0	0	7	
Committee seat allocation	7		3.67	1.10	0.17	0.35	0.06	0.02	1.57	0.04	0.02	7.00	



CAMBRIDGESHIRE AND PETERBOROUGH COMBINED AUTHORITY BOARD	AGENDA ITEM No: 1.10
30 MAY 2018	PUBLIC REPORT

REVIEW OF CONSTITUTION

1.0 PURPOSE

- 1.1. In the interests of good governance, the Board reviews its constitution annually. The Board agreed its first constitution in April 2017.
- 1.2. There are a number of suggested changes set out in **Appendix 1**.

<u>DECISION REQUIRED</u>	
Lead Member:	Mayor, James Palmer
Lead Officer:	Kim Sawyer, Legal Counsel and Monitoring Officer
Forward Plan Ref: Not applicable	Key Decision: No
<p>The Combined Authority Board is recommended to:</p> <p>(a) Approve the amendments to the constitution set out in Appendix 1, subject to consultation with the Overview and Scrutiny Committee on the scrutiny arrangements set out in chapter 8 of the constitution,</p> <p>(b) Agree the Monitoring Officer be requested to report to the next meeting on any recommended changes proposed by the Overview and Scrutiny Committee.</p>	<p>Voting arrangements</p> <p>At least two-thirds of all Members</p> <p>Simple majority of all Members</p>

2.0 BACKGROUND

- 2.1. The Combined Authority's rules for its governance arrangements are set out in its constitution. The Board's constitution has been prepared with a view to ensuring effective open and transparent decision making and to conform with

legislation relating to combined authorities and the Order setting up this Authority.

- 2.2. The Board approved the constitution on 26 April 2017. It has been kept up to date to take account of changes to the constitution agreed by the Board throughout the year, and the latest version is available on the Combined Authority website.
- 2.3. A number of changes to the constitution are suggested as set out in **Appendix 1.**

Constitution	Chapter	Change to Constitution
General Functions of Mayor	3 para 1.4.2	Paragraph is amended to conform to wording in the Cambridgeshire and Peterborough Combined Authority Order 2017
Combined Authority Board Functions	4	Amended to comply with Budget Framework Procedure rules (Chapter7)
Overview and Scrutiny Committee	8	<p>Functions of the Committee have been amended to include the ability to scrutinise the Combined Authority as the accountable body for the Business Board and the decisions of the Business Board.</p> <p>The Committee may request any Business Board member to attend, or otherwise contribute to, a meeting of the Committee.</p>
Employment Committee and Sub Committees	10	To exempt any sub-committees of the Employment Committee from the political balance rules.
Contract Standing Orders	12	<p>Monitoring Officer is now responsible for contracts.</p> <p>Monitoring Officer has the same authority as other statutory officers</p> <p>All Directors have authority to authorise contracts within certain limits – previously limited to Chief Finance Officer.</p>
Scheme of Delegation	13	Minor amendments for clarification or to take account of amendments elsewhere
Member Code of Conduct	15	Changes to comply with Guidance issued for Local Enterprise Partnerships by the Ministry of Housing Communities and Local Government “Local Enterprise Partnership governance and transparency: best practice guidance.”

		<p>The guidance produced example code of conduct policies and requires LEP staff and Business Board members must sign up to the code of conduct based on the Nolan Principles and must be published on the Local Enterprise Partnership website.</p> <p>Directors/Chief Officers must also complete a register of interest form and must be published.</p> <p>Declaration of Gifts and hospitality reduced from £100 to £50 to comply with LEP guidance.</p> <p>Complaints against Members – amended to include complaints about Police and Crime Commissioner to be referred to Police and Crime Panel</p>
Investment Working Group Delivery Working Group	Appendix 2	Removal of working groups from constitution
Business Board	New Appendix 5	<p>Include new Appendix for interim terms of reference, membership and governance arrangements for the business board</p> <p>Consequential changes made throughout constitution</p> <p>See Business Board – Decision notice elsewhere on the agenda.</p>

- 2.4. It is proposed that the Overview and Scrutiny Committee be asked to review the section of the constitution relating to the scrutiny arrangements. Any comments or suggested changes will be reported to the next meeting.

3.0 FINANCIAL IMPLICATIONS

- 3.1. There are no financial implications

4.0 LEGAL IMPLICATIONS

- 4.1. The legal implications are addressed in the report and appendices.

5.0 SIGNIFICANT IMPLICATIONS

Not applicable.

6.0 APPENDICES

6.1. Appendix 1 – Constitution

<u>Source Documents</u>	<u>Location</u>
Constitution	http://cambridgeshirepeterborough-ca.gov.uk/assets/Uploads/Combined-Authority-Constitution-2018.pdf
Local Enterprise Partnership governance and transparency Best practice guidance, Ministry of Housing, Communities and Local Government January 2018 ISBN: 978-1-4098-5173-8	https://www.gov.uk/government/publications/local-enterprise-partnership-governance-and-transparency-best-practice-guidance
Review of LEP governance and transparency conducted by Mary Ney, a MHCLG non-executive director.	https://www.gov.uk/government/publications/review-of-local-enterprise-partnership-governance-and-transparency



**CAMBRIDGESHIRE
& PETERBOROUGH**
COMBINED AUTHORITY

Cambridgeshire and Peterborough Combined Authority

The Constitution

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Cambridgeshire and Peterborough Combined Authority Order 2017

Version Control

Version 1	31 May 2017	Constitution approved by Board
Version 2	28 January 2018	Updated to take account of board decisions since May
<u>Version 3</u>	<u>30 May 2018</u>	<u>Annual Review of constitution</u>

Chapter 1 – Summary

1. Introduction

- 1.1. On 3 March 2017, Cambridgeshire and Peterborough Combined Authority was established as a Mayoral Combined Authority for the Cambridgeshire and Peterborough area. (It is a corporate body and can be referred to as the Combined Authority).
- 1.2. It is made up of a directly elected Mayor and the following seven local authorities (referred to as the Constituent Councils) and [the Business Board](#) ~~the Greater Cambridge Greater Peterborough (Local Enterprise Partnership): "the LEP":~~
 - Cambridge City Council;
 - Cambridgeshire County Council;
 - East Cambridgeshire District Council;
 - Fenland District Council;
 - Huntingdonshire District Council;
 - Peterborough City Council; and
 - South Cambridgeshire District Council.
- 1.3. The Combined Authority will work with local councils, the [Business Board \(Local Enterprise Partnership\)LEP](#), local public services, Government departments and agencies, universities and business to grow the local and national economy.

2. The Constitution

- 2.1. This Constitution sets out how we work, how we make decisions, and the procedures we follow to make sure our work is efficient, and effective, and is both transparent and accountable to local people. Some of these procedures are set by law, while others are ones we have chosen to follow.

3. The Cambridgeshire and Peterborough Combined Authority Order 2017

- 3.1. The Combined Authority was set up by the [Cambridgeshire and Peterborough Combined Authority Order 2017](#) for the Peterborough and Cambridgeshire area.

Chapter 1 - Summary

4. Members of the Combined Authority

- 4.1. The Combined Authority consists of the following Members:
- 4.1.1. a directly elected Mayor;
 - 4.1.2. an elected Member appointed by each of the Constituent Councils;
 - 4.1.3. a representative of the Business Board ~~Greater Cambridge Greater Peterborough (Local~~ Enterprise Partnership) ~~("the LEP")~~; and
 - 4.1.4. Non-Constituent Members (non-voting) as may be admitted to the Combined Authority from time to time.

5. Combined Authority

- 5.1. The Combined Authority is responsible for a number of transport, economic development and regeneration functions as set out in Parts 3 and 4 of the 2017 Order.
- 5.2. Those functions reserved to the Combined Authority Board are set out in chapter 4 of this Constitution, and those reserved to the Mayor as set out in chapter 3.

6. Combined Authority Board - Meetings and Procedure

- 6.1. The Combined Authority Members shall comprise the Board. The Board will meet in accordance with the calendar of meetings as approved by the Board from time to time.
- 6.2. There are three types of meeting:
- (a) The Annual Meeting;
 - (b) Ordinary meetings; and
 - (c) Extraordinary meetings.
- 6.3. All meetings will be conducted in accordance with the Proceedings of Meetings in chapter 5 of this Constitution.
- 6.4. The Board may invite co-opted members to sit on the Board as set out in chapter 2 of this Constitution. Co-opted members may attend board meetings.

Chapter 1 - Summary

7. Executive Bodies

- 7.1. The Combined Authority may establish committees or sub-committees as it thinks fit to discharge its functions.

8. Working Groups

- 8.1. The Combined Authority may establish informal non-decision making working groups to assist with the delivery of its objectives. These are set out in [Appendix 2](#) to the constitution.

9. Joint Arrangements

- 9.1. The Combined Authority has the power to make arrangements with other local authorities to discharge its functions jointly.
- 9.2. Such arrangements may involve the discharge of those functions by a joint committee of such authorities or by an officer of one of them.
- 9.3. The Combined Authority may not arrange for the discharge of any Mayoral functions by a joint committee, unless permitted by legislation.

10. Non-Executive Committees

- 10.1. The Combined Authority is required to establish the following non-executive Committees:
- (a) an Overview and Scrutiny Committee;
 - (b) an Audit and Governance Committee.
- 10.2. Their functions and terms of reference are set out in [chapter 8](#) and [chapter 9](#). below.

11. Independent Economic Commission

- 11.1. The Combined Authority has established an Independent Economic Commission. The independent Economic Commission exists to:
- (a) develop a robust evidence base on Cambridgeshire and Peterborough's economic performance and potential that:

Chapter 1 - Summary

- (i) is objective and independent of any specific partner;
 - (ii) commands attention and buy-in at the highest levels of Government; and
 - (iii) demonstrates the potential for growth in multi-centred economies across the area.
- (b) provide objective and independent advice to the Combined Authority, GCGP EP Board:
 - (i) on the economic impact of key decisions and investment programmes; and
 - (ii) long-term drivers of growth across the Cambridgeshire and Peterborough economy.
- (c) help to influence decisions taken at national level, drawing on commissioners' connections and networks to improve partners' access to opinion formers and decision-makers.

11.2. Its terms of reference are set out in [Appendix 4](#) .

12. Business Board

- 12.1. The Business Board is the Local Enterprise Partnership for its area and is a non-statutory body.
- 12.2. It is independent of the Combined Authority operating as a private-public sector partnership, focusing on the key business sectors to ~~provide strategic leadership and~~ drive growth in the Cambridgeshire and Peterborough and wider Local Enterprise area.
- 12.3. The Combined Authority is the accountable body for funding awarded to the Local Enterprise Partnership.
- 12.4. Its terms of reference and governance arrangements are set out in Appendix 5.

12.13. Management Structure

Statutory Officers

Chapter 1 - Summary

~~12.1.~~13.1. The Combined Authority will appoint a:

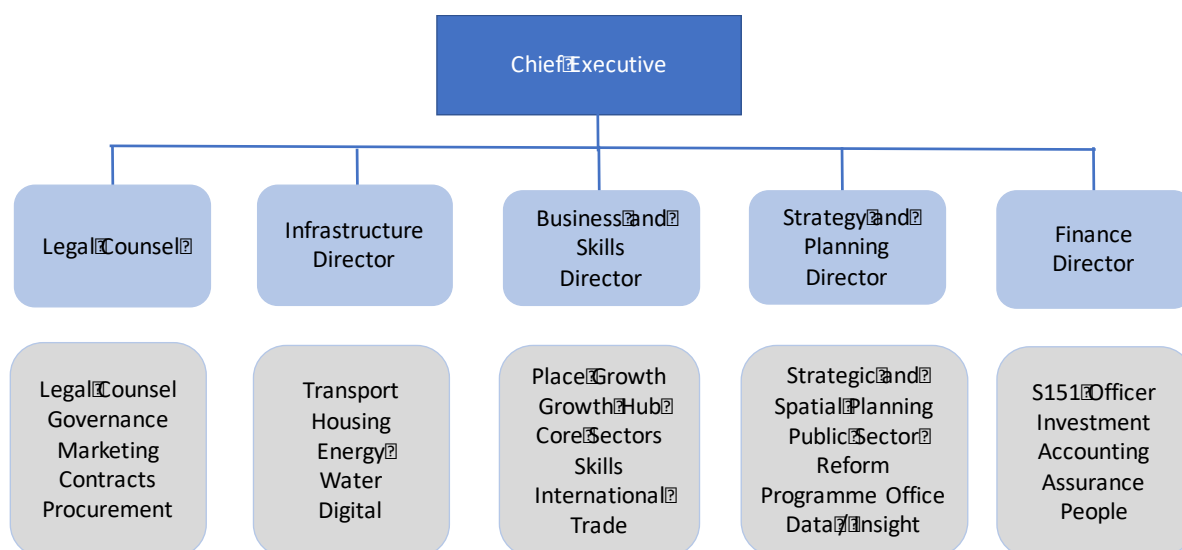
- (a) Head of Paid Service (known as Chief Executive);
- (b) Monitoring Officer;
- (c) Chief Finance Officer (S151);
- (d) Scrutiny Officer.

~~12.2.~~13.2. Their functions and responsibilities are set out in [chapter 13](#).

Other Chief Officers

~~12.3.~~13.3. The Combined Authority will appoint other Chief Officers it considers necessary to carry out its functions in accordance with the [Officer Employment Procedure rules](#).

~~12.4.~~13.4. The current structure as at 28 February 2018 is set out below:



~~12.5.~~13.5. The Mayor has also appointed a Mayoral Adviser and Chief of Staff.

Other Staff

~~12.6.~~13.6. The Combined Authority may engage such staff (referred to as Officers), as it considers necessary to carry out its functions.

~~13.~~14. Decision Making

Chapter 1 - Summary

~~13.1.~~14.1. Decision making will be in accordance with the arrangements set out in this Constitution.

~~13.2.~~14.2. In summary, they will include

- (a) decisions reserved to the Combined Authority Board;
- (b) decisions reserved to the Mayor;
- (c) decisions made by Officers.

~~14.~~15. Finance, Contracts and Legal Matters

~~14.1.~~15.1. The management of the Combined Authority's financial affairs will be conducted in accordance with the Financial Regulations set out in [chapter 11](#).

~~14.2.~~15.2. The management of its legal affairs will be conducted in accordance with this Constitution.

~~15.~~16. Public Rights

~~15.1.~~16.1. The rights of the public are set out in the Transparency Rules, Forward Plan and Key Decisions in [chapter 6](#).

~~15.2.~~16.2. Any public enquiries should be addressed to the Chief Executive at the Combined Authority Offices.

~~16.~~17. Monitoring and Reviewing the Constitution

~~16.1.~~17.1. The Monitoring Officer will regularly monitor and review the operation of the Constitution.

~~16.2.~~17.2. The Chief Finance Officer shall be responsible for monitoring and keeping under review the Financial Regulations set out in the Constitution.

~~16.3.~~17.3. It is the responsibility of the Combined Authority Board to review the Constitution annually.

~~17.~~18. Changes to the Constitution

~~17.1.~~18.1. The Constitution will be amended as the Combined Authority develops.

Chapter 1 - Summary

~~17.2.18.2.~~ Changes to the Constitution will be agreed by the Combined Authority Board in accordance with the voting arrangements as set out in [chapter 5](#) unless in the reasonable opinion of the Monitoring Officer a change is required in the circumstances set out in his/her delegated powers. ([See chapter 13](#))

Chapter 1 - Summary

Chapter 2 – Membership of the Combined Authority

1. Directly Elected Mayor

- 1.1. The [Cambridgeshire and Peterborough Combined Authority Order 2017](#) creates the office of a directly elected Mayor for the area of the Combined Authority.
- 1.2. The first election of the Mayor took place in May 2017 and the term of office shall be four years.
- 1.3. Each subsequent election shall take place in each fourth year following the first election on the same day of an ordinary election.

2. Constituent Councils

- 2.1. Each of the Constituent Councils shall appoint a Member (usually its Leader) to be a Member of the Combined Authority and another Member to act in the absence of the appointed Member (the Substitute Member). All appointments shall be for a one year term.
- 2.2. A person will cease to be a Member or a Substitute Member of the Combined Authority if they cease to be a Member of the Constituent Councils that appointed them. The Constituent Councils shall appoint or nominate a replacement as soon as possible.
- 2.3. A Member or Substitute Member may resign by giving written notice to the Proper Officer of their Constituent Council, and the resignation takes effect on the receipt of the notice. The relevant Constituent Council shall notify the Combined Authority forthwith of the resignation.
- 2.4. Each Constituent Council shall at any time be entitled to terminate the appointment of a Member or Substitute Member appointed to the Combined Authority and replace that Member or Substitute Member.
- 2.5. The Constituent Council must give written notice of the new appointment and the termination of the previous appointment to the Combined Authority. The new appointment shall take effect and the previous appointment terminate at the end of fourteen days from the date on which the notice was given, or such longer period not exceeding one month.

Chapter 2 - The Membership of the Combined Authority

3. ~~Business Board The Greater Cambridge Greater Peterborough Enterprise Partnership (Local Enterprise Partnership) "the LEP"~~

4.3.

4.1.3.1. The ~~Business Board LEP~~ will nominate one of its Members, normally the Chair, to be a Member of the Combined Authority and another Member to act in the absence of the appointed Member (the Substitute Member).

4.2.3.2. The Combined Authority will consider the nomination and appoint the ~~LEP Business Board~~ Member and the ~~Business Board LEP~~ Substitute Member. Each appointment shall be for a one year term.

4.3.3.3. A person will cease to be a Member or a Substitute Member of the Combined Authority if they cease to be a Member of the ~~Business Board LEP~~ that nominated them. The ~~Business Board LEP~~ shall appoint or nominate a replacement as soon as possible.

4.4.3.4. A Member or Substitute Member may resign by giving written notice to the Chair or Vice-Chair of ~~the the Business Board LEP~~, and the resignation takes effect on the receipt of the notice. The ~~Business Board LEP~~ shall notify the Combined Authority forthwith of the resignation.

4.5.3.5. Where the ~~Business Board LEP~~ terminates an appointment and nominates another of its Members in that person's place, it must give written notice of the new nomination and the termination of the previous appointment to the Combined Authority.

4.6.3.6. The Combined Authority must consider the appointment of the nominated ~~Business Board LEP~~ Member at the next meeting of the Combined Authority. The new appointment shall take effect and the previous appointment terminate upon the determination of the appointment by the Combined Authority.

5.4. Non-Constituent Members

5.1.4.1. The Combined Authority may invite Non-Constituent Councils to be Non-Constituent Members of the Combined Authority. Non-Constituent Members are neighbouring local authorities who have been invited to join the Combined Authority but they are not full Members. Non-Constituent Members may be invited to sit on Working Groups.

5.2.4.2. All decisions on admission of Non-Constituent Councils shall be made formally by proposal and report at a Combined Authority Board meeting.

Chapter 2 - The Membership of the Combined Authority

~~5.3.4.3.~~ A proposal for an authority to be given non-constituent council status may be made by any Constituent Council Member or the Mayor, and must be agreed by a two thirds majority of those present and voting. Non-Constituent Council status takes effect upon agreement by the Board. This will be an annual appointment and will be reviewed at each annual meeting of the Board.

~~5.4.4.4.~~ Non-Constituent Council status confers no legal status and no entitlement to vote and is a formal arrangement to promote a strategic approach to joint working in the development of significant policy issues.

~~5.5.4.5.~~ A Non-Constituent Council shall be represented at meetings of the Combined Authority by a named Member or a named Substitute to be approved by the Board.

~~5.6.4.6.~~ Such Member or Substitute Member may participate in the debate on issues relevant to their organisation on agenda items and must comply with the terms of the Constitution as they relate to debate, but will not have entitlement to vote on any issue or agenda item.

~~5.7.4.7.~~ The Chair of any meeting of the Combined Authority may require the Member or Substitute to absent themselves from any meeting of the Combined Authority at the Chair's discretion.

~~6.5.~~ Co-opted Members

~~6.1.5.1.~~ The Combined Authority may invite organisations with direct responsibility for functions relevant to the Combined Authority objectives to become Co-opted Members to attend the Combined Authority Board and may take part in the debate. All decisions on Co-opted Members shall be made formally by proposal and report at a Combined Authority Board meeting.

~~6.2.5.2.~~ A proposal for an authority to be given Co-opted Member status may be made by any Constituent Council Member or the Mayor and must be agreed by a two thirds majority of those present and voting. Co-opted Member status takes effect upon agreement by the Board.

~~6.3.5.3.~~ Co-opted Members appointed to the Board are listed in [Appendix 3](#) to this Constitution.

Chapter 2 - The Membership of the Combined Authority

~~6.4.5.4.~~ Co-opted Member status confers no legal status and no entitlement to vote and is an informal arrangement to promote a strategic approach to joint working in the development of significant policy issues.

~~6.5.5.5.~~ A co-opted member organisation shall be represented at meetings of the Combined Authority Board by a named representative or a named Substitute. Notice of the names of the Co-opted Members' representative or Substitute must be provided to the Monitoring Officer by the Co-opted Member organisation at least five working days prior to attendance at any meeting of the Board.

~~6.6.5.6.~~ Such representative or substitute may participate in the debate on issues relevant to their organisation and must comply with the terms of the Constitution as they relate to debate, but they will not have entitlement to vote on any issue or agenda item.

~~6.7.5.7.~~ The Chair of any meeting of the Combined Authority may require the Co-opted Members' named representative or named substitute to absent themselves from any meeting of the Combined Authority at the Chair's discretion.

Chapter 3 – The Mayor of the Combined Authority

1. Role and Functions reserved to the Mayor

- 1.1. The Mayor and the other Members of the Combined Authority will work closely together. Specifically:
 - (a) the Mayor will provide overall leadership and chair Combined Authority Board meetings;
 - (b) the Mayor may allocate portfolio responsibilities to each member of the seven Constituent Councils who will act in a supporting and advisory function to the Mayor and Combined Authority for their respective policy areas; and
 - (c) the Mayor will also be a member of the Business Board LEP recognising the importance of the Business Board LEP's role and the private sector in any growth strategies or delivery for the Combined Authority area.
- 1.2. The Mayor will by virtue of holding office be a Member and the Chair of the Combined Authority Board.
- 1.3. The Mayor must appoint a statutory Deputy Mayor of the Combined Authority. The role of the statutory Deputy Mayor is set out in paragraph 2 below. The Mayor may also appoint a non-statutory Deputy Mayor and the role of the non-statutory Deputy Mayor is set out in paragraph 2 below

General functions of Mayor

- 1.4. The Mayor will exercise the following general function:
 - 1.4.1. The Mayor may pay a grant to Cambridgeshire County Council and Peterborough City Council to meet expenditure incurred by them as highways authorities. The Mayor must exercise this function under section 31 Local Government Act 2003 concurrently with a Minister of the Crown.

1.4.2. Prior to the payment of the grant the Mayor must consult the Combined Authority

~~1.4.2. Board which is responsible for approving the allocation of transport related funding (including provision of funding for highways) subject to special voting arrangements as set out in chapter 5.~~

Chapter 3 – The Mayor of the Combined Authority

- 1.4.3. Members and officers of the Combined Authority may assist the Mayor in the exercise of the function to pay grant.

Powers of Mayor

- 1.5. The Mayor may exercise a general power of competence (section 1 Localism Act 2011) to do anything that the Combined Authority may do

- 1.5.1. Where the general power of competence:

- (a) involves the transfer of property, rights or liabilities of the Combined Authority to or from the Constituent Councils, or
- (b) is used to prepare and publish a statement setting out a strategy for spatial development in the Combined Authority area,

the Mayor must secure the unanimous consent of all Members of the Combined Authority, or Substitute Members acting in their place

- 1.5.2. The Mayor may otherwise individually exercise a general power of competence to do anything that the Combined Authority may do subject to the restrictions which apply to the exercise of that power and after having due regard to advice from the Monitoring Officer and Chief Finance Officers.

Mayor's budget and spending plans

- 1.6. The Mayor must also set a budget and consult the Combined Authority Board on his/her spending plans and draft budget in accordance with the Budget Framework Procedure Rules ([chapter 7](#))
- 1.7. Any Mayoral budget, strategies and spending plans must be approved by the Combined Authority Board in accordance with the special voting rules. (See [chapter 5](#)).

2. Deputy Mayor

- 2.1. The Mayor must appoint one Member of the Combined Authority to hold the statutory functions as Deputy Mayor. This statutory Deputy Mayor shall:
- (a) hold office until the end of the term of office of the Mayor;
 - (b) cease to be statutory Deputy Mayor if at any time the Mayor removes him or her from office, he or she resigns as Deputy Mayor or ceases to be a Member of the Combined Authority;

Chapter 3 – The Mayor of the Combined Authority

- (c) act in the place of the Mayor if for any reason the Mayor is unable to act or the office of Mayor is vacant.
- 2.2. If a vacancy arises in the office of statutory Deputy Mayor, the Mayor shall immediately appoint another Member of the Combined Authority to be the statutory Deputy Mayor.
- 2.3. If the Mayor is unable to act or the office of Mayor is vacant; and the statutory Deputy Mayor is unable to act, the Monitoring Officer shall call a meeting of the Combined Authority Board to take decisions, by simple majority, in the absence of the Mayor.
- 2.4. For reasons of good governance, the Mayor may appoint a second non-statutory Deputy Mayor from amongst the Constituent Council members as he thinks appropriate.
- 2.5. The non-statutory Deputy Mayor shall preside over any meeting of the Combined Authority called to make decisions in the absence of the Mayor and statutory Deputy Mayor.
- 2.6. Should the statutory Deputy Mayor be appointed as Chair of the Combined Authority in the absence of the Mayor, the non-statutory Deputy Mayor shall be appointed as the Vice-Chair.

3. Portfolios of Combined Authority Members

- 3.1. The Mayor and the Combined Authority Board shall agree portfolio responsibilities in respect of the Combined Authority functions.
- 3.2. The Mayor shall allocate the agreed portfolio responsibilities to each member of the seven Constituent Councils.
- 3.3. Portfolio responsibilities are set out in Appendix 1.

4. Delegation of Functions reserved to the Mayor

- 4.1. The Mayor may arrange for:
 - (a) the statutory Deputy Mayor to exercise any general function of the Mayor; or
 - (b) another Member or officer of the Combined Authority to exercise any such function.

Chapter 3 – The Mayor of the Combined Authority

- 4.2. The Mayor shall produce a scheme of delegation for any delegated functions.
- 4.3. The financing of a Mayoral Combined Authority can be met from precepts by the Combined Authority (section 107G, 2009 Act). However, the Mayor has no power to borrow money (section 107D(8), 2009 Act).

5. Mayoral Decisions

- 5.1. Any Mayoral decisions will be made in accordance with the Constitution including the Transparency Rules, Forward Plan and Key Decisions.
([chapter 6](#))

Chapter 4 – Combined Authority Board Functions

1. Functions reserved to the Board

1.1. The following functions are reserved to the Combined Authority Board:

Strategies and Plans

1.2. The adoption of, and any amendment to or withdrawal of the following plans and strategies:

- (a) Cambridgeshire & Peterborough 2030 and 4 year plan
- (b) Local Industrial Strategy
- (c) Local Transport Plan
- (d) Bus Strategy;
- (e) Skills Strategy;
- (f) Housing Strategy;
- (g) Investment Strategy;
- (h) Delivery Plan;
- (i) Non-Statutory Strategic Spatial Plan
- (j) Market Town Masterplans for Growth
- (k) Rural Strategy
- (l) Other strategies and plans as agreed.

Frameworks

1.3. The adoption of, and any amendment to or withdrawal of the following framework documents:

- (a) Assurance Framework;
- (b) Programme Management Framework;
- (c) Prioritisation Framework;
- (d) Monitoring & Evaluation Framework;
- (e) Equality Framework.

Financial Matters

1.4. The adoption of, and any amendment to or withdrawal of the following financial documents:

- (a) The non-mayoral Combined Authority budget;

Chapter 4 – Combined Authority Board Functions

- (b) Any spending plans or plans for the allocation of transport-related funding;
- (c) Treasury Management Strategy including approval of borrowing limits;
- (d) Capital Investment Strategy;
- (e) Single Investment Fund Allocation;
- (f) Fiscal Strategy.

1.5. In relation to the Mayor's General Budget:

- (a) The approval of the draft budget (or revised draft budget) or
 - (b) The decision to veto the draft budget (or revised draft budget) and approval of the Mayor's draft budget incorporating the Combined Authority Board's recommendation as the relevant amounts and calculations.
- in accordance with the Budget Framework Procedure Rules (Chapter 7).

Governance

4.5.1.6. Decisions related to:

- (a) Adoption and amendment of the Constitution;
- (b) Establishment and membership of Committees and Sub-Committees;
- (c) Establishment and membership of Joint Committees and Commissions;
- (d) Approval of Mayoral Allowance;
- (e) Appointment of an Independent Person of the Audit and Governance Committee;
- (f) Appointment of Statutory Officers;
- (g) Any other matters reserved to the Board.

4.6.1.7. The Combined Authority shall exercise the general power of competence in relation to any of its functions after having due regard to the advice of the Monitoring Officer and Chief Finance Officer.

2. Membership of the Board

2.1. The Combined Authority Board consists of the Members as set out below:

- (a) An elected Member appointed by each of the Constituent Authorities or Substitute Members acting in their place;
- (b) A Representative of the Business Board Greater Cambridge Greater Peterborough Enterprise Partnership "the LEP" or Substitute Members acting in their place;

Chapter 4 – Combined Authority Board Functions

- (c) Non-Constituent Members (non-voting) as may be admitted to the Combined Authority from time to time;
 - (d) Co-opted Members (non-voting) invited to attend who shall be present to contribute on issues related to the organisation they represent.
- 2.2. If a Member fails throughout a period of six consecutive months from the date of their last attendance to attend any meeting of the authority, then, subject to certain exceptions, they cease to be a Member of the Authority.

3. Functions of the Combined Authority

- 3.1. The functions of the Combined Authority are grouped into portfolios, ~~and~~ allocated to each Constituent Council Member of the Combined Authority, and include the following responsibilities:-
- (a) To lead and champion their allocated portfolio functions;
 - (b) To lead on the development of key strategic documents ~~through the Investment Working Group~~ for approval by the Combined Authority;
 - (c) To develop and present investment proposals to the Combined Authority;
 - (d) To communicate with the public on matters within their portfolios and to be accountable for their portfolio areas;
 - (e) To input into future devolution proposals and public sector reform;
 - (f) To liaise with Members holding similar portfolios within the Constituent Councils.
- 3.2. The Portfolios are set out in Appendix 1.

4. Executive Bodies

- 4.1. 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.

Working Groups

- 4.2. The Combined Authority may establish informal working groups. These groups are non-decision making groups of Officers and Members. The Working Groups established are set out in Appendix 2.

Membership

Chapter 4 – Combined Authority Board Functions

- 4.3. The Combined Authority shall appoint the membership of all executive Committees, Sub-Committees, Joint Committees and Working Groups, including the appointment of the Chair and Vice-Chair, Substitute Members and any Co-opted Members.
- 4.4. The political balance rules apply to all Committees, Sub-Committees and Joint Committees.

Quorum

- 4.5. The quorum for all Committees, Sub-Committees and Working Groups is at least two-thirds of the total number of Members and may be no fewer than 3 Members.

Access to meetings

- 4.6. The Transparency Rules, Forward Plan and Key Decisions apply to all Committees, Sub-Committees and Joint Committees. ([chapter 6](#)) They do not apply to Working Groups.

Chapter 5 -- Proceedings of Meetings

1. Introduction

- 1.1. These rules apply to Combined Authority Board meetings and, where appropriate to any Committees or Sub-Committees of the Board.

2. Types of Meetings

- 2.1. There are three types of meeting:
- (a) The Annual Meeting of the Combined Authority;
 - (b) Ordinary meetings;
 - (c) Extraordinary meetings.

3. Annual Meeting

- 3.1. The Combined Authority will normally hold an Annual Meeting (between 1 March and 30 June) following Constituent Councils' Annual Meetings.
- 3.2. The Annual Meeting will:
- (i) note the appointment of Members of Constituent Councils and the Business Board LEP (and their Substitute Members);
 - (ii) receive any declarations of interest from Members;
 - (iii) approve minutes of the last meeting;
 - (iv) appoint any Non-Constituent Members or Co-opted Members;
 - (v) approve the portfolios responsibilities;
 - (vi) appoint such executive Committees as the Combined Authority considers appropriate, their membership and the Chair and Vice-Chair;
 - (vii) appoint the Overview and Scrutiny Committee and Audit and Governance Committee (including their terms of reference, size, the allocation of seats to political parties in accordance with the political balance requirements) in accordance with nominations received from

Chapter 5 -- Proceedings of Meetings

Constituent Councils;

- (viii) appoint the Chair and Vice-Chair of the Audit and Governance Committee;
 - (ix) agree the programme of the Ordinary Meetings of the Combined Authority for the forthcoming year, and appropriate advanced notification of other planned meetings of Committees; and
 - (x) be followed by an Ordinary Meeting to consider any other business set out in the notice convening the meeting.
- 3.3. The Combined Authority Board may decide at subsequent meetings to dissolve Committees, alter their terms of reference or to appoint new Committees.

4. Ordinary Meetings

- 4.1. The Combined Authority Board will decide on the number of Ordinary Meetings to hold in each municipal year in addition to its annual meeting. Each meeting will be held at a time and place as the Combined Authority decides.
- 4.2. Ordinary Meetings will:
- (i) approve the minutes of the last meeting;
 - (ii) receive any declarations of interest from Members;
 - (iii) receive any announcements from the Mayor;
 - (iv) receive questions from, and provide answers to the public in accordance with Standing Order 18 below;
 - (v) receive petitions in accordance with Standing Order 19 below;
 - (vi) receive and consider reports from its Officers, Committees and Sub-Committees and working groups;
 - (vii) deal with any business from the last Combined Authority meeting; and
 - (viii) consider motions on notice and any other business specified in the summons to the meeting.

Chapter 5 -- Proceedings of Meetings

- 4.3. Unless otherwise determined by statute, the Chair may vary the order of the agenda at their absolute discretion and may allocate or re-allocate an appropriate time for the transaction of each item.
- 4.4. If any issues arise at a meeting in relation to interpretation of the meeting procedure rules the Chair's decision shall be final.

Urgency

- 4.5. The Chair may determine that an item of business that has not been open to prior public inspection, should be considered at the meeting as a matter of urgency. Any urgent items shall comply with Transparency Rules, Forward Plan and Key Decisions in [chapter 6](#).

5. Extraordinary Meetings

- 5.1. An Extraordinary Meeting of the Combined Authority may be called by:
- (i) the Combined Authority by resolution;
 - (ii) the Chair of the Combined Authority;
 - (iii) the Chief Executive of the Combined Authority;
 - (iv) the Monitoring Officer; or
 - (v) any 3 Members of the Combined Authority if they have signed a requisition presented to the Chair of the Combined Authority and the Chair has refused to call a meeting or has failed to call a meeting within seven days of the presentation of the requisition.
- 5.2. The business to be conducted at an Extraordinary Meeting shall be restricted to the items of business contained in the request for the Extraordinary Meeting and there shall be no consideration of previous minutes or reports from Committees etc. except that the Chair may at his/her absolute discretion permit other items of business to be added to the agenda for the efficient discharge of the Combined Authority's business.

6. Notice of meetings and Agendas

Chapter 5 -- Proceedings of Meetings

- 6.1. Notice of meetings, agendas and reports will be published in accordance with the Transparency Rules, Forward Plan and Key Decisions. (See [chapter 6](#))

7. Public Access

- 7.1. As set out in the Transparency Rules, Forward Plan and Key Decisions, every meeting of the Combined Authority shall be open to the public except where the public are excluded during the whole or part of the proceedings in certain circumstances. Copies of the agenda and any additional papers will be available for the public and media representatives.

8. Attendance

- 8.1. The Monitoring Officer shall record the attendance of each Member at the meeting.

9. Notice of Substitute Members

- 9.1. Substitute Members may attend meetings in that capacity only:
- (a) to take the place of the Member for whom they are the designated substitute where the Member will be absent for the whole of the meeting;
 - (b) after they, or the Member they are substituting for, has provided the Monitoring Officer with notice of the substitution before the commencement of the meeting in question;
 - (c) where an adjourned meeting is reconvened and it is essential for that Substitute Member to continue to attend to comply with good governance.
- 9.2. Substitute Members will have all the powers and duties of an ordinary Member of the Combined Authority for the duration of the meeting at which they act as Substitute but will not be able to exercise any other special powers or duties exercisable by the person for whom they are the Substitute.

~~9.2.~~9.3.

Chapter 5 -- Proceedings of Meetings

10. Chair and Vice-Chair

- 10.1. From the point at which he or she takes office, the Mayor will act as Chair to the Combined Authority. The Mayor shall appoint a statutory Deputy Mayor holding statutory powers as Vice-Chair of the Combined Authority.
- 10.2. If the Mayor resigns or the position is vacant, the statutory Deputy Mayor shall chair the Combined Authority Board.
- 10.3. Following the appointment of the Deputy Mayor as Chair, the Combined Authority must appoint a Vice-Chair from among its Members and the appointment is to be the first business transacted. If the Mayor has appointed a second Deputy Mayor, he or she shall be the Vice-Chair.
- 10.4. A person ceases to be Chair or Vice-Chair of the Combined Authority Board if they cease to be a Member of the Combined Authority.
- 10.5. If a vacancy arises in the office of Chair or Vice-Chair, an appointment to fill the vacancy is to be made at the next ordinary meeting of the Combined Authority Board, or, if that meeting is to be held within 14 days of the vacancy arising, at the following meeting. The appointment of Chair must be the first business transacted. The appointment of the Vice-Chair should be the first business transacted after the appointment of the Chair of the Board.

11. Quorum

- 11.1. No business shall be transacted at any meeting of the Combined Authority Board unless at least five Members are present at the meeting, including:
 - (a) the Mayor, or the statutory Deputy Mayor acting in place of the Mayor, and
 - (b) at least four other Members appointed by the Constituent Councils, or Substitute Members acting in their place.
- 11.2. If the Mayor is not in post, no business shall be transacted at any meeting of the Combined Authority Board unless at least five Members of the Constituent Councils, or their Substitute Members, are present at the meeting.

Chapter 5 -- Proceedings of Meetings

12. Declaration of Interests in Meetings

- 12.1. Where a Member attends a meeting of the Combined Authority Board, Committees or Sub-Committees they must declare personal interests and disclosable pecuniary interests not already notified in the register of interests as defined in the Members' Code of Conduct either at the start of the meeting, or otherwise as soon as the interest becomes apparent in the course of the meeting.
- 12.2. All Members and their Substitute Members, Non-Constituent Members and Co-opted Members and their Substitute Members shall also complete a Declaration of Interest form.
- 12.3. In addition, where in relation to any meeting a Member has declared a disclosable pecuniary interest in a matter, the Member must leave the room for the duration of the discussion on that matter.

13. Rules of Debate

Speeches

- 13.1. The Chair will be responsible for the management of the meeting and will introduce each item on the agenda in the order they appear on the agenda or such order as the Chair considers most effective for the conduct of the meeting.
- 13.2. The Chair may invite a Member or Officer to present the item for debate.
- 13.3. The Chair will decide the order in which speakers will be heard and may permit both Members and Officers to speak on the item.
- 13.4. Members will remain seated when speaking and must address the Chair.
- 13.5. Speeches must be directed to the subject under discussion or to a personal explanation or point of order.
- 13.6. The Chair shall at his discretion determine the time permitted for speeches and the number of speeches to be made by any Member or Officer.
- 13.7. A Member may move a motion without giving notice as required by paragraph 14 below based upon recommendations in a report or may move amended or alternative recommendations.

Chapter 5 -- Proceedings of Meetings

- 13.8. If an amendment is moved the mover of the original motion has the right of reply on the debate concerning the amendment.
- 13.9. The mover of the motion has a right of reply at the end of the debate immediately before it is put to the vote.

14. Motions Submitted in the Name of a Member

- 14.1. Any Member of the Board appointed by a Constituent Council or the Business Board LEP may give notice of a motion for consideration at any ordinary meeting of the Combined Authority.
- 14.2. The Monitoring Officer shall only accept a notice of motion which relates to those matters for which the Combined Authority has powers, duties or responsibility, or which affect the area of the Combined Authority or part of it or its citizens. He/she shall keep a record of the date and time at which every motion is delivered to him/her.
- 14.3. The motion must not be:
 - (a) illegal, improper, defamatory, frivolous or offensive including if it makes unfair claims about Members of Combined Authority or Constituent Council staff;
 - (b) substantially the same as a motion which has been put at a meeting of the Combined Authority in the past year.
- 14.4. Unless the Chair of the Combined Authority Board is of the opinion that a motion should be considered as a matter of urgency, notice of every motion to be moved at any meeting of the Combined Authority Board shall be delivered to the Monitoring Officer in writing not later than 12 noon on the sixth working day before the day of the Combined Authority meeting, but not including the day of the meeting itself.
- 14.5. Motions will be listed on the agenda in the order of which notice is received by the Monitoring Officer unless the Member giving notice states that they propose to move it to a later meeting or withdraw it.
- 14.6. At the close of the debate on the motion, and immediately before it is put to the vote, the mover has a right of reply.

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- 14.7. Where notice of a motion has been given and has been included on the agenda for a meeting of the Combined Authority, but the motion has not been moved and seconded (for whatever reason) that motion shall lapse.
- 14.8. Where a meeting of the Combined Authority is cancelled, postponed or adjourned to a later date any unconsidered motions will be considered at the next ordinary meeting of the Combined Authority Board or at a later meeting selected by the Member proposing the motion.

15. Amendment to Motions

- 15.1. An amendment shall be relevant to the motion and shall either:
- (a) refer the matter to the appropriate body or individual for consideration or reconsideration;
 - (b) leave out words; or
 - (c) insert or add other words,
- as long as the amendment does not have the effect of negating the motion.
- 15.2. Under normal circumstances, only one amendment may be moved and discussed at a time, and no further amendment shall be moved until the amendment under discussion has been disposed of.
- 15.3. However, the Chair may permit two or more amendments to be discussed together (but not voted upon) if circumstances suggest that this course would facilitate the proper conduct of business, and may direct the order in which such amendments are to be put to the vote.
- 15.4. If an amendment is not carried, other amendments may be moved to the original motion. If an amendment is carried, the motion as amended shall take the place of the original motion and shall become the substantive motion upon which any further amendment may be moved.

16. Voting

General Voting

- 16.1. Each voting Member shall have one vote. There shall be no casting vote. A "Member" includes:
- (a) the Mayor;

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- (b) a Constituent Council Member or a Substitute Member acting in that Member's place; and
 - (c) a Member appointed from the Local Enterprise Partnership.
- 16.2. Except decisions to which special voting arrangements apply, all decisions of the Board shall 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.
- 16.3. If a vote is tied it is deemed not to have been carried.
- 16.4. If there is a deadlock, the matter shall be brought back to the next meeting of the Combined Authority Board.
- 16.5. The proceedings of the Combined Authority are not invalidated by any vacancy among its Members or Substitute Members or by any defect in the appointment or qualifications of any Member or Substitute Member.

Special Voting

- 16.6. A decision on a question relating to:
- (a) amendments to the Constitution; or
 - (b) determining a request by an organisation to become a Co-opted Member on the Combined Authority Board; or
 - (c) admission to the Combined Authority as a non-Constituent Council Member;
- requires a vote in favour, by at least two-thirds of all Members (or their Substitute Members) present and voting.
- 16.7. A decision on a question relating to:
- (a) the Transport Plan;
 - (b) any spending plans or plans for the allocation of transport-related funding;
- requires a vote in favour, by at least two-thirds of all Members (or their Substitute Members) appointed by the Constituent Councils to include the

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Members appointed by Cambridgeshire County Council and Peterborough City Council, or their Substitute Members.

Voting on the Mayoral Matters

- 16.8. A decision on a question relating to a proposal by the Mayor to exercise the general power of competence which involves:

- (a) property, rights and liabilities passing between the Combined Authority and any Constituent Authorities; or
- (b) the preparation and publication of the Mayor's strategy for spatial development in the Combined Authority area;

requires a unanimous vote by all Members of the Combined Authority appointed by the Constituent Councils (or their Substitute Members).

- 16.9. A decision to reject the Mayoral budget, Mayoral strategy or Mayoral spending plan requires a vote in favour by at least two-thirds of all Members appointed by Constituent Councils (or their Substitute Members). The two-thirds must be present and voting.

Recorded Votes

- 16.10. A Member may ask immediately after the vote is taken, that their vote is recorded in the minutes of the relevant meeting.
- 16.11. Where Members vote on the budget, the vote will be recorded.

Voting on Appointments

- 16.12. If there are more than two people nominated for any position to be filled and there is not a clear majority of votes in favour of one person, then the name of the person with the least number of votes will be taken off the list and a new vote taken. The process will continue until there is a majority of votes for one person.

17. Minutes

- 17.1. The minutes of the proceedings of each meeting of the Combined Authority Board, or any Committee or Sub-Committee of the Combined Authority Board, shall be retained by the Combined Authority and shall include the names of Members and Substitute Members present at any meeting.

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- 17.2. The minutes must be signed at the next ordinary meeting of the Combined Authority by the Chair. No discussion shall take place upon the minutes except about their accuracy. Any signed minutes are to be received in evidence without further proof.
- 17.3. Until the contrary is proved a meeting of the Combined Authority Board or its Committees or Sub-Committees, a minute of whose proceedings has been signed in accordance with paragraph 17.2, is deemed to have been duly convened and held, and all the Members and Substitute Members present at the meeting are deemed to have been duly qualified.

18. Questions by the Public

- 18.1. Where there is an item on the agenda that has attracted significant public attendance, that matter shall normally be taken early in the agenda, unless the Chair agrees there is a compelling reason to do otherwise.

General

- 18.2. Councillors of Constituent Authorities and members of the public who are residents of the Combined Authority area or work in the area may ask questions of a Member of the Combined Authority, including at an Extraordinary Meeting. For Extraordinary Meetings, the question must relate to the item on the agenda.
- 18.3. The total time allocated for questions by the public shall normally be limited to a maximum of 30 minutes, but the Chair shall have the discretion to add a further 15 minutes.

Order of Questions

- 18.4. Priority will be given to questions on items on the agenda for the meeting, or issues where decisions are expected before the next meeting. The order in which first these and then other questions shall be presented to the meeting shall be determined by a draw. The draw shall be conducted by the Monitoring Officer prior to the meeting.

Notice of Questions

- 18.5. A question may only be asked if notice has been given in writing or by electronic mail to the Monitoring Officer no later than midday three working days before the day of the meeting. Each question must give the name and

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address of the questioner and where possible, the name of the Member of the Combined Authority Board to whom it is to be put.

Number of Questions

- 18.6. At any one meeting no person may submit more than one question.

Scope of Questions

- 18.7. If the Monitoring Officer considers a question:
- (a) is not about a matter for which the Combined Authority has a responsibility or which affects its area;
 - (b) is illegal, improper, defamatory, frivolous or offensive including if it makes unfair claims about Members of the Combined Authority or Constituent Authority staff;
 - (c) is substantially the same as a question which has been put at a meeting of the Combined Authority Board in the past year; or
 - (d) requires the disclosure of confidential or exempt information

he/she will inform the Chair who will then decide whether or not to reject the question.

Record of Questions

- 18.8. The Monitoring Officer shall record the question and will immediately send a copy to the Member to whom it is to be put. Rejected questions will be recorded including the reasons for rejection.
- 18.9. Written answers will be provided after the meeting to the person who submitted the question. Copies of all questions will be circulated to all Members. Questions and answers will be added to the Combined Authority website.

Asking the Question at the Meeting

- 18.10. The Chair will invite the questioner to put the question to the Member named in the notice. Up to two minutes are allowed for putting the question. If a questioner who has submitted a written question is then unable to be

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present, they can ask for a written response. No debate will be allowed on the question or response.

Supplementary Questions

- 18.11. Unless due to time shortage and the need to answer other questions means there is insufficient time for supplementary questions, a questioner may also put one supplementary question without notice to the Member who has replied to his or her original question. A supplementary question must arise directly out of the original question or the reply. One minute is allowed for putting the supplementary question.

Answers

- 18.12. Up to two minutes are allowed for answering a question or supplementary question. Any question which cannot be dealt with, either because of lack of time will be dealt with by a written answer.

19. Petitions from the public

- 19.1. Petitions with at least 500 signatures may be presented to the Combined Authority Board. The person presenting the petition will be allowed to address the meeting briefly (not exceeding three minutes) to outline the aims of the petition. The Chair will refer the matter to another appropriate body or to the Chief Executive, unless a relevant item appears elsewhere on the Agenda.
- 19.2. A petition should be received by the Monitoring Officer no later than midday three working days before the day of the meeting.

20. Conduct at meetings

Member Not to be Heard Further

- 20.1. If a Member persistently disregards the ruling of the Chair by behaving improperly or offensively or deliberately obstructs business, the Chair or another Member may move that the Member be not heard further. If seconded, the motion will be voted on without discussion.

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Member to Leave the Meeting

- 20.2. If the Member continues to behave improperly after such a motion is carried, the Chair or another Member may move that either the Member leaves the meeting or that meeting is adjourned for a specified period. If seconded, the motion will be voted on without discussion.

General Disturbance

- 20.3. If there is a general disturbance making orderly business impossible, the Chair may adjourn the meeting for as long as he or she thinks necessary.

Removal of Member of the Public

- 20.4. If a member of the public interrupts proceedings, the Chair will warn the person concerned. If they continue to interrupt, the Chair will order their removal from the meeting room.

Clearance of Part of Meeting Room

- 20.5. If there is a general disturbance in any part of the meeting room open to the public, the Chair may call for that part to be cleared.

21. Suspension of Procedure Rules

- 21.1. All of these procedure rules except those provided for in statute may be suspended by motion on notice or without notice. Suspension can only be for the duration of the meeting and requires a two-thirds majority of those present and voting.

22. Photography, Audio/Visual recording of Meetings and Blogging/Tweeting

- 22.1. Please see Transparency Rules Forward Plan and Key Decisions ([See chapter 6](#)).

Chapter 6 – Transparency Rules, Forward Plan and Key Decisions

1. Scope

- 1.1. These rules are a summary of rights to attend meetings of the Combined Authority Board, and to access documents.
- 1.2. These rules apply to all meetings of the Combined Authority, Committees and Sub-Committees (including the Overview and Scrutiny and the Audit and Governance Committees where appropriate).

2. Additional Rights to Information

- 2.1. These rules do not affect any more specific rights to information set out elsewhere in this Constitution or provided by the law, including the Data Protection Act, Freedom of Information Act or the Environmental Information Regulations.

3. Rights to Attend Meetings

- 3.1. Members of the public may attend all meetings subject only to the exceptions in these rules.

4. Notice of Meetings

- 4.1. The Monitoring Officer shall give notice of any meeting by publishing details of the meeting on the Combined Authority website:
 - (a) at least five clear days before the meeting; or
 - (b) where the meeting is convened at shorter notice, at the time that the meeting is convened.
- 4.2. For the purposes of calculating the five clear day notice period, the day on which notice is given and the day of the meeting shall be disregarded.
- 4.3. The notice will set out the time and place the business to be carried out.

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5. Access to Agenda and Reports before the Meeting

- 5.1. All agendas and reports will be published at least five clear working days before the meeting. If an item is added to the agenda later, the revised agenda will be open to inspection from the time the item was added to the agenda.
- 5.2. Where reports are prepared after the summons has been sent out, the Monitoring Officer shall make the report available to the public as soon as the report is completed and sent to Members.

6. Access to Minutes after the Meeting

- 6.1. The draft minutes of each meeting shall be produced and published with the agenda of the next meeting.
- 6.2. The minutes of a meeting must be signed at the next by the person presiding at that meeting. No discussion shall take place upon the minutes except about their accuracy.

7. Supply of Copies

- 7.1. On payment of a charge for postage and any other costs, the Monitoring Officer will supply copies of the following for all meetings to which these Rules apply:
 - (a) any agenda and reports which are open to public inspection;
 - (b) any further statements or particulars necessary to indicate the nature of the items; and
 - (c) if the Chief Executive thinks fit, copies of any other documents supplied to Members in connection with an item.
 - (d) the minutes of the meeting or records of decisions taken, excluding any part of the minutes of proceedings when the meeting was not open to the public or which disclose exempt or confidential information;
 - (e) a summary of any proceedings not open to the public where the minutes open to inspection would not provide a reasonably fair and coherent record;

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- 7.2. Copies of any agenda, reports or minutes which are open to public inspection will be available for six years after a meeting:

8. Background Papers

- 8.1. The Monitoring Officer will set out in every report a list of those documents (called background papers) relating to the subject matter of the report which in his or her opinion:
- (a) disclose any facts or matters on which the report or an important part of the report is based; and
 - (b) were relied on to a material extent in preparing the report.
- 8.2. The documents referred to in (a) and (b) above do not include published works or those which disclose exempt or confidential information and in respect of Mayoral reports, the advice of a political advisor (if any).
- 8.3. A copy of any background papers listed will be available for public inspection for four years after the date of the meeting.

9. Exclusion of the Press and Public from Meetings

Confidential information - Requirement to Exclude the Public

- 9.1. The public must be excluded from meetings whenever it is likely in view of the nature of the business to be transacted or the nature of the proceedings that confidential information would be disclosed.

Exempt Information – Discretion to Exclude the Public

- 9.2. The public may be excluded from meetings whenever it is likely in view of the nature of the business to be transacted or the nature of the proceedings that exempt information would be disclosed.
- 9.3. Where the meeting will determine any person's civil rights or obligations, or adversely affect their possessions, Article 6 of the Human Rights Act 1998 establishes a presumption that the meeting will be held in public unless a private hearing is necessary for one of the reasons specified in that Article 6.

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Meaning of Confidential Information

- 9.4. Confidential information means information given to the Combined Authority by a Government Department on terms which forbid its public disclosure or information which cannot be publicly disclosed by Court Order or by law.

Meaning of Exempt Information

- 9.5. Exempt information means information falling within the following 7 categories and within schedule 12A of the Local Government Act 1972, subject to the qualifications listed below:

CATEGORY	
1.	Information relating to any individual.
2.	Information which is likely to reveal the identity of an individual.
3.	Information relating to the financial or business affairs of any particular person (including the authority holding that information).
4.	Information relating to any consultations; or negotiations, or contemplated consultations; or negotiations, in connection with any labour relations matter arising between the authority; or a Minister of the Crown and employees of; or office holders under the authority.
5.	Information in respect of which a claim to legal professional privilege could be maintained in legal proceedings.
6.	Information which reveals that the authority proposes: (a) to give under any enactment a notice under or by virtue of which requirements are imposed on a person; or (b) to make an order or direction under any enactment.
7.	Information relating to any action taken or to be taken in connection with the prevention or investigation or prosecution of crime.

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Qualifications
<p>Information relating to the financial or business affairs of any particular person is not exempt if it is required to be registered under:</p> <ul style="list-style-type: none"> (a) the Companies Act 1985; (b) the Friendly Societies Act 1974 and 1992; (c) the Industrial and Provident Societies Acts 1965 to 1978; (d) the Building Societies Act 1986; or (e) the Charities Act 1993. <p>Information is exempt if and so long as in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.</p>

Exclusion of Access by the Public to Reports

- 9.6. If the Monitoring Officer feels that a report or document contains confidential or exempt information he or she must mark the report or document 'Not for Publication - paragraph ... of Schedule 12A to the Local Government Act 1972'.
- 9.7. If a report or document is marked 'not for publication' the contents will not be quoted or revealed before or after the meeting, unless before the report is discussed, the meeting decides at the beginning that the matter should be dealt with in public.
- 9.8. The public must be excluded from a meeting during an item of business whenever:
 - (a) It is likely, in view of the nature of the business to be transacted or the nature of the proceedings, that if members of the public were present during that item, confidential information would be disclosed to them in breach of the obligations of confidence.
 - (b) The decision-making body concerned passes a resolution to exclude the public during that item where it is likely, in view of the nature of the item of business, that if members of the public were present during that item, exempt information would be disclosed to them.

Chapter 6 -- Transparency Rules, Forward Plan and Key Decisions

10. Notice of Private Meetings

- 10.1. All Combined Authority Board meetings or any Committee or Sub-Committee meetings will be held in public except when the decision making body has resolved to:
- (a) exclude the press and public from all or part of a meeting in accordance with the Transparency rules or
 - (b) exclude a Member or members of the public in order to maintain orderly conduct or prevent misbehaviour at the meeting in accordance with the Combined Authority's standing orders.
 - (c) a further notice is made available on the Combined Authority's website at least 5 clear days before the meeting giving the reasons for holding the meeting in private, any representations received and a statement of its response. This will form part of the decision-making body's agenda.
- 10.2. Where the date of a private meeting of the Combined Authority or its Committee or Sub-Committees makes compliance with (a) and (b) impractical, the meeting may only be held and any decision taken if agreement is obtained that the meeting is urgent and cannot reasonably be deferred from:
- (a) the Chair of the Overview and Scrutiny Committee; or
 - (b) If there is no Chair or he/she is unable to act, then the Mayor as Chair of the Combined Authority or
 - (c) in his/her absence, the Deputy Mayor as Vice-Chair of the Combined Authority.
- 10.3. A notice setting out the reasons why the private meeting is urgent and cannot reasonably be deferred must be published on the Combined Authority's website as soon as reasonably practicable after agreement has been obtained.

11. Key Decisions and Forward Plan

- 11.1. A "key decision" means a decision, which in the view of the Overview and Scrutiny Committee is likely to:

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- (a) result in the Combined Authority spending or saving a significant amount, compared with the budget for the service or function the decision relates to; or
 - (b) 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.
- 11.2. When assessing whether or not a decision is a key decision, Members must consider all the circumstances of the case. However, a decision which results in a significant amount spent or saved will not generally be considered to be a key decision if that amount is less than £500,000.
- 11.3. A key decision which is considered to have a 'significant' effect on communities should usually be of a strategic rather than operational nature and have an outcome which will have an effect upon a significant number of people living or working in the area and impact upon:
 - (a) the amenity of the community or;
 - (b) quality of service provided by the Authority
- 11.4. Subject as below, a key decision may not be taken by the decision maker unless:
 - (a) it is in the Forward Plan on the Combined Authority's website:
 - (b) At least 28 clear days' notice has been given, or if this is impracticable, the decision has complied with the provisions set out in paragraph 12 or 13 below as they may apply, and
 - (c) Notice of the meeting has been given in accordance with these rules

Forward Plan

- 11.5. The Forward Plan will be prepared by the Mayor in consultation with the Chief Executive and published by the Monitoring Officer at least 28 clear days before the date of the meeting to which it refers.
- 11.6. The Forward Plan will include matters which are key decisions to be taken by the Combined Authority, its Committee or Sub-Committees, the Mayor, an

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Officer, or a Joint Committee when discharging their functions. It will include in so far as the information is available or might reasonably be obtained:

- (a) that a key decision is to be made on behalf of the Combined Authority;
- (b) the matter about which a decision is to be made;
where the decision taker is an individual, his/her name and title, if any;
and, where the decision taker is a body, its name and details of its membership;
- (c) the date on which, or period within which, the decision will be taken;
- (d) a list of the documents submitted to the decision maker for consideration about that matter;
- (e) the address from which copies of any document listed is available, subject to any prohibition or restriction on their disclosure;
- (f) that other documents relevant to those matters may be submitted to the decision maker; and
- (g) the procedure for requesting details of those documents (if any) as they become available;
- (h) whether the decision proposed to be taken will include confidential or exempt information and require the meeting to be private to consider the item, either in full or in part, and the relevant exemption category.

11.7. Where any matter involves the consideration of exempt information or confidential information (as defined above) or the advice of a political adviser or assistant, a summary of the matter shall be included in the Forward Plan but the exempt or confidential information or the advice, as the case may be, need not be included.

12. General Exception

12.1. Where publication of the intention to make a key decision is impractical, the decision may still be taken if:

- (a) the Monitoring Officer has informed the Chair of the Overview and Scrutiny Committee (or if there is no such person, each Member of the Overview and Scrutiny Committee) by written notice of the matter to which the decision is to be made, including why compliance with the requirement to provide at least 28 clear days' notice was not practical in that case;
- (b) the Monitoring Officer has made copies of that notice available to the public at the Combined Authority's office and its website, and

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- (c) at least five clear days have elapsed since the Monitoring Officer complied with (a) and (b) above.

13. Special Urgency Decision

13.1. Where the date by which a key decision must be taken means the General Exception rule cannot be followed, then the decision can only be taken where the decision maker has obtained agreement from:

- (a) the Chair of the Overview and Scrutiny Committee; or
- (b) if there is no such person or the Chair of the Overview and Scrutiny Committee is unable to act, then the agreement of the Chair of the Combined Authority Board; or
- (c) where there is no Chair of either, the Vice-Chair of the Board;

that the making of the decision is urgent and cannot reasonably be deferred.

13.2. As soon as reasonably practicable after agreement has been given, a notice must be available to the public at the Combined Authority's Offices and on its website, setting out the reasons for urgency and why the decision could not reasonably be deferred.

14. Additional Rights of Access to Documents for Members of Overview and Scrutiny Committees

14.1. Subject to paragraph 14.3 below, a Member of the Overview and Scrutiny Committee is entitled to a copy of any document which:

- (a) is in the possession or under the control of the Combined Authority or the Mayor ; and
- (b) contains material relating to:
 - (i) any business that has been transacted at a meeting of a decision-making body of the authority; or
 - (ii) any decision that has been made by an individual Member of the Combined Authority.

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- 14.2. Subject to 14.3, where a Member of the Overview and Scrutiny Committee requests a document under 14.1, the Combined Authority or the Mayor must provide that document as soon as reasonably practicable and in any case no later than 10 clear days after it receives the request.
- 14.3. No Member of the Overview and Scrutiny Committee is entitled to a copy of any document or part of a document that contains:
- (a) exempt or confidential information unless that information is relevant to:
 - (i) an action or decision that that Member is reviewing or scrutinising; or
 - (ii) any review in any programme of work of the Committee; or
 - (b) advice provided by a political adviser.
- 14.4. Where the Combined Authority or the Mayor determines that a Member of the Overview and Scrutiny Committee is not entitled to a copy of a document or part of any such document for a reason set out in 14.3, it must provide the Committee with a written statement setting out its reasons for that decision.

15. Photography and Audio/Visual Recording of Meetings

- 15.1. Any member of the public may film, audio record, take photographs and use social media to report the proceedings of any meeting that is open to the public provided that it is not disruptive and does not detract from the proper conduct of the meeting.

Chapter 7 – Budget Framework Procedure Rules

1. Introduction

- 1.1. The Budget Framework is the name given to the procedures that must be followed before the budget is finally approved. These rules set out how the Combined Authority will make decisions on the budget.
- 1.2. Once the budget is in place it is the responsibility of the Combined Authority Board or the Mayor to implement.
- 1.3. The Budget Framework will comprise the following:

2. Mayors General Functions Budget

- 2.1. The costs of the Mayor that are incurred in, or in connection with, the exercise of Mayoral functions are to be met from precepts issued by the authority under section 40 of the 1992 Act, unless funded from other sources.
- 2.2. The Mayor may make a bid for gain share funds as part of his/her proposed budget which may or may not be agreed by the Combined Authority Board.
- 2.3. The Mayor must, before 1st February in any financial year, notify the Combined Authority of the Mayor's draft budget in relation to the following financial year.
- 2.4. The draft budget must:
 - (a) set out the Mayor's spending plans and how the Mayor intends to meet the costs of the Mayor's general functions; and
 - (b) include the relevant amounts and calculations
- 2.5. The Combined Authority Board must review the Mayor's draft budget and may make a report to the Mayor on the draft budget. Any report:
 - (a) must set out whether or not the Combined Authority would approve the draft budget in its current form; and

Chapter 7 – Budget Framework Procedure Rules

- (b) may include recommendations, including recommendations as to the relevant amounts and calculations that should be used for the financial year.
- 2.6. The Mayor's draft budget shall be deemed to be approved by the Combined Authority unless the Board makes a report to the Mayor before 8th February.
- 2.7. Where the Combined Authority Board makes a report, it must specify a period of at least five working days beginning on the day after the day on which the Mayor receives the report within which the Mayor may:
 - (a) decide whether or not to make any revisions to the draft budget; and
 - (b) notify the Combined Authority Board of the reasons for that decision and, where revisions are made, the revised draft budget.
- 2.8. When the period specified by the Combined Authority Board in paragraph 2.7 above has expired the authority must determine whether to:
 - (a) approve the Mayor's draft budget (or revised draft budget); or
 - (b) veto the draft budget (or revised draft budget) and approve the Mayor's draft budget incorporating the Combined Authority's recommendations contained in the report to the Mayor.
- 2.9. The Mayor's draft budget (or revised draft budget) shall be deemed to be approved unless vetoed within the period of five working days beginning with the day after the date on which the period specified in 2.7 above expires.
- 2.10. Any decision to veto the Mayor's draft budget (or draft revised budget) and approve the Mayor's draft budget incorporating the Combined Authority's recommendations contained in the report to the Mayor must be decided by a two-thirds majority of the Members, or Substitute Members acting in their place, of the Combined Authority Board present and voting on the question at a meeting of the authority.
- 2.11. Where the Mayor has failed to notify the Combined Authority Board of the Mayor's draft budget before the 1st February, then the Combined Authority Board must determine the relevant amounts and calculations that are to be used for the financial year.

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- 2.12. Any decision under 2.11 above must be decided by a two-thirds majority of the Members, or Substitute Members acting in their place, of the Combined Authority Board present and voting on the question at a meeting of the Board.
- 2.13. Immediately after any vote is taken, there must be recorded in the minutes of the proceedings of that meeting the names of the persons who cast a vote for the decision or against the decision or who abstained from voting.

3. Mayor's general fund

- 3.1. The Mayor must keep a fund (to be known as the Mayor's general fund) in relation to receipts arising, and liabilities incurred, in the exercise of the Mayor's general functions.
- 3.2. All of the Mayor's receipts in respect of the exercise of the Mayor's general functions must be paid into the Mayor's general fund.
- 3.3. All of the Mayor's expenditure in respect of the exercise of the Mayor's general functions must be paid out of the Mayor's general fund.
- 3.4. The Mayor must keep accounts of payments made into or out of the Mayor's general fund.

4. Combined Authority Budget

- 4.1. Each year, the Chief Executive and Chief Finance Officer shall prepare a draft budget for the Combined Authority, consistent with statutory requirements and principles of sound financial management. The draft Budget shall include all aspects of Combined Authority expenditure and income for the forthcoming financial year, irrespective of the source of income, and of the powers under which expenditure is brought forward. The draft Budget shall also be prepared in the context of the Investment Plan.
- 4.2. If any part of the draft Budget proposes expenditure incurred in, or in connection with, the exercise of Mayoral functions defined under the [Combined Authorities \(Finance\) Order 2017](#), which cannot be met through other sources, and where this position is confirmed by the Monitoring Officer and Chief Finance Officer, the draft Budget may set out a proposal to precept the constituent authorities, under section 40 of the Local Government Finance Act 1992. Otherwise, the draft Budget shall confirm that a precept is not proposed.

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- 4.3. The draft Budget shall be submitted to the Combined Authority Board for consideration and approval for consultation purposes only, before the end of December each year. The Combined Authority Board will also agree the timetable for consultation and those to be consulted. The consultation period shall not be less than four weeks, and the consultees shall include Constituent Authorities, the Local Enterprise Partnership and the Overview and Scrutiny Committee.
- 4.4. Before 1st February, having taken into account the draft Budget, the consultation responses, and any other relevant factors, the proposed budget for the following financial year, including the Mayor's budget, shall be submitted to the Combined Authority Board.
- 4.5. Within five working days, the Combined Authority Board shall meet to consider the Budget. A report may be agreed by a majority of the Combined Authority to:
- (a) approve the budget as proposed, or
 - (b) propose amendments to the budget and
 - (c) If amendments are proposed to the Mayor's budget, agree a date, at least five working days from the date the report is published, for a further meeting to re-consider the budget.

5. Mayor's consideration of report

- 5.1. If the Board propose changes to the Mayor's budget, the Mayor shall publish a report in advance of the meeting responding to the proposals set out by the Combined Authority Board. The report may support some or all of the proposals made by the Board with reasons why the Mayor supports or rejects those proposals. The draft budget shall be amended to reflect any proposals which are supported by the Mayor.

6. Combined Authority Board's decision on budget

- 6.1. The draft Budget shall be further considered at the meeting established under 4.5 (c) above. A two-thirds majority of the Members (6 Members), or Substitute Members acting in their place, of the Combined Authority Board present and voting on the question may decide to reject the Mayor's budget and approve the draft budget incorporating the Combined Authority's recommendations contained in the report to the Mayor. Otherwise the draft budget is approved.

Chapter 7 – Budget Framework Procedure Rules

- 6.2. Immediately after any vote is taken at a meeting established under 4.5 (c), there must be recorded in the minutes of the proceedings of that meeting the names of the persons who cast a vote for the decision or against the decision or who abstained from voting.
- 6.3. A notice of the decision will be prepared by the Chief Finance Officer and given to each Constituent Authority.

7. Decisions that contravene the Budget or the plans or strategies in the Policy Framework

- 7.1. Financial Regulations contain provisions allowing virement. Subject to those provisions, the Mayor, the Combined Authority Board, Committees of the Combined Authority Board and/or any Officers or Joint Committees discharging functions are only authorised to take decisions in line with the approved Budget and/or the approved plans or strategies in the Policy Framework set out in [chapter 4](#) paragraph 1. Only the Combined Authority Board can take a decision that wholly or in part does not accord with the approved Budget or plans or strategies in the Policy Framework.
- 7.2. Decision makers must take the advice of the Monitoring Officer and/or Chief Finance Officer where it appears to them that a decision they wish to make would be contrary to the approved plans or strategies in the Policy Framework or not wholly in accordance with the approved Budget. Where advice is given that the decision would be contrary to the approved plans or strategies in the Policy Framework or not wholly in accordance with the Budget then that decision must be referred to the Combined Authority Board.
- 7.3. Decisions of the Combined Authority Board, its Committees, Sub-Committees or a Joint Committee or Officers, must be in line with the policies set by the Combined Authority Board. These decision makers may only make changes to any of the policies in the Policy Framework in the following circumstances:
- (a) where the Combined Authority has a budgetary constraint and changes are made to the policies in the Policy Framework to meet that constraint. This may involve the closure or discontinuance of a service;
 - (b) changes necessary to ensure compliance with the law, ministerial direction or government guidance; or
 - (c) changes to a policy which would normally be agreed annually or periodically by the Mayor or Combined Authority Board following

Chapter 7 – Budget Framework Procedure Rules

consultation, but where the existing policy document is silent on the matter under consideration.

Chapter 8 – Overview and Scrutiny Committee

Part 1 – Functions

1. Governance

- 1.1. The Combined Authority Board has appointed an Overview and Scrutiny Committee.

2. Functions

- 2.1. The Committee shall have the power to:
- (a) review or scrutinise decisions made, or other action taken, in connection with:
 - (i) the discharge of any functions which are the responsibility of the Combined Authority;
 - (ii) the discharge by the Mayor of any general functions;
 - (iii) any Combined Authority decision in its role as accountable body for the Business Board. The Combined Authority's Scrutiny Officer shall ensure that this includes appropriate scrutiny of Business Board decision-making and achievements.
 - (b) make reports or recommendations to the Combined Authority Board:
 - (i) with respect to the discharge of any functions that are the responsibility of the authority;
 - (ii) on matters that affect the authority's area or the inhabitants of the area;
 - (c) make reports or recommendations to the Mayor:
 - (i) with respect to the discharge of any general functions;
 - (ii) on matters that affect the authority's area or the inhabitants of the area.

Chapter 8 – Overview and Scrutiny Committee

- 2.2. The power of the Committee under paragraph 2.1(a) includes the power to review or scrutinise a key decision made but not implemented and to:
- (a) direct that a decision is not to be implemented while it is under review by the Committee, and
 - (b) recommend that the decision be reconsidered.
- 2.3. In the exercise of its functions set out in the Constitution the power of the Committee shall include the doing of anything which is calculated to facilitate, or is conducive or incidental to the discharge of those functions.

3. Membership

- 3.1. The Combined Authority must appoint at least one Member from each of the Constituent Councils to the Committee. The membership of the Committee taken as a whole shall reflect so far as reasonably practicable the balance of political parties for the time being prevailing among Members of the Constituent Councils collectively.
- 3.2. The Combined Authority may appoint at least one Substitute Member from each Constituent Council. The Substitute Members shall be from the same political party as the Member being substituted to maintain the political balance.
- 3.3. A change in the party political composition of any of the Constituent Councils shall require a review of the membership of the Committee in order to determine whether any amendment to its membership is required. If the review requires a change in membership, Constituent Councils will be advised of any changes they will need to make to their appointments at the earliest opportunity.
- 3.4. The Overview and Scrutiny Committee may not include any Member or Substitute Member of the Combined Authority including the Mayor nor any Officer of the Combined Authority or of any of the Constituent Councils.
- 3.5. Within the period of 28 days of the appointment being made to the Committee, the Combined Authority shall publish a notice on its website which:
- (a) states that it has made an appointment;

Chapter 8 – Overview and Scrutiny Committee

- (b) identifies each Member of the Committee who has been appointed and any Substitute Members; and
 - (c) specifies the term of office of those appointed.
- 3.6. The term of office shall be one year from the date of the Annual Meeting of the Constituent Councils that appointed them to the Committee unless:
 - (a) they cease to be an elected Member of the Constituent Councils that appointed them;
 - (b) they no longer wish to participate in the scrutiny arrangements and communicate this in writing to the Proper Officer of their Constituent Councils; or
 - (c) the Combined Authority is advised by any of the Constituent Councils that it wishes to change one or more of its appointees to the Committee.
- 3.7. The Monitoring Officer has delegated authority to accept changes to membership of committees notified by constituent councils during the municipal year to ensure there is a full complement of members or substitute members at committee meetings.

4. Chair and Vice-Chair

- 4.1. The Committee shall appoint the Chair and Vice-Chair of the Committee and the Chair and Vice-Chair will be elected Members of one of the Constituent Councils.
- 4.2. The Committee must ensure that the person appointed as the Chair is an “appropriate person” who is an elected Member of one of the Constituent Councils but is not a Member of the registered political party of which the Mayor is a member.
- 4.3. Where the Mayor is not a member of a registered political party, a person may not be appointed as Chair if that person is:
 - (a) a member of the registered political party which has the most representatives among the Members of the Constituent Councils on the Combined Authority, or

Chapter 8 – Overview and Scrutiny Committee

- (b) where two or more parties have the same number of representatives, a Member of any of those parties.

5. Working Groups

- 5.1. The Committee may appoint informal non-decision making working groups to contribute to and inform the scrutiny process.

Part 2 – Procedure Rules

1. Access to meetings

- 1.1. The public may attend meetings and have access to agenda, reports and minutes in accordance with the Transparency rules in [chapter 6](#).

2. Meetings

- 2.1. The Committee shall meet at least once a year.
- 2.2. An extraordinary meeting of the Committee may be called by:
 - (a) the Chair of the Committee; or
 - (b) any five Members of the Committee;
 - (c) the Chief Executive.

3. Quorum

- 3.1. No business is to be transacted at a meeting of the Committee unless at least two-thirds of the total number of Members on the Committee are present.

4. Voting

- 4.1. Each Member of the Committee appointed from the Constituent Councils is to have one vote and no Member (including the Chair) is to have a casting vote.

Chapter 8 – Overview and Scrutiny Committee

- 4.2. Any questions that are to be decided by the Committee are to be decided by a simple majority of the Members present and voting. If a vote is tied on any matter it is deemed not to have been carried.

5. Conflicts of Interest

- 5.1. Members must comply with the Member Code of Conduct within this Constitution.
- 5.2. No Member of the Committee may scrutinise a decision (whether or not implemented) in which they were directly involved as a Member of the decision making body which made that decision.
- 5.3. Such a Member may only attend the Committee to:
- (a) make representations;
 - (b) answer questions; or
 - (c) give evidence about the decision.

6. Work Programme

- 6.1. The Committee will set its own work programme.

7. Requests to Overview and Scrutiny

- 7.1. The Mayor or Combined Authority Board may ask the Committee to review any of its functions or assist in developing budget and policy proposals.

8. Reference of Matters to Committees

- 8.1. Any of the following may request a matter to be included on the agenda of the Overview and Scrutiny Committee provided it is relevant to the functions of the Combined Authority and not an excluded matter:
- (a) any Member of the Overview and Scrutiny Committee;
 - (b) any Member of the Combined Authority; and
 - (c) any Member of a Constituent Council of the Combined Authority.
- 8.2. An “excluded matter” means any matter which is a local crime and disorder matter.

Chapter 8 – Overview and Scrutiny Committee

- 8.3. The request must be submitted to the Monitoring Officer who will arrange for the item to be placed on the agenda of the next available meeting. The request should state why the Member considers it appropriate for the Committee to exercise any of these powers in relation to the matter and the Committee must have regard to these reasons.
- 8.4. If the Committee decides not to exercise any of its powers to review or scrutinise decisions made, or other action taken, in connection with:
- (a) the discharge of any functions which are the responsibility of the authority;
 - (b) in connection with the discharge by the Mayor of any general functions;
- it must notify the Member of its decision; and the reasons for it.
- 8.5. The Committee must provide the Member with a copy of any report or recommendations which it makes in connection with the matter.

9. Attendees

- 9.1. The Committee shall have the power to:
- (a) require Members (including the Mayor and Deputy Mayor) or Officers of the Combined Authority to attend before it to answer questions, or provide information about any matter within its terms of reference;
 - (b) request any Business Board member to attend, or otherwise contribute to, a meeting of the Combined Authority's Overview and Scrutiny Committee.
 - ~~(b)~~(c) invite other people, including members of the public, to attend meetings of the Committee to give evidence.
- 9.2. Where the Committee requires a Member, Officer or others to attend, the Monitoring Officer shall inform them in writing giving at least 5 clear working days' notice of the meeting. The notice will state:
- (a) the date of the meeting they are required to attend;
 - (b) the nature of the item; and

Chapter 8 – Overview and Scrutiny Committee

- (c) whether they must produce any papers for the Committee.
- 9.3. A Member or Officer must comply with any notice they are given.
- 9.4. Where, in exceptional circumstances, the Member or Officer is unable to attend on the required date, the Committee shall consult with the Member or Officer to arrange an alternative date.
- 9.5. A person is not obliged to answer any question which he or she would be entitled to refuse to answer in relation to court proceedings.

10. Publishing Reports or Recommendations

- 10.1. The Committee may publish any report or recommendations but
 - (a) must exclude any confidential information; and
 - (b) may exclude any relevant exempt information.
- 10.2. Where information is excluded, the Committee:
 - (a) may replace so much of the document as discloses the information with a summary which does not disclose that information; and
 - (b) must do so if, in consequence of excluding the information, the document published would be misleading or not reasonably comprehensible.

11. Notice

- 11.1. The Committee may by notice require the Combined Authority or the Mayor within two months of receiving any report or recommendations, to:
 - (a) consider the report or recommendations;
 - (b) respond to the Committee indicating what (if any) action the Combined Authority or the Mayor proposes to take;
 - (c) publish the response, if the Overview and Scrutiny Committee has published the report or recommendations.
- 11.2. The Combined Authority or the Mayor shall comply with any notice given.

Chapter 8 – Overview and Scrutiny Committee

12. Publishing a Response

- 12.1. In publishing the response, the Combined Authority or the Mayor:
- (a) must exclude any confidential information; and
 - (b) may exclude any relevant exempt information.
- 12.2. Where information is excluded, the Combined Authority or the Mayor:
- (a) may replace so much of the document as is necessary to exclude the exempt or confidential information with a summary which does not disclose that information; and
 - (b) if, in consequence of excluding the information, the document published would be misleading or not reasonably comprehensible.

13. Call-in of Combined Authority and Mayoral Decisions

- 13.1. The power of the Overview and Scrutiny Committee to review or scrutinise a key decision made but not implemented includes:
- (a) the power to direct that the decision is not to be implemented while it is under review by the Committee for a period not exceeding 14 days from the date the direction is issued, and
 - (b) the power to recommend that the decision be reconsidered.
- 13.2. Subject to the consent of the Combined Authority to the proposals and arrangements, the Committee must publish details of how it proposes to exercise its powers in relation to the review and scrutiny of key decisions made but not yet implemented and its arrangements in connection with those powers.

Publication of Decisions

- 13.3. The Monitoring Officer shall publish details of key decisions of the Mayor, the Combined Authority Board and Officers on the Combined Authority website and to all Members of the Committee. Where the decision is made at a meeting, this shall be no later than the close of business on the third clear

Chapter 8 – Overview and Scrutiny Committee

working day following the day of the meeting at which the decision was made.

- 13.4. A decision on a matter dealt with under the urgency provisions set out in the Transparency Rules, Forward Plan and Key Decisions in [chapter 6](#) may be implemented immediately.
- 13.5. Any other decision of the Mayor, Combined Authority Board or an Officer may be implemented after 5.00pm of the fifth clear working day after the publication of the decision, unless it is called-in.

Process

- 13.6. Five Members of the Overview and Scrutiny Committee may call-in a key decision of the Mayor, the Combined Authority Board or an Officer for scrutiny by notifying the Monitoring Officer.
- 13.7. On receipt of a call-in request, the Monitoring Officer shall:
 - (a) notify the Mayor, Members of the Combined Authority or Officer of the call-in; and
 - (b) call a meeting of the Overview and Scrutiny Committee to scrutinise the decision.

Scrutinising the Decision

- 13.8. The Committee must scrutinise the decision within 10 clear working days of the Monitoring Officer receiving the request for call-in. If it does not meet within this time or does not conclude its scrutiny of the decision, the decision will automatically take effect at the end of the period.
- 13.9. Where the Committee has scrutinised a decision, it may:
 - (a) endorse the decision; or
 - (b) refer the decision back to the Mayor, Combined Authority Board or the Officer for reconsideration, setting out, in writing the nature of its concerns.
- 13.10. A decision which has been endorsed by the Committee may be implemented immediately.

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- 13.11. Where a decision has been referred back, the Mayor, the Combined Authority Board or Officer shall hold a meeting to reconsider the decision no later than 10 days after the date on which the recommendations of the Committee were received by the Combined Authority unless it is dealt with under the urgency provisions within the Constitution, where the matter becomes urgent.
- 13.12. A decision will be urgent if any delay likely to be caused by the call in process would seriously prejudice the Combined Authority's, Constituent Councils' or the public's interests. Otherwise, a decision which has been recommended for re-consideration may not be implemented.

Re-considering the Decision

- 13.13. The Chair of the Overview and Scrutiny Committee or their nominee may attend any meeting which is re-considering the decision, to present the report or recommendations.
- 13.14. The Mayor, Combined Authority or the Officer may confirm, amend or rescind the decision.
- 13.15. A decision which has been confirmed or amended may be implemented immediately.

14. Linking Sub-regional Scrutiny with Local Scrutiny

- 14.1. The Scrutiny Officer of each Constituent Council will ensure that the work programme and minutes relating to the work carried out by the Combined Authority's Overview and Scrutiny Committee are circulated appropriately within their own Constituent Councils' scrutiny arrangements.

15. Additional Rights of Access to Documents for Members of Overview and Scrutiny

- 15.1. Additional rights of access to documents for Members of the Overview and Scrutiny Committee are set out in the Transparency Rules, Forward Plan and Key Decisions in [chapter 6](#).

16. Scrutiny Officer

- 16.1. The Combined Authority shall appoint a "Scrutiny Officer" to

Chapter 8 – Overview and Scrutiny Committee

- (a) promoting the role of the Committee, and
 - (b) providing support and guidance:
 - (i) to the Committee, its Working Groups and its Members, and
 - (ii) to Members of the Combined Authority and to the Mayor in relation to the functions of the Overview and Scrutiny Committee.
- 16.2. The Combined Authority may not designate as the Scrutiny Officer any Officer of a constituent council of the Combined Authority.

Chapter 8 – Overview and Scrutiny Committee

Annex 1

The current membership of the Overview and Scrutiny Committee is two Members from each constituent Council. (14 Members). The quorum is 10 members.

Chapter 8 – Overview and Scrutiny Committee

Chapter 9 – Audit and Governance Committee

Part 1 – Functions

1. Governance

- 1.1. The Combined Authority has appointed an Audit and Governance Committee.

2. Functions

- 2.1. The Audit and Governance Committee shall have the following statutory powers to:
- (a) review and scrutinise the authority's financial affairs;
 - (b) review and assess the authority's risk management, internal control and corporate governance arrangements;
 - (c) review and assess the economy, efficiency and effectiveness with which resources have been used in discharging the authority's functions; and
 - (d) make reports and recommendations to the Combined Authority in relation to reviews conducted under paragraphs (a) (b) and (c);
 - (e) Implement the obligation to ensure high standards of conduct amongst Members.

3. Terms of Reference

- 3.1. The Audit and Governance Committee shall:

Accounts

- 3.2. Approve the annual statement of accounts;

Governance

- 3.3. Review corporate governance arrangements against the Code of Corporate Governance and the good governance framework;

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- 3.4. Review the Annual Governance Statement prior to approval to ensure it properly reflects the risk environment and supporting assurances;
- 3.5. Annually review the assurance framework to ensure it adequately addresses risks and priorities including governance arrangements of significant partnerships;
- 3.6. Monitor the Authority's risk and performance management arrangements including reviewing the risk register, progress with mitigating actions and assurances;
- 3.7. Monitor the anti-fraud and whistle blowing policies and the complaint process;

Internal Audit

- 3.8. Provide assurances over the effectiveness of internal audit functions and assuring the internal control environments of key partners;
- 3.9. Review internal audit requirements undertaken by the Combined Authority;
- 3.10. Approve the internal audit plan;
- 3.11. Consider reports and assurances from the Chief Finance Officer in relation to:
 - (a) Internal Audit performance;
 - (b) Annual Assurance Opinion on the adequacy and effectiveness of the framework of governance, risk management and control;
 - (c) Risk management and assurance mapping arrangement;
 - (d) Progress to implement recommendations including concerns or where managers have accepted risks that the Authority may find unacceptable.

External Audit

- 3.12. Review the annual accounts;

Chapter 9 – Audit and Governance Committee

- 3.13. Consider the annual external audit of the Combined Authority's accounts, including the Annual Audit Letter and assessing the implications and monitoring managers' response to concerns;

Financial Reporting

- 3.14. Consider whether accounting policies were appropriately followed and any need to report concerns to the Combined Authority Board;
- 3.15. Consider any issues arising from External Auditor's audit of the account;
- 3.16. Ensure there is effective scrutiny of the treasury management strategy and policies in accordance with CIPFA's Code of Practice;
- 3.17. Maintain an overview of the Council's Constitution in respect of contract procedure rules, financial regulations and standards of conduct and make recommendations to the Chief Finance Officer and Monitoring Officer where necessary;

Code of Conduct

- 3.18. Ensure the Combined Authority has effective policies and processes in place to ensure high standards of conduct by its Members and Co-opted Members;
- 3.19. Assisting the Members and Co-opted Members to observe the Code of Conduct;
- 3.20. Advising the Combined Authority on the adoption or revision of the Code of Conduct and monitor its operation;
- 3.21. Advising on training and overseeing the effectiveness of any training for Members and Co-opted Members on matters relating to the Code of Conduct;

General

- 3.22. Report and make recommendations to the Combined Authority in relation to the above.

Chapter 9 – Audit and Governance Committee

4. Membership

- 4.1. The Combined Authority Board shall decide the size and membership of the Audit and Governance Committee and shall include one Independent Person.
- 4.2. In appointing Members to the Committee, the Combined Authority Board must ensure that the Members of the Committee taken as a whole reflect so far as reasonably practicable the balance of political parties for the time being prevailing among Members of the Constituent Councils when taken together.
- 4.3. The Committee may not include any Officer of the Combined Authority or of a Constituent Council.
- 4.4. The Combined Authority Board shall appoint at least one Substitute Member from each Constituent Council.
- 4.5. The Monitoring Officer has delegated authority to accept changes to membership of committees notified by constituent councils during the municipal year to ensure there is a full complement of members or substitute members at committee meetings.

5. Chair and Vice-Chair

- 5.1. The Combined Authority Board shall appoint the Chair and Vice-Chair.

6. Sub-Committees

- 6.1. The Committee may appoint one or more sub-committees and arrange for the discharge of any of its functions by any such sub-committee.
- 6.2. The Committee shall appoint hearings panel to hear any complaints where the Member is alleged to have breached to Code of Conduct.

7. Hearing Panel (Sub-Committee to the Audit and Governance Committee)

- 7.1. The Hearings Panel is a Sub-Committee of the Audit and Governance Committee.
- 7.2. The Panel has the following functions:

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- 7.2.1. When matters are referred by the Monitoring Officer granting dispensations to Members and Co-opted Members allowing them to:
 - (a) participate in the debate; and/or
 - (b) (vote on any matter in which they have a disclosable pecuniary interest;
- 7.2.2. On matters being referred by the Monitoring Officer deciding whether complaints concerning Members should be investigated;
- 7.2.3. Hearing complaints that have been referred to them by the Monitoring Officer pursuant to the Complaints procedure;
- 7.2.4. The agreement of relevant procedures for the undertaking of its functions, when appropriate to be included within the Constitution.

Part 2 – Procedure Rules

1. Access to Meetings

- 1.1 The public may attend meetings and have access to agenda, reports and minutes in accordance with the Transparency Rules, Forward Plan and Key Decisions in [chapter 6](#).

2. Meetings

- 2.1 The Committee will meet at least once a year.
- 2.2 An extraordinary meeting of an Audit and Governance Committee may be called by:
 - (a) the Chair of the Committee; or
 - (b) the Head of Paid Service.

3. Quorum

- 3.1 No business is to be transacted at a meeting of the Committee unless at least two-thirds of the total number of Members on the Committee are present.

4. Voting

Chapter 9 – Audit and Governance Committee

- 4.1 Each Member of the Committee appointed from the Constituent Councils is to have one vote and no Member (including the Chair) is to have a casting vote.
- 4.2 Members of the Committee who are appointed other than from the Constituent Councils shall be non-voting Members of the Committee but may be given voting rights by resolution of the Combined Authority.
- 4.3 Any questions that are to be decided by the Committee are to be decided by a simple majority of the Members present and voting. If a vote is tied on any matter it is deemed not to have been carried.

5. Conflicts of Interest

- 5.1 Members must comply with the Member Code of Conduct.
- 5.2 No Member of the Committee may scrutinise a decision (whether or not implemented) in which they were directly involved as a Member of the decision making body which made that decision.
- 5.3 Such a Member may only attend the Committee to:
 - (a) make representations;
 - (b) answer questions; or
 - (c) give evidence about the decision.

6. Appointment of Independent Person

- 6.1 The Committee must have at least one independent person. The appointment must be made by the Combined Authority Board.
- 6.2 A person is independent if the person:
 - (a) is not a Member, Co-opted Member or Officer of the authority;
 - (b) is not a Member, Co-opted Member or Officer of a parish council for which the authority is the principal authority;
 - (c) is not a **relative**, or close friend, of a person within sub-paragraph (a) or; and
 - (d) was not at any time during the past 5 years been:

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- (i) a Member, Co-opted Member or Officer of the authority; or
- (ii) a Member, Co-opted Member or Officer of a parish council for which the Authority is the principal Authority.

Term of Office

- 6.3 Each independent person will serve a term of four years, which may be renewed up to a maximum of one further term (i.e. total maximum 8 years).

Appointments Process:

- 6.4 The vacancy for the Independent Person must be advertised in such manner as the Combined Authority considers is likely to bring it to the attention of the public. The person must submit to the Combined Authority an application to fill the vacancy, and the person's appointment has been approved by a majority of the Members of the Combined Authority Board.
- 6.5 The position of Independent Person shall be advertised on the Combined Authority's website, along with the website of each constituent authority.

7. Procedures at meetings

- 7.1 The Combined Authority Transparency Rules, Forward Plan and Key Decisions in [chapter 6](#) will apply.

Chapter 9 – Audit and Governance Committee

Annex 1

The current membership of the Audit and Governance Committee is one members from each constituent Council and one independent person. (8 Members). The quorum is 6 members.

Chapter 10 –Employment Committee

1. Terms of Reference

- 1.1. To appoint and dismiss Chief & Deputy Chief Officers as defined in the Officer Employment Procedure Rules, and determine terms and conditions of employment.
- 1.2. To make recommendations to Combined Authority on the appointment and dismissal of the Monitoring Officer, S151 Officer and the Chief Executive
- 1.3. To determine employment procedures, including dismissal procedures.
- 1.4. To determine local terms and conditions of employment for employees.
- 1.5. To consider, and recommend appropriate actions where necessary in response to proposals relating to changes within a Department's/Division's structure which involve substantial changes in the responsibilities of first and second tier posts;
- 1.6. To promote and pursue a policy of equal opportunities in employment.
- 1.7. To determine pension policies.

~~4.7.~~1.8. To set up sub-committees. Any sub-committees shall be exempt from the political balance rules.

2. Membership

- 2.1. The Employment Committee shall consist of six members to include:.
 - (a) The Mayor as Chair
 - (b) The Statutory Deputy Mayor as Vice-Chair
 - (c) The Constitutional Deputy Mayor,
 - (d) Councillor Lewis Herbert (to maintain political balance)
 - (e) Two other Board members taken in rotation which must include the relevant Portfolio Holder when interviewing for to a particular Chief Officer post.

Chapter 10 –Employment Committee

- 2.2. Board members and their substitutes may also substitute for the core membership.

3. Chair and Vice-Chair

- 3.1. The Combined Authority Board has appointed the Mayor as Chair and the statutory Deputy Mayor as Vice Chair.

4. Quorum

- 4.1. No business is to be transacted at a meeting of the Committee unless at least two-thirds of the total number of Members on the Committee are present. (4 members)

5. Voting

- 5.1. Each Member of the Committee is to have one vote and no Member (including the Chair) is to have a casting vote.
- 5.2. Any questions that are to be decided by the Committee are to be decided by a simple majority of the Members present and voting. If a vote is tied on any matter it is deemed not to have been carried.

Chapter 11 – Financial Management Procedure Rules

Financial Regulations

Introduction

1. Financial Regulations Background and Purpose

- 1.1 The Combined Authority is a local authority for the purposes of the Local Government Act 1972. The Combined Authority will appoint Officers to undertake the statutory Head of Paid Service (Chief Executive), Chief Finance Officer and Monitoring Officer roles.
- 1.2 These regulations shall be read in conjunction with the Assurance Framework, [functions of the Combined Authority Board](#), [Functions of the Mayor](#), [Contract Procedure Rules](#), [the Budget Framework](#) and the [Scheme of Delegation to Officers](#).
- 1.3 These regulations lay down for the guidance of Members and Officers, principles to be followed in securing the proper administration of the Combined Authority's financial affairs and shall be reviewed at intervals of not more than three years. It is not expected that all aspects of these financial regulations will be required from day one, but to be in place to support the Combined Authority over time.
- 1.4 The Chief Finance Officer, as the Officer responsible for the proper administration of the Combined Authority's financial affairs, shall report to the Combined Authority Board any significant failure to comply with these regulations which comes to his/her attention.
- 1.5 The Head of Paid Service and the Chief Finance Officer shall be responsible for the accountability and control of all resources managed by them on behalf of the Combined Authority.
- 1.6 For the purposes of complying with these regulations, the Chief Finance Officer shall be provided with any information he/she may require and shall have access to any documents and records as necessary.
- 1.7 Whenever any matter arises which may involve financial irregularity the Chief Finance Officer and the Monitoring Officer shall be notified immediately, and if an irregularity is disclosed the matter shall, at the

Chapter 11 – Financial Management Procedure Rules

discretion of the Chief Finance Officer and after consultation with the Head of Paid Service, be referred by them to the Combined Authority Board. Further, in a case where the Head of Paid Service advises that there is prima facie evidence of a criminal offence having been committed, the matter shall be reported to the Police forthwith.

- 1.8 The Combined Authority's financial transactions are governed by the Local Government Act 2003 and the Accounts and Audit Regulations 2015 as amended.
- 1.9 Officers and Members of the Board will maintain the confidentiality of the Combined Authority's business and will not reveal confidential information about the Combined Authority or its finances.

2. Chief Finance Officer's Duties:

- 2.1 The Chief Finance Officer's statutory duties are to:
- (a) provide financial advice to the Combined Authority on all aspects of its activity, including budgets, strategic planning and policymaking to ensure the effective and efficient use of resources;
 - (b) advise on the security of assets;
 - (c) secure the Combined Authority's banking arrangements;
 - (d) provide a treasury management function, including loans and investments, in accordance with the Combined Authority's policy;
 - (e) ensure the Combined Authority follows guidelines contained within relevant manuals, instructions and policies;
 - (f) produce the Annual Statement of Accounts in accordance with the latest statutory requirements and best practice.
- 2.2 The responsibilities of the Chief Finance Officer include:
- (a) proper administration of financial affairs;
 - (b) ensuring, in consultation with the Monitoring Officer, lawfulness and financial prudence;

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- (c) ensuring a balanced budget;
 - (d) ensuring effective systems of internal control;
 - (e) advising on anti-fraud and anti-corruption strategies;
 - (f) acting as the Combined Authority's Money Laundering Reporting Officer in accordance with good practice;
 - (g) ensuring that statutory and other accounts fairly present the financial position;
 - (h) maintaining a continuous review of the financial framework;
 - (i) establishing suitable accounting policies and ensuring that they are applied consistently in accordance with proper practices as set out in the Code of Practice on Local Authority Accounting in the United Kingdom;
 - (j) ensuring that budget provision is identified and exists for all existing and new employees.
- 2.3 All Officers must consult and seek approval of the Chief Finance Officer before introducing or amending any records, forms or procedures relating to income and expenditure. The Chief Finance Officer will see that uniform systems are adopted throughout the Combined Authority to ensure that opportunities for fraud and corruption are minimised.
- 2.4 Failure to comply with these regulations may constitute misconduct.

Financial Management

3. General

- 3.1 Where the Combined Authority has delegated delivery to a particular organisation and given budget for its delivery, then budget holders should follow their local organisation's rules for the processing of transactions. The Chief Finance Officer must agree someone to be the budget holder in advance of them becoming responsible for the budget.

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- 3.2 Budget holders must still comply with the Combined Authority specific requirements (e.g. under sections 4, 7, and 13 as set out within these regulations. Each Officer of Constituent Councils and the Business Board LEP is responsible for ensuring compliance with their local procedures and should seek appropriate advice and guidance from the Chief Finance Officer where necessary.
- 3.3 Each Officer of the Constituent Councils and the Business Board LEP must provide the Chief Finance Officer with necessary information for the purposes of accounting and budgetary control in accordance with issued timescales.
- 3.4 The Chief Finance Officer will be responsible for producing regular financial monitoring reports to the Combined Authority and will submit as soon as possible after the year end, an annual Statement of Accounts which complies with the relevant statutory provisions.
- 3.5 The Chief Finance Officer is responsible for ensuring the production of the Combined Authority's Statement of Accounts, before 30 June and will submit the accounts to the Combined Authority for approval in line with the current statutory regulations.
- 3.6 Each Officer plays a key role in enabling the Statement of Accounts to be produced and is responsible for ensuring that guidance notes and the timetable provided by the Chief Finance Officer is adhered to.
- 3.7 The Accountable Officer in consultation with the lead of each Workstream must approve any expenditure incurred by Constituent Councils or the Business Board LEP in accordance with their scheme of delegation and procedure rules.

4. Control of Projects and Programmes

- 4.1 Project and programme management arrangements are set out within the following documents:
 - (a) Combined Authority's Gateway process covering both revenue and capital programmes. The process sets out the documentation to be produced and the approvals to be sought at each Gateway stage.
 - (b) Assurance Framework for the Single Pot of Investment. An assurance framework is a set of systems, processes and protocols. It is designed

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to provide an evidence-based and independent assessment of the governance, risk management, and control processes of an organisation. All projects funded through the Single Investment Fund will be subject to a prioritisation, appraisal, and monitoring and evaluation procedure.

- (c) Monitoring and Evaluation Plan. This sets out the approach to the commissioning of schemes and the criteria to enable monitoring of projects.

5. Control of Service and Works Contracts

- 5.1 The work to be performed on behalf of the Combined Authority shall be the subject of a specific agreement setting out the respective roles and duties of the Combined Authority and the agent authority.
- 5.2 Payments on account of construction contracts shall be in accordance with the terms of the works agreements with the appropriate body, and shall not exceed the expenditure properly calculated to be due.

Financial Planning

6. Budgets

- 6.1 The annual Capital and Revenue budgets for the Combined Authority are prepared within the context of the process and timescales of planning, programming and review as agreed by the Combined Authority.
- 6.2 From 2018/19 onwards, the budget will be set and approved in accordance with the [Budget Framework](#) (chapter 7).
- 6.3 The Chief Finance Officer will prepare a long term financial plan each year for submission to the Combined Authority Board as part of its Budget approval.
- 6.4 The detailed form of capital and revenue budgets and the business planning process will be determined by the Chief Finance Officer to the Combined Authority subject to any instructions given by the Combined Authority.
- 6.5 Estimates of annual income and expenditure will be prepared by Officers and the Chief Finance Officer in line with the approved business planning process.

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- 6.6 The Chief Finance Officer will submit for Combined Authority approval a draft budget of all income and expenditure on Capital and Revenue accounts for the financial year beginning in April of each year in line with agreed approval processes and timescales.
- 6.7 Approval of the annual budgets, by the Combined Authority does not give authority to incur revenue and capital expenditure. This authority shall be obtained in accordance with the [Scheme of Delegation](#) and subject to compliance with the Combined Authority's [Contract Procedure Rules](#) and Gateway procedure.

7. Virements

- 7.1 The Chief Finance Officer is responsible for considering reports submitted by Officers in respect of virement proposals for revenue and capital expenditure.
- 7.2 In relation to revenue expenditure under control of Officers, the Chief Finance Officer is authorised to consider reports of Officers on any likely overspending, and to approve transfers between expenditure heads up to a maximum of £100,000.
- 7.3 In conjunction with Officers, the Chief Finance Officer is to report to and seek the prior approval of the Combined Authority Board for any revenue expenditure where it will have an adverse impact on a priority within the approved budget.

8. Reserves

- 8.1 The Chief Finance Officer will ensure that there are clear protocols for the establishment and use of reserves/provisions and, in consultation with Officers, will establish reserves and/or provisions and provide guidance on how to incur expenditure from reserves/provisions.
- 8.2 The Chief Finance Officer shall seek Combined Authority Board approval for the use of reserves in addition to that if already planned.

9. Control of Expenditure – Revenue and Capital

- 9.1 A system of budgetary control will be maintained and as part of this control the Chief Finance Officer will submit statements to meetings of the Combined Authority Board showing:

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- (a) the progress of income and expenditure to date against the approved revenue budgets for the year;
 - (b) a forecast arising from the statements in (a) above of any material variation in income or expenditure anticipated for the financial year.
- 9.2 An Officer must not order goods or services, which exceed the amount in their overall approved budget or which have not been approved through the Gateway process or Assurance Framework process for the Single Pot of investment.
- 9.3 If it becomes apparent that the Combined Authority's expenditure cannot be contained within the overall approved budget figure, an appropriate report shall be submitted to the Combined Authority.
- 9.4 Unspent budgets at the year-end will be carried forward or reallocated in accordance with arrangements in the business planning process approved by the Chief Finance Officer.
- 9.5 The Chief Finance Officer will ensure that the Combined Authority adheres to CIPFA's Prudential Code for Capital Finance in Local Authorities. The objective of the code is to provide a framework for capital finance that will ensure that:
 - (a) capital expenditure plans are affordable in the short term;
 - (b) external borrowing and other long-term liabilities are within prudent and sustainable levels for the long-term;
 - (c) treasury management decisions are taken in accordance with professional good practice;
 - (d) In taking its decisions the Combined Authority is accountable through a clear and transparent framework;
 - (e) the framework should support local strategic planning, local asset management planning and option appraisal.
- 9.6 For the purposes of these regulations, capital expenditure is that expenditure which is to be financed from the approved Combined Authority's capital budget. All capital expenditure proposals should be the subject of the Combined Authority's Gateway project control process or Assurance Framework process for the Single Pot of Investment.
- 9.7 Incurring of all contractual liability must be in accordance with the approved Scheme of Delegation and individual accountabilities.

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9.8 The Scheme of Delegation states:

- (a) The Chief Finance Officer shall authorise and approve all expenditure incurred by the Combined Authority up to the value of £100,000.
- (b) The Head of Paid Service and the Chief Finance Officer shall both authorise and approve all expenditure incurred by the Combined Authority over £100,000.
- (c) In both the above cases, approval is provided the expenditure is included within the agreed revenue or capital budget and the Combined Authority has approved commencement of the scheme.

Risk Management and Control of Resources

10. Risk

- 10.1 Within the context of corporate risk arrangements, each Officer should undertake risk assessments for their areas of responsibility and any proposals for major change. Adequate controls, procedures and resources should be in place to manage and mitigate identified key risks.

11. Insurance

- 11.1 The Chief Finance Officer is authorised to effect all insurance cover required in connection with the business of the Combined Authority and to settle all claims under such insurances arranged for the Combined Authority's benefit.
- 11.2 Each Officer is however responsible for minimising the risk for insurance claims and putting in place risk management processes for their areas of responsibility.
- 11.3 Any Officer having responsibility for establishments or activities must:
 - (a) promptly and where possible in advance notify the Chief Finance Officer in writing of the extent and nature of any new risks or increased risks to be insured;
 - (b) immediately notify the Chief Finance Officer in writing of any loss, liability or damage which is or may be covered by insurance;

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- (c) obtain the approval of the Chief Finance Officer regarding the terms of any indemnity, which the Combined Authority is requested to give;
 - (d) immediately inform the Chief Finance Officer of any occurrence which may lead to a claim against the Combined Authority.
- 11.4 All claims against the Combined Authority and all claims by the Combined Authority against other persons shall be approved within the delegated levels of expenditure.

12. Internal Control Framework

- 12.1 The Chief Finance Officer is responsible for maintaining adequate and effective internal control arrangements. This includes a continuous appraisal of all accounting, financial and other controls throughout the Combined Authority, and by the Combined Authority's Agents in accordance with the relevant agency agreement. The objectives of the framework are to:
 - (a) review, appraise and report upon the soundness, adequacy and application of financial and related management controls;
 - (b) examine and report upon the extent to which the Combined Authority's assets and financial interests are accounted for and safeguarded from losses of all kinds arising from;
 - (i) fraud, corruption and other offences;
 - (ii) waste, extravagance, poor value for money or any other cause;
 - (c) contribute to the monitoring of the use of resources in the pursuit of the defined objectives of the Combined Authority;
 - (d) receive and act upon information concerning allegations or suspicions of fraud and corruption as detailed in the Combined Authority's approved Fraud and Corruption Response Plan.

13. Internal Audit

- 13.1 The Chief Finance Officer shall arrange internal audit and reviews of financial records and operations in accordance with the Accounts and Audit Regulations 2015 and relevant professional guidance. Those responsible for Internal Audit, on producing appropriate identification shall have authority to:

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- (a) enter at all reasonable times on any land, premises or other assets of the Combined Authority;
 - (b) obtain access to all records, documents, cash, stores, equipment and correspondence relating to any financial or other transaction of the Combined Authority;
 - (c) require and receive such explanations as are necessary concerning any matters under examination;
 - (d) require Officers or Members of the Combined Authority to produce cash, stores, or any other Combined Authority property, which is under their control;
 - (e) report direct to the Head of Paid Service if considered appropriate so to do.
- 13.2 The Audit and Governance Committee will review the internal audit requirements of the Combined Authority, approve the internal audit plan and consider reports and assurances from the Chief Finance Officer in relation to internal audit.

14. External Audit

- 14.1 The key responsibilities of the Chief Finance Officer with regard to external audit are to:
- (a) ensure the appointment of external auditors in accordance with statutory requirements and Board decisions;
 - (b) maintain accounting records and prepare Statements of Account;
 - (c) liaise and work with the External Auditor on a regular basis;
 - (d) receive and deal with all queries relating to the work of External Audit;
 - (e) inform the External Auditor of all fraudulent cases that have been referred to the police.

15. Assurance Responsibilities

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- 15.1 Each Officer has responsibility to ensure:
- (a) reviews that have taken place to evaluate, correct and report on controls and systems in place;
 - (b) compliance with the Combined Authority's Standing Orders, [Financial Regulations](#), [Contract Procedure Rules](#) and risk management requirements.

16. Fraud and Corruption

- 16.1 The responsibility for the prevention and detection of fraud rests with all employees. An Officer shall immediately inform the appropriate Officers of any circumstances which may suggest that there has been irregularity affecting cash, or other Combined Authority property and also of any payment or reward which has been accepted from any outside person or firm in respect of the work which such other person performs, as well as any impropriety or significant error in accounting or financial records or in relation to any contract for goods or services entered into by the Combined Authority.
- 16.2 Information received will be treated confidentially, and Officers should be assured that anonymity will be respected and it will not affect their employment situation or future prospects with the Combined Authority.
- 16.3 Any allegations received from outside the organisation, including anonymous letters or telephone calls will be taken seriously and investigated.
- 16.4 All cases of theft or suspected theft of Combined Authority property (no matter where the property was kept) must be promptly reported to the Audit Manager.
- 16.5 The Chief Finance Officer or Internal auditor shall be responsible for ensuring that the Combined Authority and the External Auditors are advised of any material loss or financial irregularity.
- 16.6 Internal Audit shall report to the Head of Paid Service, Monitoring Officer and the Chief Finance Officer.

17. Treasury Management

- 17.1 The Combined Authority has adopted the CIPFA Code of Practice on Treasury Management in Local Authorities. All investments of money will be

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made in the name of the Cambridgeshire and Peterborough Combined Authority.

- 17.2 The Treasury Management Strategy, prepared in accordance with the above code, will be adopted by the Combined Authority and thereafter its implementation and monitoring shall be delegated to the Chief Finance Officer.
- 17.3 The Chief Finance Officer will undertake any necessary borrowings in accordance with the Treasury Management Strategy.
- 17.4 All transfers from the Combined Authority's bank account shall be undertaken by authorised Officers nominated by the Chief Finance Officer according to Treasury Management procedures and authorisations.
- 17.5 The Chief Finance Officer will as a minimum report to the Combined Authority:
- (a) before the start of the financial year - a report on the strategy for the forthcoming year;
 - (b) by the end of June - an outturn report on Treasury Management activity;
 - (c) by the end December of each year a half year monitoring report on Treasury Management activities;
 - (d) by the end of December a monitoring report on external investments performance.
- 17.6 The Chief Finance Officer shall be responsible for ensuring that surplus funds are invested promptly, safely and effectively and in accordance with Treasury Management procedures.

18. Security of Assets

- 18.1 Officers shall be responsible for the proper security of all of the Combined Authority's assets within their control. The Officer shall consult the Chief Finance Officer regarding changes in matters regarding security.

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Financial Systems and Procedures

19. Effective Management

- 19.1 The systems and processes operated by the Combined Authority must be managed effectively to:
- (a) provide customers and stakeholders with the best quality of service;
 - (b) ensure that net expenditure in their area of expenditure does not exceed the annual budget;
 - (c) comply with all relevant professional, managerial, legal and ethical standards;
 - (d) comply with the Combined Authority's procedures, regulations, standing orders, scheme of delegation and other relevant guidance and instructions issued.
- 19.2 Each Officer must ensure that there are adequate appropriate and clear reporting lines in operation within their area of responsibility.

20. Control of Expenditure - General

- 20.1 Incurring of all contractual liability must be in accordance with the approved Scheme of Delegation and individual accountabilities and in accordance with [Contract Procedure Rules](#). The Chief Finance Officer will maintain a record of all delegated authorities.
- 20.2 Detailed procedures for the authorisation and control of expenditure will be issued, from time to time, by the Chief Finance Officer in accordance with delegated authority levels.

21. Income Collection and Banking Arrangements

- 21.1 The Chief Finance Officer is responsible for the banking arrangements and is authorised to set up and operate such bank accounts as are considered appropriate. The banking arrangements must be reviewed on a regular basis and negotiations regarding banking terms and overdraft facilities undertaken.

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- 21.2 Arrangements for the authorisation of payments to be made by electronic transfer of funds from bank accounts must be in accordance with laid down processes and procedures.
- 21.3 Each relevant Officer must ensure that all systems and procedures relating to income and banking, comply with Accounts and Audit Regulations 2015 and the Combined Authority's authorised procedures.
- 21.4 Particulars of charges to be made for work done, services rendered or goods supplied and of all other amounts must be promptly notified to the Chief Finance Officer. Any proposed introduction of, or variation to, charges must be in accordance with the agreed Scheme of Delegation.
- 21.5 All accounts for income due to the Combined Authority must be sent out by the Chief Finance Officer, except where other arrangements have been authorised.
- 21.6 All Officers must supply information as the Chief Finance Officer may require to ensure that all sums receivable by the Combined Authority are promptly recorded, and recovery sought.
- 21.7 The Authority's banking arrangements shall be those approved by the Authority from time to time, and shall be supervised by the Chief Finance Officer.
- 21.8 Electronic payments either BACs or telegraphic transfer are to be authorised by the Chief Finance Officer or authorised Officers.

22. Debt Management

- 22.1 The Chief Finance Officer will have authority to recover debts, except in the case of legal action which should be undertaken in consultation with the Monitoring Officer.
- 22.2 Any individual who discovers any apparent loss or irregularity involving money due to or held on behalf of or property owned by the Authority shall immediately notify their line manager and Internal Audit. Internal Audit will then comply with the provisions of the Authority's approved Theft Procedure.

23. Purchase Orders

- 23.1 Each Officer must ensure that all expenditure is lawful and is subject to all local Procurement Regulations and approval processes.

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- 23.2 Expenditure on goods, services and supplies made directly by the Combined Authority may be exempt from the requirement to place an order. The Chief Finance Officer shall maintain a list of order exemptions and review its continued appropriateness on an annual basis.
- 23.3 Requisitions and official orders shall not be issued for goods and services unless the expenditure is within approved budgetary levels and any other necessary approvals as set out in the [Scheme of Delegation](#) have been obtained.

24. Payment of Accounts

- 24.1 No payment shall be made unless supported by an invoice or pro-forma invoice, with VAT details, where appropriate.
- 24.2 Officers must ensure that all invoices, vouchers, etc. for payment by the Combined Authority are forwarded to the Finance Team immediately upon receipt and that the appropriate contract or order number is quoted on every invoice.
- 24.3 Once proper authorisations have been obtained, together with such additional explanations and information as may be required, the Chief Finance Officer will pay all accounts on behalf of the Combined Authority.
- 24.4 In order for an invoice to be paid, the responsible Budget Holder must confirm that the work, goods or services have been properly delivered in accordance with the order.
- 24.5 The receipt of all goods and services should only be made where:
- (a) the works, goods or services have been received, carried out satisfactorily, examined as to quality and quantity;
 - (b) the goods and services have been previously receipted.
- 24.6 The certification of Goods Received acts as the authorisation to pay the invoices as long as the invoice matches the Goods Received entry.
- 24.7 Where an invoice is exempt from the ordering process, the invoice will be subject to electronic approval by following appropriate rules of delegation.

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25. Allocation of funding to projects

- 25.1 The allocation of funding to projects shall be done in accordance with the processes as outlined in the Assurance Framework, based on guidance produced by DCLG.

26. Payments to Employees

- 26.1 The payment of all salaries, wages, pensions, compensation and all other emoluments to Officers or former Officers of the Combined Authority will be made by the Chief Finance Officer or under arrangements approved by the Chief Finance Officer.
- 26.2 Time sheets and other documents to authorise the payment of wages and salaries must be certified by the appropriate Budget Holder (or nominee) and forwarded to the Payroll Manager within such period before the respective pay days, as may be required. The Chief Finance Officer shall make such checks on pay documents as are considered necessary.
- 26.3 All standing information relating to payroll data, such as rates of pay, statutory and non-statutory deductions, allowances, starters and leavers from any of the Combined Authority's payrolls, shall be notified through approved processes by the nominee to the Payroll Manager.
- 26.4 The detailed procedures to be followed at Combined Authority establishments for the control of overtime working and payment of wages and salaries are set out in formal procedures.
- 26.5 All payroll documentation must be filed for the period in accordance with required deadlines and no documentation relating to Officers records or to wages and salaries' payrolls should be destroyed without prior consultation with the Chief Finance Officer.

27. Taxation

- 27.1 The Chief Finance Officer is responsible for:
- (a) ensuring that taxation advice is available to Officers to ensure compliance with relevant legislation;
 - (b) maintaining the Council's tax records, making all tax payments, receiving tax credits and submitting tax returns by their due date as appropriate;

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- (c) completing all HM Revenue and Customs returns regarding Pay As You Earn;
- (d) completing and submitting VAT returns to HMRC as necessary.

27.2 Officers are responsible for:

- (a) ensuring the correct VAT liability is attached to all income due and that all claims for VAT recoverable on purchases complies with HM Revenue and Customs regulations and all tax is properly identified and recorded;
- (b) ensuring that the Authority is not put at risk in any funding arrangements by identifying the correct VAT treatment in accordance with the VAT Act 1994;
- (c) following any guidance on taxation that may be issued by the Chief Finance Officer.

28. Expenses

- 28.1 All claims for payments of Officers' car allowances, subsistence allowances, travelling and incidental expenses must be certified by the appropriate Budget Holder and be within delegation levels. Certification means that the certifying Officer is satisfied that the journeys were authorised, the mileage correct, the expenses properly and necessarily incurred and that the mileage and other allowances are properly payable in accordance with the specific conditions of employment of the Combined Authority.

29. Travel and Subsistence

- 29.1 Claims, by Members of the Combined Authority or Officers, for reimbursement of expenses regarding hotel accommodation, refreshments, hospitality, gifts, car mileage are required to be countersigned by another Officer.
- 29.2 All claims should be submitted monthly.

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External Arrangements

30. Partnerships

- 30.1 The Combined Authority is responsible for approving partnership agreements where funding is to be provided by a third party.
- 30.2 The budget controller or holder must present to the Combined Authority sufficient information before a decision is reached about entering a partnership agreement. This should include:
- (a) the aims and objectives of the partnership;
 - (b) a scheme appraisal for financial viability of the project;
 - (c) risk appraisal;
 - (d) resources required, both financial and staffing;
 - (e) audit and control requirements.

31. External Funding

- 31.1 Before any external funding bid is made the responsible budget holder shall consult with the Chief Finance Officer to ensure all aspects of funding have been properly considered before submission for approval.
- 31.2 The budget holder shall supply copies of all relevant paperwork to the Chief Finance Officer, including the bid submission, the offer letter and acceptance and any instructions for the completion of the grant.
- 31.3 The Chief Finance Officer is responsible for ensuring that all external funding notified by external bodies is received and properly recorded and monitored in the Combined Authority's Accounts.
- 31.4 It is the responsibility of the budget holder to ensure that the project progresses in accordance with the agreed project and that all expenditure is properly incurred and recorded. They must also ensure that all claims are prepared by the due date, making allowances for audit requirements where applicable.

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Part 1 - Introduction to Contract Rules

1. Application of the Rules

1.1 These rules apply to contracts or agreements with external organisations where the Combined Authority pays for:

- (a) goods and/or services;
- (b) works of any kind;
- (c) hire, rental or lease of equipment.

The rules also apply to any contracts made using framework agreements.

1.2 For high value contracts, Officers must comply with national and European legislation and guidance issued by the Cabinet Office, Crown Commercial Services which will override these rules. You must seek advice from the Finance Officer about that process.

2 Which contracts are NOT covered?

2.1 These rules do not apply to:

- (a) employment contracts between an individual and the Combined Authority;
- (b) buying or leasing land or buildings;
- (c) grants of money. Grants cannot be contracts as they do not deliver services to the Combined Authority. Any grants of money must be in accordance with the Constitution and prior advice should be sought from Legal Services in relation to the governance process for award of grants and the legal documentation that will be required to be put in place. These rules are not a guide to purchasing. These are the fundamental rules designed to ensure ethical processes around contracting.

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- (d) certain collaborative arrangements between the Combined Authority and local authorities e.g. section 75 agreements;
- (e) public body to public body co-operation - Contracts with other public bodies where the parties come together to deliver a public service, under the following conditions;
 - (i) achieve objectives which are common to both parties; and
 - (ii) the arrangement is solely for the public interest; and
 - (iii) the parties perform less than 20% of the services covered by the arrangement on the open market.
- (f) in-house awards (this is where the Combined Authority awards a contract to an entity it controls). This exemption will only apply if all of the following conditions are met;
 - (i) the Combined Authority exercises a similar control on the entity as it does with its own departments;
 - (ii) the entity carries out more than 80% of its activities for the Combined Authority;
 - (iii) there is no private sector money in the entity.

3 Officer responsibilities

3.1 All Officers must:

- (a) comply with the Combined Authority's Financial Regulations and, in particular, declare any conflicts of interest in a potential contract or with bidders;
- (b) declare any gifts or hospitality received either before, during or after the procurement;
- (c) report any gifts or hospitality which may have improper motive to the Finance Officer;
- (d) not disclose any confidential information to unauthorised persons;

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- (e) ensure they have authorisation for the contract from an appropriate Officer or Member;
- (f) conduct the procurement process in an open and transparent manner;
- (g) ensure you seek procurement advice from the Finance Officer as necessary;
- (h) achieve the best value for money achievable;
- (i) be fair to all bidders;
- (j) ensure that all equality issues are addressed (carrying out an equality impact assessment where required).

Chief Finance Officer

- 3.2 The Chief Finance Officer has responsibility for the development and implementation of the contract ~~p~~Procedure rules and Accounting Instructions.

~~3.31.1 The Chief Finance Officer will organise and manage corporate contracts (including framework agreements) for supplies or services commonly used by the Combined Authority, and will hold the contracts register.~~

Monitoring Officer.

- 3.3 The Monitoring Officer is responsible or advising on the lawfulness of any decisions taken in respect of the Combined Authority's procurement activities.

~~3.4 The Chief Finance Officer~~Monitoring Officer ~~will organise and manage corporate contracts (including framework agreements) for supplies or services commonly used by the Combined Authority, and will hold the contracts register.~~

- 3.43.5 Legal and procurement advice will be commissioned for the Combined Authority.

4 Advice and assistance

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- 4.1 Officers can contact the Finance ~~Officer~~ Officer or legal services for advice and assistance.

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Quick Reference Guide

VALUE	PROCESS	EXEMPTION FROM RULES BY	DECISION TO AWARD	FORMALITIES	AUTHORITY TO SIGN OR SEAL CONTRACT	OTHER
Contracts under £5K	1 quotation	Exemption report signed by Chief Finance Officer <u>or</u> <u>Monitoring Officer</u>	Contract award notice signed by Chief Executive, <u>relevant Directors</u> Chief Finance Officer <u>or</u> their delegates	<u>Purchase Order</u>	Chief Executive, <u>or relevant Director</u> the Chief Finance Officer (if written contact exists) or delegated authority	
Contracts between £5K & £50K	3 quotations For Contracts over £25,000, also place advert on Contracts Finder.	Exemption report signed by Chief Finance Officer <u>or the Monitoring Officer in consultation with the Head of Legal Services</u>	Contract award notice signed by Chief Executive, <u>relevant Chief Finance Officer</u> or Director <u>or</u> their delegates	<u>Purchase Order and</u> Correspondence	Authorised signatory, <u>relevant Director</u> or Chief Finance Officer or delegated authority	Enter contract onto contract register
Contracts between £50K and EU threshold (£173K for goods and	Tender with 4 bidders For Contracts over £25,000, also place advert on	Exemption report signed by Chief Finance <u>or the Officer in consultation with the Head of Legal</u>	Contract award notice signed by Chief <u>by Chief Executive</u> or relevant Chief Finance	Formal contract approved by Legal Services	Authorised signatory (Chief Executive, Chief Finance Officer, <u>or Monitoring Officer</u> Head of Legal Services) or delegated authority	Seek advice on bonds or parent company guarantee Notify risks on risk register



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services or £4.3M for works or 750,000 euros for services falling under Sch 3 of the Public Contracts Regulations 2015	Contracts Finder.	Service Monitoring Officers	Officer or Director or their delegates		All contracts over £100k are to be sealed under the Combined Authority's seal.	Written approval of Director Chief Finance Officer and Head of Legal Services Monitoring Officer to terminate or assign Extension to be agreed by Director Chief Finance Officer (if contract provides for extension) and subject to approval by Legal Services and The Procurement Team Finance Officer.
Contracts over EU threshold (£173K for goods and services £4.3M for works or 750,000 euros for services falling under Sch 3 of the Public Contracts	EU process (seek procurement and legal advice including advice on social improvements for services contracts)	Only statutory exemptions from the EU process are permitted Officers cannot provide exemption from the statutory rules	Contract award notice signed by Chief Executive, relevant Director Chief Finance Officer or their delegates Key decisions must be on the Forward Plan at least 28 days in advance	Formal contract approved by Legal Services	Contract sealed Authorised signatory (Chief Executive, Chief Finance Officer or Head of Legal Services Monitoring Officer) or delegated authority	Seek advice on bonds or parent company guarantee Notify risks on risk register Written approval of Chief Finance Officer and Head of Legal Services Monitoring Officer to terminate or assign Extension agreed Director by Chief Finance Officer (if contract provides for extension) and subject to



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Regulations 2015)						approval by Legal Services and the <u>Procurement Team</u> . <u>Finance Officer</u> .
Contracts subject to EU process and over £500K (Applies to goods, services and works contracts over £500K)	Apply the relevant process above	For goods and services: Only statutory exemptions from the EU process are permitted. Officers cannot provide an exemption For works contracts: The Chief Finance Officer <u>or</u> <u>Monitoring Officer</u> can approve exemptions up to the EU threshold	Combined Authority Board Decision on Forward Plan at least 28 days in advance	Formal contract approved by <u>Head of Legal Services</u> <u>Monitoring Officer</u>	Contract sealed Authorised signatory (Chief Executive, Chief Finance Officer or <u>Head of Legal Services</u> <u>Monitoring Officer</u>) or delegated authority	Seek advice on bonds or parent company guarantee Notify risks on risk register Approval of Combined Authority <u>or the Mayor for mayoral functions</u> to terminate or assign Extension agreed by <u>Director</u> <u>Chief Finance Officer</u> (if contract provides for extension) and subject to approval by Legal Services <u>and the</u> <u>Procurement</u> <u>Finance Officer</u> .

(i) NOTE FIGURES ABOVE EU THRESHOLDS ARE SUBJECT TO CHANGE AND YOU SHOULD CHECK WITH LEGAL SERVICES AND THE FINANCE OFFICER



**CAMBRIDGESHIRE
& PETERBOROUGH**
COMBINED AUTHORITY

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Part 2 – Beginning the Process

Before beginning any purchase you have to go through each of the steps in this section. It will help you determine how to apply the remainder of these rules.

1. Before contracting

1.1. Before any purchase you must take the following essential steps to ensure that you are getting best value for the Combined Authority:

- (a) calculate the total contract value;
- (b) consider whether any corporate contracts ought to be used;
- (c) research the market;
- (d) seek procurement advice;
- (e) consider what other advice/assistance you may need:
 - (i) Does the contract involve land or buildings e.g. is a lease or licence required? If so, contact the Finance Officer and Monitoring Officer;
 - (ii) Are any employees affected by the contract? If so, contact Human Resources and Legal Services.
 - (iii) Is equipment, plant or machinery to be transferred under the contract? If so, consider Financial Regulations and seek advice from Finance Officer;
 - (iv) Is there any issue of state aid? If so, contact Legal Services;
 - (v) Who has the correct delegated authority to authorise the contract? Contact Finance Officer or Legal Services if in doubt;
 - (vi) Are there any equality issues within the contract? Are there any requirements that need to be considered under the Public Sector Equality Duty? Is an equality impact assessment required? If assistance is required, contact Legal Services;
 - (vii) Contract value issue?

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- (viii) Is the contract really a SLA or a Grant Agreement? If assistance is required, contact Legal Services;
- (ix) Does the contract involve services above the EU threshold? If so, consider what social improvements might be secured and if consultation is required under the Public Services (Social Value) Act 2012. Contact Legal Services if in doubt;
- (f) prepare a Business Case for any contract using consultants or interim managers of any value or other contracts above £50K.

2. Calculate the total contract value

- 2.1. The contract value determines the process you must follow under these rules.
- 2.2. You can calculate the total estimated value of the contract according to a simple formula

$$\text{Annual value} \times (\text{number of years} + \text{extension period}) = \text{total value}$$

- 2.3. The calculation may be subject to the following variances:
 - (a) where the contract is for a fixed period, the value is the total price to be paid or which might be paid during the whole of the contract period, including any possible extensions to the contract period;
 - (b) where a number of goods or services contracts are to be entered into, the estimated value of each contract shall be the total value of the payment which the Combined Authority expects to pay under each of those contracts;
 - (c) where a number of works contracts are to be entered into, the estimated value for carrying out the works shall be the total value of the payment which the Combined Authority expects to give under all the contracts for carrying out the works;
 - (d) where the contract is for services has been provided over an indefinite period the value is obtained by multiplying the monthly payment under the contract by 48;
 - (e) where a service contract includes one or more options the estimated value of the contract shall be determined by calculating the highest possible payment which could be given under the contract;

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- (f) where the contract is a single contract comprising services, supplies or works in combination, the value is calculated according to the price of the largest element of the contract.

2.4. Some contracts may not be for a cash value. Where this is the case please contact Legal Services who will assist you in calculating the contract value.

2.5. You should not enter into a series of separate lower value contracts with the intention of avoiding these contract rules.

3. Corporate contracts

3.1. The Combined Authority has entered into a number of partnership arrangements for either;

- (a) direct delivery of internal services (e.g. IT); or
- (b) centralised procurement of other bought in services (e.g. travel and hotel bookings, agency staff etc.).

3.2. These contracts create an exclusive arrangement between the Combined Authority and our partners for the services those partners provide. This means that you are obliged to use these service providers for the services they deliver. These are referred to throughout these rules as the corporate contracts.

3.3. For all other services which fall outside of those contracts you have to tender any purchasing on the open market. You must also invite our partner to tender for the goods, services or works if they have the ability to provide those services but, within that tendering process, they are treated the same as any other bidder.

3.4. Failure to use the corporate contracts may result in the Combined Authority being in breach of contract and is likely to incur financial penalties for the Combined Authority.

3.5. Please contact the [Procurement Team, Finance Officer or Legal Services](#) for advice on our corporate contracts.

4. Contracts reserved for mutual organisation

4.1. You can limit competition for services such as administrative services in relation to education, healthcare and housing, health and social work services, library and other cultural services to mutual type organisations. For such contracts the

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maximum duration is three years. A mutual type organisation must meet all of the following requirements:

- (a) the organisation's objective must be the pursuit of a public service mission linked to the services set out in the Public Contracts Regulations 2015;
- (b) the profits of the organisation must be re-invested to achieve the mission;
- (c) the organisation must be employee owned or require active employee organisation;
- (d) the organisation must not have been awarded a contract under this process within the last three years.

- 4.2. Contact the [Procurement Team](#), Finance Officer [and Legal Services](#) for procurement advice and legal services if you wish to undertake such a process.

5. Research the market

- 5.1. Researching the market is an important tool in identifying potential cost savings to the Combined Authority. [The Procurement Team can assist you to identify where you can add value to your tendering process by undertaking proper market research.](#)
- 5.2. You are permitted to consult potential suppliers prior to starting your purchase in general terms about the nature, level and standard of the supply, contract packaging and other relevant matters provided you do not:
 - (a) prejudice any potential bidder; or
 - (b) favour any potential bidder so as to distort competition.
- 5.3. Where the Combined Authority has invited a potential bidder to take part in preliminary discussions then the outcome of any such discussions must be shared with all bidders participating in the procurement process.
- 5.4. You may also seek or accept advice from individual experts/bidders and use the advice in your planning for the procurement process. Ensure that you act fairly with all bidders and do not favour one bidder over the other, also keep a record of all measures taken.

6. Framework agreements or local market tendering

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- 6.1. The Combined Authority's Procurement Strategy (once agreed) will determine whether you should seek to achieve cost efficiencies through use of framework agreements or whether you should tender in smaller lots as a way to encourage bids from small to medium enterprises (SME's), in particular to target and stimulate local business.
- 6.2. There are numerous framework agreements for pre-tendered goods and services. There is generally no requirement to use a framework agreement but best value is often achieved by procuring through a framework agreement.
- 6.3. Use of a framework agreement may require you to engage in a mini-competition. This will be determined by the terms and conditions relating to the framework.
- 6.4. In some cases it may be preferable to tender the contract in smaller lots to allow local businesses the opportunity to tender for the work. Whilst smaller contracts may encourage local businesses to tender, you cannot limit the tendering process to local businesses alone as this would be to breach the requirement to be fair in your tendering process.

7. Other considerations

- 7.1. Please do consider each of the following before beginning any tendering exercise.

The need for the purchase

- 7.2. Is the cost of purchasing outweighed by the benefits received?
- 7.3. Have you considered other alternatives to your purchase or whether you might co-purchase with other parts of the Combined Authority and so achieve further economies of scale?
- 7.4. Are there skills within the Combined Authority that can be used without the need to source these externally?

Risks arising

- 7.5. Consider any risks associated with the purchase and how they are to be managed. Is this something that needs to be addressed on the Combined Authority's risk register?
- 7.6. Have you factored in critical support and maintenance arrangements (i.e. whole life costing) if appropriate to avoid later negotiations?

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- 7.7. Have you identified whether there will be any potential conflicts of interest arising in the conduct of the procurement process, which can be seen as unfair and distorting competition? You need to:
- (a) identify whether any staff member or other person involved in the procurement process on behalf of the Combined Authority has any direct/indirect/financial/personal interest which could be seen as comprising the impartiality and independence of the procurement process;
 - (b) ensure that the person has no further involvement in the procurement process if there is a potential conflict of interest; and
 - (c) complete the conflict of interest form provided by the [Monitoring Officer](#) ~~Finance Officer and~~ [Officer and](#) ensure it is kept up to date.

Process

- 7.8. Make sure you have selected the most suitable procurement method for the purchase e.g.
- (a) through the use of a corporate contract;
 - (b) sourcing through a framework; or
 - (c) partnering and collaborative arrangements with other local authorities or public bodies.
- 7.9. Note you cannot use a Pre-Qualification Questionnaire stage in the selection of bidders, refer to Section 2 of the rules for guidance. It is important to note that you can only ask suitability assessment questions and must give full regard to the guidance from the Cabinet Office in relation to such suitability questions.

Governance

- 7.10. Do you have the available budget?
- 7.11. Do you have the appropriate approval for the expenditure in line with the Constitution?
- 7.12. If the purchase is over the key decision threshold, it should be included on the Forward Plan in line with the Combined Authority's Constitution and may require a decision by the Combined Authority Board.

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8. Key practical points

- 8.1. Factor into your timetable sufficient time to prepare the tender documents especially the evaluation criteria in advance of beginning the tendering process.
- 8.2. Consider the essential elements of your contract and ensure that these are included in your conditions of contract.
- 8.3. Ensure that your contract budget is for the whole life costs of the contract.

Part 3 – Process according to Value

1. Contracts below £5,000

- 1.1. This section sets out the requirements that Officers must follow when purchasing works, goods or services where the total value of the contract is below £5,000.

Getting a quote

- 1.2. For contracts for works, goods, or services with an estimated value not exceeding £5,000, you must either:
 - (a) obtain a quote under one of the Combined Authority's corporate contracts, or
 - (b) place an order with a contractor under a framework agreement, or
 - (c) obtain a quote from other relevant suppliers.
- 1.3. Officers should note that they are required to obtain a quote from a corporate contract where one exists for the supply of those services.

Formalities

- 1.4. There must be a written record of the quotation, which may be in the form of a letter or email to or from the contractor. You must have a purchase order in line with Financial Regulations.
- 1.5. You should consider the following information as essential to include in any quote:
 - (a) the specification of the goods, services or works to be supplied;
 - (b) payment provisions in line with Financial Regulations;

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- (c) the Combined Authority's termination rights;
- (d) the key time or times when the contract is to be performed;

1.6. The decision to award the contract and any written terms must be agreed in writing by ~~your Director~~ a Chief Officer ~~the Chief Finance Officer~~ (Monitoring Officer, Chief Finance Officer or ~~or~~ the Chief Executive) unless they have delegated that authority to you or another Senior Officer within your team.

2. Contracts between £5,000 and £50,000

2.1. This section sets out the requirements that Officers must follow when purchasing works, goods or services where the total value of the contract is between £5,000 and £50,000.

Obtaining quotations

2.2. In the case of contracts for works, goods or services with an estimated value between £5,000 but not exceeding £50,000 you **must** first consider:

- (a) Whether you must procure those services through an existing corporate contract;
- (b) Whether a corporate contract can supply those services, or
- (c) Whether you have to source those services on the open market.

2.3. If a corporate contractor does supply those services or can procure those services on our behalf, you must instruct them directly. If you do not wish to make use of a corporate contract you will need to complete an exemption report (see section 4) prior to tendering to obtain the authority of the Chief Finance Officer or Monitoring officer not to do so.

2.4. If you are sourcing those services on the open market, you must obtain at least 3 written quotes and select the provider that offers the best value for money. If 3 quotes cannot be obtained due to lack of suitable contractors, the Officer **must** complete an exemption report prior to awarding any contract. This is to obtain authority to be exempted from this Rule.

Advertising the Contract

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- 2.5. Although there is no specific requirement to advertise a contract between these values, Officers and our corporate partners are positively encouraged to advertise contracts where:
- (a) the contract value is above £25,000;
 - (b) competition in the market is strong, or
 - (c) the number of potential suppliers is high.
- 2.6. Advertisements can be placed on the Combined Authority's website, in the trade press and on websites specifically set up for contract advertisements.
- 2.7. For contracts estimated to be over £25,000 and which have been advertised, you must ensure that within 24 hours the advertisement relating to the contract opportunity is also advertised on Contracts Finder. This requirement will not apply where a framework has been set up of pre-selected suppliers and you intend to choose suppliers from the framework. The following details must be included in the advert on Contracts Finder:
- (a) date and time by which an interested supplier must respond if it wishes to be considered for the contract opportunity;
 - (b) how and to whom the supplier must respond;
 - (c) any other requirements for participating in the procurement;
 - (d) internet address where the documents can be accessed from.
- 2.8. You must ensure that unrestricted, free and full direct internet access is given to the documents relating to the procurement. You must also have regard to any guidance issued by the Cabinet Office in relation to the form and manner in which the information is to be published on Contracts Finder.
- 2.9. The Procurement Team can provide assistance with advertising.

Framework agreements

- 2.10. Where a suitable framework agreement exists you may use the framework if the Combined Authority is mentioned as a potential purchaser under the framework agreement. You must follow the procedure set out in the framework agreement and do not have to obtain 3 quotations. The Procurement Team can assist in

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selecting an appropriate framework agreement and advise you on the process for obtaining quotes.

Known suppliers

- 2.11. In some cases you may already be aware of suppliers possessing a particular type of goods or service or works expertise that you are seeking. You may seek 3 quotations from any suppliers known to you but you must ensure that:
- (a) you do not use these suppliers in preference to any corporate contracts;
 - (b) you do not discriminate in your selection of any particular supplier.

Invitations to Quote

- 2.12. Although quotations do not require a formal process you must ensure that your request for quotes is made in writing and must set out a simple specification for your purchase. You should also state the basis upon which you will select the successful quote.
- 2.13. If you select any supplier who is not the cheapest quote, you must record your reasons for selection in writing.

Higher value quotations

- 2.14. Where the value of the contract is between £45,000 and £50,000 Officers are encouraged to pursue a more formal quotation process. Officers not following a formal quotation process must record their reasons in writing. Officers should consider drafting an Invitation to Quote comprising of the following:
- (a) Bidders information about the process being used;
 - (b) Specification of the goods, services or works being purchased;
 - (c) Award criteria and procedure;
 - (d) Tendering and canvassing certificate;
 - (e) Contract terms and conditions.
- 2.15. The Invitation to Quotation must state that:

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- (a) the Combined Authority is not bound to accept a quotation and;
- (b) late submissions or submissions which do not comply with the Combined Authority's award procedure will be rejected.

2.16. The Invitation to Quotation must include the contract terms and conditions that will apply to the contract setting out:

- (a) details of the goods, services or works to be supplied;
- (b) payment provisions;
- (c) the Combined Authority's rights to terminate the contract;
- (d) the key time or times when the contract is to be performed.

2.17. The Officer must consult Legal Services before an Invitation to Quotation is issued where the purchase involves one or more of the following:

- (a) the transfer of non-land assets;
- (b) the transfer of staff;
- (c) the transfer or lease of land;
- (d) potential state aid issues.

2.18. ~~Your Director The Chief Finance Officer~~ can award a contract up to £50,000 in value upon receipt of a contract award report. The contract award report must be completed and submitted to the Chief Finance Officer (or delegated Officer) for approval. The signed award report must be for future reference.

2.19. You must publish a contract award notice on Contracts Finder within a reasonable time once you have awarded a contract, which must contain the following details;

- (a) Name of the supplier;
- (b) Date of contract;
- (c) Total contract value;

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- (d) Whether the supplier is a SME (small, medium size enterprise);
- (e) Whether the supplier is a non-governmental organisation that is value driven and surplus;
- (f) Monies are re-invested to further social, environmental or cultural objectives.

- 2.20. Information does not have to be published where the release would be contrary to the public interest, impede law enforcement, prejudice the legitimate commercial interests of a particular economic operator, or might prejudice fair competition between suppliers.
- 2.21. You must also have regard to any guidance issued by the Cabinet Office relating to the form in which such information is to be published.

~~2.22.~~ The contract can be signed by ~~the relevant~~ the relevant Director. ~~Chief Finance Officer.~~

~~2.23-2.22.~~

3. **Contracts between £50,000 and EU values**

- 3.1. Contracts in this range of values are subject to the Combined Authority's tendering procedures as set out in this section.

Prior considerations

- 3.2. In the case of contracts for works, goods or services with an estimated value between £50,000 to the EU threshold you must first consider:
- (a) whether you must procure those services through a corporate contract; or
 - (b) even though procurement through the corporate contract is not necessary, whether a corporate contract can supply those services; or
 - (c) whether you have to source those services on the open market; or
 - (d) whether you want to call off those services from a framework agreement.
- 3.3. If a corporate contractor can supply or procure those services, you must instruct them directly. Where they are procuring works, goods or services on your behalf

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they must follow these tendering procedures. If you do not wish to procure through the corporate contract you will be required to complete an exemption report (see section 4) before placing any orders for goods, services or works.

- 3.4. Where there is a lack of suitable contractors on the market to merit a tendering process, you **must** complete an exemption report. This is to obtain authority to be exempted from this Rule. For further information please see [Part 5 Section 4](#) of these rules.

Using a framework agreement

- 3.5. A framework agreement comprises pre-assessed suppliers. Use of a framework therefore simplifies the tendering process and offers considerable cost reduction. Before opting to use a framework agreement you should also consider whether there is benefit in re-packaging the tender to enable local businesses to compete for the contract.
- 3.6. A framework agreement will be suitable where you are contracting for services, goods or works
- (a) commonly available;
 - (b) frequently used.
- 3.7. A framework agreement may not be suitable for your supply where it involves:
- (a) particularly complex or risky procurements;
 - (b) one-off procurements where the product or service requires a specialism;
 - (c) procurements which are looking for particularly novel solutions;
 - (d) where the contract length would be longer than four years.
- 3.8. Before using any framework agreement please ensure that the Combined Authority was identified as a potential purchaser in the OJEU notice. Advice on this can be sought from the [Procurement Team](#) ~~Finance Officer~~ or Legal Services.

Awarding a call-off

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- 3.9. Once you decide on a framework agreement you must call off your individual contract under the framework either by;
- (a) placing a direct order/direct award; or
 - (b) holding a mini competition.
- 3.10. The method of call-off will depend on the terms and conditions of the framework. Some larger frameworks are divided into a number of lots, which may have been set up to enable direct ordering whilst others are designed to provide more bespoke solutions with the terms, conditions and solutions being refined through mini competition.
- 3.11. You cannot make any substantive changes to the specification or the terms and conditions of the framework so you must follow its terms in order to procure under the framework.

Tendering process

- 3.12. Officers who have assessed that they do not want to award through a framework agreement are required to carry out a formal tendering process. Note you cannot use a Pre-qualification Questionnaire for contracts within the values mentioned in this section. [See Part 2, Section 4](#), Other Considerations, [para 7.8](#) Process.

Advertising

- 3.13. You are required to advertise any contract you wish to tender whose total value is over £25,000.
- 3.14. You must ensure an appropriate level of advertising having regard to:
- (a) The subject matter of the contract;
 - (b) The value of the contract;
 - (c) The size and structure of the market and common commercial practices in that market;
 - (d) The location where the goods or services will be delivered.

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- 3.15. The greater the interest of the contract to potential bidders, the wider should be the coverage of the advertisement. Depending on the above criteria, advertisements could be placed on the Combined Authority's website, in the trade or local press, on websites specifically set up for contract advertisements or, where the contract borders on the EU threshold, in the Official Journal of the European Union (OJEU).
- 3.16. For contracts estimated to be over £25,000 and which have been advertised, you must ensure that within 24 hours the advertisement relating to the contract opportunity is also advertised on Contracts Finder. This requirement will not apply where a framework has been set up of pre-selected suppliers and you intend to choose suppliers from the framework. The following details must be included in the advert on Contracts Finder;
- (a) Date and time by which an interested supplier must respond if it wishes to be considered for the contract opportunity;
 - (b) How and to whom the supplier must respond;
 - (c) Any other requirements for participating in the procurement;
 - (d) Internet address where the documents can be accessed from.
- 3.17. You must ensure that unrestricted, free and full direct internet access is given to the documents relating to the procurement. You must also have regard to any guidance issued by the Cabinet Office in relation to the form and manner in which the information is to be published on Contracts Finder.

Preparing the tender documents

- 3.18. To complete the tender process you must prepare the following documents:
- (a) An Invitation to Tender including the evaluation criteria;
 - (b) Specification of goods, services or works to be supplied;
 - (c) A tendering and canvassing certificate;
 - (d) Parent company guarantee or performance bond (where appropriate);

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- (e) Standard conditions of contract. You must include provisions stipulating that the Combined Authority will pay the supplier no later than 30 days from date of the invoice. You may also include further specific conditions relating to the performance of the contract i.e. economic, innovation-related, environmental, social or employment related conditions. These conditions must be linked to the subject matter of the contract and set out within the tender documents. Contact Legal Services for advice and preparation of these clauses.

Preparing the evaluation criteria

- 3.19. Before starting the tender process, you must define the evaluation criteria. This details how the bids will be evaluated. It is essential that the methodology for the award is set out in the Invitation to Tender.
- 3.20. You must apply the relevant British and any equivalent European or international standards to define the required quality of the goods or services being purchased.
- 3.21. The evaluation criteria must be relevant to the services, goods or works being purchased and must be designed to secure value for money for the Combined Authority.
- 3.22. The evaluation criteria for award of the contract must be based on:
 - (a) the most economically advantageous (MEAT) bid (in other words, where quality, performance or improvements are as important as price); or
 - (b) the lowest price (where price is the only factor).
- 3.23. You can also use a cost-effective approach for the evaluation criteria i.e. considering environmental and social aspects, qualifications and experience of staff, after sales service, delivery conditions, and quality impacting on level of contract performance. These must be linked to the subject matter of the contract.
- 3.24. If the most economically advantageous criteria are to be used, they can be further defined by relevant sub-criteria, examples of which are set out as follows:
 - (a) price;
 - (b) quality and performance;
 - (c) running costs;
 - (d) technical merit;
 - (e) economic advantage based on past experience;
 - (f) delivery date;
 - (g) environmental considerations;

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- (h) aesthetic and functional characteristics;
- (i) safety;
- (j) after-sales services;
- (k) technical assistance; and
- (l) other relevant matters.

- 3.25. Where sub-criteria are used, they must also be set out in the Invitation to Tender.
- 3.26. The evaluation criteria must not include non-commercial considerations. These are criteria which are not directly relevant to the operation of the contract e.g. the terms and conditions of employment of the bidders' workers or the country of origin of the bidder.
- 3.27. The award criteria cannot include matters which discriminate against suppliers from the European Union or signatories to the Government Procurement Agreement.
- 3.28. As the evaluation stage is the most likely point at which a challenge may be made to the procurement process you are advised to seek assistance from the Procurement Team ~~Finance Officer~~ regarding evaluation modelling.

Defining the evaluation procedure

- 3.29. Bids can be evaluated by using the bidders' written submissions only or you may want to arrange face to face interviews with the bidders and/or ask for bidder presentations to supplement the written submissions.
- 3.30. You must choose which process you will use to evaluate the bids and set this out in the Invitation to Tender.

Preparing the invitation to tender

- 3.31. The Invitation to Tender sets out the basic rules for the tendering process and you must use the standard template Invitation.
- 3.32. The invitation to tender must state that:
 - (a) the Combined Authority is not bound to accept the tender;
 - (b) late submissions and submissions which do not comply with the Combined Authority's procedure will be rejected;

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- (c) the date and time for submission of tender and that late tenders may not be accepted;
 - (d) Where bidders are asked to upload files, you must advise them that single file sizes must not exceed 5mb.
- 3.33. The invitation to tender should be accompanied by standard conditions of contract. You need to consider whether there are further conditions relevant to the contract e.g. the time the service is performed, the date on which goods are delivered etc. In some cases standard contracts (e.g. JCT contracts) will be available.
- 3.34. Officers must consult Legal Services before a tender is issued for any contract which involves one of the following:
- (a) the transfer of non-land assets;
 - (b) the transfer of staff;
 - (c) the transfer or lease of land;
 - (d) any form of payment assistance to the bidder (state aid).

Clarification procedures

- 3.35. Never email bidders via your email account during the tender exercise as there is no clear audit trail to support your process. . Any queries raised by a bidder and clarifications provided should be forwarded to all bidders with anonymity of the bidder raising the query.
- 3.36. If an error is identified in the invitation to tender before the closing date for submissions and is significant enough to warrant amendment, all bidders should be informed of the error and invited to adjust their bids.

Submission, receipt and opening of tenders

- 3.37. Tenders will only be available to evaluate following the closing date for submissions.

Post tender negotiation

- 3.38. If an error is identified in the invitation to tender after the closing date for submissions and is significant enough to warrant amendment, all bidders should be given details of the error and given the opportunity to withdraw their offer or to submit a revised bid within a defined period.

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- 3.39. Where there is a minor error or discrepancy in the successful tender which would affect the tender figure, the bidder should be given details of the error or discrepancy and given the opportunity to confirm, correct or withdraw its bid. If the bidder withdraws its offer, the next most competitive bid should be assessed.
- 3.40. Following receipt of the tenders, you may clarify or negotiate with a preferred bidder to obtain an improvement in terms of price, delivery or service. Any such clarification or negotiation must:
- (a) not discriminate against other bidders, and
 - (b) not alter the original specification except where Legal Services or the Procurement Team ~~the Finance Officer has~~ Team has advised that special circumstances exist that can be substantiated, and
 - (c) have the prior authorisation of Legal Services or the ~~Finance Officer~~ Procurement Team, and
 - (d) be confirmed in writing by the bidder.

Evaluation, selection and de-briefing

- 3.41. Bids must be evaluated and the successful bidder selected in line with the advertised award criteria and the award procedure.
- 3.42. There is no requirement for a standstill period in non-EU tendering but it is considered good practice to debrief unsuccessful bidders before awarding the contract to identify and avoid any potential challenges from an unsuccessful bidder.
- 3.43. You may want to include the following matters in any debrief:
- (a) identifying the bidder to whom the contract will be awarded;
 - (b) the reasons for the decision;
 - (c) the award criteria;
 - (d) a full breakdown of the bidder's scores against each of the criteria and sub-criteria together with an explanation why the successful bidder achieved a higher score;

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- (e) the score of the successful bidder;
- (f) the reasons (if any) why the bidder did not meet the technical specifications.

3.44. Apart from the debriefing permitted by this Rule, the confidentiality of tenders and the identity of bidders must be preserved at all times and information about one bidder's response must not be given to another bidder.

Award report

- 3.45. Provided there is no challenge to the decision to award the contract you must prepare a contract award report to authorise the award of the contract which must be sent to Legal Services, and the Finance Officer for approval before your Director the Chief Finance Officer signs off the report. The report must be signed by your Director the Chief Finance Officer or a Senior Officer with authority delegated from your Director the Chief Finance Officer.
- 3.46. Once your contract award notice has been approved, you will need to notify all bidders of the result. In addition, you must also publish a contract award notice on Contracts Finder within a reasonable time once you have awarded a contract, which must contain the following details:
- (a) Name of the supplier;
 - (b) Date of contract;
 - (c) Total contract value;
 - (d) Whether the supplier is a SME (small, medium size enterprise);
 - (e) Whether the supplier is a non-governmental organisation that is value driven and surplus
 - (f) Monies are re-invested to further social, environmental or cultural objectives.
- 3.47. Information does not have to be published where the release would be contrary to the public interest, impede law enforcement, prejudice the legitimate commercial interests of a particular economic operator, might prejudice fair competition between suppliers.
- 3.48. You must also have regard to any guidance issued by the Cabinet Office relating to the form in which such information is to be published.

Contract formalities

- 3.49. There must be a signed written contract in place between the Combined Authority and the contractor before the supply, service or work is started. You must send

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the following documents to Legal Services to prepare and finalise the formal contract documents:

- (a) Signed ~~Director's~~ **Chief Finance Officer's** Contract Award Report;
- (b) Invitation to Tender (including the terms and conditions);
- (c) Successful Contractor/Service Provider/Consultant tender submission;
- (d) Any other documents you wish to include in the contract

3.50. Signed, Sealed contracts will be listed in the Combined Authority's contract register and placed in the Combined Authority's Deeds Room and you will be forwarded a contract number for future reference. Contracts between £50,000 and £100,000 need to be signed by an Authorised Signatory or sealed in the presence of an Authorised Signatory. All contracts over £100,000 must be sealed in the presence of an Authorised Signatory.

3.51. If you want the contract to begin before the contract is signed or sealed, you should consult Legal Services. In exceptional circumstances, the **Head of Legal Services** **Monitoring Officer** may permit the contract to begin before the contract is signed.

Contract register

3.52. You must give details of the contract to the **Monitoring Officer** ~~Finance Officer~~ **to** be entered into the Contracts Register.

4. Contracts above EU values

4.1. If you want to award a contract in this range of values you must consult the **Procurement Team** ~~Finance Officer and Team~~ **and** Legal Services. This process is governed by statutory rules and European Directives that are too extensive to set out in these rules. The following is intended as summary guidance only.

4.2. It is important to note that the statutory rules supersede these rules and contain their own exemptions.

4.3. No exemption can be granted by Officers or Members for exemption from the EU process unless the exemption is permitted by the statutory rules.

Identifying potential candidates

4.4. Contracts which are covered by the regulations must be the subject of a 'call for competition' by publishing a contract notice in the Official Journal of the European Union ("OJEU").

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- 4.5. In most cases the time allowed for responses or tenders must be no less than a set period, although some prescribed periods can be reduced where:
- (a) A prior information notice (PIN) was published sufficiently far in advance of the procurement or when accelerated procedures are used;
 - (b) If the OJEU notice was submitted electronically in accordance with the requirements set out on the SIMAP website (see above);
 - (c) Where authorities offer full and unrestricted access to tender documents (in accordance with specific requirements set out in the EU procurement regulations).

Process

- 4.6. The Public Contracts Regulations 2015 (which can be viewed on the Cabinet Office website) set out schedules which include the types of works, services that are covered by the regulations. These regulations will apply in the following circumstances:
- (a) For a contract relating to works with a total value of £4,322, 012 and over;
 - (b) For a contract relating to the supply of goods with a total value of £172, 514 and over;
 - (c) For a contract relating to services with a total value of £172,514 and over. However for services falling within Schedule 3 of the Regulations, the full Regulations will apply where the total contract value is over 750,000 euros (£625,050).
- 4.7. Important to note that the thresholds stated are subject to changes on a two yearly basis, you must check with Legal Services and the Procurement Team, Finance Officer.
- 4.8. Where the contract value of your contract is below the thresholds, this does not mean that you will be totally exempt from the regulations, contact the Legal Services and Procurement Team, Finance Officer for assistance.
- 4.9. For contracts which are above the thresholds set out in this section, a standardised Pre-Qualification Questionnaire may be used when shortlisting potential bidders and/or assessing their financial and economic standing, technical

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capacity and ability, previous experience. Contact the- [Procurement Team or Legal Services](#)~~Finance Officer for~~[Services for](#) further advice on PQQ's.

Choice of procurement procedure

4.10. Four award procedures are provided for under the EU procurement regulations:

(a) Open Procedure

All those interested may respond to the advertisement in the OJEU by tendering for the contract.

(b) Restricted Procedure

A selection is made by use of a pre-qualification questionnaire (PQQ) of those who respond to the advertisement and only those selected are invited to submit a tender for the contract. This allows purchasers to avoid having to deal with an overwhelmingly large number of tenders.

(c) Competitive Dialogue Procedure

Following an OJEU notice and a selection process, the Combined Authority enters into dialogue meetings with several bidders, to develop one or more suitable solutions for its requirements. During this process bidders are deselected at various stages before final tenders are called for. (A multi-stage and complex process which should not be used where Open or Restricted procedures could have been used).

(d) Negotiated Procedure

The Combined Authority may select one or more persons with whom to negotiate the terms of the contract. An advertisement in the OJEU is usually required but, in certain circumstances, described in the Regulations, the contract does not have to be advertised in the OJEU. An example is when, for technical or artistic reasons or because of the protection of exclusive rights, only a particular person can carry out the contract. This procedure is used only exceptionally.

(e) Innovation Procedure

This procedure can be used where the Combined Authority has identified a need for an innovative product, service or works that cannot be met by purchasing these from the market. A partnership can be set up with one or more partners with the aim of developing an innovative product, services or works. The partnership will need to be terminated as the development progresses. The selection of bidders and process for negotiation will be in accordance with the Public Contracts Regulations.

4.11. Public authorities have a free choice between the open and restricted procedures. The competitive dialogue procedure is available where the contract cannot be

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awarded under open or restricted procedure. The negotiated procedure may only be used in the limited circumstances described in the EU procurement regulations.

- 4.12. Under restricted procedures, competitive dialogue and competitive negotiated procedures (those where a call for competition is required by advertising in the OJEU) there must be a sufficient number of participants in the process to ensure genuine competition, with a minimum of *five* for restricted procedures and *three* for competitive dialogue and negotiated procedures.

Specification evaluation and award criteria

- 4.13. In all other respects the process follows the steps set out in the earlier section on tendering and you are required to complete preparation of your paperwork before the tendering process begins. Whilst some of the paperwork can be standardised it is important that Legal Services and the Finance Officer will work with you to devise award criteria based upon your specification for the services that are being procured.
- 4.14. Where tender bids received appear to be abnormally low, you need to seek an explanation from the bidder or bidders. Once received you need to assess the information and you can only reject the tender where the responses provided do not satisfactorily set out the reasons for the low bid. Contact Legal Services for guidance.

Standstill and post tender formalities

- 4.15. Following the evaluation of the contract and before formally awarding the contract to the successful bidder there will be a mandatory standstill period. This period begins once you have notified the unsuccessful bidders of your decision and the reasons for the differing scores. This is known as the 'Alcatel' or "Standstill" period and is bound by strict rules. See points [4.19 14](#) and [4.1713](#) below as to when the Alcatel letter must be sent out.
- 4.16. The standstill period allows for the unsuccessful bidders to seek any feedback on their bids and to challenge the procurement process. You should therefore have prepared in advance any information about the evaluation process, the reasons for the differing scores and why the bidder was unsuccessful before the award of the contract is notified to the bidders.

Governance

- 4.17. The contract must be awarded by an authorised signatory on behalf of the Combined Authority. ~~Your Director~~[The Chief Finance Officer can](#)[Director can](#)

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award a contract up to £500,000 in value upon receipt of a contract award report. You must prepare an award report to authorise the award of the contract which must be sent to Legal Services and the Finance Officer for approval before your Director~~the Chief Finance Officer signs~~Director signs off the report. The report must be signed by the ~~Director~~ Chief Finance Officer or a Senior Officer with authority delegated from the ~~Chief~~ the Director~~Finance Officer~~. The Alcatel letter can be sent out at any time after the ~~Director~~Chief Finance Officer signsDirector signs off the contract award report.

- 4.18. For contracts above £500,000 you will need to have a Combined Authority decision before award of the contract. All contracts of this value should also be on the Forward Plan. Contact the Governance team for further guidance.
- 4.19. The Alcatel letter can only be sent out after the Combined Authority Board has made a decision. Once the agenda for the Board has been published the bidders are likely to become aware of the successful bidder so you should aim to make them informally aware of the tender outcome and intention to issue the Alcatel standstill letter at the same time as the agenda is published. Confirmation of the award should follow once the call-in period has expired.
- 4.20. All contracts above £100,000 must be sealed in the presence of an Authorised Signatory and, once sealed, will be retained by Legal Services within the Deeds Room.

Contract formalities

- 4.21. There must be a sealed written contract in place between the Combined Authority and the contractor before the supply, service or work is started. If this requirement may cause difficulties, you should consult Legal Services. In exceptional circumstances, Legal Services may permit the contract to begin before the contract is sealed and measures can be out in place to protect the Combined Authority's position in the interim.
- 4.22. You must send the following documents to Legal Services to prepare and finalise the formal contract documents:
 - (a) Signed Chief Finance Officer's Contract Award Report/Report and decision of the Combined Authority Board;
 - (b) Invitation to Tender (including the terms and conditions);
 - (c) Successful Contractor/Service Provider/Consultant tender submission;

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(d) Any other documents you wish to include in the contract .

4.23. Signed, Sealed contracts will be listed in the Combined Authority's contract register and placed in the Combined Authority's Deeds Room and you will be forwarded a contract number for future reference.

4.23.

Part 4 – Getting the Contract in Place

1. High Value/High Risk

1.1. Where contracts are high value or high risk you should consult with the Finance Officer as to whether some form of security, such as a bond or parent company guarantee is required from the contractor.

2. Bonds

2.1. A performance bond is a written guarantee provided to the Combined Authority by a contractor's bank or insurer. It requires the contractor to deposit a sum of money with the bank or the insurer and is therefore usually only suitable for high value or high risk contracts. If the contractor does not do what it has promised under the contract, the Combined Authority can claim from the bank or insurer the sum of money which is specified in the performance bond.

2.2. A performance bond is intended to protect the Combined Authority against the costs that arise from the contractor's failure to perform the contract. You must assess the need for the bond by considering the risks to the Combined Authority, including the:

- (a) complexity of the contract relating to delivery;
- (b) capabilities of suppliers, service providers or contractors;
- (c) financial standing and security of suppliers, service providers or contractors.

2.3. In limited circumstances it may be necessary to have an on demand bond (effectively a cash bond), however there is a significant cost to these and they should only be sought in limited circumstances and following legal advice.

2.4. You should consider whether a performance bond or any other form of security is required where;

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- (a) a contract for works, goods or services is estimated to exceed the EU threshold or
- (b) where it is proposed to make stage or other payments in advance of receiving the whole of the works, services or supplies.

2.5. Should a performance bond or other form of security be required, you must identify this in the tender documentation. Contact the Finance Officer or Legal Services for a template version of the performance bond.

2.6. You should not allow the contractor to commence the contract for the works, services or supplies until the bond has been provided to the Combined Authority.

3. Parent company guarantees

3.1. A parent company guarantee could be requested from the contractor as an alternative form of security to a performance bond but only where the contractor has a parent company.

3.2. A parent company is a company which owns a number of companies (known as subsidiaries). You should seek advice from the Finance Officer or Legal Services if you intend to request a parent company guarantee in any tender.

3.3. There are other lesser used forms of security that can be requested against the contract, such as cash, title deeds, debentures and legal charges. Please contact the Finance Officer or Legal Services for further advice if you need to consider these.

4. Contract documents

4.1. There are many different forms of standard contract. These are most frequently found in the construction industry (i.e. for works contracts) but others are also available.

4.2. ~~The~~ Legal Services ~~team~~ have knowledge of most standard forms of contract and also hold a standard set of terms and conditions which can be tailored to meet any forms of works, goods or services contract. These take account of the specific needs placed upon local authority contracts e.g. freedom of information requests for contract documents and auditing obligations.

4.3. Requests for standard clauses and to discuss specific contractual requirements can be made by contacting Legal Services.

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Part 5 – Changes to the Contract

1. Introduction

- 1.1. This section sets out what you must do if:
 - (a) you are unable to comply with any of the requirements of these rules, or
 - (b) there is a change to the contract e.g. additional works have been identified after the contract has begun.
- 1.2. It is very important that you follow correct governance processes to authorise any changes to the contract or these rules. In almost all cases you will require approval from your Director, the Monitoring Officer, or Chief Finance Officer ~~and other Senior Officers~~ within the Combined Authority.
- 1.3. The ~~Head of Legal Services~~Monitoring Officer is responsible for monitoring adherence to these rules. Failure to obtain the correct authorisation at the appropriate time to deviate from these rules may mean that you are in breach of your employment contract and oblige the ~~Head of Legal Services~~Monitoring Officer to report repeated breach of the rules to the Combined Authority.

2. Exemptions

- 2.1. It is the Council's policy that these contract rules should be complied with at all times. However, the Combined Authority recognises that circumstances may exist when it is not possible or desirable to comply with these rules. On those occasions you may apply for an exemption from any or all of these rules.
- 2.2. Officers must ensure that any exemption or departure from these contract rules does not contravene the law e.g. EU tendering rules.
- 2.3. The fundamental principles of exemptions are that:
 - (a) they should be used only in exceptional circumstances;
 - (b) they are granted entirely at the discretion of the Chief Finance Officer or Monitoring Officer; ~~in consultation with the Head of Legal Services~~,
 - (c) they should always be sought in advance of any purchasing as there is a general presumption that retrospective applications will not be approved, and
 - (d) there is no automatic right to an exemption.

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- 2.4. The Chief Finance Officer is accountable for giving appropriate approval to all exemptions and a record is kept of all those granted which is open to public inspection.
- 2.5. All exemption requests must be made in writing supported by justification for your application.
- 2.6. An exemption under this section *can never* be used where the total value of the contract exceeds the EU threshold. There are specific statutory exemptions which apply to contracts tendered under the EU process and you should always seek legal advice on these.

When may an exemption be allowed?

- 2.7. An Exemption may be allowed when:
 - (a) You want to obtain quotations or tenders from fewer bidders than these rules require (including a single bidder) because they are the only suppliers which can provide the services or goods or works you want to purchase;
 - (b) You are working in partnership with another public sector body and you are satisfied that their procurement rules have been complied with in the letting of the contract;
 - (c) You want to extend an existing contract which does not have provision for an extension and where a change of supplier would cause:
 - (i) disproportionate technical difficulties;
 - (ii) excessive cost; and/or
 - (iii) significant disruption to services.
- 2.8. In all cases an exemption cannot be approved where the cost of the extension or contract exceeds the EU threshold.

Exemption procedure

- 2.9. To apply for an exemption, you should complete an exemption report.
- 2.10. The exemption report should set out clearly the grounds on which you are applying for the exemption and must specify which of the reasons listed above apply.
- 2.11. If there is information which you wish to keep confidential and not disclose to the public you should also complete an exempt annex. However, all local authorities are increasingly expected to disclose information to the public on the grounds of transparency and accountability. The Combined Authority will be allowed to

Chapter 12 – Contract Procedure Rules

withhold information only in exceptional circumstances where the interests of the Combined Authority or others may be severely damaged or compromised by disclosure.

- 2.12. The completed exemption report should be sent to Legal Services and the Finance Officer for approval.
- 2.13. Once the required approvals have been obtained you must send the report to the [Head of Legal Services Monitoring Officer](#) and the Chief Finance Officer for formal approval of the exemption. Electronic approval will be sufficient.
- 2.14. The Chief Finance Officer is required to keep a register of approved exemptions.
- 2.15. In urgent circumstances, contact must be made with the [Head of Legal Services Monitoring Officer](#) and the Chief Finance Officer before taking entering any contract, to obtain an “in principle” decision. This means that, unlike usual procedures, the decision to award will follow after the contract has been awarded. Verbal authority given by the Chief Finance Officer will mean that the correct authority has been given for the contract, even though the paperwork will be retrospective.

Retrospective exemptions

- 2.16. An exemption to any of the rules should never be sought retrospectively but exceptions to this principle will be allowed where:
 - (a) it has been necessary to act urgently because of an unforeseen emergency which involves immediate risk of injury or damage or to prevent serious disruption to services;
 - (b) it is necessary for an Officer in Children’s Services or Adult Social Care to act immediately to secure care for any vulnerable person;
 - (c) it is necessary to act urgently to secure a supply of goods [e.g. Westcombe Engineering](#), where commercial offers are time limited and represent best value for the Combined Authority.
- 2.17. In both cases you should seek an ‘in principle’ decision from the Chief Finance Officer and the [Head of Legal Services Monitoring Officer](#) where possible, and the cost of the immediate action should not exceed the EU threshold. An exemption report should be completed as soon as reasonably possible after the contract has begun.

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Purchase Orders

- 2.18. Each Officer must ensure that all expenditure is lawful and is subject to all local Procurement Regulations and approval processes.
- 2.19. Expenditure on goods, services and supplies made directly by the Combined Authority may be exempt from the requirement to place an Order. The Chief Finance Officer shall maintain a list of order exemptions and review its continued appropriateness on an annual basis.
- 2.20. Requisitions and official orders shall not be issued for goods and services unless the expenditure is within approved budgetary levels and any other necessary approvals as set out in the Scheme of Delegation have been obtained.

3. Assigning/Novating contracts

- 3.1. Assignment is the transfer of the benefit of contract to another party. The contract should detail the circumstances in which a contract can be assigned but if it does not you will need to consult Legal services on the process. Novation is the transfer of the rights, obligations and liabilities of an original party to an existing contract to a new party. You should contact Legal services on the form of the contract that should be used for the novation, which is usually in the form of a deed.
- 3.2. Where a contract is required to be assigned or novated you must first calculate the total value of the contract to determine the correct process. A contract may be assigned/novated, without the need to carry out a new procurement, where;
 - (a) There is reference to such a change within the tender documents; or
 - (b) The new contractor is replacing the existing contractor following a corporate restructure, takeover, merger, acquisition or insolvency, and as long as the new contractor fulfils the criteria upon which the existing contractor was selected (i.e. technical, financial capability).
- 3.3. Where a contract has a total value between £50,000 and £500,000 the assignment/novation will need to be approved by the following Officers:

(a) ~~Head of Legal Services~~Monitoring Officer; and

(b) Your Director (or if authorised an Assistant Director).
~~The Chief Finance Officer~~

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- 3.4. Where a contract has a total value of more than £500,000 the assignment/novation will need to be approved by the Officers listed above and:
- (a) a credit check on the proposed contractor that the contract is to be assigned to have been carried out by Financial Services; and
 - (b) a Combined Authority ~~d~~Decision or Mayoral Decision for mayoral functions ~~Notice~~ authorising the assignment/novation has been obtained; and
 - (c) a formal deed/notice of assignment, to be prepared by Legal Services, has to be entered into by the parties;
 - ~~(e)~~(d) Contracts over the EU threshold require the written approval of the Chief Finance Officer.

4. Varying contracts

- 4.1. Variations of contract typically comprise:

- (a) change in price, or
- (b) change in service delivery or goods or works leading to a change in price

- 4.2. If the variation looks as if the original value of the contract is likely to be exceeded, the procedure for obtaining approval to the variation is as follows:

- 4.3. Non-EU procured contracts

- (a) Increase is less than £50,000

The project/contract manager or Officer must obtain approval to the increase in line with the authority listed in the quick reference guide.

- (b) Increase is more than £50,000

In addition to obtaining the authority listed in the quick reference guide, the project/contract manager or Officer must inform the Finance Officer immediately. This means that as long as the contract as varied is still under £500,000, it can be authorised by the relevant Officer(s) referred to in the quick reference guide. If the variation takes the contract value over £500,000 or if the original contract was over £500,000 and the Combined Authority Board made the decision to award the contract, a further Combined Authority Board decision need not be obtained for the variation, unless Legal Services consider such a decision should be obtained.

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The above is subject to:

- (i) The variation not exceeding the EU threshold value for the works, services, supplies (i.e. accumulated value including the value of the variation) and;
- (ii) The variation is lower than 10% of the initial contract value for services, supplies or 15% of the initial contract value for works.

4.4. EU procured contracts

Contact Legal Services for advice on whether the variation is likely to be treated as a new contract, requiring it to be re-tendered. If the advice from Legal Services is that the variation is unlikely to be treated as a new contract, the project project/contract manager or Officer must follow the procedure outlined in the second bullet point of paragraph 4 above.

Section 5 – Ending the Contract

Terminating contracts

- 1.1. Where a contract is required to be terminated, other than by it expiring, seek advice from Legal Services.
- 1.2. Where a contract has a total value of between £50,000 and £500,000 the termination will need to be approved by the following Officers:
 - (a) ~~Head of Legal Services~~ Monitoring Officer; and
 - (b) The Chief Finance Officer.
- 1.3. Where a contract has a total value of more than £500,000 the termination will need to be approved by the Officers listed above and additionally:
 - (a) a Combined Authority Board Decision must authorise the termination and;
 - ~~(a)~~ (b) a termination notice must be issued to the contractor by Legal Services

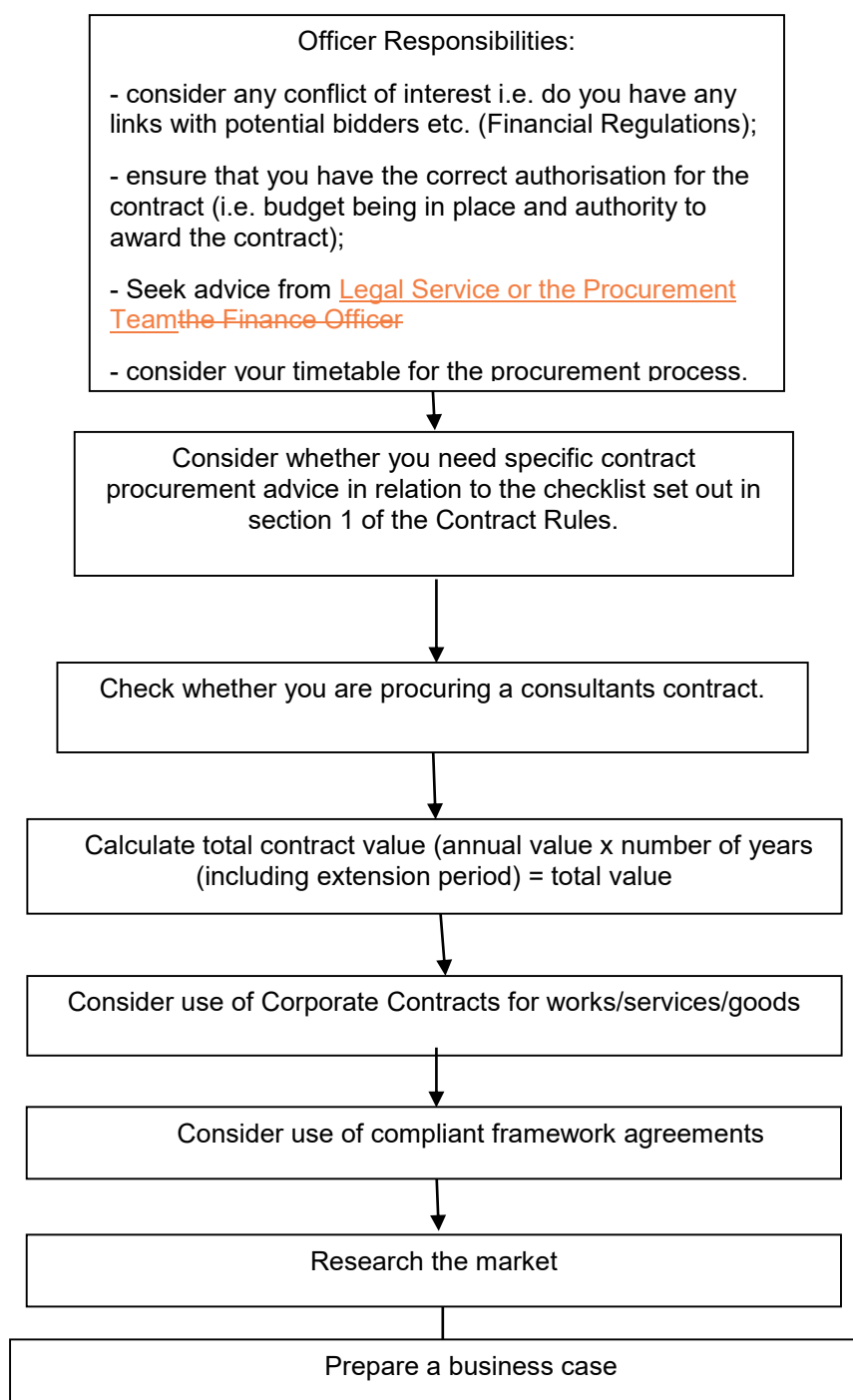
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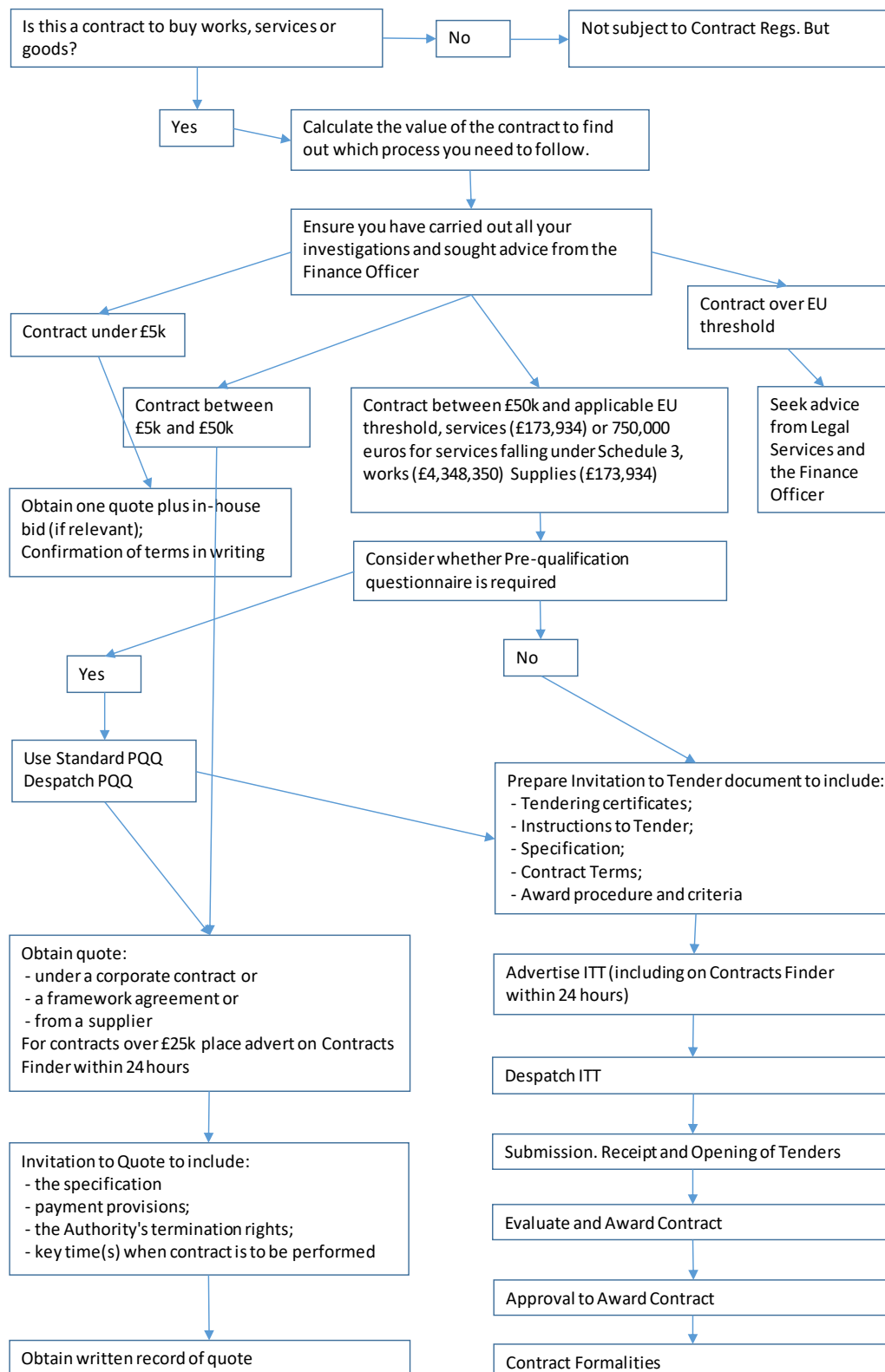
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Flowcharts

Beginning the process – Flowchart



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Chapter 13 – Officer Scheme of Delegation and Proper Officers

Part 1 – Officer Scheme of Delegations

1. Introduction

- 1.1. The Combined Authority has a Scheme of Delegation to Chief Officers and a Schedule of Proper Officers for its functions in accordance with section 101 of the Local Government Act 1972.
- 1.2. A Chief Officer in the context of this Constitution means
 - 1.2.1. the Chief Executive of Combined Authority and Business Board, and Head of Paid Service,
 - 1.2.2. the Finance Director and Chief Finance Officer and
 - 1.2.3. the Legal Counsel and Monitoring Officer,
 - 1.2.4. the Infrastructure Director
 - 1.2.5. the Business and Skills Director
 - 1.2.6. the Strategy and Planning Director or
 - 1.2.7. any other posts defined as Chief Officer in the Employment Procedure rules.
- 1.3. Powers delegated to Chief Officers may be exercised by other Officers within the Combined Authority or constituent councils if the relevant Chief Officer has further delegated that power, provided that this is properly recorded and evidenced.
- 1.4. Any decisions or actions taken by a Chief Officer or other person on behalf of a Chief Officer, must be in accordance with:
 - (a) the provisions of the Openness of Local Government Bodies Regulations 2014;
 - (b) statute or other legal requirements, including the principles of public law, the Human Rights Act 1998, statutory guidance and codes of practice;
 - (c) the Constitution, including the Combined Authority [procedure rules](#), assurance framework, monitoring and evaluation framework, [contract standing orders](#) and [Financial Regulations](#), and [Transparency Rules](#), [Forward Plan and Key Decisions](#);

Chapter 13 – Officer Scheme of Delegation and Proper Officers

- (d) the revenue and capital budgets of the Combined Authority, subject to any variation which is permitted by the Financial Regulations; and
 - (e) any policy or direction of the Combined Authority or any Committee acting in exercise of powers delegated to that Committee by the Combined Authority.
- 1.5. Officers may exercise delegated powers to take any decision in relation to the functions of the Combined Authority including Mayoral functions except where:
- (a) the matter is reserved to the Combined Authority or the Mayor by law or by the Constitution;
 - (b) the matter is a function which cannot by law be discharged by an Officer;
 - (c) the Combined Authority or a Committee, Sub-Committee or Joint Committee to which the Combined Authority is a party, or in the case of a mayoral function, the Mayor has agreed that the matter should be discharged otherwise than by an Officer;
 - (d) the Head of Paid Service has directed that the Officer concerned should not exercise a delegated function;
 - (e) any other limitation of the exercise of delegated authority is set out in this Constitution or is specifically restricted in any decision of the Combined Authority.
- 1.6. Lead Officers are not obliged to exercise delegated powers if they believe circumstances are such that the powers should more appropriately be exercised by the Authority or one of its Committees.

2. General Delegations to all Chief Officers

- 2.1 Chief Officers will be responsible for the following within their areas of responsibility:

2.1.1 the day-to-day management, supervision and control of services provided on behalf of the Authority within the approved budget limits;

2.1.42.1.2 day to day management of staff in accordance agreed human resource policies and procedures;

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2.1.22.1.3 acting on behalf of and in the name of the Combined Authority, where necessary in consultation with the Mayor, relevant portfolio holder or Chief Executive and/or other appropriate Officers;

2.1.32.1.4 dealing with press enquiries and issuing press releases;

2.1.42.1.5 investigative contraventions of legislation applicable to the functions under their control, and also in respect of these functions to exercise the powers and conferred by the Regulation of Investigatory Powers Act 2000, the European Communities Act 1974 (and associated regulations) and the Police and Criminal Evidence Act 1984.

3. Contracts and Accounts

- 3.1 All contracts shall be dealt in accordance with Contract Procedure Rules and Financial Regulations as may be agreed from time to time by the Combined Authority.
- 3.2 Contracts below £5,000: The decision to award the contract and any written terms must be agreed in writing by a Chief Officer unless they have delegated that authority.
- 3.3 Contracts between £5,000 and £50,000: The Chief Officer can award a contract up to £50,000 in value.
- 3.4 Contracts between £50,000 and EU thresholds: A report to authorise the award of the contract must be sent to Legal Services, and the Finance Officer for approval by the Chief Finance Officer or Monitoring Officer.
- 3.5 Contracts within EU thresholds up to £500,000: The Chief Finance Officer or Monitoring Officer can award a contract up to £500,000 in value upon receipt of a contract award report. An award report to authorise the award of the contract must be sent to Legal Services and the Finance Officer for approval by the Chief Finance Officer.
- 3.6 Contracts above £500,000: Requires a Combined Authority Board decision or the Mayor for mayoral functions before award of the contract.
- 3.7 Contract rule exemptions: Granted entirely at the discretion of the Chief Finance Officer or, in consultation with the Monitoring or Monitoring Officer.

Chapter 13 – Officer Scheme of Delegation and Proper Officers

3.8 Assigning and novating contracts: Needs approval of the relevant Chief Officer ~~Chief Finance Officer~~ and the Monitoring Officer. If over £500,000 it will also need a Combined Authority Decision.

3.9 Terminating Contracts: Needs approval of the Chief Finance Officer and the Monitoring Officer. If over £500,000 it will also need a Combined Authority Decision.

4. Delegations to the Chief Executive

4.1 To exercise the functions of the Head of Paid Service as set out in Section 4 of the Local Government and Housing Act 1989.

4.2 To be responsible for the coordination of the Combined Authority's functions including mayoral functions.

4.3 To provide a comprehensive policy advice service and in particular to advise on the Combined Authority's plans and strategies.

4.4 To be responsible for the appointment and grading of staff up to Deputy Chief Officer level.

4.5 To be responsible for the organisation and proper management of the Combined Authority's staff including proposing changes to the management structure and the number and grades of staff required.

4.6 To authorise a Chief Officer to act in his/her absence on any matter within his/her authority.

4.7 To discharge any function of the Combined Authority which:

- (a) has not been specifically delegated to another Officer, Committee or reserved to the Mayor or the Combined Authority Board;
- (b) has been delegated to another Officer where that Officer is absent or otherwise unable to act (excluding the statutory functions of the Monitoring Officer and Chief Finance Officer).

4.8 To take any action which is required as a matter of urgency in consultation (where practicable) with ~~the Mayor~~ the Mayor ~~Chair of the Combined Authority~~,

Chapter 13 – Officer Scheme of Delegation and Proper Officers

the Monitoring Officer and the Chief Finance Officer, and in accordance with the Transparency Rules, Forward Plan and Key Decisions ([chapter 6](#)).

- 4.9 To provide any response to any Government consultation, subject to consultation with the [Mayor Chair](#) of the Combined Authority and the relevant Portfolio Holder.
- 4.10 To co-ordinate public relations for the Authority, including the approval of press releases on behalf of the Authority having consulted where appropriate the Mayor or relevant portfolio holder as necessary.
- 4.11 Nominate, appoint and remove, in consultation with the Mayor (as Chair) and the Vice-Chair of the Combined Authority Board, representatives on the board of companies, trusts and other bodies, of which the Combined Authority is a member, and to agree Constitutional arrangements for such companies, trusts and other bodies and give any necessary consent required within their Constitutions.
- 4.12 To exercise the general power of competence on behalf of the Combined Authority in the absence of any specific delegation acting in the best interests of the Combined Authority, subject to:
 - (a) consultation with the Monitoring Officer and the Chief Finance Officer; and
 - (b) reporting to the next meeting of the Combined Authority Board on the exercise of that power.

5. Delegations to the Chief Finance Officer

- 5.1 The Chief Finance Officer shall be the designated the Proper Officer under section 151 of the Local Government Act 1972.
- 5.2 To effect the proper administration of the Authority's financial affairs, particularly in relation to financial advice, procedures, records and accounting systems, internal audit and financial control.
- 5.3 To take all actions required on borrowing, investment and financing subject to the submission to the [Audit and Governance Committee and](#) Combined Authority of an annual report of the Chief Finance Officer on treasury management activities and at six-monthly intervals in accordance with CIPFA's Code of Practice for Treasury Management & Prudential Codes.

Chapter 13 – Officer Scheme of Delegation and Proper Officers

- 5.4 To effect all insurance cover required in connection with the business of the Combined Authority and to settle all claims under such insurances arranged for the Combined Authority's benefit.
- 5.5 To accept grant offers on behalf of the Combined Authority, subject to all the terms and conditions set out by the grant awarding body.
- 5.6 To submit all claims for grant to the UK Government or the European Community (EC).
- 5.7 To set up and operate such bank accounts as are considered appropriate and make all necessary banking arrangements on behalf of the Combined Authority.
- 5.8 To consider reports of Officers on any likely overspending in relation to revenue expenditure, and to approve transfers between expenditure heads up to a maximum of £100,000.
- 5.9 To send out all accounts for income due to the Combined Authority.
- 5.10 To authorise electronic payments.
- 5.11 To collect all money due to the Authority and write-off bad debts in accordance with the Financial Procedure Rules. Legal action should be undertaken in consultation with the Monitoring Officer.
- 5.12 To supervise procedures for the invitation, receipt and acceptance of tenders.
- 5.13 To administer the scheme of Members' allowances.
- 5.14 To discharge the functions of the 'responsible financial officer' under the Accounts and Audit (England) Regulations 2011.
- 5.15 To sign certificates under the Local Government (Contracts) Act 1997.
- 5.16 To be the Officer nominated, or to nominate in writing another Officer, as the person to receive disclosures of suspicious transactions for the purposes of the Proceeds of Crime Act 2002 and any Regulations made under that Act.

Chapter 13 – Officer Scheme of Delegation and Proper Officers

- 5.17 To exercise the responsibilities assigned to the Chief Finance Officer in this Constitution, including Financial Regulations and the Contract Procedure Rules.
- 5.18 To approve all expenditure incurred by the Combined Authority up to the value of £100,000 and with the Head of Paid Service and the Chief Finance Officer shall both authorise and approve all expenditure incurred by the Combined Authority over £100,000. In both cases provided the expenditure is included within the agreed revenue or capital budget and the Combined Authority has approved commencement of the scheme.
- 5.19 To arrange internal audit in accordance with the Accounts and Audit Regulations 2015 and relevant professional guidance.
- 5.20 Internal Audit Officers on producing appropriate identification shall have authority to:
 - 5.20.1 enter at all reasonable times on any land, premises or other assets of the Combined Authority;
 - 5.20.2 obtain access to all records, documents, cash, stores, equipment and correspondence relating to any financial or other transaction of the Combined Authority;
 - 5.20.3 require and receive such explanations as are necessary concerning any matters under examination;
 - 5.20.4 require Officers or Members of the Combined Authority to produce cash, stores, or any other Combined Authority property, which is under their control.

6 Delegations to the Monitoring Officer

- 6.1 Under section 5 of the Local Government and Housing Act 1989, the Combined Authority shall appoint a Monitoring Officer.
- 6.2 To provide advice on the scope of powers and authority to take decisions.
- 6.3 If it appears to the Monitoring Officer that any proposal, decision or omission by the Combined Authority has given rise to, or is likely to give rise to unlawfulness or maladministration, he/she will prepare a report to the Combined Authority with respect to that proposal, decision or omission.

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- 6.4 To monitor and review the operation of the Constitution on an annual basis, and to make changes to the Constitution in the circumstances set out below:
- (a) a legislative requirement;
 - (b) a minor variation which is of a non-substantive nature to enable them to be kept up to date and in order;
 - (c) required to be made to remove any inconsistency or ambiguity; or
 - (d) required to be made so as to put into effect any decision of the Combined Authority or its committees or any organisational changes.
- 6.5 Any such change made by the Monitoring Officer to this Constitution shall come into force with immediate effect. The Monitoring Officer will report any changes made to the Combined Authority Board as soon as is reasonably possible.

Member Code of Conduct

- 6.6 To deal with matters of conduct and ethical standards in accordance with the requirements of the Localism Act 2011.
- 6.7 To support the Audit and Governance Committee in promoting high standards of conduct.
- 6.8 To receive complaints that any Member has failed to comply with the Code of Conduct for Members.
- 6.9 To determine, after consultation with the Independent Person, whether to reject, informally resolve or investigate any complaint received, and to take such action as is necessary to implement that determination in accordance with the complaints procedure.
- 6.10 To arrange for the appointment of an Investigating Officer to investigate a complaint where the Monitoring Officer (in consultation with an Independent Person) determines that a complaint merits formal investigation.
- 6.11 To prepare and maintain the Authority's Register of Members' Interests and ensure it is available for inspection and published on the Combined Authority's website as required by the Localism Act 2011.

Chapter 13 – Officer Scheme of Delegation and Proper Officers

- 6.12 To grant dispensations from section 31(4) of the Localism Act 2011 in consultation with the Independent Person if, having had regard to all relevant circumstances, the Monitoring Officer considers that :
- (a) without the dispensation the number of persons prohibited by section 31(4) of the Localism Act 2011 from participating in any particular business would be so great a proportion of the body transacting the business as to impede the transaction of the business; or
 - (b) without the dispensation the representation of different political groups on the body transacting any particular business would be so upset as to alter the likely outcome of any vote relating to the business; or
 - (c) granting the dispensation is in the interests of persons living in the Combined Authority's area; or
 - (d) it is otherwise appropriate to grant a dispensation.

7 Legal Matters

- 7.1 To institute, conduct, prosecute and defend any legal proceedings on behalf of the Combined Authority, as may be necessary to protect and promote the Combined Authority's interests.
- 7.2 To settle, if appropriate, and in the interests of the Combined Authority, any actual or threatened legal proceedings.
- 7.3 To instruct Counsel and professional advisers, where appropriate.
- 7.4 To supervise the preparation and sealing or signature of legal documents.
- 7.5 To authorise other Officers to seal documents in accordance the Constitution, or to sign documents which are not required to be under seal.
- 7.6 To complete all property transactions and contractual arrangements where terms have been agreed by the Combined Authority, a Committee or Chief Officer acting under delegated authority.

7.7 To exercise the responsibilities assigned to the Monitoring Officer in this Constitution, including the Contract Procedure Rules.

7.67.8

Chapter 13 – Officer Scheme of Delegation and Proper Officers

~~7.77.9~~ To deal with and determine exemptions under Section 36 of the Freedom of Information Act 2000.

~~7.87.10~~ To accept on behalf of the Combined Authority the service of notices, orders and legal procedures.

~~7.97.11~~ Under Section 223 of the Local Government Act 1972 to authorise Officers who are not admitted solicitors to appear in Magistrates' Court on behalf of the Combined Authority.

~~7.12~~ To agree the terms for placing an officer at the disposal of another local authority.

~~7.107.13~~ To be responsible for determinations in relation to and maintenance of the list of ~~politically~~ politically restricted posts.

Part 2 - Schedules of Proper Officers

1. Introduction

- 1.1. Section 112(1) of the Local Government Act 1972, provides that the Combined Authority shall appoint such Officers as it thinks necessary for the appropriate discharge by the Combined Authority of such of its functions as fall to be discharged by them.
- 1.2. There are a number of specific references in the 1972 and 1985 Local Government Acts, which call for functions to be undertaken by what is termed the "Proper Officer". The following Schedules list such references and identify the Chief Officers responsible for their discharge:

2. Head of Paid Service

- 2.1. The Head of Paid Service is appointed the Proper Officer for the purpose of any enactment unless this Constitution has designed another Officer as Proper Officer

3. Chief Finance Officer

- 3.1. The Chief Finance Officer is appointed the Proper Officer in relation to the following:

Local Government Act 1972

Chapter 13 – Officer Scheme of Delegation and Proper Officers

Receipt of money due from Officers	Section 115 (2)
Proper Administration of the financial affairs of the Combined Authority	Section 151

Local Government Finance Act 1988

To report in consultation with the Monitoring Officer if there is or is likely to be unlawful expenditure or an unbalanced budget.	Section 114
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4. Monitoring Officer

- 4.1. The Monitoring Officer is appointed the Proper Officer in relation to the following:

Local Government Act 1972

Declaration and Certificates with regard to securities	Section 146 (1) (a) and (b)
Deposit of Documents	Section 225 (1)
Certifications of photographic copies of documents	Section 229 (5)
Issuing and signing of formal notices	Section 234 (1) and (2)
Determination of those reports which should be available for public inspection prior to a meeting of the Combined Authority, and its Committees and those which are likely to be heard in private and consequently which should not be released to the public.	Section 100B (2)
Provision of documents to the press, additional to Committee reports	Section 100B (7)
Preparing written summaries of proceedings	Section 100C (2)
Making arrangements for list of, and background papers to reports, to be made available for public inspection.	Section 100D (1)
Determination of documents disclosing exempt information which may not be inspected by Members	Section 100F (2)
Signature of Summonses to Combined Authority meetings	Schedule 12 para 4 (2) (b)

Chapter 13 – Officer Scheme of Delegation and Proper Officers

Receipt of notices regarding address to which Summons to meetings of the Combined Authority is to be sent.	Schedule 12 para 4 (3)
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5. General

- 5.1. All Officers in whose name reports are submitted to the Combined Authority are appointed the Proper Officers in relation to the following:

Local Government Act 1972

Compilation and retention of lists of background papers and copies of the relevant documents and reports; and	Section 100 D (1) (a)
Identifying and determining what are background papers	Section 100 D (5)

Chapter 13 – Officer Scheme of Delegation and Proper Officers

Chapter 14 – Officer Employment Procedure Rules

1. Introduction

- 1.1. These rules set out how Officers are appointed and dismissed and focus in particular on the role that Members have in officer appointments and dismissals.

2. Definitions

- 2.1. For the purpose of these rules:
- 2.1.1. A Chief Officer means a statutory Chief Officer or a non-statutory Chief Officer who reports directly to the Head of Paid Service for most or all of the duties carried out by them.
 - 2.1.2. A Deputy Chief Officer means a person who reports directly or is directly accountable to one or more of the Chief Officers for all or most of the duties carried out by them.
 - 2.1.3. Even though they may report directly to a Chief Officer or the Head of Paid Service, any administrative position shall not be considered a Deputy Chief Officer.

3. Recruitment of Head of Paid Service, Chief Officers and Deputy Chief Officers

- 3.1. The Combined Authority may directly employ or may second a member of staff from within the Constituent Councils.
- 3.2. Where the Combined Authority proposes to second or directly appoint a Head of Paid Service, Chief Officer or Deputy Chief Officer, a statement will be drawn up specifying:
- (a) the duties of the Officer concerned; and
 - (b) any qualifications or qualities to be sought in the person to be appointed.

Chapter 14 – Officer Employment Procedure Rules

3.3. Where it is proposed that the appointment will not be made exclusively from among the existing Officers of the Constituent Councils, the Combined Authority will make arrangements for the post to be advertised to bring it to the attention of persons who are qualified to apply for it.

3.4. The Combined Authority Board will make arrangements for a copy of the statement in paragraph 3.2 to be sent to any person on request.

4. Appointment of Head of Paid Service, Chief Officers & Deputy Chief Officers

4.1. The Combined Authority Board will approve the appointment of the Head of Paid Service, the Monitoring Officer and the Chief Finance Officer following the recommendation for appointment by an Employment Committee convened for that purpose.

4.2. The Employment Committee for the recruitment of the Head of Paid Service or statutory Chief Officers will include the Mayor or Deputy Mayor in his place.

4.3. The Combined Authority Board may only approve the appointment where no material or well-founded objection has been made by the Mayor to that appointment.

5. Avoiding Conflict in the Recruitment Process

5.1. Any person seeking appointment as an Officer of the Combined Authority shall be required to state in writing whether they are the parent, grandparent, partner, child, stepchild, adopted child, grandchild, brother, sister, uncle, aunt, nephew or niece (“Relative”) of an existing Member or Officer or the partner of such persons.

5.2. No candidate related to a Member or Officer described above will be appointed as Head of Paid Service or as a Chief Officer without the agreement of the Mayor.

5.3. An Officer or Member must not be involved in the appointment or any other decision relating to the discipline, promotion, pay or conditions of an Officer, or prospective Officer who is a Relative, partner, partner of a Relative or friend. Friendship connotes a relationship going beyond regular contact with colleagues in the course of employment.

Chapter 14 – Officer Employment Procedure Rules

- 5.4. Any applicant who directly or indirectly seeks the support of any Member for any appointment within the Combined Authority will be disqualified from the recruitment process.
- 5.5. No Member of the Combined Authority will seek support for any person for any appointment with the Combined Authority.
- 5.6. This should not be interpreted to mean that Members and Officers are precluded from giving a written reference for a candidate for submission with an application for employment as appropriate.

6. Dismissal of Head of Paid Service, Statutory Chief Officers and Chief Offices

- 6.1. Only the Combined Authority may dismiss the Head of Paid Service, the Chief Finance Officer and the Monitoring Officer following the recommendation of an Independent Panel.
- 6.2. Any disciplinary action regarding the Head of Paid Service, the Chief Finance Officer and the Monitoring Officer will be conducted in accordance with disciplinary procedures agreed by the Combined Authority.
- 6.3. The Combined Authority will establish an Employment Committee for the purpose of dismissing the Chief Officers and Deputy Chief Officers.
- 6.4. The Mayor, or his/her Deputy shall be a member of the Employment Committee which meets to consider any such dismissal.

7. Other Appointments and Dismissals Below Deputy Chief Officer

- 7.1. Where the Combined Authority proposes to directly appoint Officers below the level of Chief or Deputy Chief Officer, a statement will be drawn up specifying:
 - (a) the duties of the Officer concerned; and
 - (b) any qualifications or qualities to be sought in the person to be appointed.
- 7.2. It shall be the responsibility of a Chief Officer or Deputy Chief Officer to make appointments of Officers below the level of Deputy Chief Officer and such appointments may not be made by Members of the Combined Authority.

Chapter 14 – Officer Employment Procedure Rules

- 7.3. Appointments may be made from amongst the Constituent Councils and Officers may be seconded into or directly employed by the Combined Authority.
- 7.4. Where it is proposed that the appointment will not be made exclusively from among the existing Officers of the Constituent Councils, the Head of Paid Service will make arrangements for the post to be advertised in such a way as is likely to bring it to the attention of persons who are qualified to apply for it and to be supplied upon request.
- 7.5. The Head of Paid Service will also be responsible for the appointment of an assistant to a political group and shall make that appointment in accordance with the wishes of the Mayor.
- 7.6. It shall be the responsibility of the Head of Paid Service or his/her nominee to take the decision to dismiss Officers other than Chief Officers and Deputy Chief Officers and assistants to political groups.
- 7.7. Members will not be involved in the dismissal of any Officer below Deputy Chief Officer except where such involvement is necessary for the investigation. or inquiry into alleged misconduct through the Combined Authority's disciplinary procedures as adopted from time to time.
- 8. **Code of Conduct and Declaration of Interest**
- 8.1. All staff are required to sign a code of conduct form and Chief Officers and Deputy Chief Officers are required to complete the register of interest form.

Chapter 15 - Member Code of Conduct and Complaints Procedure

1. Principles of Public Life

- 1.1. The Code of Conduct is intended to promote high standards of behaviour amongst the Members and Co-opted Members of the Combined Authority, including Members of the Business Board.
- 1.2. The Code is underpinned by the following principles of public life, which should be borne in mind, when interpreting the meaning of the Code:
 - i. **Selflessness**
Holders of public office should act solely in terms of the public interest.
 - ii. **Integrity**
Holders of public office must avoid placing themselves under any obligation to people or organisations that might try inappropriately to influence them in their work. They should not act or take decisions in order to gain financial or other material benefits for themselves, their family, or their friends. They must declare and resolve any interests and relationships.
 - iii. **Objectivity**
Holders of public office must act and take decisions impartially, fairly and on merit, using the best evidence and without discrimination or bias.
 - iv. **Accountability**
Holders of public office are accountable to the public for their decisions and actions and must submit themselves to the scrutiny necessary to ensure this.
 - v. **Openness**
Holders of public office should act and take decisions in an open and transparent manner. Information should not be withheld from the public unless there are clear and lawful reasons for so doing.
 - vi. **Honesty**
Holders of public office should be truthful.

Chapter 15 - Member Code of Conduct

vii. Leadership

Holders of public office should exhibit these principles in their own behaviour. They should actively promote and robustly support the principles and be willing to challenge poor behaviour wherever it occurs.

Part 1 – General Provisions

1.1 You are a Member or Co-opted Member of the Combined Authority or Business Board, and hence you shall have regard to the following principles – selflessness, integrity, objectivity, accountability, openness, honesty and leadership.

1.2 Accordingly, when acting in your capacity as a Member or Co-opted Member -

You must act in a manner consistent with the ~~Business Board's~~ diversity statement and treat your fellow Board Members, members of staff and others you come into contact with when working in their role with respect and courtesy at all times.

You must act solely in the public interest and should never improperly confer an advantage or disadvantage on any person or act to gain financial or other material benefits for yourself, your family, a friend or close associate.

You must not place yourself under a financial or other obligation to outside individuals or organisations that might seek to influence you in the performance of your official duties.

When carrying out your public duties or Business Board duties you must make all choices, such as making ~~public~~ appointments, awarding contracts or recommending individuals for rewards or benefits, on -evidence- ~~merit~~.

You are accountable for your decisions ~~to the public~~ and you must co-operate fully with whatever scrutiny is appropriate to your office or position.

You must be as open as possible about your decisions and actions and the decisions and actions of your authority or Business Board. In addition, you ~~-and~~ should be prepared to give reasons for those decisions and actions.

You must declare any private interests, both pecuniary and non-pecuniary, including membership of any Trade Union, political party or local authority that relate to your public or Business Board duties. Furthermore, you ~~and~~ must take

Chapter 15 - Member Code of Conduct

steps to resolve any conflicts arising in a way that protects the public interest. This includes, including registering and declaring interests in a manner conforming with the procedures set out in the section 'Registering and declaring pecuniary and non-pecuniary interests' below, the box overleaf.

You must, when using or authorising the use by others of the resources of your authority or Business Board, ensure that such resources are not used improperly for political purposes or personal purposes (including party political purposes) and you must have regard to any applicable Local Authority Code of Publicity made under the Local Government Act 1986.

- 1.2.1 You must promote and support high standards of conduct when serving in your public post or Business Board post, in particular as characterised by the above requirements, by leadership and example.

Registering and declaring pecuniary and non-pecuniary interests

You must, within 28 days of taking office as a Member or Co-opted Member, notify your authority's Monitoring Officer¹ of any disclosable pecuniary interest² as defined by regulations made by the Secretary of State, where the pecuniary interest is yours, your spouse's or civil partner's, or is the pecuniary interest of somebody with whom you are living with as a husband or wife, or as if you were civil partners.

In addition, you must, within 28 days of taking office as a Member ~~or~~ Co-opted Member or Business Board member, notify your authority's Monitoring Officer³ of any disclosable pecuniary or non-pecuniary interest⁴ which your Authority or Business Board has decided should be included in the register or which you consider should be included if you are to fulfil your duty to act in conformity with the Seven Principles of Public Life. These non-pecuniary interests will necessarily include your membership of any Trade Union.

Members should review their individual register of interest before each board meeting and decision making committee meeting. They must declare any relevant interest(s) at the start of the meeting.

¹ In relation to the Business Board you should also notify the Business Board Chief Executive and Accountable Body's S151 Officer

² For the purposes of this guidance, we are using the definition of a pecuniary interest as set out in the Localism Act 2011 and The Relevant Authorities (Disclosable Pecuniary Interests) Regulations 2012.

³ As for footnote 1 above

⁴ A Non-Pecuniary interest is any interest which is not listed in the Schedule to The Relevant Authorities (Disclosable Pecuniary Interests) Regulations 2012 (No.1464).

Chapter 15 - Member Code of Conduct

If an interest has not been entered onto the authority's register, then the Member must disclose the interest to any meeting of the authority at which they are present, where they have a disclosable interest in any matter being considered and where the matter is not a 'sensitive interest'.⁵

Following any disclosure of an interest not on the authority's register or the subject of pending notification, you must notify the Monitoring Officer⁶ of the interest within 28 days beginning with the date of disclosure.

Unless dispensation has been granted, you may not participate in any discussion of, vote on, or discharge any function related to any matter in which you have a pecuniary interest ~~as defined by regulations made by the Secretary of State~~. Additionally, you must observe the restrictions your authority or Business Board places on your involvement in matters where you have a pecuniary or non-pecuniary interest as defined by your authority.

You are required to sign a document stating that you have read, understood and agree to abide with the requirements set out in part 1 of the Code of Conduct outlined above.

⁵ A 'sensitive interest' is described in the Localism Act 2011 as a member or co-opted member of an authority having an interest, and the nature of the interest being such that the member or co-opted member, and the authority's monitoring Officer, consider that disclosure of the details of the interest could lead to the member or co-opted member, or a person connected with the member or co-opted member, being subject to violence or intimidation.

⁶ In relation to the Business Board you should also notify the Business Board Chief Executive and Accountable Body's S151 Officer

Chapter 15 - Member Code of Conduct

Part 2 – Interests

1. Disclosable Pecuniary Interests

1.1. Disclosable pecuniary interests are specified in the table below:

	Subject	Prescribed description
<u>1.</u>	Employment, office, trade, profession or vocation	<p>Any employment, office, <u>business</u>, trade, profession or vocation carried on for profit or gain</p> <p><u>For the business board this should include any remunerated public sector roles such as councillors.</u></p>
<u>2.</u>	Sponsorship	<p>Any payment or provision of any other financial benefit (other than from Combined Authority/<u>Business Board</u>) <u>which is paid as a result of for any expenses incurred by you in</u> carrying out your duties as a Member, or towards your election expenses.</p> <p>This includes any payment or financial benefit from a trade union within the meaning of the Trade Union and Labour Relations (Consolidation) Act 1992.</p>
<u>3.</u>	Contracts	<p>Any contract with the Combined Authority/<u>Business Board</u>:</p> <p>(a) (a) for under which goods, <u>works</u> or services are to be provided or works are to be executed; and (b) (a) <u>(b) (b)</u> which has not been fully discharged</p> <p>This includes a contract between the Combined Authority/<u>Business Board</u> and any <u>organisation body</u> in which you, or a person specified in paragraph 1.2 below, has a beneficial interest.</p> <p><u>For Business Board Members only</u> <u>Your declaration should include any contracts by any organisation named in 1 above.</u></p>

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		<u>Any contract for goods, works or services entered into by any organisation named at 1. where either party is likely to have a commercial interest in the outcome of business being decided by the Business Board</u>
<u>4.</u>	Land	<p><u>Any beneficial interest in land which is within the area of combined authority.</u></p> <p><u>For Business Board Members only</u> Any beneficial interest <u>you or any organisation listed in 1 may have</u> in land <u>or property</u> which is within the <u>Combined Authority's Business Board</u> area <u>which is likely to be affected by a decision made by the Business Board.</u></p>
<u>5.</u>	Licences	Any licence (alone or jointly with others) to occupy land in the Combined Authority's <u>area (or Business Board's area for Business Board Members)</u> for a month or longer.
<u>6.</u>	Corporate Tenancies	<p>Any tenancy where (to your knowledge):</p> <p>(a) the landlord is the Combined Authority <u>or Business Board</u>; and</p> <p>(b) the tenant is a body in which you, or a person listed in paragraph 1.2 below, has a beneficial interest</p>
<u>7.</u>	Securities	<p>Any beneficial interest in securities of <u>a n organisation under 1-body</u> where:</p> <p>(a) that body (to your knowledge) has a place of business or land in the Combined Authority's area <u>(or Business Board's area for Business Board Members)</u>; and</p> <p>(b) either:</p>

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		<p>(i) the total nominal value of the securities exceeds £25,000 or one hundredth of the total issued share capital of that body; or</p> <p>(ii) if the share capital of that body is of more than one class, the total nominal value of the shares of any one class in which the person in paragraph 1.2 (below) has a beneficial interest exceeds one hundredth of the total issued share capital of that class.</p>
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1.2. You must declare an interest if:

It is your interest, or

It is an interest of:

- (i) your spouse or civil partner;
- (ii) a person with whom you are living as husband and wife, or
- (iii) a person with whom you are living as if you were civil partners

and you are aware that that other person has the interest.

2. Other Disclosable Interests

2.1. You must declare the interests of any person from whom you have received a gift or hospitality with an estimated value of at least ~~£50~~£100.

2.2. You should not act or take decisions in order to gain financial or other material benefits for yourself, your family, or your friends. You must declare and resolve any interests and relationships.

3. Registration of Disclosable Pecuniary Interests and Other Interests

3.1. Subject to paragraph ~~0 below~~4.20 below (sensitive interests), you must, within 28 days of:

(a) this Code being adopted or applied by the Combined Authority/Business Board; or

(b) your election or appointment (where that is later)

Chapter 15 - Member Code of Conduct

notify the Monitoring Officer⁷ in writing of any disclosable pecuniary interests and other interests you have at that time.

- 3.2. Subject to paragraph 4.2 (sensitive interests) you must, within 28 days of becoming aware of any new disclosable pecuniary or other interest or any change to any such interest, notify the Monitoring Officer⁸ in writing of that new pecuniary interest or change.

4. Disclosable Pecuniary Interests in matters considered at meetings or by a Single Member

- 4.1. If you attend a meeting and are aware that you have a disclosable pecuniary interest in any matter to be considered at that meeting:

(a) if the interest is not entered in the register of members' interests you must disclose to the meeting the fact that you have a disclosable pecuniary or other interest in that matter;

(b) if you have not already done so, you must notify the Monitoring Officer⁹ of the interest before the end of 28 days beginning with the date of the disclosure; and

(c) whether the interest is registered or not you must not unless you have obtained a dispensation from the Monitoring Officer to participate, or participate further, in any discussion of the matter at the meeting

(d) whether the interest is registered or not you must not, unless you have obtained a dispensation from the Audit and Governance Committee participate in any vote, or further vote, taken on the matter at the meeting.

Sensitive Interests

- 4.2. Where you consider (and the Monitoring Officer agrees) that the nature of a disclosable pecuniary or other interest is such that disclosure of the details of the interest could lead to you, or a person connected with you, being subject to

⁷ In relation to the Business Board you should also notify the Business Board Chief Executive and Accountable Body's S151 Officer

⁸ As above

⁹ As above

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intimidation or violence, it is a “sensitive interest” for the purposes of the Code and the details of the sensitive interest do not need **to be disclosed to a** meeting, although the fact that you have a sensitive interest must be disclosed.

Part 3 – Related Documents

1.1 The following documents also provide guidance on the Standards of Conduct expected of Members and can assist in the interpretation of this Code of Conduct. These documents can be found in the Combined Authority’s Constitution.

(a) The Audit and Governance Committee Rules of Procedure set out the arrangements for dealing with an alleged breach of this Code.

~~1.1.1 The procedures under which registration and declaration of interests, gifts and hospitality are to be made are set out in the Gifts and Hospitality Policy.~~

Chapter 15 - Member Code of Conduct

Part 3 - Complaints Against Members of the Combined Authority

1. Introduction

- 1.1 The Combined Authority has adopted a Member Code of Conduct which applies to:
- (a) all members of the combined authority, and co-opted members
 - (b) all members of its committees or sub-committees.
- 1.2 The code sets out how members will conduct themselves when carrying out combined authority business. All members must adhere to the code.

2. Making a complaint

- 2.1 A complainant alleging a failure to comply with the Code should submit their complaint in writing to the Legal Counsel and Monitoring Officer for initial assessment
- 2.2 The complaint must set out:
- 2.2.1 who was involved
 - 2.2.2 the alleged misconduct
 - 2.2.3 when and where it occurred; and
 - 2.2.4 how the complainant wants the complaint resolved.
 - 2.2.5 the name and a contact address or email address of the complainant.
- 2.3 The complainant should complete a complaints form available from the Combined Authority's website. Complaints can be made in writing without completing the form, but if information is missing, the complainant might be asked to resubmit the complaint by completing a form.
- 2.4 The Combined Authority does not normally investigate anonymous complaints, unless there is a clear public interest in doing so¹⁰.

¹⁰ The Monitoring Officer has to balance the rights of the member to understand who is making a complaint against them, against the rights of the person making the complaint. The person making the complaint will have to provide reasons why their name ought to remain confidential. If the Monitoring Officer does not consider those reasons justify anonymity, the complainant will be given the opportunity to withdraw the complaint if they do not wish to proceed without anonymity.

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2.5 Any person making a complaint who would like to keep their name and address confidential can indicate this on the complaint form. Where a person has asked for confidentiality the Monitoring Officer will not disclose their name and address to the member complained about without prior consent.

2.6 Even where anonymity is agreed at the outset of the complaint it may not always be possible to bring the matter to hearing without the complainant agreeing to give evidence at the hearing.

3. Stage 1 - Initial Assessment of Complaints Received

3.1 The Monitoring Officer will:

3.1.1 acknowledge the complaint within 5 working days of receiving it.

3.1.2 notify a member about any complaint against them.

3.1.3 undertake an initial assessment of the complaint to determine whether the complaint should be investigated.

3.2 Where a complaint may relate to a member in their capacity as a Member of a constituent council, the Monitoring Officer will consult with the Monitoring Officer of the relevant council.

3.23.3 Any complaints about the Police and Crime Commissioner or his/her substitute will be referred to the Police and Crime Panel.

3.33.4 The Monitoring Officer may decide to consult the Independent Person.¹¹

3.43.5 The Monitoring Officer will decide the complaint should be dealt with under stage 2 of the procedure – informal resolution. (Stage 2) or whether to proceed to a matter for formal investigation (Stage 3). The Monitoring Officer will have regard to a range of factors including:

3.4.13.5.1 Whether there is sufficient information upon which to base a decision

3.4.23.5.2 How serious the alleged action is

¹¹ The Independent Person is appointed by the Combined Authority to provide an impartial and independent opinion regarding the conduct of the member. The Independent Person is not an elected member of a constituent council or the Combined Authority.

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- ~~3.4.3~~3.5.3 Is the complaint politically motivated, vexatious or tit for tat;
- ~~3.4.4~~3.5.4 Has there been any delay between the action complained of and the complaint;
- ~~3.4.5~~3.5.5 Do the allegations relate to actions occurring whilst the subject member was acting in their official capacity;
- ~~3.4.6~~3.5.6 The opinion of the elected member regarding the complaint

~~3.5~~3.6 The initial assessment will normally be completed within 28 days of receiving the complaint and the person making the complaint and the member will be informed, in writing, of the outcome.

~~3.6~~3.7 Unless exceptional circumstances exist, the Monitoring Officer will always inform the member of the receipt and nature of the complaint and invite their comments.

~~3.7~~3.8 Where the Monitoring Officer requires additional information to come to a decision, they may refer back to the person making the complaint or ask the member against whom the complaint is directed.

~~3.8~~3.9 If the complaint identifies criminal conduct or breach of other regulation by any person, the Monitoring Officer is authorised to refer the complaint to the Police and other regulatory agencies.

4. Stage 2 - Informal Resolution

4.1 In appropriate cases, the Monitoring Officer may seek to resolve the complaint informally, without the need for a formal investigation. Informal resolution may include:

- 4.1.1 An **explanation** by the member of the circumstances surrounding the complain
- 4.1.2 An **apology** from the member
- 4.1.3 An agreement from the member to attend relevant **training** or take part in a **mentoring** process
- 4.1.4 An offer of **mediation or conciliation** between the member and the complainant; or
- 4.1.5 **Any other action** capable of resolving the complaint.

5. Stage 3 - Formal Investigation

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- 5.1 If the Monitoring Officer and Independent Person decide that a complaint merits formal investigation, they will appoint an Investigating Officer. This could be another officer of the authority, or of another authority or an external investigator. The decision regarding the appointment will depend upon a variety of factors including staff capacity and nature of the complaint.
- 5.2 The investigating officer will decide to whom they need to speak. It is likely that they will begin the investigation by speaking to the person making the complaint and to gather any documents the investigating officer needs to see. This will also help the investigating officer to decide whom they need to interview.
- 5.3 The investigating officer would normally
- (a) write to the member complained of
 - (b) provide them with a copy of the complaint,
 - (c) ask the member to provide their explanation of events,
 - (d) identify what documents they need to see and
 - (e) make a list of interviewees
- 5.4 In exceptional cases, where disclosure of the details of the complaint to the member might prejudice the investigation, the investigating officer may delay notifying the member until the investigation has progressed sufficiently.
- 5.5 At the end of the investigation, the investigating officer will produce a draft report and will send copies of that draft report, in confidence, to the person making the complaint and to the member concerned, giving both an opportunity to identify any matter in that draft report which they disagree with or which they consider requires more investigation.
- 5.6 Having received and taken account of any comments which may be made on the draft report, the investigating officer will send the final report to the Monitoring Officer. The Combined Authority aims to conclude the investigation stage within 3 months of a complaint being received.
- 5.7 The Monitoring Officer will, in consultation with the independent person, review the investigating officer's report
- 5.8 If the investigating officer concludes that there is evidence of a failure to comply with the Code of Conduct, the Monitoring Officer in consultation with the Independent Person will either:
- (a) seek an local resolution or

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- (b) send the matter for local hearing before the Hearings Panel

6. Local Resolution

- 6.1 The Monitoring Officer may consider that the matter can be resolved without the need for a hearing. Such resolution may include the member accepting that their conduct was unacceptable and offering an apology, and/or other remedial action agreed. If the member complies with the suggested resolution, the Monitoring Officer will report the matter to the authority's Audit and Governance Committee for information, but will take no further action.

7. Local Hearing

- 7.1 The Monitoring Officer will report the Investigating Officer's report to the Hearings Panel of the Audit and Governance Committee, which will conduct a local hearing to decide whether the member has failed to comply with the Code of Conduct and, if so, whether to take any action in respect of the member.
- 7.2 The Hearings Panel is a Sub-Committee of the Combined Authority's Audit and Governance Committee and will consist of three members of the Committee.
- 7.3 The Monitoring Officer will conduct a "pre-hearing process", asking the member to give their response to the Investigating Officer's report. This will identify what is likely to be agreed and what is likely to be in contention at the hearing. The Chairperson of the Hearings Panel may decide, in consultation with the Monitoring Officer to give instructions about the way in which the hearing will be conducted.
- 7.4 At the hearing, the Investigating Officer will present their report, call such witnesses as they consider necessary, and make representations to substantiate their conclusion that the member has failed to comply with the Code of Conduct. For this purpose, the Investigating Officer may ask the complainant to attend and give evidence to the Hearings Panel.
- 7.5 The member will then have an opportunity to give their evidence, to call witnesses and to make representations to the Hearings Panel as to why they consider that they did not fail to comply with the Code of Conduct.
- 7.6 The Hearings Panel, with the benefit of any advice from the Independent Person, may conclude that the member did not fail to comply with the Code of Conduct, and so dismiss the complaint.

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- 7.7 Alternatively, if the Hearings Panel finds that the member did fail to comply with the Code of Conduct, the Chairperson will inform the member of this finding and the Hearings Panel will then consider what action, if any, the Hearings Panel should take as a result of the member's failure to comply with the Code of Conduct. In doing this, the Hearings Panel will give the member an opportunity to make representations to the Panel and will consult the Independent Person.

8. Actions Hearings Panel can take for failure to comply with the Code

- 8.1 The Combined Authority has delegated to the Hearings Panel such of its powers to take action in respect of individual members as may be necessary to promote and maintain high standards of conduct. Accordingly the Hearings Panel may:
- (a) Publish its findings in respect of the member's conduct;
 - (b) Report its findings to Combined Authority for information;
 - (c) Recommend to the Constituent Council or to the Combined Authority that they be removed from any or all Committees or Sub-Committees of the Combined Authority;
 - (d) Recommend to the Mayor that the member be removed from particular Portfolio responsibilities;
 - (e) Recommend to the Combined Authority to remove the member from any or all outside appointments to which they have been appointed or nominated by the authority;
 - (f) Recommend to Combined Authority that it restricts the member from contacting specified Combined Authority's officers.
- 8.2 The Hearings Panel has no power to suspend or disqualify the member or to withdraw members' allowances.
- 8.3 At the end of the hearing, the Chairperson will state the decision of the Hearings Panel as to whether the member failed to comply with the Code of Conduct and set out any actions which the Hearings Panel resolves to take.
- 8.4 The Monitoring Officer will prepare a formal decision notice in consultation with the Chairperson of the Hearings Panel, and send a copy to the person making the complaint, to the member, and make the decision notice available for public inspection. If appropriate the Monitoring Officer will report the outcome of the hearing to the next Combined Authority meeting.

9. Independent Person

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- 9.1 The Independent Person is invited to attend all meetings of the Hearings Panel and their views are sought before the Hearings Panel takes any decision on whether the member's conduct constitutes a failure to comply with the Code of Conduct and determines any action to be taken following a finding of failure to comply with the Code of Conduct.
- 9.2 The Independent Person is a person appointed by a positive vote from a majority of all the members of Combined Authority. A person cannot be "independent" if they –
- (a) are, or have been within the past 5 years, a member, co-opted member or officer of the combined authority, constituent council or any parish council within the Combined Authority area;
 - (b) are a relative or close friend, of a person within paragraph a above. For this purpose, "relative" means –
 - i) Spouse or civil partner;
 - ii) Living with the other person as husband and wife or as if they were civil partners;
 - iii) Grandparent of the other person;
 - iv) A lineal descendent of a grandparent of the other person;
 - v) A parent, sibling or child of a person within paragraphs i or ii;
 - vi) A spouse or civil partner of a person within paragraphs iii, iv or v; or vii. Living with a person within paragraphs iii, iv or v as husband and wife
 - vii) or as if they were civil partners.

10. Revision of these arrangements

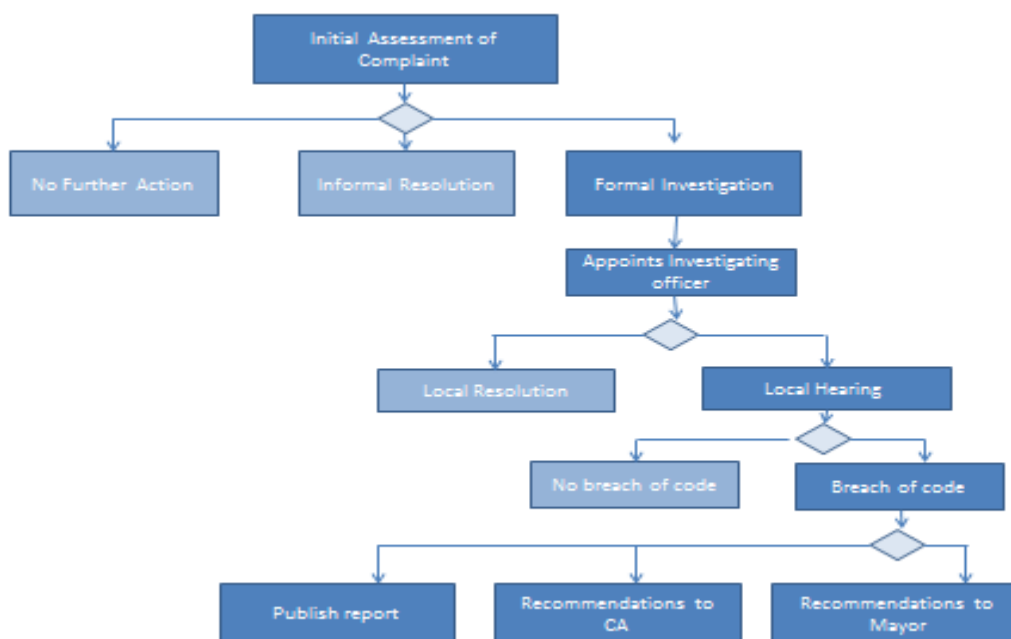
- 10.1 The Combined Authority may by resolution agree to amend these arrangements, and has delegated to the Chairperson of the Hearings Panel the right to depart from these arrangements where they consider it is expedient to do so to secure the effective and fair consideration of any matter.

11. Appeals

- 11.1 There is no right of appeal for a complainant or for the member against a decision of the Monitoring Officer or of the Hearings Panel.
- 11.2 If a complainant feels that the authority has failed to deal with their complaint properly, they may make a complaint to the Local Government Ombudsman.



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Appendix 1 - Portfolio Holders

Appendix 1 - Portfolio Holders

Portfolio	Key Responsibilities	Portfolio Holder
Mayor	<p>Chair of Combined Authority</p> <p>Public sector reform</p> <p>Leadership of the Combined Authority</p> <p>Appointing Portfolios</p> <p>Engagement with Government Ministers and Departments</p> <p>Overarching responsibility for developing and implementing the strategic direction of the Combined Authority</p> <p>Effective governance of the Combined Authority, including transparency and openness</p> <p>Ambassador for Cambridgeshire and Peterborough to secure inward investment</p> <p>Future devolution deals including securing new powers and associated budget responsibilities for the Combined Authority</p>	James Palmer
Deputy Mayor (statutory) & Portfolio Holder for Industrial Strategy	<p>Responsible for the development of the Local Industrial Strategy and the Independent Economic Commission</p> <p>Relations with the business community, industry and enterprise including the Business Board GCGP-LEP</p> <p>Promoting local business sectors including life sciences and pharmaceuticals, science, innovation and research, agri-tech and the digital and tech sector</p>	Cllr Charles Roberts

Appendix 1 - Portfolio Holders

Portfolio	Key Responsibilities	Portfolio Holder
	<p>Developing value propositions to enable inward investment</p> <p>Place-based growth strategies including Market Towns and Core Cities</p> <p>Enterprise zones</p> <p>Impact of Brexit</p>	
Deputy Mayor (constitutional) & Portfolio Holder for Employment & Skills	<p>Skills Strategy</p> <p>Peterborough University</p> <p>Apprenticeships</p> <p>Centre for Skills</p> <p>Adult Education and the Devolution of the Adult Education Budget</p> <p>Education Committee and coordination lead with Regional Schools Commissioner</p> <p>Coordination with DWP and the Work & Health Programme</p> <p>Innovation Fund</p> <p>16+ Area Review outcomes</p>	Cllr John Holdich
Rural Areas, Culture, Parks and Open Spaces	<p>Rural ambassador and rural affairs</p> <p>Tourism</p> <p>Culture</p> <p>Creative industries</p> <p>Open spaces and amenity</p>	Cllr Graham Bull

Appendix 1 - Portfolio Holders

Portfolio	Key Responsibilities	Portfolio Holder
	<p>Social action and the voluntary, community and social enterprise sector</p> <p>Wellbeing and Public Health</p> <p>Developing the Communications strategy</p> <p>Security and strength of mobile signal</p>	
Transport and Infrastructure	<p>Local Transport Plan</p> <p>Sustainable transport</p> <p>Bus strategy</p> <p>Major transport and connectivity programmes</p> <p>Road network and infrastructure, including development of a key route network</p> <p>Rail infrastructure</p> <p>Key transport partnerships including Network Rail and private sector transport providers</p> <p>Digital infrastructure</p>	
Fiscal Strategy	<p>Strategic fiscal planning</p> <p>Investment strategy</p> <p>Budget setting and monitoring</p> <p>Audit Committee</p> <p>Financial planning and treasury management</p> <p>Investment management</p> <p>Facilitating inward investment</p>	Cllr Steve Count



Appendix 1 - Portfolio Holders

Portfolio	Key Responsibilities	Portfolio Holder
	Audit and financial governance Assurance Framework and Monitoring and Evaluation Framework	
New Homes and Communities	Housing Strategy Major Housing Schemes – Including the Housing Investment Fund Affordable housing programmes Strategic relationship with housing providers, developers and builders Housing to support Independent Living Offsite manufacturing project Sustainable communities	Mayor
Strategic Planning	Non-statutory spatial plan Chair of Land Commission - supply of public sector land Supporting disadvantaged communities and individuals to benefit from growth and prosperity Strategic relationships with utility providers Energy and Clean Growth Security of energy supply Renewable energy	Cllr Lewis Herbert

Appendix 2 – Working Groups

Appendix 2 – Working Groups

Investment Working Group

1. Purpose of the Working Group

- 1.1 The Investment Working Group has an advisory and developmental role. Specifically the Group will assess investment opportunities for recommendation to the Combined Authority Board.
- 1.2 The Working Group will consider the area's future needs for infrastructure investment and help to maintain Cambridgeshire and Peterborough's competitiveness in the UK and across the world. It will take its lead from the Fiscal Strategy and work within the Single Investment Pot in addition to developing opportunities to lever private investment into the area.
- 1.3 The Working Group will assist to develop schemes that enable housing, economic growth, skills, transport and digital connectivity.
- 1.4 The Working Group will provide guidance to the Combined Authority Board and to Central Government on the implementation of the Assurance Framework arrangements.

2. Membership

2.1. The membership of the Investment Working Group will comprise:

- (a) Deputy Mayor – Statutory (Chair) – Cllr Howe
- (b) Fiscal Portfolio Holder (Vice Chair) – Cllr Count
- (c) Transport and Infrastructure Portfolio Holder – Cllr Roberts
- (d) Chair of the Local Enterprise Partnership
- (e) Chief Executive
- (f) Chief Finance Officer

Appendix 2 – Working Groups

~~2.2. It may invite independent advisors such as financial and legal professionals and those with specialist expertise in matters relating to the programmes to be delivered, as it considers appropriate.~~

~~2.3. The Investment Working Group will not be a decision making body. It will form a series of recommendations for resolution by the Combined Authority Board who retain all decision making powers.~~

~~3. Responsibilities~~

~~3.1. The Investment Working Group will assist the Combined Authority to:~~

~~3.1.1. Develop a prioritisation framework to assess the strengths of respective infrastructure programmes, including any interdependencies for approval by the Combined Authority Board;~~

~~3.1.2. Referring to the portfolio strategies approved by the Combined Authority Board and the Investment Fund, identify proposals for an Investment Plan for approval by the Combined Authority Board;~~

~~3.1.3. Engage with private investors to assess the type and nature of private sector investment available to Cambridgeshire and Peterborough and how this might be used to further strengthen and accelerate programmes;~~

~~3.1.4. Assess the robustness of the outline business cases that have been developed and the deliverability of the proposed schemes. Where appropriate it will seek further analysis and evidence before making recommendations to the Combined Authority Board about the strengths and viability of any programme, project or scheme.~~

~~3.1.5. Keep under review the Assurance Framework and Prioritisation Framework to ensure that they continue to be relevant, appropriate and fit for purpose and present its findings and recommendations to the Combined Authority Board for decision.~~

~~3.1.6. To consider referral of any matters from the Delivery Working Group within the agreed terms of references.~~

~~4. Governance~~

~~4.1. The Investment Working Group will meet as required.~~

~~4.2. The Investment Working Group has a limited remit and can only operate parameters or tolerances agreed by the Combined Authority Board.~~

Appendix 2 – Working Groups

~~4.3. Any matter that falls outside of the approved parameters/ tolerances of the project (i.e. that fall outside of the approved detailed business case) must be referred to the Combined Authority Board for decision.~~

~~4.4. The Assurance Framework will provide the Investment Working Group with guidance and clarity on the agreed systems, processes and protocols.~~

~~5. Review~~

~~5.1. These terms of reference will be reviewed for relevance and to ensure they are fit for purpose, on an annual basis.~~

Appendix 2 – Working Groups

Delivery Working Group

2 — Purpose of the Working Group —

- 1.1 The Delivery Working Group will oversee the implementation of an approved Cambridgeshire and Peterborough investment programme and its component projects or schemes, which may be cross-cutting or have interdependencies.
- 1.2 It is accountable to the Combined Authority Board for the successful implementation and the achievement of the desired targets and outcomes of any approved projects.
- 1.3 It will provide assurance to the Combined Authority Board that the monitoring and evaluation arrangements for each of the commissioned projects is being adhered to.
- 1.4 Projects may include schemes that enable housing, economic growth, skills and employment, transport and digital connectivity.

3 — Membership

- 3.1 The membership of the Delivery Working Group will be four Members and the Chief Executive comprising:
 - (a) Deputy Mayor — Cllr Holdich — Chair
 - (b) New Homes and Communities Portfolio Holder — Cllr Topping — Vice Chair
 - (c) Employment and Skills Portfolio Holder — Cllr Clark
 - (d) Transport and Infrastructure Portfolio Holder — Cllr Roberts
 - (e) Chief Executive
- 3.2 It will invite independent advisors such as financial and legal professionals and those with specialist expertise in matters relating to the programmes to be delivered, as it considers appropriate.
- 3.3 The Delivery Working Group will not have decision-making powers and it will ensure that all projects are delivered within agreed tolerances set out in the approved business case agreed by the Combined Authority Board. It will refer initially to the Investment Working Group on financial matters and it will make

Appendix 2 – Working Groups

~~recommendations for consideration by the Combined Authority Board where tolerances are not being met.~~

4—Responsibilities

~~4.1 Following approval of projects by the Cambridgeshire and Peterborough Combined Authority Board, the Delivery Working Group will:~~

- ~~(a) Make proposals for the development of the overall strategic programme and delivery plan to the Board;~~
- ~~(b) Assist the Combined Authority by overseeing the delivery of agreed portfolios of investment programmes and individual projects;~~
- ~~(c) Develop proposals to the contractual relationships with delivery organisations or vehicles, to approval by the Board ensuring that they are aware of performance requirements against the agreed specification and that outcomes are delivered and report to the Combined Authority Board where these are not met and any corrective action needed in;~~
- ~~(d) Provide strong leadership across the delivery of the programme, ensuring alignment with the Combined Authority's priorities and frameworks;~~
- ~~(e) Develop for approval by the Board, a robust Performance Management Framework that aligns with the agreed Monitoring and Evaluation Framework and which ensures that baseline data is collected across the range of projects to inform the measurement of short, medium and longer term outcomes;~~
- ~~(f) Oversee the performance of each Portfolio of projects against this framework and the agreed targets, providing challenge and reporting on overall delivery progress to the Combined Authority Board;~~
- ~~(g) Assist with developing partnerships with public and private sector partners to deliver the agreed programme;~~
- ~~(h) Ensure consistency across projects in terms of the approach, delivery and reporting;~~
- ~~(i) Identify strategic issues and risks, implementing solutions as needed. To refer to the Investment Working Group and the Combined Authority Board where the risk or issue requires their attention;~~
- ~~(j) Similarly, informally resolve operational conflict escalated by the Delivery Director or Portfolio Holder, referring to the Combined Authority Board as needed;~~
- ~~(k) Provide guidance, to the Portfolio Holder and the individual parties that are commissioned to deliver programmes and projects;~~

Appendix 2 – Working Groups

- (l) — Ensure that the identified benefits of the programme or project are captured effectively in order to help demonstrate value for money and improved outcomes;
- (m) — Ensure that lessons learned are captured and shared across the delivery programme to improve the implementation of future projects;
- (n) — Recommend at an appropriate point, the closure of a project to the Investment Working Group, and to the Board for final decision;
- (o) — Undertake an annual refresh of the Monitoring and Evaluation Framework and the Programme Management Framework, recommending any required changes to the Combined Authority Board for approval;
- (p) — Hold regular Delivery Working Group meetings, with any recommendations being escalated to the Combined Authority Board for decision.

5 — Governance

- 4.1 — The Delivery Working Group will meet at regular intervals and will report progress to the Combined Authority Board through the Chair of the Working Group, or by a report where decisions are required.
- 4.2 — The Delivery Working Group can only operate within the agreed parameters or tolerances of the individual project's business case as agreed by the Combined Authority Board, and relevant Contract Standing Orders.
- 4.3 — Any matters that fall outside of the approved parameters/ tolerances of the project (i.e. that fall outside of the approved detailed business case) require a Combined Authority Board decision.
- 4.4 — Recommendations made at the Delivery Working Group that are within the agreed parameters of the project will be minuted and Members of the Working Group will deliver the implementation of those recommendations.
- 4.5 — The Assurance Framework will provide the Delivery Working Group with guidance and clarity on the agreed systems, processes and protocols.

6 — Review

- 5.1 — These terms of reference will be reviewed for relevance and to ensure they are fit for purpose, on an annual basis.

Appendix 2 – Working Groups

Cambridgeshire and Peterborough Land Commission

1. Purpose of the Working Group

- 1.1. To bring forward the supply of land for development to meet Cambridgeshire and Peterborough's growth needs
- 1.2. Develop a comprehensive database of available land across Cambridgeshire and Peterborough, focussing first on public land
- 1.3. Identify barriers to the disposal and development of key strategic sites
- 1.4. Take account of existing analysis and plans across the area
- 1.5. Work with partners and authorities to develop solutions and make recommendations to the CPCA Board to overcome those barriers
- 1.6. Where appropriate make recommendations to the Mayor, Combined Authority, and Government to ensure development opportunities are brought forward in line with the needs and ambitions of Cambridgeshire and Peterborough
- 1.7. The Land Commission will work alongside and complement the ongoing One Public Estate programme – recognising that partners have already developed much work and established networks that will be valuable resources for the work of the Land Commission. For example, a “mapping of the public realm” has already taken place and will be the starting point for the work of the Land Commission. However, the One Public Estate programme in our area has not to date taken on a strategic role in assessing and overcoming what factors are holding back the supply of land for development – and therefore the Land Commission will act as a catalyst for Cambridgeshire and Peterborough to use established networks to take a fresh and strategic approach to land supply.

2. Membership

- 2.1. The proposed membership of the Land Commission Board is:
 - (a) Combined Authority Portfolio Holder for Spatial Planning (Chair)
 - (b) Combined Authority Portfolio Holder for New Homes and Communities
 - (c) Combined Authority Fiscal Portfolio Holder
 - (d) Cambridgeshire County Council representative
 - (e) Senior Government Representative –DCLG

Appendix 2 – Working Groups

- (f) NHS/Health Representative – TBC
- (g) Homes England Representative - TBC
- (h) Private / Industry Sector Expert(s) –Director and Head of National Strategic Development, Savills
- (i) Chair of the One Public Estate Board
- (j) Combined Authority Lead Officer –

3. Responsibilities

- 3.1. Land Commission in the first 18 months of its existence is tasked with undertaking three key aims:
 - (a) Identify specific barriers that are holding back the supply of private and public land for key strategic development sites in Local Plans, and work with partners to bring forward recommendations to overcome these (this is anticipated to include sites where complex multiple ownership dimensions exist, and land assembly solutions are needed to bring forward development)
 - (b) Develop a register of publicly owned land across the area to ensure the long-term supply of land for future development needs
 - (c) Identify any common factors that are holding back the supply of land for development across the geography, and work with partners to bring forward recommendations to overcome these

4. Governance

- 4.1. The Land Commission will not be a decision-making body. Its purpose is to identify solutions and make recommendations to the Combined Authority Board for the implementation of solutions.

Appendix 3 – Co-opted Members

Appendix 3 – Co-opted Members

The Co-opted Members appointed to the Board include:

- (a) The Police and Crime Commissioner for Cambridgeshire;
- (b) Cambridgeshire and Peterborough Fire Authority representative;
- (c) Clinical Commissioning Group representative.

Appendix 4 - Independent Economic Commission:

1. Terms of Reference

1.1 The Cambridgeshire and Peterborough Independent Economic Commission (IEC) will:

- (a) develop an authoritative evidence base on the economic performance and potential of Cambridgeshire and Peterborough and its component parts that commands attention at the highest levels of Government;
- (b) reframe thinking about devolution within the UK policy debate –exploring the potential for devolution to unlock growth and improve social outcomes in multi-centred economies as well as in England’s core and key cities;
- (c) provide impartial advice and guidance, on an ongoing basis, on the performance and growth of the Cambridgeshire and Peterborough economy;
- (d) inform choices on policy priorities and strategic investment that are made locally, at the Cambridgeshire and Peterborough level, at national level and at European level; and
- (e) foster a common understanding of the future development of Cambridgeshire and Peterborough’s economy and the long term drivers for change across local partners, and Whitehall and Ministers.

1.2 The IEC will provide a robust and independent assessment of the Cambridgeshire and Peterborough economy and its potential for growth. This will provide the evidence base on which Cambridgeshire and Peterborough partners, and partners at national level, can continue to build a collaborative approach to growth and devolution. As part of its early work, the panel will carry out and publish a detailed review that will include:

- (a) a full economic baseline study;
- (b) economic forecasting to determine the potential impact of various scenarios over the next ten years and how the Cambridgeshire and Peterborough economy could respond to these;

Appendix 4 – Independent Economic Commission

- (c) an assessment of whether the Cambridgeshire and Peterborough economy is fit for purpose and its future economic potential;
- (d) analysis of how partners' investment in key drivers of growth (e.g. key towns, key sectors, key infrastructure) across Cambridgeshire and Peterborough could maximise long-term returns for all areas; and
- (e) an analysis of the impact that the devolution of key economic powers and levers could have on economic output and productivity.
- (f) The Commission's terms of reference will include health and social care workforce issues;

1.3 The Commissioners will:

- (a) undertake (and commission as required) high quality research into the performance and opportunities of the Cambridgeshire and Peterborough economy, acquiring and developing data as necessary to build on existing national and local sources;
- (b) engage with local public and private sector stakeholders to build a thorough understanding of the local economic environment and to learn from previous work carried out by partners;
- (c) be an independent body, which will provide ongoing advice to the Combined Authority and issue specific reports at times to be agreed; and
- (d) receive the support of an independent secretariat.

2. Independent Economic Review: Terms of Reference

Baseline Questions

- 2.1. The Independent Economic Review (IER) will answer a set of Baseline Questions (BQs) using secondary material to hand and other such primary research (such as the Strategic Economic Plan evidence base and expert interviews) as are appropriate. One of the first tasks of the Technical Advisory Board will be to review the following list of questions and to modify, extend or otherwise edit them:

Appendix 4 – Independent Economic Commission

1. How does Cambridgeshire and Peterborough achieve continued prosperity and high growth rates?
2. How equitable is growth across the whole of Cambridgeshire and Peterborough and what strategies should be adopted in future to address this issue?
3. How should Cambridgeshire and Peterborough describe its uniqueness or brand to attract further investment from Government and the private sector?
4. What will be the key industry sectors for Cambridgeshire and Peterborough in the next 5 and 10 years, what is need to support these sectors?
5. What are Cambridgeshire and Peterborough's regional, national and international links?
6. How important is Cambridgeshire and Peterborough for the regional and national economy?
7. How far can economic activity that occurs in Cambridgeshire and Peterborough be shown to be net additional to the UK economy, rather than just displacement?
8. Is Cambridgeshire and Peterborough achieving its full growth potential, and if not what factors are preventing this?
9. Do other growing cities like Cambridge and Peterborough share common characteristics, problems and infrastructure requirements and what can we learn from them?
10. What types of infrastructure investment would best enable Cambridgeshire to achieve its full growth potential and contribute to regional and national economic growth?
11. Are there key areas of investment and projects which should be undertaken?
12. Are there any policy and planning recommendations which arise from the answers to these questions?

Outputs

Appendix 4 – Independent Economic Commission

2.2. The outputs of the IER will be:

1. A report to the Combined Authority Board
2. Presentations summarising the work and its implications
3. Workshops and seminars to explain the work and its implications
4. Conference and media appearances and press interviews
5. Publication on the Combined Authority and other web sites

Appendix 5 – Business Board

Part 1 – Functions and Membership

6. Governance

- 1.2. The Business Board is a non-statutory body which is the Local Enterprise Partnership for its area.
- 1.3. It is independent of the Combined Authority operating as a private-public sector partnership, focusing on the key business sectors to provide strategic leadership and drive growth in the Cambridgeshire and Peterborough and wider Local Enterprise area.
- 1.4. Between 1 April and September 2018 the Business Board will recruit and appoint its membership and appoint a private sector Chair.

7. Functions

- 7.1. Local Enterprise Partnerships have a vital leadership role to play, and are responsible for developing and maintaining the Strategic Economic Plan, which should provide the basis for investment decisions for the accountable decision-making authority. Local Enterprise Partnerships already fulfil an integral role in allocating Local Growth Fund spend, which HM Government expects to continue for future awards, alongside their continued responsibility for delivery of existing projects.
- 7.2. The Business Board will be the custodians of the Local Industrial Strategy and will work in accordance with those supporting strategies and plans to the Local Industrial Strategy including place based strategies and the skills strategy.
- 7.3. The Local Industrial Strategy will underpin the development of a single framework of policies which frame the decision making of the Combined Authority and the Business Board, such as the Skills Strategy, the Housing Strategy and the Assurance Framework.
- 7.4. In accordance with the Single Pot Assurance Framework National Guidance, the Business Board and the Combined Authority Board as the accountable decision making body will work to agree a single local assurance framework,

Appendix 54 – ~~Business Board~~Independent Economic Commission

and submit it to DCLG for approval. The Assurance Framework will be reviewed annually.

7.5. The interim terms of reference from May to September 2018 are set out in Appendix 1. The terms of reference will be agreed at the Business Board's official launch in September 2018

8. The Business Board's accountable body

8.1. Cambridgeshire and Peterborough Combined Authority ('the Combined Authority') is the accountable body for funding allocated to the Business Board; that is, the Combined Authority is responsible to Government for complying with any conditions or requirements attached to any such funding.

9. Membership

9.1. The Business Board membership is currently under consideration and is proposed as follows:

Public Sector Representatives

9.2. The Mayor and the Portfolio for Economic Growth of the Combined Authority shall be a member of the Business Board by virtue of their office. The Combined Authority may appoint at least one Substitute Member to act in their absence.

Private Sector Representatives

9.3. The private sector membership is subject to consultation with the public and private sector members of the current Combined Authority and former LEP geography. Up to eight business representatives are proposed – one member will be appointed specifically to represent the interests of the SME sector and one member will represent the education sector).

9.4. The majority of Business Board members shall be private sector representatives.

Requirements for Private Sector Representatives

9.5. The Private Sector Board members must not:

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- be a member, officer of the Combined Authority, or a County Council, Unitary Council, District tier Council within the area served by the Business Board, or otherwise employed under the direction of a local authority;
 - be a non-executive director or officer of an NHS Trust;
 - be subject to a bankruptcy restriction order or interim order;
 - be subject to a sexual risk order or be on the sexual offenders register;
 - be subject to a civil injunction or criminal behaviour order;
 - be disqualified from acting as a director, a charter trustee or charity trustee
 - within 5 years before the date of submission of application, have been a director or person of significant control of a company subject to a creditors compulsory liquidation
 - within 5 years before the date of submission of application, have been convicted of any offence and have had passed on them a sentence of imprisonment, whether suspended or not, for a period of not less than 3 months without the option of a fine
- 9.6. Members should not have made substantial personal contributions to any recognised political party, and must not serve as an officer in any recognised political party.
- 9.7. Members must live in the area served by the Business Board, and / or be employed by, or have a substantial interest (by virtue of ownership / control) in businesses in the area served by the Business Board
- 9.8. The Business Board shall appoint the **private sector representatives** to the Business Board. Each private sector representative on the Business Board is appointed in their individual capacity, and not as a representative of their employer or any other organisation. No substitute members will be appointed for private sector representatives.
- 9.9. The Business Board will select the private sector representatives in accordance with the Business Board's diversity statement and through an open, transparent and non- discriminatory competition which assesses each candidate on merit. This may include an interview process conducted by a Business Board appointments panel, to include the Business Board Chair.
- 9.10. Within the period of 28 days of the appointment being made to the Business Board, the Business Board shall publish a notice on its website which:
- (a) states that it has made an appointment;

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(b) identifies each Business Board member who has been appointed and any Substitute Members; and

(c) specifies the term of office of those appointed.

9.11. The term of office shall be **private sector representatives** will normally be a maximum of 3 years, and subject to a maximum of three consecutive terms, unless:

(a) they cease to qualify to be a member of the Business Board;

(b) they resign from their membership and communicate this in writing to the Legal Counsel and Monitoring Officer; or

(c) the Business Board terminates the membership of any private sector representative which it may do at any time.

9.12. The term of office of **public sector** members and substitute members appointed by the Combined Authority is at their discretion; the Combined Authority Board may terminate their appointment or appoint a representative at any time, to be of effect on receipt of a notice by the Combined Authority's Legal Counsel and Monitoring Officer.

10. Chair and Vice-Chair of Business Board (From September 2018)

10.1. The Business Board will appoint a private sector representative as Chair and Vice Chair.

10.2. The Chair and Vice Chair shall be appointed following an open, transparent and non-discriminatory recruitment process which assesses each candidate on merit carried out in accordance with the Business Board's diversity statement. This will include an interview process conducted by a Business Board's appointments panel.

10.3. The terms of the appointment will be set out in an appointment letter from the Combined Authority to the Chair and Vice Chair. A person ceases to be Chair or Deputy Chair if they cease to be a Business Board member.

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10.4. The Chair will be a voting member of the Combined Authority Board. The Vice Chair will be a non- voting member of the Combined Authority Board except when substituting for the Chair

11. Working Groups

11.1. The Committee may appoint informal non-decision making working groups.

12. Code of Conduct and Register of Interests

12.1. Every Business Board member must sign and comply with the Business Board member code of conduct.

12.2. Each Business Board member must complete and keep up to date a register of interest form required under the code of conduct. The register of interest form will be published on the Combined Authority's website within 28 days from the date of the appointment.

12.3. Any declarations of interest made by a Business Board member at a meeting and any action taken, (such as leaving the room, or not taking part), will be recorded in the minutes for that meeting. The member should update their register of interest form within 7 days of the meeting if a new interest has been declared.

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

13. Scrutiny Arrangements

13.1. The Combined Authority's Overview and Scrutiny Committee may review or scrutinise. The Combined Authority's Scrutiny Officer shall ensure that this includes appropriate scrutiny of Business Board decision-making and achievements.

13.2. Any Business Board member may be asked to attend, or otherwise contribute to, a meeting of the Combined Authority's Overview and Scrutiny Committee.

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

14. Complaints and Whistleblowing

14.1. Any complaint received about the Business Board will be dealt with under either the Combined Authority and Business Board's Complaints or Confidential Complaints Policy.

14.2. Any complaint about an individual Business Board member alleging a breach of the Code of Conduct will be dealt with in accordance with paragraph 7 above.

14.3. Any whistleblowing concerns raised about the Business Board will be dealt with under the Combined Authority and Business Board's Whistleblowing Policy.

14.4. Each of these procedures or policies shall be published on the Combined Authority web-site and accessible from the Business Board's web-site.

15. Remuneration

15.1. Allowances or expenses shall be payable to any Business Board member, in accordance with a scheme approved from time to time by the Combined Authority.

16. Amendments to the Constitutional

16.1. The Business Board will recommend any proposed changes to the Constitution to the Combined Authority.

16.2. The Combined Authority's Legal Counsel and Monitoring Officer is authorised to make any changes to any constitutional or governance documents which are required:

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

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17. Publication of constitution and other governance documents

18. This constitution and other governance documents shall be published on the Combined Authority website and accessible from the Business Board website.

Part 2 – Procedure Rules

17. Meetings

- 17.1. The Business Board shall have at least two public meetings a year to include its Annual General Meeting

- 17.2. An extraordinary meeting of the Business Board may be called by:

- (a) the Chair of the Business Board; or
- (b) any two Members of the Committee;
- (c) the Chief Executive.

18. Attendance of the public at meetings

- 1.2. With the exception of 1.1 above, meetings of the Business Board shall not be open to the public unless determined otherwise by the Chair. The Business Board is an advisory board and all decisions are ratified by the Combined Authority. Combined Authority rules are open to the public in accordance with the Transparency rules in [chapter 6](#) of the Combined Authority constitution.

- 1.3. The public may have access to agenda, reports and minutes of public and private meetings except where they disclose exempt or confidential information in accordance with the Transparency rules in [chapter 6](#) of the Combined Authority constitution.

19. Quorum

- 19.1. No business is to be transacted at a meeting of the Business Board unless at least two-thirds of the total number of Members of the Board are present.

20. Voting

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- 20.1. Wherever possible, decisions of the Board will be by consensus, without the need for a vote. Where this is not possible a vote may be taken where the Chair considers it to be necessary to establish whether a consensus exists.
- 20.2. Each Member of the Business Board appointed from the Combined Authority is to have one vote and no Member (including the Chair) is to have a casting vote.
- 20.3. The vote will be by way of a show of hands and the vote of each member recorded in the minutes.
- 20.4. Any questions that are to be decided by the Business Board are to be decided by a simple majority of the Members present and voting. If a vote is tied on any matter it is deemed not to have been carried.

21. Conflicts of Interest

- 21.1. Members must comply with the Member Code of Conduct within this Constitution.

22. Decisions of the Business Board

- 22.1. The draft minutes of each meeting of the Business Board will be posted on the Combined Authority and Business Board website within 10 clear working days of the meeting taking place. The agreed minutes of each meeting will be published within 10 clear working days after approval at the subsequent meeting.
- 22.2. All decisions of the Business Board will be ratified at the next meeting of the Combined Authority Board. Where the Combined Authority does not agree with the recommendations, they will refer to matter back to the Business Board with the reasons and ask the Business Board to reconsider.

23. Forward Plan

- 23.1. The Committee will set its own work programme and its forward plan will be published in accordance with the Transparency rules in [chapter 6](#) of the Combined Authority constitution.

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Appendix 5 (Annex 1) - Terms of reference for the Business Board

Purpose of Shadow Board

The purpose of the Shadow Board will be to:

- (1) Agree the vision for the Business Board and its relationship with the Combined Authority as the Accountable Body
- (2) Prepare for the new Business Board (initially with reduced membership) to be formally constituted from 1st April 2018
- (3) Ensure an appropriate governance structure from 1 April
- (4) Begin the process to recruit to private and public sector members of the Business Board from April
- (5) Appoint a private sector chair of the new Business Board by end June 2018
- (6) To have a fully constituted Board by September 2018
- (7) By September 2018 to have contributed to the development of, and be the custodian of the Local Industrial Strategy.

Key milestones of the Shadow Board

To decide the membership, terms of reference and procedure rules of the Shadow Board.

To appoint interim private and public sector members to the Shadow Board

To decide consultation arrangements for establishing a new Business Board, to include those Leaders who are not members of the Combined Authority

Business Board

By the first meeting of the new Business Board in April to consider and make recommendations to BEIS, the Combined Authority and Councils (not on the CA Board) on the following:

- **Structure and Name**

A proposed legal structure for the new Board and the name of the new body

- **Membership**

The private and public sector membership for the new Board that

- (a) complies with the requirements of the Assurance Framework
- (b) takes account of the geographical spread of the Business Board

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- (c) The process and timetable for appointing private sector representatives,
- (d) The process and timetable for appointing public sector representatives,
- (e) Arrangements for substitutions for public sector members
- (f) Job Descriptions and advertising arrangements for membership
- (g) The terms of office, code of conduct and declarations of interest arrangements
- (h) The appointment of the Chair and Vice Chair of the Board
- (i) Allowances/expenses for private sector members

- **Constitution**

The overall purpose and terms of reference of the Business Board and reporting arrangements

The timetable and frequency of meetings

Quorum of new Board

Voting arrangements

Any sub committees of the new Business Board

By the end of June:

- **Appointments**

To appoint all private and public sector Board members

To appoint the private sector Chair of the Board

To fully implement the Business Board timetable

- **Overview and Scrutiny arrangements**

The overview and scrutiny arrangements including the involvement of those authorities outside the Combined Authority area.

- **Governance**

The representation on the Combined Authority of those councils as Associate members of the Combined Authority

By the end of September:

- **Policy**

To understand the policy framework of the Combined Authority and the new Board

To have developed, in partnership with the Combined Authority, the Local Industrial Strategy and to act as custodians for the Strategy



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COMBINED AUTHORITY

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- **Work programme**

To operate as a fully constituted Board with an agreed work programme

To operate in accordance with the Assurance Framework

Appendix 55 – The Statutory Framework

1. Introduction

- 1.1. This appendix provides a summary of the statutory framework for the Cambridge and Peterborough Combined Authority.

2. Local Democracy, Economic Development and Construction Act 2009 (“the 2009 Act”)

- 2.1. The [2009 Act](#) empowers the Secretary of State, by order, to establish as a body corporate a Combined Authority for an area.

3. The Cities and Local Government Devolution Act 2016 (“the 2016 Act”)

- 3.1. The [2016 Act](#) introduced powers to provide for the election of Mayors for Combined Authority areas. The Mayor may arrange for a Deputy Mayor or any other Member or Officer of the Combined Authority to exercise a function of the Mayor. It allows a Mayoral Combined Authority to set a precept for funding Mayoral functions. It also enables combined authorities to exercise functions other than economic development, regeneration and transport and to set a levy.

4. The Cambridgeshire and Peterborough Combined Authority Order 2017 (“the 2017 Order”)

- 4.1. The [2017 Order](#) established the Mayoral Combined Authority on 2 March 2017. (See Appendix 1)
- 4.2. The [2016 Act](#) introduced powers for the Secretary of State, by Order, to make provision for a function of a public authority that is exercisable in relation to a Combined Authority’s area to be a function of the Combined Authority; and for any function of a Mayoral Combined Authority to be a function exercisable only by the Mayor subject to specified conditions or limitations ([107D](#)).
- 4.3. **Highways Functions**
- 4.4. The [2017 Order](#) delegated the following functions to the Combined Authority and are exercisable concurrently with Cambridgeshire County Council and Peterborough City Council (known as upper tier authorities):

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- 4.4.1. Powers to enter into agreements with the Minister or strategic highways companies relating to the exercise of functions with respect to trunk roads etc.) under section 6 of the Highways Act 1980;
- 4.4.2. Certain other functions of the upper tier authorities as local highway authorities under the Highways Act 1980 as set out in the 2017 Order.

4.5. Local Transport Functions transferred to the Combined Authority

- 4.5.1. The following functions are exercisable by the Combined Authority instead of by Cambridgeshire County Council and Peterborough City Council;
 - (a) Local Passenger Transport Services under Part 4 and 5 (financial Provisions) of the Transport Act 1985
 - (b) Local transport under Part 2 of the Transport Act 2000.
- 4.5.2. These powers and duties are set out in **Annex 1** which can be summarised as:
 - (c) Duty to produce a Local Transport Plan
 - (d) Production of a Bus Strategy
 - (e) Rights to franchise local bus services within its area, subject to the completion of the process set out in the Bus Services Act 2017
 - (f) Powers to enter into quality bus partnerships and enhanced partnerships
 - (g) Responsibility for the provision of bus information and the production of a bus information strategy
 - (h) Role of Travel Concession Authority
 - (i) Financial powers to enable the funding of community transport
 - (j) Powers to support bus services
- 4.5.3. Transport powers were transferred to the Combined Authority, while highway authority powers under the Highway Act 1980 remain with Cambridgeshire County Council and Peterborough City Council.

4.6. Power of General Competence

- 4.6.1. The [2017 Order](#) conferred on the Combined Authority and the Mayor, the General Power of Competence under Section 1 of the Localism Act 2011.

4.7. Economic Development and Regeneration Functions

4.7.1. Concurrently with the Constituent Councils, the Combined Authority has:

- (a) the power under section 144 of the Local Government Act 1972 (the power to encourage visitors and provide conference and other facilities);
- (b) the duties and powers under the Education Act 1996 related to the provision of education and training for persons over compulsory school age.

4.8. Incidental powers

4.8.1. The following incidental provisions are to have the effect as if the Combined Authority were a local authority for the purposes of these provisions:

- (a) section 113 of the Local Government Act 1972(b) (power to place staff at the disposal of other local authorities);
- (b) Section 142(2) of the Local Government Act 1972 (the power to arrange for publication of information etc. relating to the functions of the authority);
- (c) Section 222 of the Local Government Act 1972 (the power to instigate and defend legal proceedings);
- (d) the power to exercise related to research and collection of information under section 88 of the Local Government Act 1985.

4.9. Elected Mayor

4.9.1. The Order created the position of Mayor for the Combined Authority area. It provides for the first election for the return of a Mayor for the area to take place on 4th May 2017, and for subsequent elections to take place on the ordinary day of election in 2020 and in every fourth year after that, on the same day as the ordinary day of election.

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- 4.9.2. The 2016 Act also introduced powers for the Secretary of State, by Order, for any function of a Mayoral Combined Authority to be a function exercisable only by the Mayor subject to specified conditions or limitations.
- 4.9.3. The 2017 Order makes provision for the Mayor to exercise the power to pay grants to Cambridgeshire County Council and Peterborough City Council towards expenditure incurred in relation to the exercise of its highways functions under S31 Local Government Act 2003.
- 4.9.4. The Mayor also has the General Power of Competence.
- 4.9.5. The Mayoral functions can be funded by precept under s 40 of the Local Government Finance Act 1992 (by way of budgetary approval) if they are not funded from other sources.
- 4.9.6. It makes provision to pay an allowance to the Mayor and for an independent remuneration panel to be established by one or more of the constituent councils under regulation 20 of the Local Authorities (Members' Allowances) (England) Regulations 2003. The allowance paid must not exceed the amount specified in the recommendation made by the independent remuneration panel.
- 4.9.7. The order also states that the Mayor (or Deputy Mayor in his absence) must vote with the majority of Combined Authority Members if the vote is to be valid.
- 4.9.8. It also provides for rules for voting on specified matters, for example to reject the Mayor's budget or strategies or voting requirements for the transport plan.

5. Local Government Legislation

- 5.1. The Combined Authority has such other powers and duties as are conferred on a Combined Authority by any legislation.

Such powers include:

Power	Legislation
The duty to appoint a head of paid service, a Monitoring Officer and an Officer with responsibility for the administration of Combined Authority's	Section 4 of the Local Government and Housing Act 1989



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financial affairs. These Officers will be appointed in accordance with the Combined Authority's Employment Rules set out in the Constitution.	Section 5 of the Local Government & Housing Act 1989, as amended by schedule 5, paragraph 24 of the Local Government Act 2000. S.151 of the Local Government Act 1972
The power to borrow money for a purpose relevant to its transport functions only;	7 S111 & S146A Local Government Act 1972
The power to appoint staff and to enter into agreements with other local authorities for the secondment of staff. Staff will be appointed in accordance with the Employment Rules set out in the Constitution	S112 & S113 Local Government Act 1972
The power to acquire land by agreement or compulsorily for the purpose of any of its functions and to dispose of such land;	S120 (except 1b) , S 123, S128-S131 Local Government Act 1972
The power to accept of gifts of property for the purpose of discharging functions,	S139 (except 1b and 2) Local Government Act 1972
The power to pay subscriptions to the funds of local authority associations;	S143 Local Government Act 1972
The power to transfer securities on alternation of area	S146 Local Government Act 1972
The duty (without prejudice to any other obligation) to exercise its functions with due regard to the need to prevent crime and disorder, the misuse of drugs and alcohol or re-offending in its area;	S17(1) Crime and Disorder Act 1998

5.2. Under the Localism Act 2011 the Combined Authority must promote and maintain high standards of conduct and adopt a code of conduct for its Members.

5.3. The Combined Authority is:

5.3.1. a local authority for the purpose of Section 101 of the Local Government Act 1972 (arrangements for the discharge of functions by local authorities), with the exception of general functions of the Mayor (Joint Committees);

5.3.2. a best value authority for the purpose of Section 1 of the Local Government Act 1999;

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- 5.3.3. a public body for the purpose of the Freedom of Information Act 2000. (Schedule 1 Part 2 S19B) and shall be registered as both “data controller” and “data processor” as defined by the Data Protection Act 1998;
- 5.3.4. a local authority for the purposes of the Local Authorities (Goods and Services) Act 1970 (power to supply goods and materials and to provide administrative and technical services to other public bodies).
- 5.4. Under the Openness of Local Government Bodies Regulations 2014, the public may report and commentate on public meetings of the Combined Authority.
- 5.5. The Local Government Ombudsman has power to investigate complaints of maladministration against combined authorities under the Local Government Act 1974.
- 5.6. The Local Government Act 1986 provisions regarding the prohibition of political publicity (any material which, in whole or part, appears designed to affect public support for a political party) apply to combined authorities.
- 6. The Combined Authorities (Overview and Scrutiny Committees, Access to Information and Audit Committees Order 2017)**
 - 6.1. Schedule 5A of the 2009 Act (introduced by the 2016 Act) requires the Combined Authority to establish one or more Overview and Scrutiny Committees.
 - 6.2. The Committee must have power to:
 - (a) Review or scrutinise decisions made or other action taken in connection with the discharge of any functions which are the responsibility of the Combined Authority, or with the discharge of any general functions by the Mayor;
 - (b) Make reports or recommendations to the Combined Authority or the Mayor with respect to the discharge of their functions; and to
 - (c) Make reports or recommendations to the Combined Authority or the Mayor on matters affecting the authority’s area or inhabitants.
 - 6.3. The power to review or scrutinise a decision made but not implemented includes:

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- (a) Power to direct that a decision is not implemented while it is under review or scrutiny by the Committee; and
 - (b) Power to recommend that the decision is reconsidered.
- 6.4. The 2009 Act provisions enable the Secretary of State, by Order, to make further provision about overview and scrutiny Committees of combined authorities.
- 6.5. The [Cambridgeshire and Peterborough Combined Authority Order 2017](#) provides for the establishment of an Overview and Scrutiny Committee, and includes provisions relating to its membership and Chair.
- 6.6. The Chair must be an appropriate person. In relation to a Mayoral Combined Authority, this means a person who is a Member of a Constituent Authority, but who is not a member of a registered political party of which the Mayor is a member.
- 6.7. The Secretary of State has also made the [Combined Authorities \(Overview and Scrutiny Committees, Access to Information and Audit Committees\) Order 2017](#).
- 6.8. This Order contains provisions regarding the membership of an Overview and Scrutiny Committee; the quorum for meetings; appointment of Members; appointment of Chair; reference of matters to the Committee; duty of the Combined Authority and Mayor to respond to the Committee; confidential and exempt information; the Scrutiny Officer; rights of access to documents for Members of the Committee; key decisions; general exception; and cases of special urgency.
- 6.9. Where the Chair of an Overview and Scrutiny Committee is to be an appropriate person, and the Mayor is not a member of a registered political party, a person may not be appointed as Chair of the Committee if that person is:
 - (a) A member of the registered political party which has most representatives among the Members of the Constituent Authorities on the Combined Authority, or
 - (b) Where two or more parties have the same number of representatives, a member of any of those parties.
- 6.10. The 2009 Act provisions also require Combined Authorities to establish an audit Committee to review and scrutinise the Authority's financial affairs and to review

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and assess its risk management, internal control and corporate governance arrangements.

- 6.11. An audit Committee must include at least one Member who is an independent person.
- 6.12. The [Combined Authorities \(Overview and Scrutiny Committees, Access to Information and Audit Committees\) Order 2017](#) defines an “independent person”, and provides that such a person may not be appointed unless the vacancy was advertised in such manner as the Combined Authority considers it likely to bring it to the attention of the public.
- 6.13. The quorum for meetings of audit Committees must be no fewer than two-thirds of the total number of Members of the Committee.

7. The Combined Authorities (Mayors) (Filling of Vacancies) Order 2017

- 7.1. The [Order](#) provides for the filling of vacancies in the office of Mayor arising due to the death or resignation of the Mayor; the Mayor’s election being declared void or the office being declared vacant.
- 7.2. There are provisions regarding the date on which a vacancy is taken to have occurred; the giving of notice of a vacancy; the timescale for by-elections and the term of office of the person filling a vacancy.

8. The Combined Authorities (Mayoral Elections) Order 2017

- 8.1. The [Order](#) makes provision for the conduct of elections for Combined Authority Mayors.
- 8.2. In particular, there are provisions requiring each candidate’s nomination paper to be prescribed by at least 100 electors (with at least 10 electors from each constituent council area) and for a deposit of £5,000 to be paid. If there are three or more candidates, the elected Mayor will be returned by the supplementary vote system.
- 8.3. The maximum amount a candidate may spend in election expenses is £2,362 multiplied by the total number of constituent councils, together with an additional 5.9p for every entry in the register of electors for the Combined Authority area.
- 8.4. Candidates who wish to have an election address included in an election booklet prepared and distributed by the Combined Authority Returning Officer will be

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required to pay a contribution of such reasonable amount as the Returning Officer may determine towards the expenses incurred by the Returning Officer in printing the booklet. Copies of the booklet will be delivered free of charge by the Returning Officer to each elector in the Combined Authority area.

9. The Draft Combined Authorities (Finance) Order

- 9.1. The Order includes provisions relating to Mayoral Combined Authority precepts; a Mayor's proposed budget and the procedure for the Combined Authority to consider and approve the budget; the Mayor's general fund and transitional provisions for the financial year 2017/2018.



Annex 1

Transport Act 2000

Legislation	Duty / Power
Transport Act 2000 Section 108 (As amended by Local Transport Act 2008)	To prepare a Local Transport Plan (LTP) and in developing this and carrying out functions to taken into account Government Policies and have regard to any guidance issued by the Secretary of State relating to climate change and the protection or improvement of the environment.
Transport Act 2000 Section 109	To keep the LTP under review, replacing the LTP every 5 years and to consult when preparing and reviewing the LPT.
Transport Act 2000 Section 112 (As amended by 2008 Act)	To have regards to any guidance issued by the Secretary of State and the needs of elderly or disabled persons when developing the LTP.
Transport Act 2000 Section 113A	Power of an LTA or two or more LTA's acting jointly to make an advanced quality partnership scheme.
Transport Act 2000 Section 114 (As amended by 2008 Act)	To have regard, in considering whether to make a Quality Partnership Scheme (QPS), to the desirability of making a scheme jointly with another authority and to cooperate with other authorities when carrying out functions relating to QPS.
Transport Act 2000 Section 115 (As amended by 2008 Act)	To give notice of proposal to make a QPS and to consult with specified bodies
Transport Act 2000 Section 116 (As amended by 2008 Act)	To give notice of the scheme not later than 14 days after it is made
Transport Act 2000 Section 117 (As amended by 2008 Act)	To give notice and consult specified bodies before deciding to postpone the QPS for a period not exceeding 12 months
Transport Act 2000 Section 118 (As amended by 2008 Act)	To provide the specified QPS facilities not later than the date specified and throughout the operation of the scheme



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Transport Act 2000 Section 120	Power to vary or revoke QPS
Transport Act 2000 Section 123	To have regard to any guidance issued by the appropriate national authority concerning the carrying out of functions in relation to the QPS
Transport Act 2000 Section 123A	The power of a franchising authority, or two or more franchising authorities acting jointly, to make a franchising scheme covering the whole or any part of their area.
Transport Act 2000 Section 124 (As amended by 2008 Act)	To have regard, in considering whether to make Quality Contract Schemes (QCS), to the desirability of making a scheme jointly with another authority, to co-operate with the other authorities and to keep under review the extent to which their quality contracts are complied with.
Transport Act 2000 Section 134C	Power of a LTA (or two or more acting jointly) to make an advanced ticketing scheme (ATS) if they consider that the proposed scheme— (a) would be in the interests of the public, and (b) would contribute to the implementation of their local transport policies.
Transport Act 2000 Section 135 (As amended by 2008 Act)	Duty regarding Ticketing Schemes (TS) to co-operate with other local transport authorities and in considering whether to make a TS to have regard to the desirability of making a scheme jointly with another authority
Transport Act 2000 Section 136	To give notice of a proposal to make a TS and to consult with specified bodies
Transport Act 2000 Section 137	To make the TS and give notice of it within 14 days after it is made
Transport Act 2000 Section 139 (As amended by 2008 Act)	To consult on and determine what local bus information should be made available to the public and the way in which it should be made available
Transport Act 2000 Section 140	To make information available where satisfactory arrangements for information provision cannot be made with the operators
Transport Act 2000 Section 141	Duty regarding ss 139 and 140 to have regard to economy, efficiency and effectiveness, to the desirability of carrying out those functions jointly with another authority and to co-operate with other authorities
Transport Act 2000 Section 143	Power to obtain information relating to specified matters from operators of local services
Transport Act 2000 Section 143A	Power of a franchising authority to obtain information from operators of local services
Transport Act 2000 Section 145A (As substituted by	To issue permits indicating entitlement to travel concessions to elderly or disabled residents who apply for one



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Concessionary Bus Travel Act 2007)	(England National Travel Concessionary Scheme)
Transport Act 2000 Section 149 (As substituted by 2007 Act)	To reimburse the operator for providing travel concessions (ENTCS)
Transport Act 2000 Section 150	To publish the proposed arrangements for reimbursing operators (ENTCS)

Transport Act 1985

Transport Act 1985 Section 63(1)	Duty to secure the provision of such passenger transport services as the Council considers appropriate to meet any public transport requirements which would not otherwise be met
Transport Act 1985 Section 63(5) (As inserted by 2008 Act)	Power to enter into an agreement providing for service subsidies for the purpose of securing any service
Transport Act 1985 Section 63(6)	Power to take any measures that appear to be appropriate for the purpose of or in connection with promoting the availability and operation of public passenger transport services other than subsidised services
Transport Act 1985 Section 63(7) (As amended by 2008 Act)	In exercising their power to promote availability of public passenger transport services, to have regard to a combination of economy, efficiency and effectiveness
Transport Act 1985 Section 63(8) (As amended by 2008 Act)	In exercising their power to promote availability of public passenger transport services, to have regard to the needs of elderly or disabled persons
Transport Act 1985 Section 64	Duty to consult when formulating policies for the formulation of policies, and to publish those policies
Transport Act 1985 Section 81 (As amended by 2008 Act)	Power to provide, maintain and operate bus stations
Transport Act 1985 Section 82 (As amended by 2000 Act)	Duty not to discriminate when exercising powers in relation to provision or operation of bus stations in relation to charges to be made for the use of any accommodation at a bus station or of any associated facilities



Appendix 65 – The Statutory Framework

Transport Act 1985 Section 88	Duty of all authorities entering into agreements providing for service subsidies in respect of education and social services functions to cooperate with one another to secure best value for money for the ratepayers of their areas
Transport Act 1985 Section 89	Duty to invite tenders for subsidised services
Transport Act 1985 Section 93	Power to establish a travel concession scheme for blind and disabled persons, children, persons over 60 and others specified in Regulations
Transport Act 1985 Section 92	Duty to have regard to the interests of the public and of persons providing public passenger transport services in their area when exercising functions in relation to agreements providing for service subsidies
Transport Act 1985 Section 95 (As amended by 2008 Act)	To publish particulars of the concession scheme and reimbursement arrangements for service operators
Transport Act 1985 Section 96 (As amended by 2008 Act)	To admit eligible service operators to participate in travel concession schemes
Transport Act 1985 Section 97 (As amended by 2008 Act)	To impose obligation to provide travel concessions on any operator (participation notice)
Transport Act 1985 Section 98 (As amended by 2007 Act)	Further provision in relation to participation notices
Transport Act 1985 Section 99	Power to release an operator from compulsory participation in travel concession scheme
Transport Act 1985 Section 101	Power to enforce participation in travel concession schemes
Transport Act 1985 Section 103 (As amended by 2008 Act)	Subsidies for travel concessions
Transport Act 1985 Section 105 (As amended by 2000 Act and 2007 Act)	Power to provide travel concessions on services provided by local authorities



Appendix 65 – The Statutory Framework

Transport Act 1985 Section 106 (As amended by 2008 Act and Local Democracy, Economic Development and Construction Act 2009)	Power to make grants to assist the provision of transport facilities for the disabled or to support revenue expenditure incurred in providing services other than those for which a PSV licence is required
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Appendix 5 – Glossary

Appendix 5 – Glossary

Assurance framework	A document written by the combined authority which explains how decisions will be taken to invest in and monitor the progress of projects, to make sure that any such investments present good value for money for taxpayers.
Authorised Signatory	Means the Chief Executive, Chief Finance Officer, and Monitoring Officer (or delegated Officers in Legal Services).
Best Value Duty	This is the legal duty for various types of organisation, including councils, to aim to make continuous improvement when making decisions, delivering services and spending money; and to take into account economy, efficiency and effectiveness. The duty is set out at Section 3 of the Local Government Act 1999.
Business Case	A document that sets out the rational for undertaking a project and its costs, risks and benefits.
Combined Authority	A corporate body formed of two or more local government areas (county councils or district councils in England) which may be given powers to exercise specified functions of both local authorities and public authorities.
Constitution	<p>A set of principles and rules by which an organisation, such as a combined authority, is governed.</p> <p>The Constitution;</p> <ul style="list-style-type: none"> - allocates powers and responsibility within the Combined Authority; - sets out delegations for its Executive including the delegation to Officers; -sets out the rules of procedures, codes and protocols.
Constituent Member/Constituent Council	A constituent council, or a constituent member of a particular combined authority, is a local authority whose area is within the area of that combined authority. A combined authority's area is defined by its constituent council members.
Devolution	When local areas take on new powers, budgets and responsibilities from government
Devolution Deal	An agreement between government and local areas in England to devolve new powers, budgets and responsibilities.

Appendix 5 – Glossary

Delegated Authority	The process under the Constitution which sets out what Senior Officers of the Combined Authority are entitled to do in the Combined Authority's name e.g. to enter contracts.
E-Sourcing	The researching and gathering of product or service information by electronic means, mainly by internet or email use.
EU threshold	The financial limit above which all tendering must follow a statutory procedure governed by EU directives. It applies to all public works contracts, public supply contracts and public service contracts which have a value excluding VAT estimated to be no less than the pre-established thresholds. The thresholds are recalculated by the European Commission every two years. See the Quick Reference Guide for the threshold amounts for the works, goods and services.
Financial Regulations	The regulations outlining the Officer's responsibilities relating to financial matters.
Forward Plan	A forward plan is a list of published forthcoming key decisions to be taken during the following three months.
Framework Agreement	A framework is an agreement with suppliers to establish terms governing contracts that may be awarded during the life of the agreement. In other words, it is a general term for agreements that set out terms and conditions for making specific purchases (call-offs).
Fraud and Corruption Response Plan	Procedures put in place by the Chief Finance Officer for responding to any incidents of suspected fraud or corruption.
Gateway procedure	Gateway Review process is a series of independent peer reviews at key stages of a programme or project lifecycle, aimed at ensuring it has achieved the expected economic benefits and impact and successful delivery. It is a key assurance mechanism designed to provide an objective view that a project or programme is consistent with the agreed initial aims and objectives, is on target to deliver on time and to budget
Key Decision	Any spend over £500k will be a key decision and the procedures for a key decision must be followed
Local Enterprise Partnership	There are 38 Local Enterprise Partnerships (LEPs) in England which bring together business and local council leaders to shape local decisions and prioritise investment in order to drive local growth. The close involvement of LEPs is very important to devolution deals and combined authorities.

Appendix 5 – Glossary

Monitoring and Evaluation (M&E) framework	A document or table that describes the indicators that are used to measure whether the program is a success.
OJEU	Official Journal of the European Union. Contracts that are above the EU threshold are required to be advertised by placing a notice in the journal.
Procurement Strategy	A strategy document setting out the Combined Authority's approach to procurement and priorities for the next few years.
Scrutiny/Scrutinise	Scrutiny is the process of taking a close look at the decisions of an organisation (such as a local authority). All combined authorities must establish at least one overview and scrutiny committee and an audit committee to scrutinise the decisions of the Mayor and combined authority, to help make sure that the decisions being made are well thought-through and legal.
Single Pot of Investment	An agreement in a devolution deal which brings together different sources of funding into one consolidated fund held by the combined authority.
State aid	State aid is a European Commission term which refers to forms of assistance from a public body or publicly-funded body, given to undertakings engaged in economic commercial activity on a selective basis, with the potential to distort competition and affect trade between member states of the European Union.
Order	A type of 'Secondary Legislation'. Also referred to as a 'Statutory Instrument'.



CAMBRIDGESHIRE AND PETERBOROUGH OMBINED AUTHORITY BOARD	AGENDA ITEM No: 1.11
30 MAY 2018	PUBLIC REPORT

CALENDAR OF MEETINGS 2018/2019

1.0 PURPOSE

- 1.1 The Combined Authority at its annual meeting agrees the date and time of ordinary meetings of the Board, its Committees and the Business Board for the coming Municipal Year.
- 1.2 Members are asked to agree the calendar of meetings for the 2018/19 Municipal Year.

<u>DECISION REQUIRED</u>	
Lead Member:	James Palmer, Mayor
Lead Officer and Author:	Kim Sawyer, Legal Counsel and Monitoring Officer
Forward Plan Ref: Not applicable	Key Decision: No
The Combined Authority Board is recommended to approve the Calendar of Meetings for 2018 / 2019 (Appendix 1).	<i>Voting arrangements</i> Simple majority of the Members

2.0 FINANCIAL IMPLICATIONS

- 2.1 There are no financial implications.

3.0 LEGAL IMPLICATION

- 3.1 These are dealt with in the report.

4.0 EQUALITIES IMPLICATION

4.1 Not applicable.

5.0 APPENDICES

5.1 Appendix 1 – Calendar of meetings 2018/19

<u>Source Documents</u>	<u>Location</u>
None	

Appendix 1

CAMBRIDGESHIRE AND PETERBOROUGH COMBINED AUTHORITY MEETING DATES JUNE 2018 - May 2019															
PUBLIC MEETINGS	TIME	MAY	JUNE	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	FEB	MAR	APR	MAY
Combined Authority Board (Wednesday)	10:30am		27	25		26	31	28	19	30	(b) 13	27	27	24	
Annual Council (Wednesday)	10:30am	30													29
COMMITTEES (PUBLIC)															
Overview & Scrutiny Committee (Monday)	11am	Fri 1st June	25	23		24	29	26	17	28		25	25	(Thurs) 18	(Tues) 28
Audit & Governance Committee (Friday)	10am			20		28		30					29		31 ®
Employment Committee (unscheduled)															
INFORMAL WORKING GROUPS															
Leaders Strategy Meeting (Twice monthly meetings?)	2-4pm														
Informal Cabinet Meetings (Two weeks before Board meeting)	0am-12pm	16	13	11		12	17	14	5	16		13	13	10	15
OTHER BODIES															
Business Board	2:30pm		25	23		24		26		28			25		28
Combined Fire Authority	2pm		21					1				7			
Cambridgeshire Police and Crime Panel (Wednesday)	2pm														
Cambridgeshire Public Service Board	09:30am	18	15	13	17	14	12	16	14						
Greater Cambridgeshire Partnership	16:00pm			5			11		6						
CONFERENCES															
Conservative Party						30 Sept - 3 Oct									
Labour Party Annual Conference						23-26									
Liberal Democrats Autumn Conference						15-19									
Local Government Association Annual Conference				03-May											



CAMBRIDGESHIRE AND PETERBOROUGH COMBINED AUTHORITY BOARD	AGENDA ITEM No: 1.12
30 MAY 2018	PUBLIC REPORT

REFERENCE FROM THE AUDIT AND GOVERNANCE COMMITTEE

1.0 PURPOSE

- 1.1. The Audit and Governance Committee is responsible for reviewing corporate governance and risk management arrangements, and making recommendations to the Board for decision.
- 1.2. The Committee met on 26 March 2018 and referred the following matters to the Board for decision.
- (a) Code of Corporate Governance
 - (b) Whistleblowing Policy
 - (c) Anti Fraud, Bribery & Corruption Policy
 - (d) Risk Management Strategy
 - (e) Treasury Management Strategy

<u>DECISION REQUIRED</u>	
Lead Member:	James Palmer, Mayor
Lead Officer:	Kim Sawyer, Legal Counsel and Monitoring Officer
Forward Plan Ref: Not applicable	Key Decision No
<p>1. The Combined Authority Board is recommended to approve and adopt</p> <ul style="list-style-type: none"> (a) the code of corporate governance (Appendix 1) (b) the whistleblowing and confidential reporting of complaints policy (Appendices 2 and 3) (c) the anti-fraud, bribery and corruption policy and strategy (Appendix 4) (d) the Corporate Risk Strategy (Appendix 5) 	<p>Voting arrangements</p> <p>Simple majority of all Members</p>

2. To note the recommendation of the Audit and Governance Committee in relation to the Treasury Management Strategy that the Board should undertake an immediate review of its investment strategy and risk appetite to maximise the yield from funds held by the Combined Authority.	
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2.0 BACKGROUND

- 2.1. The Audit and Governance Committee is responsible for reviewing and assessing the authority's risk management, internal control and corporate governance arrangements and making reports and recommendations to the Combined Authority in relation to these reviews.

Code of Corporate Governance

- 2.2. The Audit and Governance Committee reviewed the Combined Authority's first Corporate Governance Code and Framework and recommended that the Board approve and adopt the Code and Framework set out in **Appendix 1**.
- 2.3. The code follows the Guidance 'Delivering Good Governance in Local Government: Framework 2016' produced by the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Society of Local Authority Chief Executives (SOLACE).
- 2.4. Following approval of the framework, the Annual Governance Statement will be reviewed against the Corporate Governance Code and Framework to assess how well it has been applied in the year under review and will identify any planned improvements or enhancements. The annual statement will form part of the annual accounts to be considered by the Audit and Governance Committee in July 2018.

Whistleblowing Policy and Confidential reporting of Complaints

- 2.5. The Committee considered proposals for the following policies and recommended their approval and adoption by the Board:
- (a) a whistleblowing policy (**Appendix 2**)
 - (b) a confidential reporting of complaints by third parties and the public (**Appendix 3**).
- 2.6. The whistleblowing policy and the confidential reporting policies recommended to the Board are based on the best practice guidance issued by MHCLG.

Anti Fraud, Bribery & Corruption Policy

- 2.7. The Committee considered proposals for an anti-fraud, bribery and corruption policy and strategy (**Appendix 4**) which expressed the Combined Authority's commitment to:
- (a) A firm approach and the maintaining of high ethical standards in its administration of public funds;
 - (b) Strengthening its anti-fraud and bribery culture;
 - (c) Minimising the incidence of, and losses to, fraud and bribery;
 - (d) Developing greater capability and capacity to punish offenders and recover costs as well as losses. The policy and strategy statement also outlines the mechanisms in place to acknowledge the Authority's fraud and bribery risks, to prevent them from occurring and to fully pursue anyone intent on defrauding the Authority.
- 2.8. The success of the strategy will be measured by the extent to which fraud is minimised and proven cases of fraud, bribery or other irregularity are subject to the severest sanctions being imposed, based on the circumstances of each case.
- 2.9. The Board is asked to agree the policy and strategy.

Risk Management Strategy and Corporate Risk Register

- 2.10. The Combined Authority recognises the need for risk management to feature as a consideration in strategic and operational planning and decision making. It is committed to managing and minimising risk by identifying, analysing, evaluating and treating risks that may impact the future success of our organisation. The Combined Authority also has a statutory responsibility to have in place arrangements for managing risks, as stated in the Accounts & Audit Regulations 2015.
- 2.11. The objectives of the Combined Authority's risk management strategy are to:
- (a) raise awareness of the need for risk management;
 - (b) minimise loss, disruption, damage and injury and reduce the cost of risk, thereby maximising resources; and
 - (c) inform policy and decision making by identifying risks and their likely impact.
- 2.12. The Committee agreed to recommend that the Board adopt Corporate Risk Strategy (**Appendix 5**). They reviewed the corporate risk register and asked for it to be brought back to the July meeting of the Audit and Governance Committee before being referred to the Board for approval.

Treasury Management Strategy

- 2.13. The Committee reviewed the Combined Authority's draft Treasury Management Strategy for 2018/19 and noted that a final version will be taken to the Combined Authority Board as part of the Combined Authority's Medium Term Financial Strategy.
- 2.14. The Committee agreed to add to the recommendations that the Combined Authority should undertake an immediate review of its investment strategy and risk appetite to maximise the yield based on expert advice. The results from the review should be reported back to the committee.
- 2.15. This recommendation is dealt with under the 4 year plan and budget elsewhere on the agenda (agenda item 2.2).

3.0 FINANCIAL IMPLICATIONS

- 3.1. There are no financial implications

4.0 LEGAL IMPLICATIONS

- 4.1. These are dealt with in the report.

5.0 SIGNIFICANT IMPLICATIONS

- 5.1. Not applicable.

6.0 APPENDICES

- 6.1. Appendix 1 – Corporate Governance Code and Framework
- 6.2. Appendix 2 – Whistleblowing policy
- 6.3. Appendix 3 – Confidential reporting of complaints by third parties and the public
- 6.4. Appendix 4 – Anti Fraud, Bribery & Corruption Policy
- 6.5. Appendix 5: – Corporate Risk Strategy

<u>Source Documents</u>	<u>Location</u>
List background papers: Audit and Governance Committee agenda and draft minutes of 26 March 2018	List location of background papers http://cambridgeshirepeterborough-ca.gov.uk/meetings/audit-and-governance-committee-26-march-2017/?date=2018-03-26

<p>Delivering Good Governance in Local Government: Framework (2016 Edition)</p> <p>Local Enterprise Partnership governance and transparency Best practice guidance, Ministry of Housing, Communities and Local Government January 2018 ISBN: 978-1-4098-5173-8</p>	<p>http://www.cipfa.org/policy-and-guidance/publications/d/delivering-good-governance-in-local-government-framework-2016-edition</p> <p>https://www.gov.uk/government/publications/local-enterprise-partnership-governance-and-transparency-best-practice-guidance</p>
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Appendix 1

**CAMBRIDGESHIRE
& PETERBOROUGH**
COMBINED AUTHORITY

LOCAL CODE OF CORPORATE GOVERNANCE

INDEX	Page No.
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FOREWORD

Good governance underpins the way in which Cambridgeshire & Peterborough Combined Authority delivers its services. It involves collaborating and balancing current financial challenges with longer term planning and is defined as “The system by which local authorities direct and control their functions and relate to communities”.

Cambridgeshire & Peterborough Combined Authority ('the CPCA') has approved and adopted a code of corporate governance which is consistent with the principles of the best practice guidance issued jointly by the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Society of Local Authority Chief Executives (SOLACE). CIPFA/SOLACE updated in 2016 with their new framework to assist organisations in ensuring that resources are directed in accordance with agreed policy and according to priorities, that there is sound and inclusive decision making and that there is clear accountability for the use of those resources in order to achieve desired outcomes for service users and communities. The seven core principles are:

A - Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law;

B. Ensuring openness and comprehensive stakeholder engagement;

C. Defining outcomes in terms of sustainable economic, social, and environmental benefits;

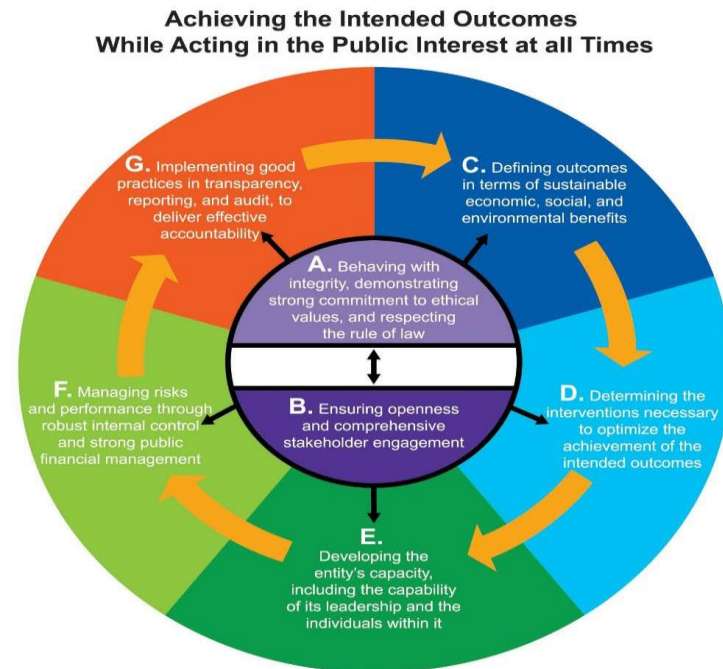
D. Determining the interventions necessary to optimise the achievement of the intended outcomes

E. Developing the entity's capacity, including the capability of its leadership and the individuals within it

F. Managing risks and performance through robust internal control and strong public financial management

G. Implementing good practices in transparency, reporting, and audit to deliver effective accountability

Diagrammatically this can be demonstrated as:



The CPCA is committed to meeting these principles. This statement sets out how the supporting principles beneath each statement will be achieved, monitored and reviewed. It is the responsibility of the Audit and Governance Committee to keep corporate governance matters under review. As part of this process it undertakes regular reviews throughout the year of the processes and systems in place with a formal review at the year end. This includes the results of the work carried out by internal audit. The Committee reviews and approves the Annual Governance Statement which forms part of the statutory annual accounts which are subject to external audit.

CORE PRINCIPLES: ACTING IN THE PUBLIC INTEREST

PRINCIPLE A:

Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law

SUPPORTING PRINCIPLES:

The Combined Authority is accountable not only for how much it spends, but also for how it uses the resources under its stewardship. This includes accountability for outputs, both positive and negative, and for the outcomes they have achieved. In addition, we have an overarching responsibility to serve the public interest in adhering to the requirements of legislation and government policies. It is essential that, as a whole, we can demonstrate the appropriateness of all our actions and have mechanisms in place to encourage and enforce adherence to ethical values and respect the rule of law.

The Combined Authority supports the above principle by:

Supporting principles	To achieve this the organisation:	This is evidenced and supported by:
<ul style="list-style-type: none"> We will behave with integrity; 	<ul style="list-style-type: none"> Ensures members and officers behave with integrity and lead a culture where acting in the public interest is visibly and consistently demonstrated, Leads by example, ensuring members take the lead in establishing specific standard operating principles and values (building on the Seven Principles for Public Life) for the Combined Authority and the Local Enterprise Partnership and its staff and that they are communicated and understood. Utilise the operating principles and values above as a framework for decision making and other actions. Demonstrate, communicate and embed the standard operating principles or values through appropriate policies and processes which are reviewed on a regular basis to ensure that they are operating effectively. 	<ul style="list-style-type: none"> A Code of Conduct for Members to ensure high standards of conduct are maintained. The code also applies to members of committees, co-opted members, and members of the Local Enterprise Partnership. Established a procedure for dealing with breaches of the Member Code of Conduct. Registers of Members' interests are published on the CA's, LEP and constituent council websites. Members must declare gifts or hospitality with an estimated value of at least £100, £50 for LEP members. Records of gifts and hospitality and standard form have been established and will be published on the CA's website. Officers must declare any gifts or hospitality received either before, during or after the procurement; Standard decision making reporting format and processes in place to ensure that all those responsible for taking decision have the necessary information on which to so do Members' declaration of interests are a standing item on all agendas. Minutes show declarations of interest were sort and the appropriate declarations made. A complaint, Whistleblowing and Third Party confidential reporting policy and procedure that is published on the CA's and LEP websites

Supporting principles	To achieve this the organisation:	This is evidenced and supported by:
		<ul style="list-style-type: none"> Officers Codes of Conduct policies are in place and. The policy requires all conflicts of interests to be declared. Gifts and Hospitality Policy for Officers and members will be developed Records of gifts and hospitality will be published on the CA's website Induction programmes for new staff incorporate the required standard of behaviour expected will be developed. <p>Key documents include: Constitution, Member Code of Conduct, Declarations of Interest forms, Whistleblowing Policy, Third Party Confidential reporting policy, Complaints Policy, Staff Code of Conduct, Gifts and Hospitality register</p> <p>In Progress Equal Opportunities Policy Gifts and Hospitality Guidance</p>
<ul style="list-style-type: none"> We will demonstrate strong commitment to ethical values; 	<ul style="list-style-type: none"> Has established and monitors the Combined Authority's ethical standards and performance. Has robust policies and procedures which place emphasis on agreed ethical values which underpin behaviour and all aspects of the Combined Authority's culture and operation. Ensures that external providers of services are required to act with integrity and in compliance with the same ethical standards expected of the Combined Authority. 	<ul style="list-style-type: none"> Policies and procedures that make the constitution, which sets out delegations to the Combined Authority, its Committees and Senior Officers, and the decision-making processes. All committees and working groups have clear terms of reference. Annual reports are published regarding audit activities and governance arrangements. An anti-fraud and corruption policy that is reviewed with associated action plans where required In Progress The Combined Authority organisational values which are widely publicised and describe how we treat our customers, partners and staff Annual staff appraisals include awareness and contribution to core values and priorities will be developed. A current register of gifts and hospitality which will be reviewed by the Combined Authority's appointed Internal Auditor. Partnership agreements comply with own procurement rules - partners and contractors to operate within our core values and demonstrates transparency with regards to any potential conflicts

Supporting principles	To achieve this the organisation:	This is evidenced and supported by:
		<p>Key documents include: Constitution, Annual Governance Statement, Register of Interests, Anti-Fraud and Corruption Policy; Statement of Partnership Working</p> <p>In Progress Corporate Values Annual Complaints Report</p>
<ul style="list-style-type: none"> We will respect the rule of the law: 	<ul style="list-style-type: none"> Ensures members and staff demonstrate a strong commitment and adheres to relevant laws and regulations. Creates the environment to ensure that the statutory officers, other key post holders and members are able to fulfil their responsibilities in accordance with legislative and regulatory requirements, optimising full powers available to the benefit of communities, citizens and other stakeholders. Deals with breaches of legal and regulatory provisions promptly and effectively. 	<ul style="list-style-type: none"> The Combined Authority has a Legal Counsel who is designated as the Combined Authority's Monitoring Officer ensuring that policies, procedures, laws and regulations are followed. She also attends all Combined Authority meetings. The Finance Director is designated the Chief Finance Officer and is responsible for ensuring a balanced budget. A scheme of delegation identifies responsibilities and authorisation levels. Internal Audit will report annual activity and outcomes to the Audit & Governance Committee based on assurances gained and issues identified where appropriate. External Audit provides an Annual Audit Letter which is presented to the Audit and Governance Committee and published on the Combined Authority's website. The Combined Authority will maintain a record of complaints made to the Local Government Ombudsman as well as self-referring to the Information Commissioner where information data breaches occur and actions taken to improve processes. The Combined Authority has a Data Protection Policy. <p>Key documents include: Constitution includes Financial Regulations and Contract Rules, job descriptions for the Legal Counsel and Finance and Finance and Commercial Director, Service agreement with Peterborough City Council to provide Chief Internal Auditor Services, HoIA Annual Opinion, Data Protection Policy,</p>

CORE PRINCIPLES: OPENNESS AND STAKEHOLDER ENGAGEMENT

PRINCIPLE B:

Ensuring openness and comprehensive stakeholder engagement.

SUPPORTING PRINCIPLES:

Local government is run for the public good. The Combined Authority should ensure openness in its activities. Clear, trusted channels of communication and consultation should be used to engage effectively with all groups of stakeholders, such as individual citizens and service users, as well as institutional stakeholders.

The Combined Authority supports the above principle by:

Supporting principles	To achieve this the organisation:	This is evidenced and supported by:
<ul style="list-style-type: none"> We will be open 	<ul style="list-style-type: none"> Supports an open culture through demonstrating, documenting and communicating the Combined Authority's commitment to openness. Makes decisions that are open about actions, plans, resource use, forecasts, outputs and outcomes. Where a decision is considered confidential, reasons for this are provided. Provides clear reasoning and evidence for decisions in both public records and explanations to stakeholders and being explicit about the criteria, rationale and considerations used. In due course, ensuring that the impact and consequences of those decisions are clear. Uses formal and informal consultation and engagement to determine the most appropriate and effective interventions/ courses of action. 	<ul style="list-style-type: none"> Adoption of a Publication Scheme that describes the kinds of information available and provides guidance about how submit a Freedom of Information request. The Combined Authority's committee meetings timetable is published and the public are able to attend unless there is a reason for confidentiality (exempt reports). The public are able ask questions and petitions at all Combined Authority meetings. The forward plan of all decisions to be taken is published each month Committee meetings are minuted detailing decisions/deliberations and are published along with associated reports and agendas. Meetings can also be video recorded to increase public awareness. A standard reporting process is utilised for consistency. <p>Key documents include: Constitution, Committee meeting timetable, agenda and minutes, video recordings</p> <p>Outstanding Consultation principles to be developed</p>

Supporting principles	To achieve this the organisation:	This is evidenced and supported by:
<ul style="list-style-type: none"> We will engage comprehensively with Institutional stakeholders 	<ul style="list-style-type: none"> Effectively engages with institutional stakeholders to ensure that the purpose, objectives and intended outcomes for each stakeholder relationship are clear so that outcomes are achieved successfully and sustainably. Utilises formal and informal partnerships to allow for resources to be used more efficiently and outcomes achieved more effectively Ensuring that partnerships are based on trust <ul style="list-style-type: none"> a shared commitment to change a culture that promotes and accepts challenge among partners; and that the added value of partnership working is explicit. 	<ul style="list-style-type: none"> The Combined Authority operates extensively with institutional stakeholders and partners in identifying the best way to deliver services. This is a continuously evolving with recent partnerships including: <ul style="list-style-type: none"> Service level agreements and partnership agreements with constituent councils to provide support services to the Combined authority Procuring contracts through established constituent council arrangements The Combined Authority consults in many ways to ensure that stakeholders have the opportunity to contribute views to the organisations vision, performance and intended outcomes Key partners are invited to regular Strategy meetings to establish a long term vision for the Combined Authority and a four year plan including Chief Executives of constituent Councils and other statutory bodies The Combined Authority Chief Executive is a member of the Cambridgeshire Public Services Board which provides an opportunity for the leaders of public sector organisations in Cambridgeshire and Peterborough to come together and make strategic interventions and to provide better outcomes for our residents and place. The Board includes Leaders of constituent councils and other public sector partners <p>In progress Partnership agreements are in place which determine the roles and responsibilities for each partnership arrangement where it is expected that the Combined Authority's values are adhered to.</p> <p>Key documents include: Statement of Partnership Working</p> <p>Outstanding Partnership terms and agreements</p>
<ul style="list-style-type: none"> We will engage stakeholders effectively, including citizens and service users 	<ul style="list-style-type: none"> Consults with or involve individual citizens, service users and other stakeholders to ensure that service provision is contributing towards the achievement of intended outcomes. 	<ul style="list-style-type: none"> The Combined Authority seeks views from individuals, organisations and businesses on a number of areas including strategies, policies and detailed projects, using a variety of means including face to face and online.

Supporting principles	To achieve this the organisation:	This is evidenced and supported by:
	<ul style="list-style-type: none"> • Ensures communication methods are effective and that members and officers are clear about their roles with regard to community engagement. • Encourages, collects and evaluates the views and experiences of communities, citizens, service users and organisations of different backgrounds including reference to future needs. • Implements effective feedback mechanisms in order to demonstrate how their views have been taken into account. • Balances feedback from more active stakeholder groups with other stakeholder groups to ensure inclusivity. 	<ul style="list-style-type: none"> • The Mayor and Members ensure they are accessible to the community and contact details are held on the Combined Authority's website; • Question time at Board meetings and petition scheme is advertised on the Combined Authority • Public consultation takes place on the budget <p>Key documents include: Contact details on website, budget, Constitution includes questions and petition scheme</p> <p>In progress: Consultation principles (optional)</p>

PRINCIPLE C: ECONOMIC, SOCIAL AND ENVIRONMENTAL BENEFITS

PRINCIPLE C:

Defining outcomes in terms of sustainable economic, social, and environmental benefits.

SUPPORTING PRINCIPLES:

The long-term nature and impact of many of the Combined Authority's responsibilities mean that it should define and plan outcomes and that these should be sustainable. Decisions should further the Authority's purpose, contribute to intended benefits and outcomes, and remain within the limits of authority and resources. Input from all groups of stakeholders, including citizens, service users, and institutional stakeholders, is vital to the success of this process and in balancing competing demands when determining priorities for the finite resources available.

The Combined Authority supports the above principle by:

Supporting principle	To achieve this the organisation:	This is evidenced and supported by:
<ul style="list-style-type: none"> We will define outcomes 	<ul style="list-style-type: none"> Maintains a statement of the Combined Authority's purpose and intended outcomes containing appropriate performance indicators, which provides the basis for the organisation's overall strategy, planning and other decisions. Identifies the intended impact on, or changes for, stakeholders including citizens and service users, both in the short and long term. Delivers defined outcomes on a sustainable basis within the resources that will be available. Identifies and manages risks to the achievement of outcomes. Manages service user's expectations effectively with regard to determining priorities and making the best use of the resources available. 	<ul style="list-style-type: none"> The Combined Authority is developing its 30 year strategic plan which sets out a clear vision which drives the strategy for the organisation. Core strategic plans as well as the 4 year business plan will set out detailed plans and measurable outcomes and a medium term financial strategy. Effective budget reporting processes ensures sustainability is effectively managed. The Combined Authority's risk management strategy and associated risk registers identify, address and treat areas that may impact on the achievement. Leadership team and CA will receive performance monitoring reports at regular intervals based on the 4 year plan and key strategies. Programmes and projects are assessed against the assurance framework with outcomes set and confirmed when they are approved. Programmes and projects are or will be monitored against the monitoring and evaluation framework

		<p>Key documentation includes: Annual Report, Budget Monitoring Reports to Board, Risk Management Strategy, Risk Registers,</p>
<ul style="list-style-type: none"> We will provide sustainable economic, social and environmental benefits 	<ul style="list-style-type: none"> Considers economic, social and environmental impact of policies, plans and decisions when taking decisions about service provision. Takes a longer-term view with regard to decision making, taking account of risk and acting transparently where there are potential conflicts between intended outcomes and short-term factors such as the political cycle or financial constraints. Determines the wider public interest associated with balancing conflicting interests between achieving the various economic, social and environmental benefits, through consultation where possible, in order to ensure appropriate trade-offs. 	<ul style="list-style-type: none"> The Combined Authority has established an Independent Economic Commission to develop a robust evidence base on Cambridgeshire and Peterborough's economic performance and potential and to provide objective and independent advice to the Combined Authority: <ul style="list-style-type: none"> (i) on the economic impact of key decisions and investment programmes; and (ii) long-term drivers of growth across the Cambridgeshire and Peterborough economy. The evidence base will identify the outcomes in the Core strategic plans as well as the 4 year business plan are achieved. <p>Key documentation includes: Constitution includes terms of reference and membership of the Independent Economic Commission and Core strategies</p> <p>30 year plan, , 4 year plan</p>

PRINCIPLE D: ACHIEVEMENT OF INTENDED OUTCOMES

PRINCIPLE D:

Determining the interventions necessary to optimise the achievement of the intended outcomes.

SUPPORTING PRINCIPLES:

The Combined Authority achieves its intended outcomes by providing a mixture of legal, regulatory, and practical interventions. Determining the right mix of these courses of action is a critically important strategic choice that the Combined Authority has to make to ensure intended outcomes are achieved. It needs robust decision-making mechanisms to ensure that defined outcomes can be achieved in a way that provides the best trade-off between the various types of resource inputs while still enabling effective and efficient operations. Decisions made need to be reviewed continually to ensure that achievement of outcomes is optimised.

The Combined Authority supports the above principle by:

Supporting principle	To achieve this the organisation:	This is evidenced and supported by:
<ul style="list-style-type: none"> We will determine interventions 	<ul style="list-style-type: none"> Ensures decision makers receive objective information covering of a variety of options indicating how intended outcomes would be achieved along with the associated risks and value achieved. Consults and considers feedback from citizens and service users when making decisions about service improvements or closures in order to prioritise competing demands within 	<ul style="list-style-type: none"> The strategic priorities are set out in the 30 year plan shape the decision making of the Combined Authority and ensure interventions are priorities to deliver the aims and objectives. We will apply the principle of governments 5 stage business model and treasury green book principles and monitoring and evaluation process applicable to particular schemes. The format of decision making reports to ensure that all relevant information is considered such as analysis of options, resource implications, and outcomes of Integrated Impact Assessment etc. Options are clearly defined and analysed to ensure decisions are based on the best possible information. Project appraisal processes seek to ensure maximum value for money from investments in programmes and projects. The assurance framework is applied to these projects and ensure that they are effectively assessed (in terms of analysis of options, resource implications and strategic outcomes) and evaluated before approval is sought to proceed and that outcomes are achieved.- Post project evaluation with monitoring and evaluation will include post completion project evaluation -

Supporting principle	To achieve this the organisation:	This is evidenced and supported by:
	limited resources, whilst considering future impacts.	Key documents include: Agendas and Reports, Assurance and Monitoring and Evaluation Framework, 30 year plan,
<ul style="list-style-type: none"> We will plan interventions 	<ul style="list-style-type: none"> Ensures that those making decisions, whether for the authority or any partnerships, are provided with information that is fit for purpose, relevant and timely. Ensures that proper professional advice on matters that have legal or financial implications is available, recorded and used appropriately. 	<ul style="list-style-type: none"> The 4 year plan and medium term financial strategy sets out the planned interventions for the coming year. Longer term plans are or will be included in core strategies, such as the Local Transport Plan, Housing Strategy, Skills Strategy Financial reporting processes which include budget setting processes and budget monitoring are clearly defined to highlight budget pressures where intervention may be required. Committee report framework requiring legal and financial authorisation prior to issue. Financial and legal representation at committee meetings. Performance monitoring against key performance indicators and benchmarking is or will be undertaken as appropriate Leadership team and CA will receive performance monitoring reports at regular intervals based on agreed actions and targets for the year- <p>Key documents include: Committee Reports and minutes</p> <p>In progress 4 year plan and Medium Term Financial Strategy</p>
<ul style="list-style-type: none"> We will optimise achievement of intended outcomes 	<ul style="list-style-type: none"> Ensures that risk management is embedded into the culture of the authority, with members and managers at all levels. Ensures that effective arrangements for whistle-blowing are in place and accessible to officers, staff and all those contracting with or appointed by the authority. 	<ul style="list-style-type: none"> The annual budget is prepared for scrutiny and approval by Members and published in line with agreed priorities and the medium term financial strategy. Budget plans are shared in advance with partner local authorities. The assurance framework provides the means to assess projects in terms of outcomes to enable a prioritisation of interventions. A risk management strategy that is regularly reviewed by senior management and the Audit and Governance Committee. A whistleblowing policy which is accessible to all, detailing key officers and feedback processes. Ongoing review of projects and programme risk registers. <p>Key documents include: Whistleblowing policy, Risk Management Strategy, Risk Registers,</p>

PRINCIPLE E: CAPACITY AND CAPABILITY

PRINCIPLE E:

Developing the organisations capacity, including the capability of its leadership and the individuals within it.

SUPPORTING PRINCIPLES:

The Combined Authority needs appropriate structures and leadership, as well as people with the right skills, appropriate qualifications and mind-set, to operate efficiently and effectively and achieve their intended outcomes within the specified periods. It must ensure that it has both the capacity to fulfil its own mandate and to make certain that there are policies in place to guarantee that its management has the operational capacity for the organisation as a whole. Because both individuals and the operating environment will change over time, there will be a continuous need to develop capacity as well as the skills and experience of the leadership and of individual staff members. Leadership is strengthened by the participation of people with many different types of backgrounds, reflecting the structure and diversity of communities.

The Combined Authority supports the above principle by:

Supporting principle	To achieve this the organisation:	This is evidenced and supported by:
<ul style="list-style-type: none"> We will develop the Combined Authority's capacity 	<ul style="list-style-type: none"> Reviews operations, performance use of assets on a regular basis to ensure their continuing effectiveness. Improving resource use through appropriate application of techniques to determine how the authority's resources are allocated so that outcomes are achieved effectively and efficiently. Recognises the benefits of partnerships and collaborative working where added value can be achieved. Is developing and maintaining an effective workforce plan to enhance the strategic allocation of resources. 	<ul style="list-style-type: none"> The Combined Authority has established an organisational structure and is in the process of recruiting to that structure. The aim is to have a lean organisation that commissions from experts from the public and private sector to achieve its objectives most effectively and efficiently. It is currently amalgamating the Combined Authority and the Local Strategic Partnership <p>Key documents include: Staffing structure, Partnership and Service Level Agreements</p>
<ul style="list-style-type: none"> We will develop the capability of the Combined Authority's leadership and other individuals 	<ul style="list-style-type: none"> Has protocols to ensure that elected and appointed leaders negotiate with each other regarding their respective roles early on in the relationship and that a shared understanding of roles and objectives is maintained. 	<ul style="list-style-type: none"> The Combined Authority has a robust framework via the constitution of the roles and responsibilities of members and officers that encompass the Mayor, Members, Overview and Scrutiny Committee and Audit and Governance Committee.

	<ul style="list-style-type: none"> • Publishes a statement that specifies the types of decisions that are delegated and those reserved for collective decision making. • Ensures the leader and the chief executive have clearly defined and distinctive leadership roles. • Develops the capabilities of members and senior management to achieve effective shared leadership and to enable the Combined Authority to respond successfully to changing legal and policy. • Has structures in place to encourage public participation. • Holding staff to account through regular performance reviews which take account of training or development needs. • Ensuring arrangements are in place to maintain the health and wellbeing of the workforce and support individuals in maintaining their own physical and mental wellbeing. 	<ul style="list-style-type: none"> • The Mayor and Board members hold portfolio responsibilities which sets out their respective roles. • The scheme of delegation is in place and reviewed annually; • Overview and Scrutiny Committee members have received training from the Centre for Public Scrutiny on their role and producing a work programme. • Audit and Governance Committee have received training on their role and specific topics; • Officers are appointed using competency based job descriptions. Managers are being encouraged to set clear objectives for each employee and to then measure their performance against these competencies and objectives • Training development programmes are available to staff and needs are discussed through regular performance appraisals (APD's). • Various HR policies exist to support the performance of staff including Recruitment and Retention, Capability, Attendance Management currently using Peterborough City Council's terms and conditions • An induction programmes for all employees will be developed . • Staff Appraisals will be linked to the Combined Authority's core values. • Health and Safety policies designed to protect and enhance the welfare of staff will be actively promoted and monitored. <p>Key documents include: Constitution, Senior Management job description, HR policies,</p> <p>In Progress, Staff Appraisal Process (PDR), Core Values and Priorities</p>
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PRINCIPLE F: MANAGING RISKS AND PERFORMANCE

PRINCIPLE F:

Managing risks and performance through robust internal control and strong public financial management.

SUPPORTING PRINCIPLES:

The Combined Authority needs to ensure that the governance structures it has implemented can sustain an effective performance management system that facilitates effective and efficient delivery of planned services. Risk management and internal control are important and integral parts of a performance management system and crucial to the achievement of outcomes. Risk should be considered and addressed as part of all decision making activities.

A strong system of financial management is essential for the implementation of policies and the achievement of intended outcomes, as it will enforce financial discipline, strategic allocation of resources, efficient service delivery, and accountability.

It is also essential that a culture and structure for scrutiny is in place as a key part of accountable decision making, policy making and review. A positive working culture that accepts, promotes and encourages constructive challenge is critical to successful scrutiny and successful delivery. Importantly, this culture does not happen automatically, it requires repeated public commitment from those in authority.

The Combined Authority supports the above principle by:

Supporting principle	To achieve this the organisation:	This is evidenced and supported by:
<ul style="list-style-type: none"> We will manage risk 	<ul style="list-style-type: none"> Implement robust and integrated risk management arrangements to inform decision making processes and ensure that they are working effectively. Ensure ownership for managing individual risks is clearly identified. 	<ul style="list-style-type: none"> The Combined Authority's Risk Management Strategy which sets out the approach to Risk Management. This is overseen by Corporate Management Team and the Audit and Governance Committee Regular reviews of risk and associated registers both operationally and strategically which identifies who is managing the risks and timescales for any required actions. <p>Key documents include: Risk management strategy, risk registers</p>
<ul style="list-style-type: none"> We will managing performance 	<ul style="list-style-type: none"> Monitors service delivery effectively including planning, specification, execution and independent post implementation review. Makes decisions based on relevant, clear objective analysis and advice pointing out the 	<ul style="list-style-type: none"> The Finance and Commercial Director is the authority's S151 / s.73 Chief Finance Officer and is responsible for ensuring that effective financial management is in place. The Combined Authority has an established approach to financial governance involving members, senior officers and

Supporting principle	To achieve this the organisation:	This is evidenced and supported by:
	<p>implications and risks inherent in the organisation's financial, social and environmental position and outlook.</p> <ul style="list-style-type: none"> Ensures an effective scrutiny or oversight function is in place which encourages constructive challenge and debate on policies and objectives before, during and after decisions are made thereby enhancing performance. Provides members and senior management with regular reports on service delivery plans and on progress towards outcome achievement. Ensures there is consistency between specification stages (such as budgets) and post implementation reporting (e.g. financial statements). 	<p>budget holders in the budget setting process and on-going monitoring arrangements by way of forecast performance against budget.</p> <ul style="list-style-type: none"> The Scrutiny Standing Orders provide for the Overview and Scrutiny Committee to call in any CA decision. Throughout the year, it will develop a programme that enables it to consider policy and objectives before, during and after decisions are made. The Overview and Scrutiny Committee has chosen to meet two days before the Board meetings to scrutinise the Board's agenda and make any representations to the Board via the Chair before decisions are made. Agenda, minutes of Overview and Scrutiny meetings and any associated reports with recommendations to the CA are published on the CA's website. Contracts Standing Orders and Financial Regulations set out the council's arrangements and ensure that processes continue to operate consistently. Key indicators will be identified which support the 4 year plan which sets out the actions required in year to deliver the 30 year strategy. These corporate KPIs will be set at the start of each year and performance managed against them. <p>Key documents include: Job Description for the Finance Director, Terms of Reference and procedure rules of Overview & Scrutiny Committees (Constitution), budget monitoring reports to Board and Budget Managers, Constitution call in mechanism.</p>
<ul style="list-style-type: none"> We will have robust internal control 	<ul style="list-style-type: none"> Aligns the risk management strategy and policies on internal control with achieving the objectives. Evaluates and monitor the authority's risk management and internal control on a regular basis. Ensures effective counter fraud and anti-corruption arrangements are in place. Ensures that additional assurance is provided by the Chief Internal Auditor regarding the governance, risk and control environment. Has an audit committee that receives assurance regarding arrangements for managing risk and maintaining an effective 	<ul style="list-style-type: none"> An annual report is produced by Internal Audit which provides an opinion on the CA's control environment, and a self-assessment of its arrangements against the public sector internal audit standards and CIPFA's guide to the role of the Head of Internal Audit. Financial Regulations ensures responsibility and controls over expenditure are clearly assigned. The Annual Governance Statement (AGS) is produced for inclusion in the annual accounts that are subject to review and approval by the Audit and Governance Committee. The Audit and Governance Committee oversees the management of governance issues, internal controls, risk management and financial reporting.

Supporting principle	To achieve this the organisation:	This is evidenced and supported by:
	control environment and recommendations are listened to and acted upon.	<ul style="list-style-type: none"> The Audit and Governance Committee Terms of Reference are reviewed annually and revised to reflect professional bodies' expectations and best practice. The Combined Authority has a Risk Management Strategy which is agreed by senior management and the Audit and Governance Committee. <p>strategic risk register containing high level strategic risks is regularly reviewed and reported to the audit committee at least six monthly.</p> <ul style="list-style-type: none"> Risk management effectiveness is reviewed as part of the Annual Governance Statement and Head of Internal Audit annual reporting process. The Chief Internal Auditor is responsible for fraud and investigation activities. A strategy has been developed and annual investigation activity is reported to the audit committee. <p>Key documents include:</p> <p>HolA annual report, annual governance statement, Fraud and Corruption Strategy Risk strategy & risk register</p>
<ul style="list-style-type: none"> We will manage data 	<ul style="list-style-type: none"> Ensures effective arrangements are in place for the safe collection, storage, use and sharing of data, including processes to safeguard personal data. Ensures effective arrangements are in place and operating effectively when sharing data with other bodies. Reviews and audits regularly the quality and accuracy of data used in decision making and performance monitoring. 	<ul style="list-style-type: none"> Procedures for the effective, fair and lawful processing of data are set out in the Data Protection Policy and supporting information governance framework. <p>Outstanding</p> <ul style="list-style-type: none"> The CA's ICT policies control access to the network and data held on it, with information regarding the use of passwords and sharing of data set out. Effective information sharing is undertaken in accordance with the Data Protection Act and the CA's Data Protection Policy. Data Subjects are informed why their personal information is being collected and how it will be processed (including when shared with other bodies) through the appropriate form of privacy notices. Information Sharing Agreements are in place to document the sharing of information with other organisations. Data verification and validation processes are integrated within systems and processes. Procedures are in place for reporting data breaches which are recorded and reviewed to identify any remedial process actions required.

Supporting principle	To achieve this the organisation:	This is evidenced and supported by:
		<ul style="list-style-type: none"> Details of data breaches will be reported to senior management with self-referral to the ICO if considered appropriate. Mandatory data protection training is undertaken by staff. Internal audits that encompass data quality. <p>Key documents include: Data Protection Policy</p> <p>Outstanding Information governance strategy and associated policies, information risk register, data protection training</p>
<ul style="list-style-type: none"> We will implement strong public financial management 	<ul style="list-style-type: none"> Ensures financial management supports both long term achievement of outcomes and short-term financial and operational performance. Ensures well-developed financial management is integrated at all levels of planning and control, including management of financial risks and controls. 	<ul style="list-style-type: none"> The Medium Term Financial Strategy, Forward Plan and Constitution identifies both short and long term financial outcomes and processes required in achieving both short and long term aims. Regular finance and performance reporting to senior management and Board ensures pressures and risks are discussed and treated as appropriate. Monthly budget monitoring reports. <p>Key documents include: Forward Plan, Budget monitoring reports.</p> <p>In progress Medium Term Financial Strategy</p>

PRINCIPLE G: TRANSPARENCY, AUDIT AND ACCOUNTABILITY

PRINCIPLE G:

Implementing good practices in transparency, reporting, and audit to deliver effective accountability.

SUPPORTING PRINCIPLES:

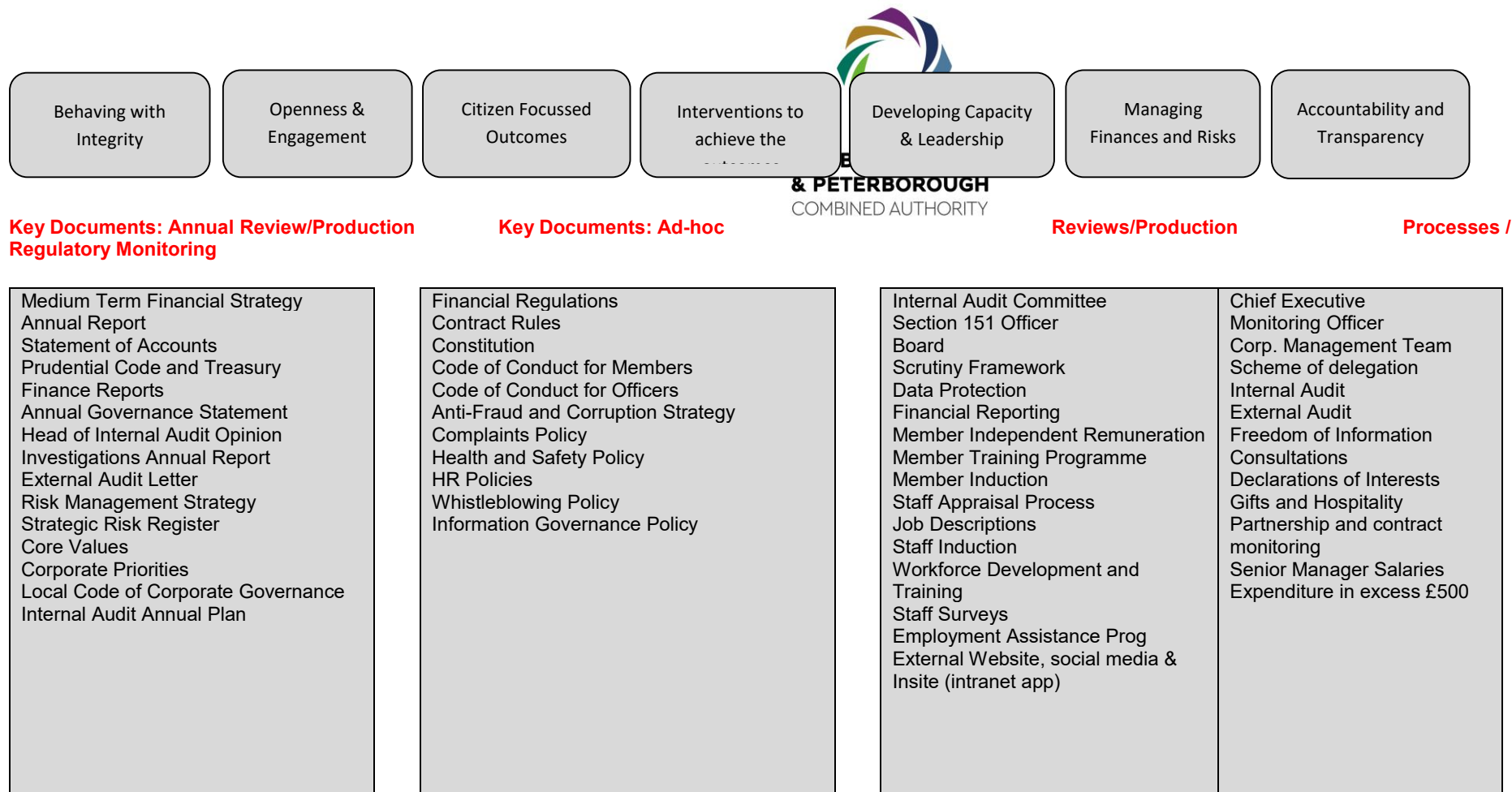
Accountability is about ensuring that those making decisions and delivering services are answerable for them. Effective accountability is concerned not only with reporting on actions completed, but also ensuring that stakeholders are able to understand and respond as the organisation plans and carries out its activities in a transparent manner. Both external and internal audit contribute to effective accountability.

The Combined Authority supports the above principle by:

Supporting principles	To achieve this the organisation:	This is evidenced and supported by:
<ul style="list-style-type: none"> We will implement good practice in transparency 	<ul style="list-style-type: none"> Produces reports for the public and other stakeholders in an understandable style appropriate to the intended audience, ensuring that they are easy to access and interrogate. Strikes a balance between providing the right amount of information to satisfy transparency but can be understood by users to encourage public scrutiny. 	<ul style="list-style-type: none"> Agendas, reports and minutes for CA and formal committees are published on the CA website in accordance with statutory deadlines. Forward Plan of CA decisions published monthly <p>In progress</p> <ul style="list-style-type: none"> Adoption of the National Transparency Code and a Publication Scheme providing information on the website regarding CA business, expenditure and governance. The process for making Freedom of Information requests is clearly set out on the website Freedom of information requests and responses will be published on the website. <p>Key documents include: Committee report and agendas, Freedom of Information Policy and reports, Data Protection Policy,</p> <p>Outstanding</p> <p>Data Retention Policy, Publication of Freedom of Information requests</p>

Supporting principles	To achieve this the organisation:	This is evidenced and supported by:
<ul style="list-style-type: none"> We will implement good practices in reporting 	<ul style="list-style-type: none"> Reports at least annually on performance, value for money and the stewardship of its resources. Ensures members and senior management own the results. Has robust arrangements for assessing the extent to which the principles contained in the Framework have been applied and publishing the results on this assessment including an action plan for improvement and evidence to demonstrate good governance (annual governance statement). Provides performance information that accompanies the financial statements is prepared on a consistent and timely basis. 	<ul style="list-style-type: none"> The Combined Authority publishes its Annual Report and Statement of Accounts which is available on the website. It includes information on performance along with financial statements. An Annual Governance Statement is produced each year. . <p>Key documents include: Annual Report and Statement of Accounts, Annual Governance Statement.</p>
<ul style="list-style-type: none"> Assurance and effective accountability 	<ul style="list-style-type: none"> Ensures that recommendations for corrective action made by external audit are acted upon. Provides an effective internal audit service with direct access to members which provides assurance with regard to governance arrangements and recommendations are acted upon. Encourages peer challenge, reviews and inspections from regulatory bodies and implementing recommendations. Obtains assurance on risks associated with delivering services through third parties and that this is evidenced in the annual governance statement. Ensures that when working in partnership, arrangements for accountability are clear and that the need for wider public accountability has been recognised and met. 	<ul style="list-style-type: none"> An external audit programme will be completed each year. External Audit recommendations will be formally responded to and reported to Audit & Governance Committee. Regular meetings are held with senior management and External Audit to review progress. An independent internal audit team commissioned from Peterborough City Council which conforms to Public Sector Internal Audit Standards (PSIAS). Its Annual Plan and outcomes are reported to the Audit & Governance Committee via the Head of Internal Audit Annual Audit Opinion. Follow up action is undertaken to monitor recommendation implementation. The Chief Internal Auditor has direct access to the Chair of the Audit Committee. Governance arrangements for partnerships and shared services are or will defined in partnership and contract agreements. An independent panel is utilised for setting member allowances. <p>Key documents include: External Audit Annual Report and Letter Annual Audit Plan HoIA Annual Report,</p>

Supporting principles	To achieve this the organisation:	This is evidenced and supported by:
		Internal Audit Charter, Internal Audit Effectiveness Report, Annual Governance Statement Internal Audit Reports





**CAMBRIDGESHIRE
& PETERBOROUGH**
COMBINED AUTHORITY

Appendix 2

Cambridgeshire and Peterborough Combined Authority and the Local Enterprise Partnership Business Board

Whistleblowing Policy

The Combined Authority and Business Board's policy on Whistleblowing and how to raise concerns.

Policy Number	Insert policy number	Version Number	1
Date of Issue			
Reviewed by	Audit and Governance Committee	26 March 2018	
Approved by	Cambridgeshire and Peterborough Combined Authority		
Approved by	Business Board		

1. Introduction

A Discloser is the person who is the whistle-blower. They might be an employee, a Cambridgeshire and Peterborough Combined Authority Member, a Local Enterprise Partnership Business Board Member, a contractor or a third party.

This procedure outlines the process to follow for a Discloser when reporting a perceived wrongdoing within the Cambridgeshire and Peterborough Combined Authority or the Local Enterprise Partnership Business Board, including something they believe goes against the core values of Standards in Public Life (the Nolan Principles) and the Code of Conduct for Cambridgeshire and Peterborough Combined Authority or the Local Enterprise Partnership Business Board Members and staff. The Standards in Public Life include the principles of; integrity, honesty, objectivity, accountability, openness, honesty, leadership and impartiality.

In particular both Cambridgeshire and Peterborough Combined Authority and the Local Enterprise Partnership Business Board Members, as the key decision makers of these

bodies, have a right and a responsibility to speak up and report behaviour that contravenes these values.

It is important that this procedure is followed when raising any concerns, to ensure that the matter is dealt with correctly.

2. Definitions

This document uses the following definitions:

- **Whistleblowing** - where an individual who has concerns about a danger, risk, contravention of rules or illegality provides useful information to address this. In doing so they are acting in the wider public interest, usually because it threatens others or impacts on public funds. By contrast, a grievance or private complaint is a dispute about the individuals own position and has no or very limited public interest.
- **Combined Authority** - Cambridgeshire and Peterborough Combined Authority
- **Business Board** - the Local Enterprise Partnership Business Board
- **Discloser** – this is the person who is the whistle-blower. They might be an employee, a Cambridgeshire and Peterborough Combined Authority or the Local Enterprise Partnership Business Board Member, a contractor or a third party.
- **Responsible Officer** - this is the person, appointed by the Cambridgeshire and Peterborough Combined Authority and the Local Enterprise Partnership Business Board, with overall responsibility for maintaining and operating this whistleblowing policy. They will maintain a record of concerns raised and the outcomes (but will do so in a form that does not endanger confidentiality) and will report as necessary to the Accountable Body for Local Enterprise Partnership Business Board, the Cambridgeshire and Peterborough Combined Authority and the Local Enterprise Partnership Business Board .
- Their name is Martin Whiteley and their contact details are

Martin Whiteley
Chief Executive,
Cambridgeshire and Peterborough Combined Authority and the Local Enterprise Partnership Business Board
The Incubator,
Alconbury Weald Enterprise Campus,
Alconbury Airfield,
Huntingdon,
Cambridgeshire,
PE28 4WX.
01480 277180
Martin.Whiteley@cambridgeshirepeterborough-ca.gov.uk

If the concern relates to the Responsible Officer then in the alternative the concern should be raised with the statutory Chief Finance Officer and S151

Officer to the Combined Authority and Accountable Finance Officer for the Business Board. Their contact details are
Rachel Musson
Finance Director
Cambridgeshire and Peterborough Combined Authority and the Local Enterprise Partnership Business Board
The Incubator,
Alconbury Weald Enterprise Campus,
Alconbury Airfield,
Huntingdon,
Cambridgeshire,
PE28 4WX.
[Rachel Musson@cambridgeshirepeterborough-ca.gov.uk](mailto:Rachel.Musson@cambridgeshirepeterborough-ca.gov.uk)

- **Relevant Concern** – something the Discloser has been asked to do, or is aware of which they consider to be wrong-doing and is in the public interest.

3. Scope

The Combined Authority and the Business Board are committed to creating a work environment with the highest possible standards of openness, probity and accountability. In view of this commitment, we encourage Disclosers with serious concerns about the work of the Combined Authority and the Business Board to come forward and voice their concerns without fear of reprisal.

Disclosers should note that where the concern is one that might fall under Combined Authority's staff or work force policies on equality and diversity or harassment and bullying or other staff policies, they should consider using the reporting mechanisms for those other policies first, as stated in the Staff Handbook.

The Combined Authority and Business Board has a pre-existing complaints procedure that in many cases will be more appropriate for third parties or members of the public to follow. Third parties or members of the public should review the separate confidential complaints procedure link outlined in the Combined Authority and the Business Board complaints policy **[insert relevant LEP website hyperlinks]** on their website first before going through the whistleblowing process.

However, if a member of the public or third party believes that their complaint fits the description of a 'relevant concern' outlined below, they may report their concerns through the whistleblowing policy procedure.

4. Policy Statement

The Combined Authority and the Business Board acknowledges that Disclosers may often be the first people to realise that there may be something seriously wrong within the organisation.

This policy aims to:

- Encourage people to feel confident about raising serious concerns and to question and act upon their concerns without fear of victimisation or harassment;
- Provide avenues for Disclosers to raise those concerns and receive feedback on any action taken;
- Allow Disclosers to take the matter further if they are dissatisfied with the Combined Authority or Business Board's response; and
- Reassure all Disclosers, employees in particular who may have specific concerns about their position and employment status in the Combined Authority, that they will be protected from possible reprisals or victimisation if they have a reasonable belief that they have made any disclosure in the public interest.

5. What is a relevant concern?

If a Discloser is asked to do something, or is aware of the actions of another, which they consider to be wrongdoing, they can raise it using this procedure. The Discloser must have a reasonable belief that raising the concern is in the public interest.

A Discloser may decide to raise a concern under the whistleblowing policy if they are aware of a situation that they feel:

- is against the Combined Authority or the Business Board's procedures and protocols as set out in its code of conduct and the Combined Authority and the Business Board's Single Assurance Framework;
- falls below established standards of practice the Combined Authority and the Business Board subscribes to;
- amounts to improper conduct; or
- is an abuse of power for personal gain.

The types of matters regarded as a relevant concern for the purpose of this procedure include, but are not limited to, the following:

- Fraud or financial irregularity
- Corruption, bribery or blackmail
- Other Criminal offences
- Failure to comply with a legal or regulatory duty or obligation
- Miscarriage of justice
- Endangering the health or safety of any individual
- Endangering the environment
- Improper use of authority
- Concealment of any of the above.

Disclosers should not raise malicious or vexatious concerns, nor should they raise knowingly untrue concerns. In addition, this procedure should not be used to raise concerns of a HR/personal nature, for example, complaints relating to a management decision or terms and conditions of employment. These matters should be dealt with using the relevant alternative procedure, for example, the Combined Authority's grievance procedure. Equally, this policy would not apply to matters of individual

conscience where there is no suggestion of wrongdoing by the Combined Authority and the Business Board but, for example, an employee or Combined Authority and the Business Board Member is required to act in a way which conflicts with a deeply held personal belief.

6. Safeguards

The Public Interest Disclosure Act (1999) gives legal protection to employees against being dismissed or penalised by their employers as a result of publicly disclosing certain serious concerns. The Combined Authority believes that no member of staff should be at a disadvantage because they raise a legitimate concern.

The Combined Authority and the Business Board will not tolerate harassment or victimisation and will take action to protect Disclosers when they raise a concern in the public interest.

If a Discloser experiences something in the workplace which they consider a relevant concern, it is important that the concern is raised as early as possible. Proof is not required at this point – it is for the Combined Authority or the Business Board to investigate. The Discloser must, however, have a reasonable belief that disclosing the information is in the public interest before raising a concern.

All concerns will be treated in confidence and every effort will be made to protect the Discloser's identity if they wish to remain anonymous. However, at the appropriate time, it is possible that the Discloser will need to come forward as a witness for the matter to progress.

It is important to follow the correct procedure when raising a whistleblowing concern. The following steps should be adhered to:

- a. It is important that the concern is raised with the person best placed to deal with the matter, in most cases this will be the Responsible Officer. However, the Discloser may want to raise the concern with someone they know and trust, such as their line manager who can raise it with the Responsible Officer on their behalf.
- b. If it is suspected that the concern may implicate the line manager in some way, then it could be raised with a more senior manager in the line management chain.
- c. If the Discloser is unable to raise a relevant concern with a line manager or a senior manager or feel that it has not been adequately addressed, it should be raised directly with the Responsible Officer.
- d. Ultimately, the Discloser can raise their concern with the statutory Chief Finance Officer and S151 Officer.

7. Information needed to raise a concern

When raising a concern under the procedure the Discloser should try to provide the following information:

- the background and reason behind the concern
- whether they have already raised a concern with anyone and the response
- any relevant dates when actions related to the concern took place.

This information should demonstrate that there are reasonable grounds for the concern to be acted upon. It is important that matters are not investigated by the Discloser themselves.

If applicable, personal interests must be declared from the outset.

8. How the concern will be handled

All investigations will be conducted sensitively and as quickly as possible. While the Combined Authority and the Business Board cannot guarantee that the outcome will be as the Discloser may wish, it will handle the matter fairly and in accordance with this procedure.

Once a concern has been raised with either the line manager or Responsible Officer, Senior Manager or Chief Executive, or statutory Chief Finance Officer and S151 Officer, a meeting may be arranged with them to determine how the concern should be taken forward.

The Combined Authority or the Business Board may decide to take the matter forward by a number of methods, including:

- An internal inquiry or other formal investigation
- An internal or external audit
- Referring the matter to the police
- Referring the matter to another relevant authority for investigation.

Before a final decision is taken on how to proceed, or as part of the investigation, the Discloser may be asked to meet with those investigating their allegation.

If a meeting is arranged, the Discloser may wish to be accompanied by a trade union representative, colleague or friend. The person who accompanies the Discloser should not be involved or have a direct interest in the area of work to which the concern relates. The meeting can be conducted over the telephone rather than face to face.

Within 10 working days of a concern being raised, the Combined Authority and the Business Board's Responsible Officer will write to the Discloser to:

- Acknowledge that the concern has been received
- Indicate how they propose to deal with the matter

- Give an estimate of how long it will take to provide a final response
- Tell the Discloser whether any initial investigation or enquiry has been made
- Tell the Discloser whether further investigation will be made, and if not, why not.
- Tell the Discloser how frequently the Combined Authority and the Business Board will keep them up to date on progress of the investigation.

The amount of contact between the Combined Authority or the Business Board and the Discloser concerned will vary, depending on the concern raised, any difficult issues and any further clarity required. If necessary, the Combined Authority or the Business Board will seek further information from the Discloser.

The Combined Authority or the Business Board will confirm when the matter is concluded and, if appropriate, the outcome of the investigation, maintaining security and confidentiality for all parties as far as possible.

Throughout any investigation, the Discloser will still be expected to continue their duties/role as normal unless deemed inappropriate.

9. Confidentiality and anonymity

The best way to raise a concern is to do so openly, as this makes it easier for the Combined Authority or Business Board to investigate and provide feedback.

Any disclosures made under this procedure will be treated in a sensitive manner. However the Combined Authority or the Business Board recognises that the Discloser may want to raise a concern in confidence, i.e. they may want to raise a concern on the basis that their name is not revealed without their consent.

The Combined Authority or Business Board will respect any request for confidentiality as far as possible, restricting it to a 'need to know' basis. However, if the situation arises where it is not possible to resolve the concern without revealing the Discloser (for example in matters of criminal law), the Combined Authority or Business Board will advise them before proceeding. The same considerations of confidentiality should be afforded to the recipient(s) at the centre of the concern, as far as appropriate.

The Combined Authority or the Business Board always encourages potential Disclosers to speak up about potential serious wrongdoing in a way that they feel comfortable. Disclosers may choose to raise concerns anonymously, i.e. without providing their name at all. If this is the case, the investigation itself may serve to reveal the source of information. Disclosers are therefore encouraged, where possible to put their names to concerns raised. When anonymous concerns are raised, they will be treated as credible and investigated so far as possible.

10. Protection

If a concern is raised in the reasonable belief that it is in the public interest and procedures have been followed correctly, the Discloser raising the concern will be protected by the terms of this policy and, where applicable, by whistleblowing legislation

(see gov.uk for more information on who is covered by whistleblowing legislation).

Where a Discloser has been victimised for raising a concern, the Combined Authority or the Business Board concerned will take appropriate action against those responsible, in line with the Combined Authority's disciplinary policy and procedures.

11. Changes to procedures or policy as a result of whistleblowing

If changes are made to Combined Authority or the Business Board policies and processes as result of whistleblowing investigations, the Combined Authority or the Business Board will publicise the changes as appropriate, taking into consideration the importance of protecting the anonymity and confidentiality of individuals.

12. Untrue allegations

If a Discloser makes an allegation but it is not confirmed by the investigation, no action will be taken against them. However, if a malicious or vexatious allegation is made without good reason to: cause trouble; for personal gain; or to discredit the Combined Authority or the Business Board an investigation may take place. Where the Discloser is an employee or a Combined Authority or the Business Board Member or a contractor this may result in disciplinary or other action if they have broken the terms of their employment, acted against the LEP Code of Conduct or broken a clause in a contract.

13. How this matter can be taken forwards if you are not satisfied

This procedure is intended to provide Disclosers with an avenue to raise legitimate concerns. If you are either unable to raise the matter with the Combined Authority or Business Board or you are dissatisfied with the action taken you can report the matter externally.

If you are either unable to raise the matter with the Combined Authority or the Business Board or you are dissatisfied with the action taken you may consider raising it with:

- The police
- The relevant regulatory body or professional body
- Your Trade Union
- Your solicitor
- Your Citizens Advice Bureau

Further information and signposting for potential Disclosers is available on www.gov.uk

.

If a Discloser does take the matter outside the Combined Authority or the Business Board, to an external body, they should ensure they do not disclose information that is confidential, for example, if you are an employee your contract of employment may set out expectations of your regarding what is confidential.

Prescribed Persons

Where your concerns are in the public interest, you can take them to a number of persons who have been prescribed by the Secretary of State.

A full list of prescribed persons to whom you can make a protected disclosure can be obtained through the following link: [List of Prescribed Persons](#)

Business Board Matters Only

If you are dissatisfied with the action taken in relation to a Business Board matter, you can raise the matter directly to the Cities and Local Growth Unit in the Department of Communities and Local Government and the Department of Business Energy and Industrial Strategy, at the following email address:

LEPPolicy@communities.gsi.gov.uk or by writing to: LEP Policy Deputy Director, Cities and Local Growth Unit, Fry Block, 2 Marsham Street, London, SW1P 4DF. You should clearly mark your email or letter as “Official - whistleblowing”.

14. Feedback on Whistleblowing Policy

Any feedback or comments on this policy should be directed to the Combined Authority and the Business Board’s Responsible Officer.

15. Review

This procedure will be kept under review and any amendments will be subject to consultation with staff representatives. It will be reviewed by the Combined Authority’s Audit and Governance Committee.

Appendix 3



**CAMBRIDGESHIRE
& PETERBOROUGH**
COMBINED AUTHORITY

Cambridgeshire and Peterborough Combined Authority and the Local Enterprise Partnership Business Board

Confidential reporting of complaints

The Combined Authority and Business Board's confidential reporting of complaints policy on and how to raise concerns.

Policy Number	Insert policy number	Version Number	1
Date of Issue			
Reviewed by	Audit and Governance Committee	26 March 2018	
Approved by	Cambridgeshire and Peterborough Combined Authority		
Approved by	Business Board		

1. Introduction

The Cambridgeshire and Peterborough Combined Authority and the Local Enterprise Partnership Business Board is committed to creating a work environment with the highest possible standards of openness, probity and accountability. In view of this commitment we encourage employees and others with serious concerns about any aspect of the Cambridgeshire and Peterborough Combined Authority or the Local Enterprise Partnership Business Board's work to come forward and voice those concerns without fear of reprisal. For employees and those working closely with the Combined Authority or Business Board, please follow the whistleblowing policy on our website. Insert hyperlink to whistleblowing procedure

For third parties and members of the public, please follow the confidential complaints procedure outlined below.

Whistleblowing - where an individual who has concerns about a danger, risk, contravention of rules or illegality provides useful information to address this. In doing

so they are acting in the wider public interest, usually because it threatens others or impacts on public funds. By contrast, a grievance or private complaint is a dispute about the individual's own position and has no or very limited public interest.

Confidentiality

If a member of the public or a third party wants to make a confidential complaint or raise a concern, it will be treated in confidence and every effort will be made to protect the person's identity if they wish to remain anonymous. The Cambridgeshire and Peterborough Combined Authority or the Local Enterprise Partnership Business Board will investigate all complaints or allegations.

Anonymous allegations

The Cambridgeshire and Peterborough Combined Authority and the Local Enterprise Partnership Business Board take all complaints and concerns raised by members of the public and third parties seriously. We will investigate anonymous allegations but remind complainants that when people put their names to an allegation the ability to investigate and therefore reach firm conclusions is strengthened. Concerns expressed anonymously will be considered at the discretion of the Cambridgeshire and Peterborough Combined Authority or the Local Enterprise Partnership Business Board. When exercising this discretion the factors to be taken into account would include:

- the seriousness of the issue raised;
- the credibility of the concern; and
- the likelihood of confirming the allegation from attributable sources.

The Ministry of Housing, Communities & Local Government may request information arising from this process if they have concerns regarding a combined authority or local authority, or have been approached with similar complaints. The expectation is that this information will be provided on an anonymous basis, but it may be necessary to provide personal details to progress a complaint.

Where details are gathered, the Cambridgeshire and Peterborough Combined Authority and the Local Enterprise Partnership Business Board will put in place appropriate data protection arrangements in line with the Data Protection Act 1998.

2. Confidential Complaints Procedure

The Cambridgeshire and Peterborough Combined Authority or the Local Enterprise Partnership Business Board is aware that the organisation's ordinary complaints procedure may not be suitable if someone wants the complaint to remain confidential. If you would like to make a confidential complaint please write to:

Martin Whiteley,
Chief Executive of Cambridgeshire and Peterborough Combined Authority and the
Local Enterprise Partnership
Business Board, Unit 3,

The Incubator,
Alconbury Weald Enterprise Campus,
Alconbury Weald,
Huntingdon, PE28 4WX. Or
email Martin.Whiteley@cambridgeshirepeterborough-ca.gov.uk

State that you want the complaint to remain confidential.

3. Action taken by Cambridgeshire and Peterborough Combined Authority or the Local Enterprise Partnership Business Board

The designated complaints officer will raise your concern and investigate the complaint. You can expect the officer to

- Contact you within 10 working days to acknowledge the complaint and discuss the appropriate course of action.
- Write to you within 28 working days with findings of the investigation. If the investigation has not concluded within 28 working days, the officer will write to you to give reasons for the delay in resolving the complaint.
- Take the necessary steps to rectify the issue.

If you are unhappy with the outcome of the complaint or the complaint involves those responsible for the confidential complaints procedure:

Local Government Ombudsman

You can contact the Local Government Ombudsman about your complaint at any time. However, the Ombudsman usually gives the Combined Authority the opportunity to investigate first.

You can contact the Local Government Ombudsman at:

Local Government & Social Care Ombudsman
PO Box 4771
Coventry CV4 0EH

Phone: 0300 061 0614
Text: 'call back' to 0762 480 3014
Website: www.lgo.org.uk

You can get leaflets about how to complain to the Local Government Ombudsman from any of Council's offices or any library.

For local Enterprise Partnership Business Board Matters Only

You can escalate your concerns through the Local Enterprise Partnership Business Board's accountable Finance Officer for the Business Board. Their contact details are

Rachel Musson
Finance Director
Cambridgeshire and Peterborough Combined Authority and the Local Enterprise
Partnership Business Board
The Incubator,
Alconbury Weald Enterprise Campus,
Alconbury Airfield,
Huntingdon,
Cambridgeshire,
PE28 4WX.

Rachel.Musson@cambridgeshirepeterborough-ca.gov.uk

If you are either unable to raise the matter with the Cambridgeshire and Peterborough Combined Authority or the Local Enterprise Partnership Business Board or you are dissatisfied with the action taken you can report it direct to the Cities and Local Growth Unit in the Department of Communities and Local Government and the Department of Business, Energy and Industrial Strategy, at the following email address:

LEPPolicy@communities.gsi.gov.uk or by writing to LEP Policy Deputy Director, Cities and Local Growth Unit, Fry Block, 2 Marsham Street, London, SW1P 4DF. You should clearly mark your email or letter as “Official - complaints”.

For employees and those working closely with the LEP, please follow the staff whistleblowing policy on our website [\[Insert hyperlink to whistleblowing procedure\]](#).

Appendix 4



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**CAMBRIDGESHIRE
& PETERBOROUGH**
COMBINED AUTHORITY

Anti-Fraud, Bribery, Corruption Policy and Strategy Statement

Policy Number	Insert policy number	Version Number	1
Date of Issue			
Reviewed by	Audit and Governance Committee	26 March 2018	
Approved by	Cambridgeshire and Peterborough Combined Authority		
Approved by	Business Board		

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1. FOREWORD**1.1. The Current Climate and the Authority Stance**

- 1.1.1. It is important that the United Kingdom public sector maintains high standards of probity and has a good reputation for protecting the public purse. The minimisation of losses to fraud and bribery is therefore essential for ensuring that resources are used for their intended purpose and sound systems of public accountability and transparency are vital to effective management and in maintaining public confidence. The Cambridge and Peterborough Combined Authority (CPCA) shares these high standards and is committed to protecting the public funds entrusted to it, so as to maximise the resources available for providing community leadership and quality services.
- 1.1.2. The public is entitled to expect the CPCA to conduct its affairs with integrity, honesty and openness and demand the highest standards of conduct from those working for it. This Corporate Anti-Fraud & Bribery Policy & Statement outlines the Authority's commitment to:
- A firm approach and the maintaining of high ethical standards in its administration of public funds;
 - Strengthening its anti-fraud and bribery culture;
 - Minimising the incidence of, and losses to, fraud and bribery;
 - Developing greater capability and capacity to punish offenders and recover costs as well as losses. The Policy & Strategy Statement also outlines the mechanisms in place to acknowledge the Authority's fraud and bribery risks, to prevent them from occurring and to fully pursue anyone intent on defrauding the Authority.
- 1.1.3. In considering the CPCA's policy and strategic issues, account has been taken of Government and Professional Institution guidance and best practice stemming from:
- National Fraud Authority (NFA) publications and guidance, including the national strategy "Fighting Fraud Together" and the more specific strategy relevant to local government "Fighting Fraud Locally";
 - Audit Commission "Protecting the Public Purse" reports;
 - The Chartered Institute of Public Finance and Accountancy (CIPFA) guidance including "Managing the Risk of Fraud" "Fraud Risk Evaluation Diagnostics";
 - Government publications such as "Eliminating Public Sector Fraud" produced by the Counter Fraud Taskforce and "Tackling Fraud and Error in Government" produced by the Fraud, Error and Debt Taskforce; and
 - Legislation requirements.

- 1.1.4. The success of the strategy will be measured by the extent to which fraud is minimised and proven cases of fraud, bribery or other irregularity are subject to the severest sanctions being imposed, based on the circumstances of each case.
- 1.1.5. Proven cases involving employees are dealt with through the Authority's disciplinary process with any identified losses recovered. Successful prosecutions and disciplinary hearings are publicised, taking account of any restrictions on reporting. Employees and Members are provided with training and are aware of their anti-fraud and bribery responsibilities.

2. THE POLICY

2.1. Aims

- 2.1.1. The CPCA's policy on fraud, bribery and corruption (including theft and other general wrongdoing) is to take firm action in all cases in accordance with relevant policies and procedures.
- 2.1.2. With this in mind the Authority aims to:
- Continually review and assess its fraud and bribery risks and implement actions to minimise the likelihood of them materialising;
 - Ensure all employees and Members are aware of their individual and collective responsibilities relating to the prevention and detection of fraud;
 - Discourage and prevent incidents of fraud and bribery from occurring, particularly in the areas of greatest risk;
 - Promote and enhance detection routines to identify any incidents that do occur;
 - Investigate and respond effectively to minimise the impact of any suspected or identified incidents of fraud and bribery affecting the CPCA;
 - Strengthen any weaknesses in control systems identified from the investigative process to prevent any recurrence of the situation;
 - Take the strongest possible action against proven perpetrators of fraud or bribery, including offences committed by employees, taking account of the circumstances of each case;
 - Recover any identified losses stemming from confirmed cases of fraud or bribery in addition to any associated investigation costs.

2.2. Definitions

- 2.2.1. The policy requires that there is a good understanding of what constitutes fraud, bribery or other general wrongdoing so that relevant actions can be taken that are commensurate with a zero-tolerance approach. The following definitions are provided with this in mind:

- **Fraud:** is the intentional distortion of financial statements or other records by persons internal or external to the Authority, which is carried out to obtain an advantage, avoid an obligation or cause loss to another party. Fraud is therefore a deliberate, dishonest act by an individual or group of people, which can be committed, as defined by The Fraud Act 2006, as:
 - False representation;
 - Failing to disclose information; and
 - Abuse of position.
- **Bribery:** is offering, promising or giving someone a financial or other advantage to induce or reward that person to perform their functions or activities improperly as defined by The Bribery Act 2010, which came into force 1st July 2011. It is also an offence to request, receive or accept a bribe. The Bribery Act 2010 also introduces a corporate offence of failing to prevent bribery, which requires adequate procedures to be in place and appropriately supported from the highest level of the organisation.
- **Theft:** is the dishonest appropriation of property belonging to another with the intention of permanently depriving the other of it. For the purpose of this Policy, “borrowing” of any CPCA funds for personal use will be classed as theft.

2.2.2. The above definitions cover such acts as deception, forgery, extortion, blackmail, conspiracy, collusion, embezzlement, false accounting / false representation, concealment of material facts, the offering of a gift or reward to influence a person’s actions and misappropriation.

2.2.3. Fraud includes the following:

- Internal fraud and corruption including income misappropriation, manipulation of pension and payrolls and false invoices and other forms of payments to creditors;
- External frauds perpetrated on the organisation in various ways in particular via the manipulation of information technology systems and cyber attacks by external sources(see 3.4 below);
- Targeted frauds involving the devolution of management functions to external organisations thereby losing strong central controls and a lack of separation of duties; and
- Procurement fraud which refers to any fraud relating to the purchasing of goods and services and defined by the National Fraud Authority as follows:

“Procurement fraud covers the entire procure –to-pay lifecycle, including fraud in the tender bidder selection and contract award stages (for example, illicit cartel activity or bribery of an official to influence the tendering process ;)as well as fraud occurring during the life of the contract (for example, false, duplicate or double invoicing).Procurement fraud can occur with or without the collusion of an employee within an organisation (sometimes referred to as an ‘insider’), and is prevalent across all sectors of the UK.”

- 2.2.4. In recent years the need for cyber security has become a strategic necessity. Significant attacks on public sector organisations have occurred in growing numbers. The attacks arise from the use of malware triggered unknowingly by employees clicking on malicious email attachments. The WannaCry ransomware attacks in the NHS in 2017 demonstrated how damaging such attacks can be as well as being a means of extorting money from susceptible organisations.
- 2.2.5. The Authority will be required to collaborate with a number of partners to deliver major projects and services and this will have significant implications for the ways in which the CPCA will need to manage its exposure to procurement fraud risk. In consequence there is need to adapt existing approaches to risk management of partnerships and contracts to minimise the opportunity for fraud.
- 2.2.6. Responsibility for the performance of a third party provider exposes the CPCA to a different ways of procurement fraud. Third parties have different business models, governance standards, levels of risk acceptance and approaches to risk management. Each relationship with a third party is unique and will expose the Authority to failure and its associated impact in a different way. The CPCA will control the risk of fraud by: carefully managing the procurement process to secure suitable providers; conduct rigorous due diligence review of potential contractors and joint venture partners; mitigate the risk of fraud through project management arrangements and effective reporting systems.
- 2.2.7. The CPCA is a fledgling organisation at present relying entirely on the information technology services provided by constituent authorities, in particular Peterborough City Council for a range of financial services including the provision of internal audit. In accordance with the Authority's policies on bribery and corruption the CPCA focus has centred on ensuring that its service deliverers are aware of the high standards of probity and security required. Given the increasing development of the CPCA it is recognised that migration to acquiring its own systems is a distinct possibility during the devolution term. In that event the Authority will give the highest priority to the safeguarding of the systems through the use of high quality counter fraud measures and the provision of cyber security.
- 2.2.8. The CPCA is committed to finding effective ways of combating fraud, bribery and corruption. These include ensuring that managers understand and accept their responsibilities, encouraging a culture that does not tolerate fraud, bribery and corruption and identifying and addressing specific risk areas.
- 2.2.9. Bribery includes the following:
- a financial or other advantage is offered, given or promised to another person with the intention to induce or reward them or another person to perform their responsibilities or duties improperly (it does not have to be the person to whom the bribe is offered that acts improperly); or

- a financial or other advantage is requested, agreed to be received or accepted by another person with the intention of inducing or rewarding them or another person to perform their responsibilities or duties inappropriately (it does not have to be the person who receives the bribe that acts improperly).

It does not matter whether the bribe is:

- given or received directly or through a third party (such as someone acting on the CPCA's behalf, for example an agent, distributor, supplier, joint venture partner or other intermediary);
or
- for the benefit of the recipient or some other person.

Bribes can take many forms, for example:

- money (or cash equivalent such as shares);
- unreasonable gifts, entertainment or hospitality;
- unwarranted rebates or excessive commissions (e.g. to sales agents or marketing agents);
- unwarranted allowances or expenses;
- "facilitation" payments/payments made to perform their normal job more quickly and/or prioritise a particular customer;
- political/charitable contributions;
- uncompensated use of services or facilities; or anything else of value.

A breach of bribery laws can result in fines for both the organisation and the individual involved and could also result in imprisonment.

2.3. Desired Outcome

- 2.3.1. The overall objective of the CPCA's policy is to minimise the incidence of fraud, bribery or other wrongdoing from both internal and external sources and in this respect the Authority recognises the importance of a strong governance framework, culture and the provision of adequate training and awareness sessions for employees and Members. This will enable everyone to:
- be alert to the possibility of fraud, bribery and other wrongdoing;
 - allow suspect activity to be recognised and appropriately reported;
 - ensure matters are sufficiently investigated and action taken in line with the aims noted at 2.1 above.

3. THE STRATEGY

3.1. Corporate Framework and Culture

- 3.1.1. Good Corporate Governance requires that the CPCA is firmly committed to dealing with fraud and bribery and will deal equally with perpetrators from inside and outside the Authority. To this end the CPCA has adopted the National Strategy for countering fraud and bribery in Local Government “Fighting Fraud Locally”, which depicts objectives of Acknowledge, Prevent and Pursue, whereby the CPCA will aim to: acknowledge and understand its fraud risks; prevent and detect more fraud; and pursue fraudsters through stronger punishments and recovery of losses.
- 3.1.2. All cases will therefore be viewed seriously and following investigation the action taken will be as strong as possible in line with the merits of each case and in accordance with various Codes, Rules, Procedures, Protocols, Policies and other documents applicable to the CPCA.
- 3.1.3. The wide range of interrelated documents referred to above provide a corporate framework to counter the possibility of fraudulent activity and / or bribery. These have been formulated taking account of appropriate legislative requirements and expected standards relating to public sector life which include, amongst others: Codes of Conduct for Members and Employees; Financial and Contract Procedure Rules; Disciplinary Procedures; Whistleblowing Code of Practice; Complaints Procedures; Code of Corporate Governance; Gifts and Hospitality Protocols; and the Register of Employee Interests. Such documents guide Members and employees alike and set the ethical standards to which they should operate.
- 3.1.4. The expectation is that elected / co-opted Members and employees of all levels will adopt the highest standards of propriety and accountability and demonstrate that the CPCA is acting in a transparent and honest manner. Consequently, any Member / co-opted Member of the Authority who commits a fraudulent act against the CPCA or is involved with bribery in the performance of their duties will be subjected to the Authority’s procedures for dealing with complaints of misconduct against Members operated via the CPCA’s Monitoring Officer and may be reported to the Police.
- 3.1.5. Any CPCA employee committing a fraudulent act against the Authority or found to be involved with bribery in the performance of their duties will be subjected to the CPCA disciplinary procedures and may be reported to the Police. The internal action in relation to both Members and employees will be entirely separate to any criminal sanction which may be pursued.
- 3.1.6. The highest standards are also expected from all organisations that have dealings with the CPCA. Suppliers, contractors, consultants, partners and other organisations funded by the Authority are therefore expected to adopt or abide by the CPCA’s policies, procedures, protocols and codes of practice. The Authority will consider the extent to which it has further involvement with any organisation that fails to abide by the expected standards.
- 3.1.7. The CPCA believes that the maintenance of a culture of honesty and openness, based on values such as fairness, trust and integrity is a key element in tackling

fraud and bribery. In this respect, each Member and employee of the CPCA is under a duty to report any reasonable suspicions and is encouraged to raise any concerns about fraud and bribery, in the knowledge that such concerns will be properly investigated. To this end, the CPCA has a Whistleblowing Policy to protect anyone who wishes to raise concerns in good faith about behaviour / practice.

- 3.1.8. When fraud and / or bribery has occurred due to lack of internal control or an identified breakdown in controls, the relevant Corporate Director will be responsible for ensuring appropriate improvements in systems of control are implemented in order to minimise the risk of recurrence. Where investigations are undertaken by Internal Audit, an audit report will be produced on any control weaknesses and follow up action undertaken as appropriate to ensure the implementation of improvements.

3.2. Acknowledging Fraud and Bribery Risks

- 3.2.1. The CPCA's Internal Audit & Risk Service Manager in undertaking a Corporate Fraud Risk Assessment and will liaise with service management with a view to ensuring the CPCA identifies and understands its key fraud risks, and can take the necessary action to mitigate those risks to the desired level. The Fraud Risk Assessment takes account of the content of any fraud reports and other publications regarding fraud within the Public Sector published by various professional bodies.
- 3.2.2. There is a Corporate Risk Management process whereby all service areas are required to review their risks on a regular basis and consider their "Financial Crime / Fraud Risk" within their own areas of activity and take action accordingly.
- 3.2.3. The CPCA has undertaken a 'fraud loss profile' utilising an online diagnostic tool produced by the National Fraud Authority, which highlights a predicted level of fraud within key areas of risk relating to the public sector. Account has been taken of the predicted levels of loss relative to the Authority's level of spend and other statistics, and assessed against local arrangements and controls as part of the Fraud Risk Assessment referred to at 3.2.1 above.
- 3.2.4. There is a variety of arrangements in place, which facilitate the regular exchange of information between CPCA and other local authorities including combined authorities for the purpose of maintaining an awareness of developing fraud and bribery issues and particularly emerging risks as fraudsters develop increasingly innovative schemes for committing fraud. Such arrangements include national, regional and local networks of various employee levels, which meet on a periodic basis with a view to increasing awareness of current issues and information to enable appropriate action to be taken to address emerging risks by adopting best known practice.
- 3.2.5. There is also an intelligence gathering, collation and dissemination service on fraud known as the National Anti-Fraud Network (NAFN), of which constituent

authorities ...are members. The NAFN issue regular alerts of recent fraudulent activity noted from several sources, including member feedback, and provide services regarding any subsequent investigations that its members may feel warranted.

3.3. General prohibition

- 3.3.1. All forms of bribery and corruption are prohibited. The CPCA will not tolerate any act of bribery or corruption. Any breach of this policy or local law could result in disciplinary action being taken and ultimately could result in dismissal.
- 3.3.2. A bribe does not actually have to take place - just promising to give a bribe or agreeing to receive one is prohibited. Bribery is prohibited when dealing with any person whether they are in the public or private sector and the provisions of this policy are of general application.

Gifts and Hospitality

- 3.3.3. Giving or receiving gifts or hospitality is often an important part of maintaining and developing business relationships. However, all gifts and hospitality should be for a genuine purpose, reasonable, given in the ordinary course of business and should comply with Hospitality and Expenses Policies.
- 3.3.4. Lavish or unreasonable gifts or hospitality, whether these are given or received, are unacceptable as they can create the impression that it is an attempt to obtain or receive favourable business treatment by providing individuals with personal benefits. In addition, gifts and hospitality can themselves be a bribe. It is important to avoid even the appearance that the giving or accepting of gifts or hospitality might influence the decisions taken on behalf of the Authority.

Facilitation payments

- 3.3.5. Facilitation payments are any payments, no matter how small, given to an official to increase the speed at which they do their job. For example, this could include speeding up decision making. All facilitation payments are generally prohibited. Any request for a facilitation payment should be reported to service managers and/or Internal Audit.

Agents, contractors, suppliers and joint venture partners

- 3.3.6. As a commissioning organisation the CPCA engages a range of organisations to deliver services on behalf of the Authority agents. These 'third parties' include constituent authorities, agents, contractors, suppliers and joint venture partners all of which could be liable for the acts of people that act on behalf of the CPCA. As such the CPCA is committed to promoting compliance with effective anti-bribery and corruption policies by all third parties acting on behalf of the Authority. All third parties should be made aware of the terms of the CPCA Code of Conduct requirements and of their obligations to comply with it.

- 3.3.7. All arrangements with third parties should be subject to clear contractual and/or Service Level Agreement terms including specific provisions requiring them to comply with minimum standards and procedures in relation to bribery and corruption. Appropriate due diligence should be undertaken before any third parties are engaged. The appropriate level of due diligence will vary depending on the circumstances and judgement used on a case by case basis. Some high risk transactions require further due diligence which may require independent investigation. Entering into any joint venture arrangement without prior approval is prohibited.

3.4. Preventing Risks Materialising

- 3.4.1. The CPCA recognises that incidents of fraud and bribery are costly; both in terms of reputational risk and financial losses (either directly through the loss of cash / assets and / or through the utilisation of resources in dealing with and resolving any identified cases). The prevention of fraud and bribery is therefore a key objective of the Authority and respective roles and responsibilities are prescribed with a view to developing a preventative culture and environment:

Role of Members

- 3.4.2. As elected representatives, all Members of the CPCA have a duty to protect the Authority from any acts of fraud and bribery and ensure that resources are used prudently and within the law to safeguard public money. Members including the Mayor, are required to operate and adhere to the CPCA's Constitution, which incorporates a Code of Conduct for Members. The Code includes rules regarding: the disclosure of relationships; the declaration of gifts and hospitality; and registering personal interests.
- 3.4.3. Elected Members sign a declaration that they have read and understood the Code of Conduct for Members when they take office. Conduct and ethical matters are specifically brought to the attention of Members during induction and officers advise Members of new legislative or procedural requirements, with the expectation that training will be provided to Members where required. In this context, any offence committed by a Member of the Authority in their private life, for which they are convicted of a criminal offence, should be brought to the attention of the Monitoring Officer by the Member concerned, with a view to enabling an appropriate risk assessment of any possible impact on their Authority role. It should be noted that conviction of a criminal offence does not necessarily mean attendance at court, as in the case of accepting a speeding offence and paying the fine. All such offences should be disclosed to ensure that a full risk assessment can be undertaken.

Role of Monitoring Officer

- 3.4.4. The CPCA's Monitoring Officer has a statutory responsibility to advise the Authority on the legality of its decisions and to ensure that the CPCA's actions do not give rise to illegality or maladministration. The Monitoring Officer also encourages the promotion and maintenance of high standards of conduct within

the Authority, particularly through the provision of support to the role of Section 151 Officer.

- 3.4.5. Section 151 of the Local Government Act 1972 places a statutory responsibility on the Authority to appoint a 'Section 151 Officer' to ensure the proper administration of the Authority's financial affairs. To this end, the Section 151 Officer will advise all Members and employees regarding financial propriety, probity and budgetary issues. The Section 151 Officer role is very much supported by the work undertaken by Internal Audit.

Role of Management

- 3.4.6. Managers at all levels are responsible for establishing sound systems of internal control in all of their service's operations, both financial and otherwise, such that the CPCA has sound methodologies for administering its responsibilities in the provision of services. 'Internal control' means the systems of control devised by management to ensure the Authority's objectives are achieved in a manner that promotes economic, efficient and effective use of resources. Such systems must safeguard the CPCA's assets and interests from fraud, bribery and other wrongdoing and steps must be taken to enhance them as necessary following any identified incident of fraud, bribery or other wrongdoing, or if weaknesses in controls are identified through other means.
- 3.4.7. Managers are also responsible for ensuring that their employees are aware of the Authority's Constitution (including the related policies, protocols, codes and procedures and in particular the Code of Conduct for Employees and the Anti-Fraud and Bribery Policy) and that the requirements of each are being met in their everyday business activities.
- 3.4.8. Managers are expected to create an environment within which employees feel able to approach them with any concerns they may have about suspected irregularities and adhere to the Whistleblowing Policy when applicable.
- 3.4.9. The CPCA recognises that a key preventative measure in dealing with fraud and bribery is for managers to take effective steps at the recruitment stage to establish, as far as possible, the honesty and integrity of potential employees, whether for permanent, temporary or casual posts and agency staff. The Authority's formal recruitment procedure contains appropriate safeguards in the form of written references, the verification of qualifications held and employment history.
- 3.4.10. Management is also required to ensure that employees are properly trained to discharge the responsibilities allocated. Once training has been provided, performance is monitored and action taken where appropriate to ensure adherence to proper practices / agreed procedures.

Role of Employees

- 3.4.11. Employees are governed in their work by the various policies, protocols, codes, rules and procedures, particularly regarding conduct issues and are responsible

for ensuring that they follow any instructions given to them by management, particularly in relation to the safekeeping of assets. In this context, any act committed by an employee of the Authority in their private life, for which they are convicted of a criminal offence, should be brought to the attention of their line manager by the employee concerned, (in line with the requirements of the Employee Code of Conduct), with a view to enabling an appropriate assessment of any possible impact on their job role and the instigation of any action to address associated risks. Failure to do so, should the matter come to light through other means, may result in investigation under the CPCA Disciplinary Procedure.

- 3.4.12. Line managers should consult with Internal Audit and HR in assessing risks to the Authority regarding any notification by an employee of a criminal conviction.
- 3.4.13. Employees also have a duty to be alert to the possibility that fraud and bribery may exist in the workplace and are obliged to share (with management or other agreed body as detailed in the Fraud Response Plan at Appendix 1) any concerns they may have. Employees are protected under the Whistleblowing Policy, where required, regarding any concerns they raise in good faith.

Role of Internal Audit

- 3.4.14. Internal Audit independently monitors the existence, appropriateness and effectiveness of internal controls as a service to management and thereby plays a vital preventative role. Internal Auditors are empowered through the Authority's Financial Procedure Rules and as agreed in the SLA with Peterborough City Council terms of reference to:
- Enter at all reasonable times any Authority premises or land;
 - Have access to all records, documentation and correspondence relating to any financial and other transactions as considered necessary;
 - Have access to records belonging to third parties such as contractors when required (dependent on rights of access clauses within individual contracts / agreements);
 - Require and receive such explanations as are regarded necessary concerning any matter under examination;
 - Require any employee of the CPCA to account for cash, stores or any other CPCA property under their control or possession.
- 3.4.15. Internal Audit work results in a liaison / reporting process whereby changes in procedures are recommended / agreed with management with a view to reducing risks and preventing losses to the Authority.
- 3.4.16. Internal Audit also follows up and informs management as to the extent that such agreed action has been implemented. Internal Audit has reporting lines to the highest levels of authority within the CPCA, enabling any failure to implement agreed action to be appropriately challenged.
- 3.4.17. In addition to the independent assurance role outlined above, Internal Audit has a significant proactive and reactive role to play in the Authority's fight against

fraud. In supporting the s151 Finance Officer, Internal Audit fulfils the following role:

- Production and periodic update of this Policy document;
- Coordinating completion and ongoing review of a Corporate Fraud Risk Assessment in liaison with relevant Managers, aimed at assessing and evaluating the CPCA's vulnerability to significant fraud;
- Dealing with fraud concerns in line with the Fraud Response Plan detailed at Appendix 1 of this Policy;
- Periodic review of the Authority's arrangements for acknowledging; preventing and pursuing fraud, including developing and coordinating implementation of an Anti- Fraud Action Plan;
- Coordinating provision of training to Members and officers on anti-fraud related issues;
- Proactive testing of CPCA transactions / activity in areas at risk of fraud in order to provide levels of assurance on processes in place.

Role of External Audit

- 3.4.18. Independent external audit is an essential safeguard of the stewardship of public money. Our external carry this out through specific reviews that are designed to test (amongst other things) the adequacy of the Authority's financial systems and arrangements for preventing and detecting fraud and bribery. It is not the external auditors' function to prevent fraud and irregularities, but the integrity of public funds is at all times a matter of general concern. External auditors are always alert to the possibility of fraud, bribery and other irregularity, and will act without undue delay if grounds for suspicion come to their notice.
- 3.4.19. The external auditor has a responsibility to review the Authority's arrangements for preventing and detecting fraud and irregularities within financial statements, and arrangements designed to limit the opportunity for bribery.

Role of Partners, Contractors, Suppliers and other Organisations associated with the CPCA

- 3.4.20. All organisations associated with the Authority are expected to take a proactive role in ensuring the occurrence of fraud and bribery is minimised regarding any dealings with the CPCA , in line with the due diligence expectations portrayed by the Bribery Act 2010. The standards expected are often set out through legal agreements, which specify the requirements of the CPCA, when setting up partnerships and other contractual arrangements. However in the interests of good working relationships and continued dealings with the Authority, all associated organisations have a general duty to be vigilant regarding the possibility of fraud and bribery, irrespective of any legal agreement, with a view to reporting any suspicions in accordance with the principles stemming from the CPCA's own policies, procedures and standards, which includes possible referral to the Police.

Role of the Public

- 3.4.21. Whilst this policy is primarily aimed at those within or directly associated with the Authority, the public has a role to play in that they should be honest in their dealings with the CPCA and inform appropriate Members / employees if they feel that fraud, bribery or other wrongdoing may have occurred.

Other Arrangements

- 3.4.22. Both elected Members and employees must ensure that they avoid situations where there is a potential for a conflict of interest. Such situations can arise with externalisation of services, internal tendering, planning and land issues etc. Effective role separation will ensure decisions made are seen to be based upon impartial advice and avoid questions about improper disclosure of confidential information. Where such conflicts do arise, these should be openly disclosed and recorded and the relevant Member / employee should not be involved in the decision-making process. Additionally, Members / co-opted Members and employees have a duty to be open and honest about any incidents that they may have been involved in outside of their Authority role, which could adversely impact on the CPCA's reputation or the ability to fulfil their role with impartiality.
- 3.4.23. Deterrence also acts as a preventative measure against potential wrongdoers by outlining the consequences of committing or attempting fraudulent acts or becoming involved with bribery. The CPCA seeks to deter would-be fraudsters by publicising that:
- The CPCA is firmly against fraud and bribery and will take stern action against perpetrators which may include dismissal of employees, prosecution of offenders and termination of contracts for services;
 - The Authority will act robustly and decisively when fraud and / or bribery are suspected and, if proven, will take the strongest action as appropriate bearing in mind all relevant factors of each case;
 - CPCA will always seek to maximise recoveries through agreement, repayment, court action, penalties and fines, insurance, employee superannuation benefits or any other means that may be open to them such as the Proceeds Of Crime Act (POCA);
 - The Authority has specific powers to impose a penalty or a fine in addition to recovering the actual values involved with some acts of fraud and bribery and will publicise any penalties and fines actually imposed, taking account of any relevant reporting restrictions;
 - All cases will be referred to the police where there is sufficient evidence that criminal offences are likely to have occurred;
 - The CPCA will liaise with the press with a view to promoting any anti-fraud and bribery initiatives and disclosing the outcomes of investigations undertaken, with a view to creating a naming and shaming ethos, where deemed appropriate and taking account of relevant reporting restrictions.

3.5. Pursuing Offenders

- 3.5.1. Detecting incidents of suspected fraud and bribery is the first step towards pursuing offenders and recovering any identified losses. Whilst it is not solely an Internal Audit responsibility to detect fraud and bribery (this is the responsibility of management as well), Internal Audit plays an important role in such detection. Internal Audit Plans include reviews of systems of internal control, specific fraud, error and bribery tests, spot checks and unannounced visits. Such work invariably contributes to improved controls / procedures that may aid detection of fraud, bribery and error or otherwise deter it from happening.
- 3.5.2. Corporate Directors and their managers have responsibility for detecting fraud and bribery and incorporate the following into daily work routines, which may identify concerns requiring:
- further investigation;
 - supervisory checks;
 - authorisation procedures;
 - Random spot checks / observations;
 - Other internal checks where the work of one person acts as a check on another person such as 'reconciliation procedures';
 - Other operational and management control procedures such as 'Segregation of Duties'.

Additionally, where management has any concerns about the effectiveness of their control systems they should request specific reviews to be undertaken by Internal Audit.

- 3.5.3. It is often the alertness of employees or members of the public who report their suspicions, which leads to the detection of fraud or bribery. Allegations and complaints are by far the most common means by which incidents of fraud and bribery are detected and as such the Authority treats this type of information seriously; maintaining confidentiality as far as possible and operating in line with the Whistleblowing Policy as applicable.
- 3.5.4. Awareness of the main indicators of fraud and bribery is also advantageous to the detection of these offences as this aids employees to spot suspicious circumstances and report them accordingly. To this extent the CPCA is committed to training and communicating relevant issues with a view to Members, managers and employees being updated with the relevant facts that will aid their vigilance regarding the identification of fraud and bribery.
- 3.5.5. The Peterborough City Council's Internal Audit team uses software to review its key systems data and search for potential fraud and error. As with data matching, the output from the data analysis is further investigated with a view to determining whether fraud or error has taken place and reporting outcomes to service management to take action as may be necessary. The intention is to continually make better use of information and technology with a view to enhancing detection of suspected fraud and other wrongdoing, and engaging with management as necessary to further investigate.

- 3.5.6. Investigation into any suspected or discovered fraudulent activity or bribes will be carried out in accordance with the CPCA's Fraud Response Plan (see Appendix 1) and related protocols with the Police.
- 3.5.7. Subject to the outcome of an investigation providing evidence of wrongdoing then the CPCA will seek to pursue offenders to the full extent of its powers with a view to concluding the case with the most severe and appropriate sanctions possible under the circumstances of each case. Additionally where a successful criminal prosecution has been achieved and there is evidence of a criminal lifestyle, a financial investigation will be considered in relation to the Proceeds of Crime Act (POCA) 2002.
- 3.5.8. Where adverse issues are noted in terms of the progress of an investigation or which leads to any subsequent challenge of outcomes from an investigation, then a note will be made of such issues and reported as necessary throughout the CPCA with a view to learning any appropriate lessons and ensuring future investigations avoid such pitfalls. The note will take the form of a 'lessons learned' log, which must be communicated to all those that need to know to ensure continuous learning and suitability of arrangements.

3.6. Training / Continuing Awareness

- 3.6.1. The CPCA recognises that the success of the anti-fraud and bribery arrangements will, to a degree, depend on the effectiveness of programmed training and continuing awareness of officers and of facilitating the ability of officers to be alert and responsive to fraud and bribery issues.
- 3.6.2. To facilitate awareness of these arrangements, the CPCA supports the concept of including anti-fraud responsibilities and procedures within induction training for all new Members and employees of the Authority. Support is also given to any more detailed anti-fraud and bribery training that is subsequently deemed to be required with a view to ensuring everyone knows their responsibilities and duties regarding fraud and bribery.

4. CONCLUSION

The CPCA has in place a robust network of systems and procedures to assist it in the fight against fraud, bribery and corruption. The Authority is determined that these arrangements will keep pace with any future developments for countering fraud and bribery in particular to combat developments in computer fraud. To this end, the CPCA will maintain a continuous overview of cybersecurity developments.

These anti-fraud and bribery arrangements provide a comprehensive framework for dealing with fraudulent acts, bribes and other wrongdoing against the Authority, which should limit the possibility of any adverse impact. The approval of this Policy & Strategy Statement demonstrates the CPCA's commitment to protecting public funds, minimising losses to fraud and bribery and maintaining its reputation.

Having made this commitment, it is imperative that Corporate Directors put in place arrangements for informing staff of the Anti-Fraud & Bribery Policy & Strategy; the related Policies, Procedures, Protocols, Codes, Rules and other documents. The CPCA recognises the importance of promoting fraud awareness throughout the organisation and is committed to ensuring that Members and staff receive guidance on issues such as:

- The need for Members and officers to comply with laws and regulations applicable to the Authority's business;
- Holding positions outside the Authority and other potential conflicts of interest;
- Inducements, gifts and entertainment; and
- Developments in computer fraud and the provision of cybersecurity systems
- Methods of establishing cost-effective controls and procedures to prevent, detect, deter and deal with fraud.

APPENDIX 1: FRAUD RESPONSE PLAN

1. INTRODUCTION

- 1.1. The purpose of this Fraud Response Plan is to set out the action to be taken when a fraud is suspected or discovered and reported to management or an appropriate officer within the Authority. The Plan is part of the CPCA's overall Anti-Fraud & Bribery Policy & Strategy Statement, embodied within the CPCA's Constitution and, as such, will be applied to all reported or identified incidents of fraud and bribery that affect the Authority; whether committed by elected Members, employees, or persons from outside the CPCA such as contractors, suppliers, partners, members of the public or other bodies associated with the Authority.
- 1.2. The Plan covers the following areas:
 - Reporting concerns or suspicions about fraud, bribery or irregularity within the CPCA;
 - Reacting to reported incidents;
 - Conducting the investigation;
 - Action to be taken against perpetrators of fraud and bribery;
 - Training and review.
- 1.3. Adhering to the Plan will enable the CPCA to:
 - Deal with fraud and bribery in a consistent and responsible manner;
 - Ensure any loss or damage is minimised;
 - Take appropriate action against the perpetrators;
 - Recover any identified losses to the fullest degree possible;
 - Review the reasons for the incident and, where necessary, take action to prevent a recurrence;
 - Deter would-be fraudsters through communicating outcomes, taking account of any legislative restrictions.

2. REPORTING CONCERNS OR SUSPICIONS

- 2.1. General concerns or actual suspicions of fraud, bribery or other irregularity may arise through supervisory arrangements or other checks and observations of employees or simply through overheard comments or knowledge regarding particular issues. In such circumstances employees are required to report genuine concerns or suspicions without delay to an appropriate manager within the CPCA to allow consideration as to the best way forward by way of review or investigation.
- 2.2. Whilst it is accepted that people may wish to remain anonymous, investigations are often much more efficient when there is opportunity to go back to the referrer so that any ambiguity can be clarified and further questions asked where initial

detail may be sketchy. It is therefore preferable for people reporting their concerns to be open, leave contact details and co-operate with any investigators allocated to the case. This ensures that all relevant information is likely to be obtained and helps progress matters much more quickly and efficiently.

2.3. In the first instance, reports should be made verbally (in person / via telephone) or in writing (letter / e-mail) directly to:

- An appropriate Manager;
- The relevant Corporate Director where it may not be appropriate to inform the Manager;
- The CPCA Internal Audit section where there are concerns as to whether it should be reported within the relevant service area (e.g. where there is a possibility of the relevant Corporate Director or Manager being associated with the concerns raised);
- The CPCA's Monitoring Officer where a Councillor, the Chief Executive or a Corporate Director is purported to be directly involved;
- An appropriate higher level of management if previous concerns do not appear to have been acted upon within a reasonable period of time.

2.4. It should be noted that matters can be reported to outside organisations if there is good reason to think that matters will not be dealt with properly by reporting them within the CPCA or where staff feel dissatisfied with an internal investigation into their concerns. The Authority's Whistleblowing Policy outlines the options available for reporting matters outside the CPCA.

2.5. Regardless of which of the above officers receive initial notification of suspected fraud, bribery, theft or other irregularity the matter must be brought to the attention of Internal Audit immediately to facilitate proper consideration and investigation of matters and to follow up on progress as necessary.

3. REACTING TO REPORTS OF POTENTIAL FRAUD, BRIBERY OR IRREGULARITY

3.1. All reported cases of suspected wrongdoing will be treated seriously and investigated in accordance with relevant legislation and the CPCA's Anti-Fraud and Bribery Policy & Strategy Statement, unless there is reason to believe that there is no foundation to the report or that the report has been made maliciously. Where concerns or suspicions are found to have been made maliciously, the CPCA will consider the options open to it for taking action against the person making them and instigate proceedings as may be appropriate, including the possibility of taking action under the Disciplinary Procedure where employees are involved.

- 3.2. All investigations will be carried out thoroughly with a view to establishing the facts, but will be sensitive to the alleged wrongdoers to ensure minimisation of any possible damage where matters cannot be substantiated.
- 3.3. Once a concern is reported, appropriate steps will be taken to secure all possible evidence and ensure a complete and objective investigation takes place in all cases, whether financial or not. Management will liaise with Internal Audit to ensure full consideration of the issues and the extent to which immediate action needs to be taken and who will take it.

4. CONDUCT OF THE INVESTIGATION

- 4.1. Internal Audit is responsible for overseeing all fraud and bribery investigations to ensure that they conform to the same standard and are in accordance with legislation, professional practice and any agreed procedures. Investigation of the suspected fraud, bribery or other irregularity will be carried out by service management, Internal Audit or jointly, following consultation.
- 4.2. The method of conducting the investigation will be determined when the initial facts are known and the potential severity of the issue is ascertained, but as a minimum will establish Terms of Reference setting out:
- The people who will conduct the investigation;
 - Arrangements for collecting and documenting evidence, taking account of the CPCA formal Management Investigation Guidance where appropriate;
 - Estimated time span;
 - Adherence to legislation / professional standards;
 - Consideration of referral to / liaison with the Police;
 - Consideration of the need to suspend / transfer from duty the individual(s) concerned if a CPCA employee;
 - Agreed reporting mechanism;
 - Consideration of who may chair the disciplinary hearing / appeal should the need arise;
 - Contacts within Human Resources allocated to the case for liaison purposes.
- 4.3. Internal Audit has responsibility for notifying the Police of incidents that are likely to have involved criminal acts. Referral will be subject to liaison with the appropriate Corporate Director(s), but where there is any conflict of opinion the Section 151 Officer, in conjunction with the Chief Executive, will make the final decision. Any referral to the Police will be undertaken in accordance with the protocol set up between Internal Audit and the Police and may involve either financial or non-financial cases). Any case referred will not normally impact upon

investigative work undertaken by officers of the CPCA. All employees will cooperate fully with Police enquiries and, wherever possible, CPCA and Police enquiries will be coordinated to maximise the effective and efficient use of resources and information.

- 4.4. Any necessary investigation will be conducted without regard to any person's relationship with the CPCA, position, status or length of service, but subject to any legislative requirements relative to the extent of envisaged action, (i.e. whether the matter is likely to be dealt with under internal disciplinary procedures or involving the Police / Courts).
- 4.5. Regardless of who undertakes the investigation, following an examination of records and / or the conduct of interviews with relevant persons, findings will be documented and a report made to management for appropriate action to be taken. Where such a report is compiled by Management, Internal Audit will be given opportunity to comment on such documentation / reports in the interests of consistency and upholding relevant standards. All reports will outline any control weaknesses that enabled the incident to occur and make recommendations to strengthen control systems with a view to preventing any recurrence.
- 4.6. In certain circumstances where investigations are undertaken within the service area as part of the role of management there will be a need to assess whether there has been a fraudulent attempt or simply an error, mistake or oversight. In supporting Management in making this judgement, the intention is for the facts of each case to be presented to a Fraud Panel by the service area concerned with a view to making a determination as to whether to prosecute the offender or not. Such a Fraud Panel will be made up from various disciplines within corporate services (Audit, Legal and HR if appropriate where employees are involved) and will meet when required to hear cases (bearing in mind the need to comply with any time barring issues relevant to such cases) with a view to making recommendations on reports made by the service area as to whether a prosecution should be brought.

5. CONSIDERATION OF FURTHER ACTIONS

- 5.1. Where initial enquiries provide reasonable grounds for suspecting an elected Member or a CPCA employee, appropriate consideration will be given to the need to suspend from duty, or transfer to other duties, the individual(s) concerned. Any suspensions will result in the individual(s) being escorted off the premises, having been allowed to collect personal property only. Items such as security passes, petty cash floats, mobile telephones and keys to premises, offices and furniture will be recovered instantly and where CPCA property is held at the individual's

home, he / she will be accompanied by a member of staff to recover any such items.

- 5.2. Management will consider the need for / process of denying suspended or transferred individuals access to colleagues, premises / property / records relevant to the investigation. Where necessary, steps will be taken to change locks, withdraw access to computer systems and instruct colleagues accordingly to ensure a complete and objective investigation can take place.
- 5.3. Following an investigation, disciplinary action will be considered where appropriate and any such action required will be conducted in line with relevant employment legislation, recognised Codes of Practice and the CPCA's own documented procedures.
- 5.4. It is the responsibility of management to ensure that losses arising from an investigation are recovered, provided that there are reasonable grounds for doing so. Recovery will be by one of the following methods:
 - Agreement by the perpetrator to repay amounts due, either in full or by instalments as agreed with management;
 - Through a pension scheme;
 - Following a civil action, in which case the advice of the CPCA's Monitoring Officer will be sought;
 - Through the CPCA insurers;
 - Through confiscation proceedings under POCA / court rulings.
- 5.5. The person raising the initial concerns will be informed of progress / completion of the investigations (but not outcomes) irrespective of whether allegations were substantiated or not.
- 5.6. Where investigations do not substantiate the allegations the outcome will only be communicated to persons who have a legitimate need to know, so as to minimise any possible damage to the reputation of individuals suspected, but subsequently found innocent, of fraud.
- 5.7. To act as a deterrent and reduce the risk of recurrence, outcomes of investigations where fraud, bribery or irregularity is substantiated will be communicated internally to employees and Members in broad terms, where deemed appropriate by management after consultation with Internal Audit. Additionally, taking into account legislative restrictions, wider communication of outcomes to the community / press will be considered at a corporate level on a case by case basis with a view to promoting the CPCA stance on fraud, bribery and irregularity and that the Authority will do what it needs to do to combat such instances as and when they are identified.

6. TRAINING AND REVIEW

- 6.1. A comprehensive training programme will be established and led by Internal Audit with support from other service areas within the CPCA, to ensure consistency of approach in identifying/dealing with fraud, bribery and other irregularities. Training issues will include:
- Ability to identify any possible fraud, bribes or other irregular activity; Dealing with reports of suspected fraud and bribery;
 - Carrying out investigations;
 - Conducting interviews;
 - Attendance at Disciplinary Hearings;
 - General awareness of responsibilities for fraud & bribery.
- 6.2. Training requirements will be reviewed to take account of CPCA policies and procedures, new legislation and any need arising from changes in circumstances with a view to ensuring continued compliance with the Anti-Fraud & Bribery Policy.
- 6.3. The Fraud Response Plan will be reviewed periodically taking account of all incidents of fraud, bribery and irregularity, to ensure that it remains appropriate and relevant. Any requirement for amendment, resulting from the review, will be agreed between Internal Audit, Legal Services and Human Resources as appropriate.

Appendix 5



**CAMBRIDGESHIRE
& PETERBOROUGH**
COMBINED AUTHORITY

CAMBRIDGE & PETERBOROUGH COMBINED AUTHORITY CORPORATE RISK MANAGEMENT STRATEGY

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CAMBRIDGE AND PETERBOROUGH COMBINED AUTHORITY RISK MANAGEMENT STRATEGY

1. INTRODUCTION

What is Risk Management?

1.1 Risk can be defined as uncertainty of outcome. Risk is ever present and a certain amount of risk-taking is inevitable if the CPCA is to achieve its objectives. Risk management implies adopting a planned and systematic approach to the identification, evaluation and control of the risks facing the Authority and is a means of minimising the costs and disruption caused by undesired events.

1.2 Risk management covers the whole spectrum of risks and not just those associated with finance, health and safety and insurance. It also includes risks associated with public image (reputation), the environment, technology, contracts/partnerships, projects etc.

1.3 The Authority also has a statutory responsibility to have in place arrangements for managing risks, as stated in the Accounts & Audit Regulations 2015:- *“A relevant body must ensure that it has a sound system of internal control which: (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 (c) includes effective arrangements for the management of risk.”*

1.4 The benefits gained from effectively managing risk include:

Improved strategic management

- Greater ability to deliver against objectives and targets;
- Improved decision making

Improved operational management

- Reduction in managerial time spent dealing with the consequences of a risk event; having occurred;
- Improved service delivery

Improved financial management

- Better informed financial decision-making;
- Greater financial control;
- Minimising waste and poor value for money;
- Reduction in costly claims against the Authority

Improved customer service

-
- Minimal service disruption to customers and a positive external image as a result

2. RISK POLICY

2.1 The Authority's Approach to Risk Management

The Authority recognises the need for risk management to feature as a consideration in our strategic and operational planning and decision making. The Authority is committed to managing and minimising risk by identifying, analysing, evaluating and treating risks that may impact the future success of the organisation. The approach is designed to ensuring that risk management is fit for purpose by applying the following:

- All staff obtain a sound understanding of the principles of risk management.
- Avoid surprises and reduce financial impact by generating an increased understanding of risk and quickly identifying mitigation response plans.
- Embed risk management as part of decision making by providing visibility of risks.
- Have plans in place on how to respond to an emergency or crisis, to carry on with business and recover from a disaster.

The approach is based on: thinking logically; identifying key risks and what to do about each risk; deciding who is responsible for the risk; recording the risks and changes in risk exposure; and monitoring the risks and learning from events.

3. RISK MANAGEMENT AIMS AND OBJECTIVES

3.1 The aim of risk management is to ensure that the Authority has an effective process to support better decision making through good understanding of risks and their likely impact.

3.2 The objectives of the Authority's risk management strategy are to:-

- Raise awareness of the need for risk management;
- Minimise loss, disruption, damage and injury and reduce the cost of risk, thereby maximising resources;
- Inform policy and decision making by identifying risks and their likely impact.

3.3 These objectives will be achieved by:-

- Establishing clear roles, responsibilities and reporting lines within the Authority for risk management;
- Effective communication with, and the active involvement of, Service Managers and Directors;

- Monitoring progress in delivering the strategy and reviewing the risk management arrangements on an on-going basis.

4. ROLES AND RESPONSIBILITIES

4.1 The table below outlines the key roles within the risk management strategy: -

Table 1: Roles and Responsibilities

Chief Executive and Board	<ul style="list-style-type: none"> ➤ To approve the Risk Management Policy and Strategy (including the Authority's risk appetite) ➤ To approve the Corporate Risk Register ➤ To monitor progress in the management of Strategic Risk ➤ Understand the most significant risks ➤ Manage the organisation in a crisis
Audit & Governance Committee	<ul style="list-style-type: none"> ➤ To ensure that the Authority has an effective risk management process in place ➤ To monitor progress on the management of Strategic Risks
Head of Risk and Compliance	<ul style="list-style-type: none"> ➤ To develop and review the risk management strategy and process in accordance with best practice ➤ Build awareness culture ➤ To provide advice and support to Management Team and Service Managers on the identification, analysis and prioritisation of risks ➤ To report on the identification and progress of strategic risks to the Audit & Governance Committee ➤ To provide risk management training as required to officers and Members ➤ Identify and report changes in the risk exposure to the organisation.

	<ul style="list-style-type: none"> ➤ Develop the risk management policy and keep it updated. ➤ Co-ordinate the risk control activities. ➤ Develop specialist contingency and recovery plans ➤ Support investigations of incidents and near misses ➤ Provide assurance on the management of risk
Management Team	<ul style="list-style-type: none"> ➤ To determine the Authority's risk appetite ➤ To identify strategic risks ➤ To determine actions to manage strategic risks ➤ To monitor progress in managing strategic risks ➤ Ensure implementation of risk improvement recommendations ➤ Build awareness of risks within functions ➤ Evaluation of reports from employees on identified risks ➤ Identify and report on risk changes.
Service Managers	<ul style="list-style-type: none"> ➤ To support the Management Team in the identification and management of Strategic Risks ➤ To manage operational risks effectively in their particular service areas ➤ To monitor and review risks at appropriate intervals

Employees	<ul style="list-style-type: none"> ➤ To identify risks ➤ To implement actions as instructed ➤ Report inefficient, unnecessary or unworkable controls ➤ Report loss events and near miss incidents ➤ Co-operate with others in the investigation of risk incidents ➤ Ensure that visitors and contractors comply with procedures
Monitoring Officer	<ul style="list-style-type: none"> ➤ To ensure that the Authority has an effective risk management framework
Internal Audit	<ul style="list-style-type: none"> ➤ Provide advice and guidance on the management of risk relating to the design, implementation and operation of systems of internal control.

5. ARRANGEMENTS FOR MANAGING RISKS

5.1 The risk management methodology to be employed at the Authority is outlined in Appendix 1.

6. MONITORING ARRANGEMENTS

6.1 To ensure that informed decisions are made, it is essential to identify key strategic risks. Strategic risks will be identified at Management Team level as part of the Corporate Planning process and will be documented in the Corporate Risk Register which will be maintained by the Risk & Compliance Manager on behalf of the Monitoring Officer and the Management Team.

6.2 Progress in managing strategic risks will be monitored and reported on to ensure that intended actions are delivered and risks managed.

6.3 The Corporate Risk Register will form the basis of half yearly risk management reports to Board and the Audit & Governance Committee.

6.4 Internal Audit will carry out a periodic review of the Authority's risk management arrangements to provide independent assurance as to their effectiveness.

6.5 Internal Audit will also during the course of audits throughout the year:

- Identify and report weaknesses in the controls established by management to manage/monitor risks;
- Provide advice on the design/operation of the controls established by management to manage/monitor risk.

6.6 The Chief Internal Auditor will review the strategic risk register on an annual basis and incorporate strategic risk areas into the Internal Audit planning process as appropriate.

6.7 Service Managers should maintain a record of key operational risks within their service area relating to service change, projects and significant procurement. Progress in managing these risks should be monitored on a regular basis.

7. TRAINING & COMMUNICATION ARRANGEMENTS TO SUPPORT IMPLEMENTATION OF THE STRATEGY

7.1 Training in the risk management methodology will be provided to those officers with direct responsibility for / involvement in the risk management process.

7.2 Training in the risk management methodology will be provided to:

- Board
- the Audit & Governance Committee;
- Management Team;
- Service Managers; and
- Other employees as appropriate.

8. REVIEW OF RISK MANAGEMENT STRATEGY

8.1 This strategy will be reviewed every three years.

APPENDICES:

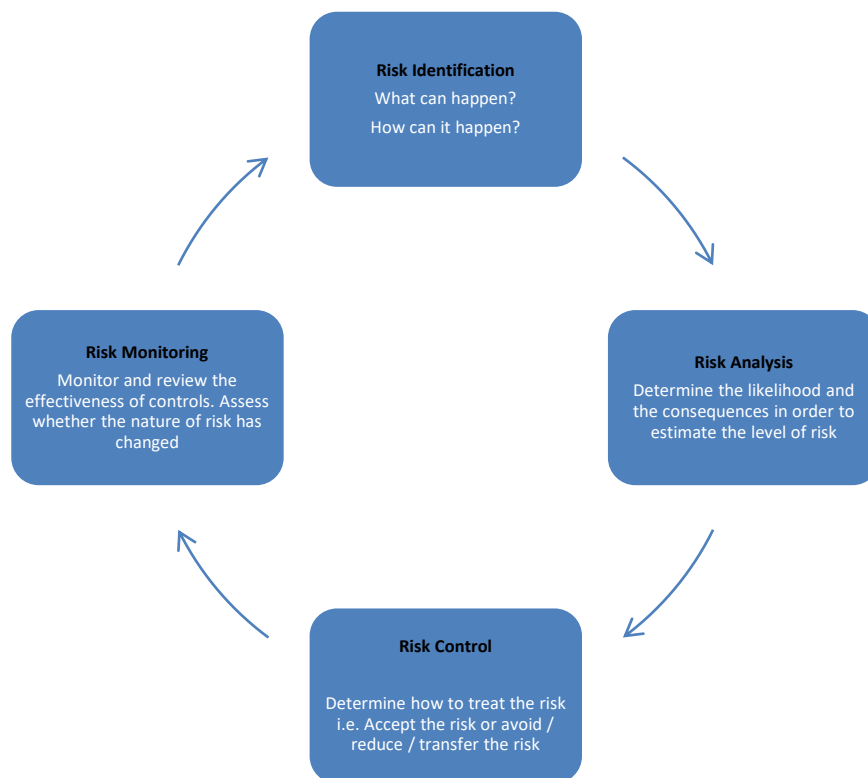
Appendix 1: Risk Management Methodology

Appendix 2: Corporate Risk Register and Project Risk Registers

APPENDIX 1: RISK MANAGEMENT METHODOLOGY

1. The Risk Management Cycle

There are 4 key stages in the risk management cycle, as illustrated in the diagram below:-



The 4 stages of risk management are part of a cycle. Risk management is dynamic and so the identification phase needs to be carried out continuously.

2. Risk Identification

2.1 Risk assessment is the overall process of risk identification, risk analysis and risk evaluation. **Table 3** below lists the main techniques being used and a brief description of each of these techniques. When completing risk assessments for General Data Protection Regulation (GDPR) purposes consideration should be given to whether a Data Protection Risk Assessment (DPIA) is needed

Table 3 Risk Assessment Techniques

Risk Assessment Techniques	
Technique	Description
Questionnaires and checklists	Use of structured questionnaires and checklists to collect information that will assist with the recognition of the significant risks.
Workshops and brainstorming	Collection and sharing of ideas at workshops to discuss the events that could impact the objectives, core processes or key dependencies.
Inspections and Audits	Physical inspections of premises and activities and audits of compliance with established systems and procedures.
Flowcharts and dependency analysis	Analysis of the processes and operations within the organisation to identify critical components that are the key to success.

The aim of the risk identification process is to generate a comprehensive list of risks be faced. Relevant and up to date information is important to identifying these risks and equally important is ensuring that our people with the appropriate knowledge are involved in our identification process. A variety of Risk Identification processes may be used as exemplified in the table below.

Table 4: Risk Identification Techniques

Risk Identification Techniques	
Technique	Description
Risk gap analysis	A list of common risks and uses these as a discussion point in risk reviews to facilitate risk thinking and identification
Workshops & brainstorming	Collection and sharing of ideas that could impact the objectives of the project/objective.
Audits and Inspections	Physical inspection of premises and audits of compliance with established systems and procedures
SWOT analysis	Strengths weaknesses opportunities Threats (SWOT)
PESTLE analysis	Political, Economic, Social, Technological, Legal & Environment

3. Risk Analysis and Scoring

3.1 Risk analysis involves completing a full investigation of the risk to develop an understanding of the likelihood and impact on the organisation. This analysis forms part of the risk evaluation process and helps to understand how the risks should be treated.

3.2 At this part of this risk analysis, risks are classified using the classification table below and recorded on the risk register which is stored in SharePoint. Once risks have been identified they need to be assessed. This process requires risk owners to assess the level of risk by considering:-

- The probability of an event occurring - “likelihood”; and
- The potential severity of the consequences should such an event occur – “impact”.

3.3 Not all factors are equally important and higher scores should be given to those risks considered to impact most on the achievement of objectives. The impact scores have therefore been weighted to reflect that more significance should be given to those risks with a medium or high impact than those with a medium or high likelihood.

3.4 The following table provides **Likelihood** and **Impact** descriptors to assist with this process:-

LIKELIHOOD

Score	Description	Indicative Guidelines
4	Very Likely	<ul style="list-style-type: none">▪ There is a high exposure to the risk▪ Event expected to occur▪ Has occurred and will continue to do so without action being taken▪ Indication of imminent occurrence▪ There are external influences which are likely to make our controls ineffective
3	Probable	<ul style="list-style-type: none">▪ There is a moderate exposure to risk▪ Reasonable to expect event to occur▪ Has occurred in the past▪ Is likely to occur in the Authority's planning cycle

		<ul style="list-style-type: none"> There are external influences which may reduce effectiveness of controls
2	Possible	<ul style="list-style-type: none"> There is low exposure to risk Little likelihood of the event occurring There is a potential for external influences which may reduce the effectiveness of controls
1	Unlikely	<ul style="list-style-type: none"> Extremely remote Not expected to occur but may do so in exceptional circumstances There are few or no external influences which may reduce effectiveness of controls
IMPACT		
Score	Description	Indicative Guidelines
5	Major/ Serious Consequences	<p>The consequence is so bad that urgent action must be taken to improve the situation or prevent it worsening. External support from the Government or other agencies is likely to be needed:</p> <ul style="list-style-type: none"> Major loss, delay or interruption to services One off event which would de-stabilise the Authority Financial loss, additional costs or loss of assets which would need an Authority decision as the scale of the loss would be outside the Authority's budget & policy framework The risk will cause the objective not to be reached, causing damage to the organisation's reputation. Will attract medium to long-term attention of legislative or regulatory bodies Major complaints Significant adverse media interest Death or life-threatening injury

3	Moderate/Disruptive	<p>The consequence is sufficiently serious to require attention by Management Team and / or the Board:</p> <ul style="list-style-type: none"> • Significant loss, delay or interruption to services • Medium term impact on operational efficiency or performance • Financial loss, additional costs or loss of assets that is within the Authority's budget and policy framework but needs a Statutory Officer decision, Management Team decision, or to be drawn to the attention of the Board. • The risk will cause some elements of the objective to be delayed or not achieved, causing potential damage to the organisation's reputation. • May attract medium to short term attention of legislative or regulatory bodies • Significant complaints • Serious accident / injury (but not life threatening)
1	Minor/Non Disruptive	<p>The consequences can be dealt with as part of the normal day-to-day business by the Service Manager and the Director:</p> <ul style="list-style-type: none"> • Minor loss, delay or interruption to services • Short term impact on operational efficiency or performance • Negligible financial loss • The risk will not substantively impede the achievement of the objective, causing minimal damage to the organisation's reputation • No or minimal external interest • Isolated complaints • Minor accident / injury

3.5 Both gross and residual scores should be identified to effectively review and monitor the effectiveness of the controls in place.

- **Gross Score**-The level of risk faced before internal controls/mitigating actions have been applied / implemented.
- **Residual Score**-The level of risk faced after any internal controls/mitigating actions have been applied/considered.

3.6 Internal controls are the Authority's policies, procedures and processes or any additional controls or mitigating actions taken to deal with a risk. Judgement must be made by the risk owner/facilitator as to the numerical reduction to the gross risk score to produce the residual risk score. The residual scores are then plotted onto the risk matrix, see below, which will determine the risk priority.

RISK		IMPACT		
L I K E L Y H O O D		Minor/Non-Disruptive(1)	Moderate/Disruptive (3)	Major/Serious Consequences(5)
	Very Likely (4)	4	12	20
	Probable (3)	3	9	15
	Possible (2)	2	6	10
	Unlikely (1)	1	3	5

4. Risk Control

4.1 Having identified and analysed the risks, it is necessary to decide what to do and who will do it. Priority will be given to the High (red) risks which will require immediate action plans.

4.2 Medium (Amber) risks will require actions plans and / or to be closely monitored as appropriate.

4.3 Low-scoring (Green) risks can be “accepted” and will not require actions plans. However, these risks will need to be monitored to ensure that controls remain operational to manage them and that such risks do not run out of control and become Medium (Amber) or High (Red) risks.

4.4 Where it is not deemed appropriate to accept the risk, the risk will need to be controlled. Risk control is the process of taking action to minimise the likelihood of the risk event occurring and/or reducing the severity of the consequences should it occur. There are 3 main options for controlling risk; avoidance, reduction and risk transfer.

4.5 **Risk avoidance** involves the Authority opting not to undertake a current or proposed activity because it is considered to be too risky.

4.6 **Risk reduction** is dependent on implementing actions which will minimise the likelihood of an event occurring or limit the severity of the consequences should it occur.

4.7 **Risk transfer** involves transferring liability for the consequences of an event to another body. This may be done in two ways: -

- Cost, delivery or legal liability may be transferred to an alternative provider under contractual/partnership arrangements for service delivery; however, it should be remembered that some responsibility may be retained for ensuring that the risk is managed e.g. Health & Safety.
- The costs associated with a damaging event may be reduced by transferring some or all of the financial risk to external insurance companies however; it should be remembered that many risks are uninsurable.

5. Risk Treatment

5.1 Risk treatment is the activity of selecting and implementing appropriate control measures to modify the risk. The Authority’s system of risk treatment provides the development of efficient and effective internal controls. Effectiveness of internal control is the degree to which the risk will either be eliminated or reduced by the proposed control measures.

5.2 The cost effectiveness of internal control relates to the cost of implementing the control compared to the risk reduction benefits achieved.

5.3 Controls are defined as actions that are taken to reduce the likelihood and/or magnitude of a risk. Controls can be preventive, corrective, directive or detective as set out in the table below.

Table 1: Types of Control

Types of Control	
Control Type	Description
Preventive	Designed to limit the risk from occurring
Corrective	Designed to limit the scope for loss
Directive	Type of control based on giving instruction
Detective	Designed to identify a risk that has occurred to minimise the loss

6. Risk Response

6.1 The risk management responses used can be a mix of five main actions; transfer, tolerate, treat, terminate or take the opportunity.

- **Transfer**; for some risks, the best response may be to transfer them. This might be achieved by conventional insurance or by supporting a third party to take the risk in another way.
- **Tolerate**; the ability for us to do anything about some risks may be limited, or the cost of taking any action may be disproportionate to the potential benefit gained. This course of action will commonly be used for large external risks.
- **Treat**; by far the greater number of our risks will belong to this category. The purpose of treating a risk is to reduce the chance of the risk occurring and is not necessarily to obviate the risk, but to contain it to an acceptable level.
- **Terminate** the risk by doing things differently thus removing the risk where it is feasible to do so.

7. Risk Mitigation and Management

7.1 The mitigating actions are the key to successful risk management. These focus on the risk and are actions which make it less likely that the risk will occur, or which will

reduce its impact, probability or both. They are designed to be as Specific Measurable Achievable Realistic, and Time bound (SMART) as possible. Any mitigating actions which stay the same over a long period are reviewed as they may not be effective, although they might still be necessary.

7.2 Most risks can be managed – either by minimising the likelihood of the risk occurring and / or reducing the severity of the consequences should the risk occur. Relatively few risks have to be avoided or transferred. Managers must judge which courses of control action are the most appropriate to address each of the risks they have identified, taking advice from the Risk & Compliance Manager and other support services where appropriate.

7.4 The cost/benefit of each control act is assessed. The benefits will not always be solely financial. Managers need to use their own professional knowledge and experience to judge whether the financial cost of risk control is justified in terms of non-financial benefit to the Authority. On occasions, managers may conclude that the cost of the control action may outweigh the benefits which will accrue to the Authority as a result of the action being taken. In such instances, all or an element of the risk is retained. However, no statute should be breached when making this decision.

7.5 For each risk actions should be identified, the officer responsible and timescales. Responsibility for drawing up the action plans lies with the Management Team (for strategic risks) and with service managers for service / operational risks

8. Risk Monitoring

8.1 To complete the risk management cycle, there must be monitoring and review of:-

- The implementation of the agreed risk control action plan;
- The effectiveness of the action in controlling the risk; and
- How the risk has changed over time.

Monitoring and review ensures that we continually learn from experience. The objectives of our monitoring and review process are as follows:

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

-
- Identifying emerging risks

9. Risk assurance

Successful management of risk depends on four important risk based outputs which have been identified as follows:

Mandatory as required by laws, customers/clients and standards

- Assurance for our Management Team and other stakeholders
- Decision making based on the best information available

Effective and efficient core processes through our organisation.

10. Communication and Consultation

Communication and consultation with external and internal stakeholders takes place during all stages of risk management. In addition, as part of the communication process, the reporting of risks to management and the Board is most important. The reporting pattern is shown in the diagram below.

Figure 1 Risk Reporting Structure



11. Adding value

Risk management provides extra value to the Authority. In particular it is important to emphasize that employees will

- only take risks where there are likely to be benefits from doing so; and
- focus on risks where benefits could be enhanced, or the likelihood of success could be improved, or the likelihood of negative impact reduced.

It is important to ensure that risk management is having an impact – and change it if it is not doing so. It is also necessary to be proportionate paying more attention may be appropriate for larger interventions.

12. Revision History

A record should be maintained of all revisions to the Corporate Risk Strategy as shown below.

Version	Date	Summary	Name

Appendix 2: Corporate Risk Register and Project Risk Registers

Format of Risk Registers

Risk registers are commonly prepared either as tables in Word format or in Excel spreadsheet format. The Word format generally includes more narrative descriptions and response actions to provide a one-stop approach to the document whereas the Excel format often provides a tabular listing with reference to other documentation outlining further details of the issues.

Project Risk Register Templates

Risk management register templates are readily adaptable to include the corporate risk strategy risks and the project risks in the respective portfolios. There are clear advantages of using this approach principally because of the interactive facility, common approach and accessibility through Share point.

The complete **Corporate Risk Register** and the **project risks** identified in the Transportation and **Housing portfolios** are shown in Appendix 2 and have been transferred to the risk issue template can be viewed through the following link:

<https://cambridgeshirepeterborough.sharepoint.com/:x:/s/CPCATeamSite/ERL7V3hljeJNn6zjBg9wMR4BpYQhx34-30Ls0mfYGMtxzQ?e=0FdOg3>

Agenda Item 1.13

Business Board Meeting – 30 April 2018

The decisions of the Business Board are set out below:

The Combined Authority are asked to ratify all the decisions of the Business Board held on 30 April 2018

The agenda and reports of the Business Board are published on the Combined authority website at

<http://cambridgeshirepeterborough-ca.gov.uk/meetings/business-board-meeting/>

Date	Reference	Issue	Decision
30/04/18	Minute 1	Interim Membership of Business Board and appointment of interim Chair and Vice Chair	<p>The Business Board was asked to formally agree the interim membership of the Business Board for recommendation to the Combined Authority Board and to appoint a Chair and Vice Chair.</p> <p>The Business Board</p> <p>(a) agreed the interim membership of the Business Board as follows:</p> <ol style="list-style-type: none"> 1) Two private sector members 2) Four public sector members <p>(b) appointed Professor Andy Neely as a private sector member.</p> <p>(c) appointed the following as public sector members:</p> <ol style="list-style-type: none"> 1) James Palmer, Mayor of the Combined Authority 2) Councillor Charles Roberts 3) Councillor Lance Stanbury 4) Councillor Wayne Fitzgerald <p>(d) appointed an interim Chair and Vice Chair of the Business Board.</p>



THE BUSINESS BOARD

30/04/18	Minute 2	Apologies and Declarations of Interest	Received apologies from Richard Tunnicliffe.
30/04/18	Minute 3	Minutes of Shadow Board Meeting – 22 nd March 2018	The Business Board agreed the minutes of the Shadow Board meeting held on 22 nd March 2018 as a correct record.
30/04/18	Minute 4	Proposals for membership of Business Board and achieving partnership working with the Combined Authority Board	<p>This report set out the proposals being developed by the Business Board to secure its longer term membership for consultation with those councils within its geography, with business leaders and with the Combined Authority.</p> <p>The Business Board</p> <p>(a) noted that the geography of the Combined Authority and the former Local Enterprise Partnership are not aligned and therefore further consultation with the Combined Authority, constituent councils of the LEP area and private sector members, was required before the permanent membership of the Business Board can be agreed. The Monitoring Officer/Legal Counsel would issue a proposed timescale to members of the Board for that consultation.</p> <p>(b) agreed that a further report will be brought to the Business Board in June concerning the membership of the permanent Business Board.</p> <p>(c) noted that these decisions are being taken in the context of the LEP national review by Government which is expected shortly.</p> <p>(d) agreed to consult with the Combined Authority, the constituent councils of the LEP geography and the private sector members of</p>



THE BUSINESS BOARD

			<p>the Business Board on the initial proposals by the Shadow Board that:</p> <ol style="list-style-type: none"> 1) the membership should be based on the principles in paragraph 2.10 of the report 2) the Board should consist of up to 8 private sector board members, particularly industry leaders active in the following sectors: <ol style="list-style-type: none"> a) Agri-food, drink and horticulture b) Advanced manufacturing and materials c) Life Sciences d) Digital and the creative industries 3) agreed that one of the private sector board members will be appointed specifically to represent the interests of Small / Medium Size Businesses (SMEs) and one private sector member will represent the education sector. <p>(e) proposed to the Combined Authority Board that initially two public sector members should be appointed to the Business Board to include:</p> <ol style="list-style-type: none"> 1) the Mayor of the Cambridgeshire and Peterborough Combined Authority in accordance with the Devolution Deal; and 2) the Economic Growth Portfolio Holder of the Combined Authority.
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THE BUSINESS BOARD

30/04/18	Minute 5	Interim Terms of Reference and Constitutional arrangements	<p>The Business Board were asked to agree its interim terms of reference and governance arrangements.</p> <p>The Business Board</p> <p>(a) agreed the interim terms of reference of the Business Board (Appendix 1 to the report) and constitutional arrangements (Appendix 2 to the report).</p> <p>(b) agreed a further report be brought to the September meeting of the Business Board to finalise the terms.</p>
30/04/18	Minute 6	Interim Assurance Framework	<p>The Business Board was asked to review and approve the Business Board Assurance Framework. Going forward, a single Assurance Framework for the Combined Authority and the Business Board will be produced and reported to a future meeting.</p> <p>The Business Board</p> <p>(a) reviewed the contents of The Business Board Assurance Framework.</p> <p>(b) officially signed off the Assurance Framework as compliant.</p> <p>(c) noted that a single Assurance Framework for the Combined Authority and the Business Board would be brought to a future meeting.</p>
30/04/18	Minute 7	Recruitment of private sector Board Members	<p>The purpose of this report was to set out how the Business Board will appoint its private sector Board members.</p>



THE BUSINESS BOARD

			<p>The Business Board</p> <p>(a) agreed the process to appoint the private sector Board members, as set out in section 4 of the report.</p> <p>(b) agreed with the Combined Authority the process for nominating the public sector members.</p> <p>(c) received a further report at the June Business Board meeting.</p>
30/04/18	Minute 8	Ratify decisions taken by Shadow Business Board	<p>The Shadow Board met on the following dates and made a number of decisions summarised in Appendix 1.</p> <p>(a) 22 February 2018</p> <p>(b) 8 March 2018 and</p> <p>(c) 22 March 2018</p> <p>As the Business Board was not formally established at that time, the Business Board was requested to ratify the decisions of the shadow board.</p> <p>The Board ratified decisions made by the shadow board as set out in appendix 1 of the report, as amended.</p>
30/04/18	Minute 9	Forward Plan and dates of future meetings	<p>The Business Board was asked to approve its calendar of meetings for 2018/19. It was proposed that the Business Board meet every two months on the Monday before Combined Authority meetings.</p> <p>For openness and transparency, the Business Board should publish a forward plan of intended decisions at future meetings. This should be published 28 clear days before its meetings.</p>



THE BUSINESS BOARD

			<p>The Business Board</p> <p>(a) noted the forward plan</p> <p>(b) agreed the dates of future meetings, as set out in the report.</p>
30/04/18	Minute 10	Industrial Strategy – key messages	<p>In November 2017 the Government released the 'Industrial Strategy'. It has direct relevance to the Business Board and the Combined Authority as its key message is that we will work with Government to support the development and growth of new industries and address the challenges the UK faces in the 21st Century.</p> <p>Importantly, one of the five foundations is place, which amongst other things acknowledges that we can't understand economic activity and growth properly without an understanding of place. This links to the vision which is being developed for the Business Board which is anchored in place.</p> <p>This report acknowledged the work of the Independent Economic Commission who will also play an important role in developing our Local Industrial Strategy and considered the timetable for delivery of the Local Industrial Strategy.</p> <p>The Business Board</p> <p>(a) noted the key messages of the Industrial Strategy and how this linked to the vision of the Business Board</p> <p>(b) noted the developing vision for the Board, which aligns well to the Industrial Strategy.</p>



THE BUSINESS BOARD

			<p>(c) noted that a Local Industrial Strategy is in development and will build upon the findings of the Independent Economic Commission.</p> <p>(d) noted that the interim report of the Independent Economic Commission will be reported to the next meeting of the Business Board to inform the development of the Local Industrial Strategy.</p>
30/04/18	Minute 11	Government economic funding – key elements	<p>The report updated the Business Board on the Government's funding support for economic growth, outside of the existing £147m allocated to the area via the Local Growth Fund and funding confirmed for the Combined Authority.</p> <p>The Business Board noted the current funding landscape to support economic growth.</p>
30/04/18	Minute 12	Growth Deal – Programme Update and new investments	<p>The report updated the Business Board on the Local Growth Fund programme (the Growth Deal) and the Growing Places Fund transferred over from the previous Local Enterprise Partnership arrangements.</p> <p>The Business Board</p> <p>(a) noted the transfer of Local Growth Fund and Growing Place Fund.</p> <p>(b) consider a revised timetable and action plan for development of the Growth Prospectus and commitment of remaining Growth Deal funds at the June Board.</p>

30/04/18	Minute 13	Financial Reporting discussion paper	<p>The report asked the Board to agree the regular financial reporting arrangements for the Business Board.</p> <p>The Business Board</p> <p>(a) agreed the financial reporting elements referred to in paragraphs 2.6, 2.7 and 2.9 of the report.</p> <p>(b) note the responsibility to consult on the Combined Authority and Business Board four year plans.</p>
30/04/18	Minute 14	Date of Next Meeting	Noted the date of the next meeting.



CAMBRIDGESHIRE AND PETERBOROUGH COMBINED AUTHORITY BOARD	AGENDA ITEM No: 2.1
30 MAY 2018	PUBLIC REPORT

CAMBRIDGESHIRE & PETERBOROUGH 2030 PROSPECTUS

1.0 PURPOSE

- 1.1. The prospectus sets out a powerful and exciting picture of Cambridgeshire and Peterborough in 2030. It outlines the ambition and aspirations for the sustainable growth and development of Cambridgeshire and Peterborough as a vibrant and dynamic region with a well-established place on the world stage.

<u>DECISION REQUIRED</u>	
Lead Member:	Mayor James Palmer
Lead Officer:	Martin Whiteley, Chief Executive
Forward Plan Ref: 2018/007	Key Decision: Yes
<p>The Combined Authority Board is recommended to:</p> <p>(a) Agree the overarching ambition and five core ambitions.</p> <p>(b) Note the intention to commence a programme of engagement with stakeholders across the area.</p> <p>(c) Note the Combined Authority's Four Year Plan (Item 2.2) setting out the actions that will be taken to progress the 2030 ambitions in the period 2018/19 to 2021/22.</p> <p>(d) Agree a budget of up to £40k in 2018/19 from the revenue gainshare allocation to support the launch, promotion and conversation with residents across the region.</p>	<p>Voting arrangements</p> <p>Simple majority of all Members</p>

2.0 BACKGROUND AND CONTEXT

- 2.1. Combined authorities are a key component of the Government's devolution of powers, funding and responsibility for delivering public policy. They span local authority boundaries and functional economic areas and afford new opportunities for coordinated intervention and added value in key policy areas, tailored to local need, such as economic development, transport and infrastructure, housing, planning and land use and skills.
- 2.2. The Cambridgeshire and Peterborough Combined Authority was formed in March 2017 and the first Mayor elected in May 2017.
- 2.3. Through the devolution deal the Combined Authority committed to:
 - Double the size of the local economy
 - Accelerate house building rates to meet local and UK need
 - Deliver outstanding and much needed connectivity in terms of transport and digital
 - Provide the UK's most technically skilled workforce
 - Transform public service delivery to be much more seamless and responsive to local need
 - Grow international recognition for the area's knowledge-based economy
 - Improve the quality of life by tackling areas suffering from deprivation.
- 2.4. Following his election in May 2017, the Mayor published 100-day plan outlining the actions to deliver on this agenda. The 100-day plan kick-started the work to progress the devolution deal commitments. Work is underway to develop core strategies including for example, the local industrial strategy, housing strategy, skills strategy, local transport plan, strategic spatial planning framework and market towns masterplans. The Combined Authority has progressed key investment decisions in a range of transport and infrastructure, skills, housing and economic development initiatives. These include for example:
 - The establishment of the Economic Commission which will bring forward independent advice and evidence on the local economy which will enable political and business leaders to agree on economic priorities and to come together more effectively in pursuing them;
 - Investment in core transport and infrastructure work such as the Cambridge Automated Metro, A10, M11, A47;
 - Investment in specific local interventions across the Combined Authority geography as illustrated in **Appendix A**;
 - Securing additional government funding for a Skills and Innovation Pay and Progression Pilot to up-skill 2000 people on universal credit into higher skilled health and care jobs;
 - Attracting additional government investment into the region, for example the Chancellor's Autumn budget, saw an additional £81m invested in the future prosperity of the region and the area has been successful in bidding for National Productivity Improvement Funds, Housing Infrastructure Funds and Local Full Fibre Network funds.

Appendix A summarises some of the key achievements and the investment the Combined Authority is making in Cambridgeshire and Peterborough.

3.0 CAMBRIDGESHIRE AND PETERBOROUGH 2030

- 3.1. Looking forward to 2030, the overarching ambition is to establish Cambridgeshire and Peterborough as **a leading place in the world to live, learn and work**. This is underpinned by five core ambitions for the area's future development:

Cambridgeshire & Peterborough 2030 Ambition



- 3.2. The Combined Authority has been working to articulate its longer term ambition and aspirations for Cambridgeshire and Peterborough. These are described in the 2030 prospectus attached at **Appendix B**. This written prospectus will also be supported by a short digital version showcasing the imagined life and experience of five residents in 2030.
- 3.3. The prospectus describes some of the characteristics and outcomes for the people and place of Cambridgeshire and Peterborough in the future. It sets out what the region will be like, how it wants to be known and how it will be experienced by residents, communities, business people and visitors. The prospectus is also illustrated by examples of the projects and initiatives that will bring the ambition into fruition.
- 3.4. The Mayor and Combined Authority want the bold and stimulating ambition set out in the prospectus to inspire leaders and communities right across the area to participate in and use their experience, expertise and energy to assist in developing the future Cambridgeshire and Peterborough.
- 3.5. It is proposed that a programme of engagement with stakeholders across the area, including member local authorities and partners, communities, businesses, schools and universities and others alongside a media strategy will launch and promote the 2030 ambition. This will include a conversation with a representative sample of residents across the region to translate the 2030 ambitions into the four year plan and understand the different priorities between areas. The Combined Authority is working with each partner Local Authority on the launch and engagement plans.



- 3.6. The Combined Authority's Four Year business plan, set out at Item 2.2 describes the key challenges, the priority programmes and associated milestones and the target outcomes in 2030.

4.0 FINANCIAL IMPLICATIONS

- 4.1. The Board is asked to approve a budget of up to £40,000 in 2018/19 from the revenue gainshare allocation to support the launch, promotion and conversation with residents across the region.

5.0 LEGAL IMPLICATIONS

- 5.1. The Combined Authority committed to achieving a bold vision for Cambridgeshire and Peterborough in the devolution deal signed in June 2016. The Authority has a general power of competence under Article 11 of the Cambridgeshire and Peterborough Combined Authority Order 2017 which enables it to undertake actions in furtherance of its ambitions.

6.0 SIGNIFICANT IMPLICATIONS








- 6.1. There are no specific implications for this report.




7.0 APPENDICES






- 7.1. Appendix A: Investment in Cambridgeshire and Peterborough 2017-18
7.2. Appendix B: Cambridgeshire and Peterborough 2030 Prospectus

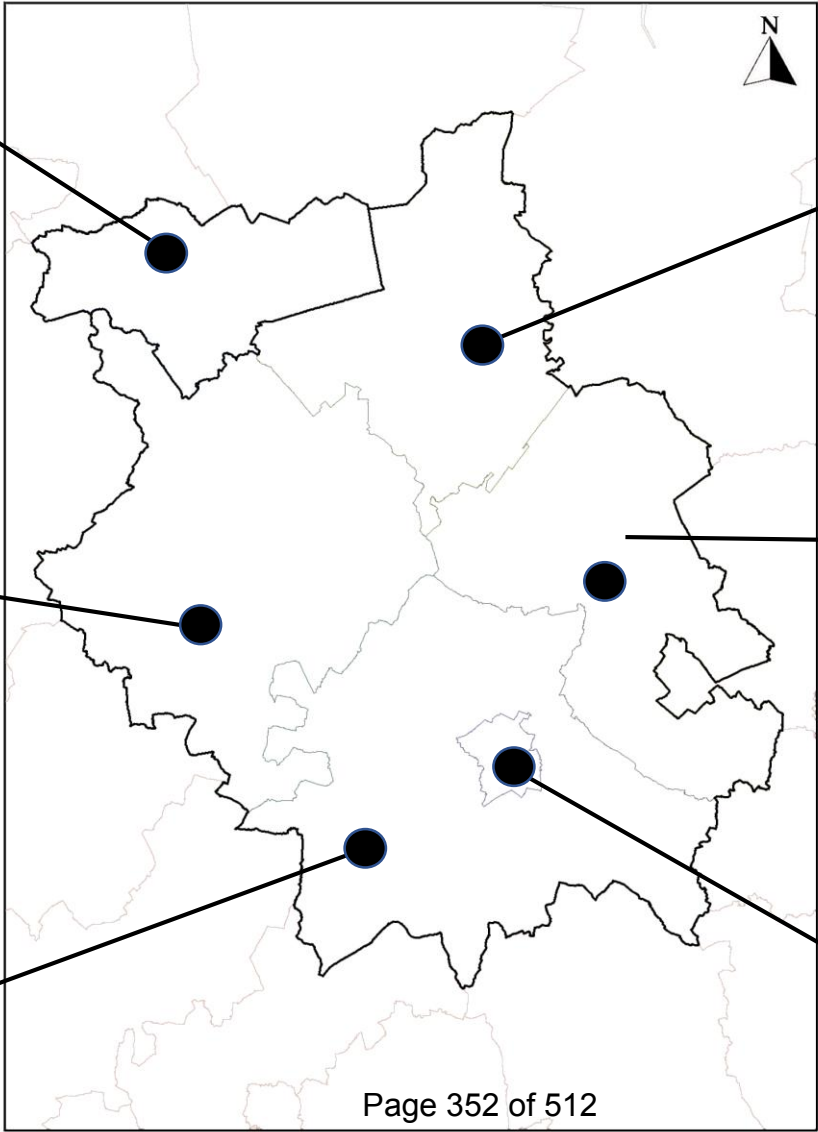
<u>Source Documents</u>	<u>Location</u>
Mayor's 100 day plan	http://cambridgeshirepeterborough-ca.gov.uk/assets/Uploads/Cambridgeshire-and-Peterborough-Devolution-Deal.pdf
Cambridgeshire and Peterborough Devolution Deal	
The Autumn Budget: 2017	https://www.gov.uk/government/publications/autumn-budget-2017-documents/autumn-budget-2017
Combined Authority Board Papers (May 2017 – March 2018)	http://cambridgeshirepeterborough-ca.gov.uk/meetings Cambridgeshire and Peterborough Combined Authority, Unit 3, The Incubator, Alconbury Weald Enterprise Campus, Alconbury Weald, Huntingdon, PE28 4WX

Key Achievements 2017-18 – a summary of investment and actions by the Combined Authority in Cambridgeshire and Peterborough







Peterborough		£m
	Opportunity Peterborough	£0.65
	Affordable homes	£1.85
	Infrastructure improvements A1260, A16, A47 (Pipeline)	tbd
	University of Peterborough Project & Interim Accommodation at Embankment	£6.53 £9.0
	NPIF Investment A605, A15	£6.5
	Skills and Innovation Pay and Progression Pilot (Peterborough & Cambridgeshire)	£5.0
	HIF Marginal Viability – Yaxley Loop Road to unlock 5,350 homes	£4.57





Huntingdonshire		
	Infrastructure improvements A141, strategic river crossing (pipeline)	£9.5
	St Neots Masterplan	£5.8
	Affordable homes	£0.66

South Cambridgeshire		
	Infrastructure improvements A10 level crossing, A505 corridor (pipeline)	£3.5
	Upgrading A10 business case	£0.5
	Cambridge South Station programme	£1.75
	Affordable homes	£0.83
	East-West Expressway / Rail	



Fenland		
	Regeneration Fenland railway stations	£9.0
	Regeneration and growth in Wisbech	£10.5
	Infrastructure improvements March junction	£3.65
	Wisbech Garden Town feasibility study	£6.5
	Affordable homes	£0.3
	Dualling A47 Business Case; M11 Feasibility Study	£1.75

East Cambridgeshire		
	Soham station programme	£5.0
	Infrastructure improvements A14, A142	£0.3
	Upgrading A10- Business Case	£0.5m
	Affordable homes	£0.93
	HIF Marginal Viability – Soham Eastern Gateway Scheme to unlock 553 homes	£6.3
	ECTC Haddenham CLT Loan	£6.5

Cambridge		
	Cambridge Fringe North East 7,600 new homes programme HIF Forward Funding	Business Case
	Infrastructure improvements Coldhams Lane roundabout	£1.75
	Cambridge South Station programme	£1.75
	Cambridge Rapid Mass Transit study	£0.1



**CAMBRIDGESHIRE
& PETERBOROUGH**
COMBINED AUTHORITY

2030 AMBITION

CAMBRIDGESHIRE & PETERBOROUGH

A BETTER FUTURE

A LEADING PLACE IN THE WORLD TO LIVE, LEARN & WORK

This document is a glimpse into the future. A window on what life could be like in Cambridgeshire and Peterborough in 2030. Our ambition is to firmly establish our area as the leading place in the world to live, learn and work.

The following five core ambitions build on some of the big ideas that inspired the Cambridgeshire and Peterborough devolution deal. We committed to doubling the size of the local economy and ensuring that all residents contribute to and benefit from the area's growth and success. These ambitions will make this commitment a reality.



Delivering these ambitions will take a number of years. Building roads, new homes, a University, public transport and inspiring workplaces does not happen overnight. That is why we are taking a long-term view.

Delivering on this vision will need teamwork. Everyone will need to play their part if we are to successfully fulfil these challenging ambitions. We want residents, businesses, communities and partners right across the area to commit to the ambition and contribute their knowledge, skills and experience.

Progress has already been made on house building with a £170m fund set to deliver affordable homes. Investment is earmarked for upgrades to key transport routes, including public transport.

The development of The University of Peterborough is underway alongside an overhaul of skills and training provision to develop the skills base of our workforce to match business and individual's needs both now and in the future.

THE MAYOR'S PERSPECTIVE

Our ambition is to create the leading place in the world to live, learn and work.

This document sets out a powerful picture of what it will be like to live in Cambridgeshire and Peterborough in 2030. We're lucky to live in one of the most economically prosperous parts of the country, but we must not rest on our laurels. We have great ambitions for the future.

However, it is clear that decisive action is needed to ensure that the growth that we witness in Cambridgeshire and Peterborough is truly sustainable and spread evenly across the entirety of the area, creating a place where all members of our community contribute to, and benefit from, our area's growth and success.

Cambridgeshire and Peterborough has a significant role to play on both the national and international stage and we are set to strengthen and consolidate our global reputation. To realise this great potential, we know that it is vital to address our productivity challenge at a local level. Much of this ambition statement touches upon precisely this challenge.

Ensuring that young people have the opportunity to purchase their own home and access affordable housing, whilst at the same time attracting the investment we need to transform our transport infrastructure is critical. It's also imperative that we ensure that businesses can access the skilled workforce that they require, to thrive and position Cambridgeshire and Peterborough as a leading place in the world to live, learn and work.

The aim for everyone to have the offer of a job within half an hour of where they live is the right ambition and one that touches upon our desire to boost the quality of life across Cambridgeshire and Peterborough and establish healthy and sustainable communities.

Cambridgeshire and Peterborough is a fantastic place to live and I'm incredibly honoured to serve as its first elected Mayor. This 2030 ambition is a roadmap for an even brighter future for all of us.



James Palmer
Mayor of Cambridgeshire and Peterborough



A BLUEPRINT FOR MODERN TRANSPORT

Cambridgeshire and Peterborough is a fast-moving area with a choice of different transport options.

BETTER ROADS

Improvements to our road network, including the A14, M11, A10, A47, A1 and A428, not only make it easier to get around by car, but provide strategically important infrastructure giving access and connectivity to key national arterial routes to Europe and the rest of the world.

REDUCED CONGESTION

Commuting around Cambridge has never been easier thanks to the Autonomous Metro and integrated public transport system. It connects our rural areas and market towns, and is helping to reduce congestion.

IMPROVED PUBLIC TRANSPORT

Cambridgeshire and Peterborough offers a wide range of public transport options, reducing congestion and pollution across the whole of the county.

The area is a champion for celebrating and nurturing cycling and walking. These forms of active travel and public transport are the natural choice for the majority of people.

Our train network boasts new stations at Cambridge South, Wisbech and Soham, as well as improved lines to Whittlesey and March.



“INNOVATION IS DRIVING GROWTH AND
CHANGING THE WAY WE LIVE OUR LIVES.”



NAME: JANNAT
AGE IN 2030: 31
OCCUPATION: SCRIPTWRITER
LOCATION: PETERBOROUGH

Jannat works from home in Peterborough as a scriptwriter for television shows, and volunteers at her local radio station at weekends.

Jannat didn't need to move away and leave her family and friends behind to study, her degree was gained at The University of Peterborough.

She believes that equal access to clean, green public transport, high quality housing and super-fast broadband has helped create a happier, healthier, more inclusive society.

Many of Jannat's University friends have stayed in the area to pursue their careers since completing their degrees, expanding the pool of skilled workers available to local employers.

LIVE

FLOURISHING COMMUNITIES

Cambridgeshire and Peterborough is home to a wide range of prosperous and thriving communities, such as Northstowe and Great Haddon, and the Garden Town development in Wisbech. These developments are providing affordable, good quality homes and community amenities for thousands of people.

Revitalised market towns are home to blooming economies and popular facilities. Communities are proud of the places where they live and work.

More affordable homes for sale and rent have been built across the area in places like Camborne, Northstowe, and St Ives. The increased offering has been successful in reversing the challenging housing market conditions in and around Cambridge, broadening the supply of homes across the area and improving affordability.

Residents enjoy ready access to high quality public services, school places, and digital connectivity with 99% superfast broadband coverage and growing full fibre networks.

GLOBAL APPEAL

The attractiveness of our area is appealing to people from national and international destinations, who see Cambridge and Peterborough as a great place to Live, Learn and Work.



LEARN

BROAD CHOICE OF EDUCATION

The area offers a broad range of education and training programmes that support people into higher skilled and better paid jobs. Students have the choice of exploring both academic and vocational learning, which are equally valued by the business community.

Young people have the best possible education choices. Our area is home to the world leading University of Cambridge, the new University of Peterborough, Anglia Ruskin University, plus further education colleges and the advanced technical skills training facility, iMET.

DIVERSE EDUCATION OPTIONS

These institutions, alongside our schools, allow students the opportunity to tailor their learning to their chosen career path. The area's skills base matches businesses' needs and a wide range of education and training programmes are at the foundation of the area's thriving job market.

No matter whether a young person chooses to go to college or University, or chooses a traineeship or apprenticeship, they are supported to pursue their career ambitions, which in turn is helping the economy to grow.

“INVESTMENTS IN EDUCATION, FROM THE FIRST YEARS OF SCHOOL TO RESEARCH AT A HIGH ACADEMIC LEVEL, HAVE PROVIDED THE REGION WITH A SKILLED LABOUR FORCE THAT FEW OTHERS CAN MATCH.”

WORK

ENTREPRENEURIAL GROWTH

Cambridge is one of the most enterprising and entrepreneurial cities in the world. More than 60,000 people are currently employed in the 'Cambridge cluster' of companies, and in excess of £12 billion in turnover is currently generated annually by the 5,000 or so knowledge-intensive firms in and around the city; which we expect to grow. The innovation that underpins the cluster is impressive – the city publishes more patents per 100,000 residents than the next four cities in the UK combined.

TECHNOLOGY DEVELOPMENT

Peterborough is also thriving, with a wealth of advanced manufacturing and engineering businesses leading the way in new technology development and usage.

The city also features in the top ten cities to register patents, with their development of Smart City and Clean Tech related technology delivering impressive results.

“THE REGION’S INTERNATIONAL COMPETITIVENESS IS STRONG. IT FEATURES A DYNAMIC, INNOVATIVE BUSINESS COMMUNITY THAT SUCCESSFULLY COMPETES IN THE GLOBAL MARKET AND IS CHARACTERISED BY KNOWLEDGE-BASED ACTIVITIES, INNOVATIVE POWER AND COOPERATION WITH EDUCATION AND RESEARCH INSTITUTES.”

HIGH QUALITY WORKSPACES

The network of Innovation, Incubator, Grow-on and satellite centres alongside Enterprise and Job Zones at Peterborough, Alconbury, Cambridge Compass, St Neots and Waterbeach has created a network of high quality collaborative work spaces. These spaces support high growth start-up businesses at the same time as nurturing and scaling up existing businesses.

MARKET TOWN FOCUS

Our programme of Market Town Masterplans has reaped huge dividends, attracting inward investment and regenerating the area's Market Towns.



“OUR AREA HAS MORE HIGH VALUE JOBS THAN EVER BEFORE, AND PRODUCTIVITY HAS DOUBLED.”

GREEN LIVING

New technologies have created new ways for us to live and work that are reducing the carbon footprint of the area. Low carbon power, heat and transport options are accessible to the local community, supporting clean growth and protecting our environment.

Affordable, ultra-low impact homes have been built connected to locally produced energy resources. Investment in infrastructure and public transport means reduced congestion and pollution, and greater choice for local people.

There are a wealth of green spaces and parks where families can interact with nature, education and cultural programmes.



THRIVING TOURISM



Millions of people visit our area every year to experience its heritage, culture and diverse environment. There are first class museums, vibrant theatres with packed schedules and sporting institutions that attract thousands of spectators.

The Fens is now one of the most visited tourist attractions in the country thanks to its UNESCO world biosphere status and fascinating insights into the Bronze Age.

Plus, each town and city has its own vibrant night life, music scene and collection of public art.

NAME: GARY
AGE IN 2030: 75
OCCUPATION: RETIRED
LOCATION: WISBECH

Gary lives in a bungalow in the Wisbech Garden Town development. His daughter has recently bought her own home just down the road, something that was made possible thanks to the investment by the Combined Authority into a range of affordable homes.

His daughter catches the train to Cambridge every morning where she works at the Cambridge Biomedical Campus, researching cures for cancer. It only takes her half an hour from Wisbech station.

On Tuesday nights, Gary works with teenagers at the Garden Town Skills Hub. He teaches them team working and time management skills to help prepare them for the world of work.



NAME: LYDIA
AGE IN 2030: 18
OCCUPATION: APPRENTICE
LOCATION: PETERBOROUGH

Lydia is a Graduate Apprentice studying Advanced Engineering and Artificial Intelligence at The University of Peterborough. She knows that her skills are in demand by local, national and international employers, and has a bright future ahead of her.

When she doesn't choose to cycle, she travels to University on public transport, from a new, affordable eco-house where she lives with her family. Their home is environmentally and energy efficient; it also incorporates smart technology which helps her Dad manage his medical condition more effectively and makes it easy to get in touch with his community team if he needs help.

BUSINESS, INNOVATION & GROWTH

A network of thriving Enterprise & Job Zones supports our area’s economic growth, giving local companies space they need to grow, at the same time as attracting national and international businesses to move into our area.

A range of innovative companies have chosen to relocate to our area, taking advantage of our highly skilled local workforce, excellent quality of life and strong transport links.

Creating these Enterprise & Job Zones for business growth, close to good transport links and housing, has helped to generate a wide range of new job opportunities including a number of Life Sciences, Agri-Tech, Digital and Creative and Advanced Manufacturing and Engineering roles.

**“OUR AREA HAS BECOME
A PIONEER FOR LIFE-
CHANGING INNOVATION,
MAKING CAMBRIDGE
AND PETERBOROUGH AN
INTERNATIONAL ROLE
MODEL.”**





NAME: ANDREW
AGE IN 2030: 56
OCCUPATION: BUSINESS OWNER
LOCATION: ELY

Andrew runs a successful business in Ely, a place which is thriving thanks to the Market Town Masterplan and associated investment.

The success of Andrew's business has allowed him to invest in the future and he now employs many young local people on apprenticeships and traineeships. Their new skills and fresh ideas help Andrew's business to grow.

All of Andrew's staff can get to work in under half an hour, thanks to the vast improvements in the local road, rail and public transport, including cycling and walking routes.

His online business is booming, with high speed internet across the county fuelling a significant increase in web orders. As a result of this increased demand, Andrew, will soon be looking for larger premises to expand his team.

WORLD CLASS BUSINESS CLIMATE

Cambridgeshire and Peterborough is a magnet for the World's leading companies who thrive by choosing to invest and grow in the area.

A huge range of international companies, from bio-medical and Agri-Tech to advanced manufacturing and creative digital, have been attracted to the area due to the favourable conditions that we have created for development, innovation and growth.

Cambridge is the Life Sciences capital of the world, driving forward life changing innovation.

Our areas reputation for producing high-tech companies has overtaken that of Silicon Valley. Alconbury and Peterborough lead the way in Technology, Manufacturing and Engineering, while Fenland and the surrounding areas continue to pioneer in the Agri-Tech sector.

CREATIVITY

Across the area, creative businesses in the service industry, culture, entertainment and sport are creating jobs, exports and growth.

INNOVATION

The area is a national leader for innovation and growth, with start-up businesses adding significant growth to the local economy. As a result, thousands of new jobs have been created in the past decade.

Improved transport networks, IT infrastructure and a home-grown skilled workforce makes the area an attractive destination for business.

“ALL OF THE REGION’S PLACES FEATURE A MIX OF HOUSING, BUSINESSES, CULTURE AND SERVICES.”





NAME: POLLY
AGE IN 2030: 37
OCCUPATION: NURSE
LOCATION: CAMBRIDGE

Thanks to the new Autonomous Metro, congestion in Cambridge has been virtually eradicated and Polly can now get to work at Addenbrooke's Hospital, quickly and comfortably.

This transformation of public transport in Cambridge has improved the lives of staff and patients alike at Addenbrooke's and turned the city into a clean, greener area which is increasingly car-free.

Polly lives in one of the many eco-friendly, affordable houses that have been built in Cambridge, and she enjoys the cultural activities on offer across the city.

Investment in transport infrastructure and housing has allowed employers like Addenbrooke's to attract and retain staff in key disciplines.

TAKE A LOOK INTO THE FUTURE

The year is 2030. Come with us on a tour of some of the most significant projects that are being implemented as part of Cambridgeshire and Peterborough’s 2030 ambition – a leading place in the world to learn, live and work.

1 East-West Expressway and East-West Rail:

Investment in the high-speed rail line and expressway between Cambridge, Milton Keynes and Oxford is supporting economic growth, connecting some of the brightest talent and hi-tech businesses in the UK.

2 Wisbech Rail: The Wisbech to Cambridge line has opened and is benefiting the local community hugely. Easy access to and from Cambridge has helped to make Wisbech Garden Town even more popular.

3 A10 Upgrade: A dedicated public transport route between Waterbeach and Cambridge, plus new cycling and walking routes, has eased congestion and enabled the delivery of thousands of new jobs and new homes.

4 M11 Extension: Taking the M11 north from Cambridge to join the A47 has created a dynamic Peterborough-Cambridge-London corridor. North-south journey times and congestion on other A roads has dramatically reduced, and the extension has enabled new housing delivery.

A47 Dualling: The A47 is dualled between Peterborough and Walton Highway, improving connectivity between Norfolk, Fenland and the A1. Journey times are not only more reliable, but reduced, and it has helped boost economic prosperity.

6 Cambridge Autonomous Metro: Work on the Metro is well underway to seamlessly connect Cambridge city centre with key development sites around the city and the wider area, simplifying transport for residents, tourists, businesses and academics.

7 Stansted Airport: Improved road and rail links mean passengers reach the airport in 30 minutes, providing easy access to key national and international business destinations, including the US, Shanghai, Singapore and Japan.

8 Cambridge Fringe North East:

Work to develop a new community on the last major brownfield regeneration site in Cambridge, including 7,600 new homes, business space and associated infrastructure, is well underway.

9 Wisbech Garden Town: The regeneration of Wisbech through the growth of housing and the economy is underway. Investment to create a new Garden Town has been secured, and construction on the first phase of 12,000 homes has started.

10 Northstowe: 10,000 new homes and workplaces have extended the new town of Northstowe to provide affordable housing for key workers, including those at Addenbrooke’s who can easily get to work using the Guided Busway and new Metro.

11 University of Peterborough: 7,000 students now attend The University of Peterborough, with numbers expected to rise to 12,500 by 2035. Young people can now get the skills they need locally, boosting the local economy.

12 Fenlands UNESCO World Biosphere Site: Residents enjoy easy access to a variety of parks and open spaces across the area, including the globally recognised Fenlands UNESCO World Biosphere.

13 New Cambridge Stations: Cambridge South is now open, and Cambridge North serves 3,000 commuters a day. Together, they make journeys for visitors, workers, students and visitors to our life sciences cluster easier.

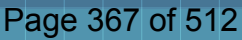
14 Soham Railway Station: The new railway Station in Soham is making it easier for businesses and local people to travel across the area, reducing congestion on local roads and encouraging companies to relocate to Soham.



UNITED KINGDOM
GEOGRAPHICAL LOCATION

MAP LEGEND

-  Road improvements
-  Rail improvements
-  Airport accessibility
-  Cambridge Autonomous Metro





**CAMBRIDGESHIRE
& PETERBOROUGH**
COMBINED AUTHORITY

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CAMBRIDGESHIRE AND PETERBOROUGH COMBINED AUTHORITY BOARD	AGENDA ITEM No: 2.2
30 MAY 2018	PUBLIC REPORT

CAMBRIDGESHIRE & PETERBOROUGH FOUR YEAR PLAN 2018/19 – 2021/22

1.0 PURPOSE

- 1.1. The Cambridgeshire and Peterborough Four Year Plan sets out how the Combined Authority plans to deliver its strategic growth ambitions and priority programmes in the period 2018/19 – 2021/22. It brings together the plans to support delivery of the 2030 ambitions (as set out at Item 2.1) for the benefit of all our communities.
- 1.2. The economic success that has been achieved to date has been facilitated by a long tradition of collaborative working and a strong track record of delivery. The Four Year Plan signals that the Cambridgeshire and Peterborough authorities and partners will continue to work together collaboratively and strategically in delivering the plan.

<u>DECISION REQUIRED</u>	
Lead Member:	Mayor James Palmer
Lead Officer:	Martin Whiteley, Chief Executive Pearl Roberts, Strategy & Planning PM
Forward Plan Ref: 2018/017	Key Decision: Yes
<p>The Combined Authority Board is recommended to:</p> <p>(a) Approve this first Four Year Plan.</p> <p>(b) Note the intention to keep the Four Year Plan under review and to refresh it on an annual basis.</p> <p>(c) Approve the draft Medium Term Financial Plan</p> <p>(d) Note the intention to present an updated draft of the Medium Term Financial Plan to the September Board meeting</p>	<p>Voting arrangements</p> <p>Simple majority of all Members</p>

2.0 BACKGROUND AND CONTEXT

- 2.1. Through the devolution deal the Combined Authority committed to:
- Double the size of the local economy
 - Accelerate house building rates to meet local and UK need
 - Deliver outstanding and much needed connectivity in terms of transport and digital
 - Provide the UK's most technically skilled workforce
 - Transform public service delivery to be much more seamless and responsive to local need
 - Grow international recognition for the area's knowledge-based economy
 - Improve the quality of life by tackling areas suffering from deprivation.
- 2.2. Following his election in May 2017, the Mayor published 100-day plan outlining the actions to deliver on this agenda. The 100-day plan kick-started the work to progress the devolution deal commitments. It included initiating work to develop the area's core strategies (e.g. local industrial strategy, housing strategy, skills strategy, local transport plan, strategic spatial framework etc) alongside projects to advance key transport and infrastructure, housing, skills and economic development projects (e.g. Cambridge Automated Metro options appraisal, Wisbech Garden Town Feasibility Study, Dualling A47 Business Case, University of Peterborough Business Case).
- 2.3. The Four Year Plan brings together the plans across the full scope of the Combined Authority's activity to support delivery of the 2030 ambitions and our devolution deal commitments.

3.0 CAMBRIDGESHIRE AND PETERBOROUGH 2030 AMBITION & FOUR YEAR PLAN

- 3.1. Our overarching ambition is to establish Cambridgeshire and Peterborough as **a leading place in the world to live, learn and work**. This is underpinned by five core ambitions for the area's future development:

Cambridgeshire & Peterborough 2030 Ambition

**A leading place in the world to live,
learn and work**



6

- 3.2. The 2030 prospectus (Item 2.1) describes the longer term ambition and aspirations for Cambridgeshire and Peterborough.

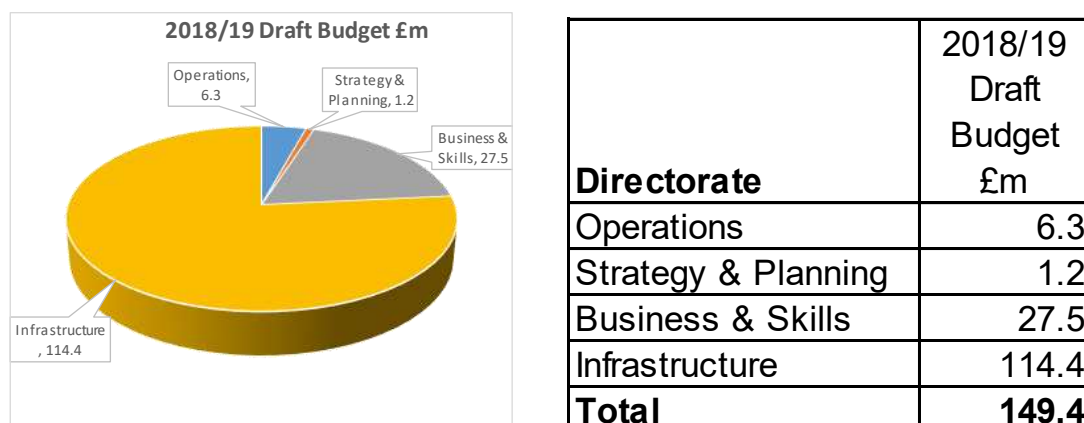
- 3.3. The Cambridgeshire and Peterborough Four Year Plan sets out how the Combined Authority will support the development and implementation of our strategic growth ambitions and priority programmes in the four year period 2018/19 – 2021/22. It brings together the plans to support delivery of the longer term 2030 ambitions for the benefit of all our communities.
- 3.4. In developing this Four Year Plan, the Mayor and Chief Executive were mindful that the economic success that has been achieved to date has been facilitated by a long tradition of collaborative working and a strong track record of delivery. The Four Year Plan has been developed through working closely with Leaders, Chief Officers and partners. A number of forums have also contributed including the Cambridgeshire and Peterborough Public Service Board (CPSB), the Cambridgeshire and Peterborough STP Board, Public Health England and wider stakeholders and partners. There have been a significant range of useful contributions and input from this engagement. The overarching themes have been that:
- The Four Year Plan articulates simply and clearly the Combined Authority's core strategic priorities and its plans to deliver – these are set out in **Appendix A**; and
 - The Cambridgeshire and Peterborough authorities and partners will continue to work together collaboratively and strategically in delivering the plan.
- 3.5. As the Combined Authority's first Four Year Plan it is proposed that it will be kept under informal review throughout the year with a formal review and refresh in a year's time.

4.0 Medium Term Financial Plan

- 4.1. The draft Medium Term Financial Plan (MTFP) provides an initial view of the anticipated costs associated with delivering the four-year plan. This document represents a key step in articulating the anticipated profile of costs and funding over the next four years, enabling resource allocation, monitoring and transparency which is essential for success.
- 4.2. Recognising that the Combined Authority (CA) took on the service responsibilities of the Local Enterprise Partnership (LEP) from April 2018, there is a requirement to create an overarching MTFP for the entirety of the ongoing CA operations. At this stage, the draft MTFP presents separate plans for the CA and legacy LEP, together with views of the integrated CA position reflecting total funding sources and plans. This draft also includes the draft MTFP for the Mayoral Budget, which will require development.
- 4.3. The MTFP is presented as a draft at this stage as further work is required to clarify and confirm the assumptions and financial implications of the planned programmes of work. **Appendices B and C** provide a detailed draft view of the MTFP for the two organisational parts (CA and legacy LEP) and the assumptions that support its creation. The intention is to create a single detailed view of CA and legacy LEP funding sources for the unified

organisation. **Appendix D** includes the draft MTFP for the Mayoral Budget, building on the budget agreed at the February 2018 Board.

- 4.4. The diagram and table below present a high-level draft view of the 2018/19 Draft plan for the Combined Authority budgets, showing the indicative size of each Directorate's budget (£m). This shows that circa 76% of planned spending rests with the Infrastructure Directorate.



- 4.5. The key assumptions that underpin the preparation of the draft MTFP are:

- (a) **Organisational Structure costs** – The new CA organisational structure was released in the last week of April 2018 and is subject to a formal consultation process and evaluation of roles. An initial draft cost of the new structure has been assessed based on known information; this will be refined as roles are evaluated and filled. The initial draft costing has been used to produce the MTFP. **Appendix B** illustrates at this interim stage that LEP staff costs have been held constant with the additional costs of the entire new structure included within the CA MTFP, pending confirmation of the costs, roles and appointments over the next phase.

Draft costings indicate the full year cost for the new structure is higher than the previous combined structures, funded by new and existing funding streams as a more intensive delivery phase is now engaged. The bullet-points below present set out draft funding sources which exceed the draft £2.3m organisational structure additional costs. It should be noted that the exact funding source for many posts in the new structure will be confirmed as the structure is finalised and populated:

- Mayoral Capacity Fund (after costs of additional mayoral team posts) £0.90m
- Adult Education Budget Implementation Funding £0.15m
- Energy Hub Funding £0.60m
- Workstream and Programme Funding, assuming 50% of additional Programme Manager costs are chargeable to delivery programmes and so will be incorporated into that funding £1.16m
- **Draft Total Use of Funding** **£2.81m**

These draft assumptions indicate that increases in CA staff costs are fully funded by new and existing funding sources combined with programme funded delivery activity.

The Mayoral Budget also includes additional £95k for posts in the Mayoral team, which are funded from the Mayoral Capacity Fund.

- (b) **Large Programme Completion Costs and Timing** – In preparing the MTFP, the assessment of costs, timing and funding sources for the large infrastructure programmes and the University programme is challenging at this early feasibility stage. An assessment of the costs to complete these major programmes is included in 2021/22 draft budgets, but should be considered as indicative only at this stage. These draft cost assessments include circa £5bn for transport related schemes and £90m for the University of Peterborough and will be subject to the CA securing additional funding streams to enable them to progress.

- 4.6. Appendix B presents the detailed draft MTFP for the CA over the period 2018/19 to 2021/22, alongside supporting notes and assumptions. The table below presents a summary of the draft MTFP presented in Appendix B, illustrating the anticipated draft budget plans associated with each of the workstreams to deliver the four-year plan, along with key assumptions, and further details provided in section 4.5 above.

Combined Authority Draft MTFP by Workstream

	2018/19	2019/20	2020/21	2021/22
	Total Draft Budget CPCA £k	Draft Budget Plan £k	Draft Budget Plan £k	Draft Budget Plan £k
Total Operational Budget	4,580.1	4,902.7	4,902.7	4,902.4
Total Rural Areas, Culture, Parks and Open Spaces	681.0	690.0	-	-
Total Economic Strategy	800.0	300.0	100.0	100.0
Total Transport and Infrastructure	63,257.0	71,402.0	81,422.0	4,821,280.0
Total New Homes & Communities	50,468.5	37,507.2	37,507.2	37,507.2
Total Employment & Skills	11,652.8	24,293.2	15,984.4	104,799.0
Total Strategic Planning	280.0	-	-	-
Total Public Sector Reform	877.6	-	-	-
Total CPCA Budget	132,597.0	139,095.1	139,916.3	4,968,588.7
Indicative inflation Based on 2.3% Annual CPI		3,199.2	6,510.2	350,778.2
Total CPCA Budget After Indicative Inflation	132,597.0	142,294.3	146,426.5	5,319,366.9

- 4.7. Appendix C presents the detailed draft MTFP for legacy LEP funding and programmes over the period 2018/19 to 2021/22, alongside supporting notes and assumptions. The table below presents a summary of the draft detail presented in Appendix C, noting that a prospectus issued during 2018 will settle the next round of supported projects and programmes. Appendix C also presents a range of assumptions, and further details provided in section 4.5 above.

Legacy LEP Draft MTFP by Workstream

	2018/19	2019/20	2020/21	2021/22
	Indicative Budget Plan £k	Indicative Budget Plan £k	Indicative Budget Plan £k	Indicative Budget Plan £k
Total Operational Budget	1,758.4	1,758.4	1,758.4	1,758.4
Growth Deal Fund Programmes				
Total Committed Programmes	17,408.6	-	(184.0)	(184.0)
Total Uncommitted Programmes - Planned	-	-	-	22,800.0
Total Growth Funding Programmes	17,408.6	-	(184.0)	22,616.0
Growing Places Fund (GPF)				
Total Growth Places Funding	(2,377.4)	157.8	-	-
Total Legacy LEP Budget	16,789.6	1,916.3	1,574.4	24,374.4
Indicative inflation Based on 2.3% Annual CPI	-	44.1	73.3	1,720.8
Total CPCA Budget After Indicative Inflation	16,789.6	1,960.3	1,647.7	26,095.2

- 4.8. Appendix D presents the detailed draft MTFP for the Mayoral Budget over the period 2018/19 to 2021/22, building on the 2018/19 budget agreed at the February 2018 CA Board. The change since this point in time relates to the release of the revised organisation structure, with additional costs funded from the mayoral capacity fund. In addition, the 2018/19 MTFP includes anticipated costs of refit and occupation at the new Ely office.

Mayoral Budget Draft MTFP

	2018/19	2019/20	2020/21	2021/22
	Total Draft Budget CPCA £k	Draft Budget Plan £k	Draft Budget Plan £k	Draft Budget Plan £k
Total Mayoral Budget	338.0	331.0	331.0	331.0
Indicative inflation Based on 2.3% Annual CPI		7.6	15.4	23.4
Total CPCA Budget After Indicative Inflation	338.0	338.6	346.4	354.4

- 4.9. Maximising sources of funding available to the CA and balancing these against spending plans provides a key challenge in managing affordability to achieve the objectives set out in the four-year plan. The table below presents currently agreed and anticipated funding sources (which will change over time) available to the CA (including legacy LEP funding) over the four-year period of this MTFP, compared to the draft budgeted costs presented in the MTFP. The draft MTFP has been split into capital and revenue budgets, enabling the total draw on revenue and capital funding to be included at the foot of the table below. As outlined in section 4.5 above, inclusion of large completion costs in the MTFP for infrastructure and university programmes (noting that the exact timings and value requires further work to confirm) results in a position where capital funding sources will be substantially overdrawn in 2021/22. This position will be addressed by securing additional funding sources, but it is important to illustrate the size of the challenge.

Combined Authority Draft MTFP – Source and Use of Funds

Funding Source	2018/19		2019/20		2020/21		2021/22	
	Capital £m	Revenue £m	Capital £m	Revenue £m	Capital £m	Revenue £m	Capital £m	Revenue £m
Growth Deal Capital Funds	37.6		15.9		35.7			
Growth Deal Capital Repayments					0.2		0.2	
Growing Places Capital Funds	7.7							
Growing Places Capital Repayments	3.0							
LEP - Operational Funding		2.0		2.0		2.0		2.0
Gainshare Revenue		14.4		8.0		8.0		8.0
Gainshare Capital	35.0		12.0		12.0		12.0	
Housing General	52.4		15.0		30.0		-	
Housing - Cambridge	38.0		17.0		15.0		-	
Local Transport Plan		13.5		13.5		13.5		
LTP Capital Grant	55.3		27.7		27.7			
Transforming Cities Fund	5.0		17.0		22.0		30.0	
Mayoral Capacity Building Funds		1.0		1.0				
Cambridge South Station (timing tbc)			5.0					
AEB Implementation funding		0.2						
AEB Education & Skills Funding Agency				12.1		12.1		12.1
Drought Damaged Roads (passed to CCC & PCC)	1.8							
PCC A47 Junction 18 improvements	3.9							
PCC A605 Whittlesey access Phase 2	2.8							
PCC Yaxley Loop Road	4.6							
ECDC Soham Eastern Gateway	6.3							
Energy Hub		1.3						
Career & Progression Innovation fund pilot for Health & Care work sector				5.2				
Potential Cambridge NE fringe Housing Infrastructure Fund			193.0					
Total In-Year Funding Sources	253.4	32.3	302.5	41.8	142.6	35.6	42.2	22.1
Plus - Funding Carried Forward from Last Year			134.5	1.4	330.1	5.5	358.9	6.3
Less - Total CA Draft Budget incl Mayoral Budget	(118.9)	(30.9)	(106.9)	(37.7)	(113.8)	(34.7)	(5,325.0)	(20.9)
Funding Carried Forward to Next Year	134.5	1.4	330.1	5.5	358.9	6.3	(4,923.9)	7.5

4.10. Refinement of the MTFP will be based on confirmation of organisational and programme costs aligned to the agreed four-year plan, with a revised version planned to be reported to the CA Board in September 2018.

5.0 FINANCIAL IMPLICATIONS

There are no further financial implications beyond those outlined in the body of this report.

6.0 LEGAL IMPLICATIONS

6.1. The Combined Authority committed to achieving a bold vision for Cambridgeshire and Peterborough in the devolution deal signed in June 2016. The Authority has a general power of competence under Article 11 of the Cambridgeshire and Peterborough Combined Authority Order 2017 which enables it to undertake actions in furtherance of its ambitions.

7.0 SIGNIFICANT IMPLICATIONS

7.1. There are no specific implications for this report.

8.0 APPENDICES

8.1. Appendix A: Cambridgeshire and Peterborough 2030 Four Year Plan

- 8.2. Appendix B: Draft Cambridgeshire and Peterborough Combined Authority Medium Term Financial Plan
- 8.3. Appendix C: Draft Cambridgeshire and Peterborough LEP Medium Term Financial Plan
- 8.4. Appendix D: Draft Cambridgeshire and Peterborough Mayoral Budget Medium Term Financial Plan

<u>Source Documents</u>	<u>Location</u>
List background papers:	
Mayor's 100 day plan	
Cambridgeshire and Peterborough Devolution Deal	http://cambridgeshirepeterborough-ca.gov.uk/assets/Uploads/Cambridgeshire-and-Peterborough-Devolution-Deal.pdf
Combined Authority Board Papers (May 2017 – March 2018)	http://cambridgeshirepeterborough-ca.gov.uk/meetings
	Cambridgeshire and Peterborough Combined Authority, Unit 3, The Incubator, Alconbury Weald Enterprise Campus, Alconbury Weald, Huntingdon, PE28 4WX



CAMBRIDGESHIRE & PETERBOROUGH
COMBINED AUTHORITY

Cambridgeshire and Peterborough Four Year Plan 2018/19 – 2021/22

May 2018

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Foreword from the Mayor

We are lucky to live in one of the fastest growing and most economically significant parts of the country but we must not rest on our laurels. We have great ambitions for the future.

On being elected as Mayor in May 2017 I knew that decisive action was needed to ensure that the growth that we witness in Cambridgeshire and Peterborough is truly sustainable and spread evenly across the entirety of the area and that all members of our community can contribute to and benefit from the area's growth and success.

I have spent much of my first year in office meeting as many people as possible at regional, national and international level to understand the challenges and issues we face and explore potential solutions to achieving growth and development across the region.

As a result this plan has been developed by working closely not only with our partner Councils but also with a wide range of partners. I would like to thank everyone who has helped me in the development of this plan.

Cambridgeshire and Peterborough has a significant role to play on both the national and international stage and we are set to strengthen and consolidate our global reputation. To realise this great potential, we know that it is vital to address economic and social challenges at a local level. It is clear to me that to do this we must think and act differently and continue to transform the way we work and harness our excellent track record of collaboration and innovation.

We have already made great strides in delivering on this – a snapshot of some of our achievements in 2017-18 is included later in this plan.

My challenge to the Board and my team has been to develop our ambition and a plan that is simple and straightforward. This plan is focused on five core ambitions:

1. Access to a job within easy reach of home
2. Healthy, thriving and prosperous communities
3. A workforce for the modern world, founded on investment in skills and education
4. A high quality sustainable environment
5. The UK's capital of innovation and productivity

Delivering this plan will need teamwork. Everyone will need to play their part if we are to successfully fulfil these challenging ambitions. We want residents, businesses, communities and partners right across the area to commit to the ambition and contribute their knowledge, skills and experience.

It is only by continuing to work together that we can make Cambridgeshire and Peterborough a leading place in the world to live, learn and work.

James Palmer
Mayor of Cambridgeshire
and Peterborough



Introduction by the Chief Executive

We are ambitious to transform Cambridgeshire and Peterborough and establish the region as a leading place in the world to live, learn and work.

We want to deliver economic growth, affordable homes for people to live and skills so our residents can find good jobs, whilst ensuring our elderly and more vulnerable citizens receive high quality professional care. The scale and breadth of our work is truly vast and will have a huge impact on the lives of local people.

The Combined Authority was established in April 2017 and the Mayor elected in May 2017. We are just completing our first year in existence. Through our collective effort we are making great strides in delivering on our commitments to get the best deal for residents.

Our commitments include a number of core initiatives:

- A step change in infrastructure delivery with an integrated approach to planning of roads, rail and digital connectivity alongside land for new housing and business to further drive up economic growth and productivity;
- Becoming the UK's truly connected region in respect of communications and transport connections, linking research-based growth in the Cities with even the most rural villages. Improvements to road and rail infrastructure will make it easier for residents to participate fully in the economy across transport modes;
- Devising new models of private/public infrastructure and housing funding to fund strategic capital infrastructure;

- A new partnership between the universities and FE providers to drive a programme of co-ordinated skills and educational improvement to deliver the skills our economy needs;
- Transformation of public service delivery utilising the strong existing partnerships of councils, business and public services that have a successful track record of working together.

We have made good progress already in partnership with constituent members of the Combined Authority and Government securing:








- £20m per year for the next 30 years
- £170m for housing
- £74m to transform our cities
- £5m for Cambridge South Station and a commitment to the East-West rail
- £11m Housing Infrastructure Funds for schemes in Yaxley and Soham
- £2m Mayoral capacity funding
- £4m Local Full Fibre Networks funding




The economic success that has been achieved to date has been facilitated by a long tradition of collaborative working and a strong track record of delivery. We will continue to 'bake' this partnership approach in delivering this four year plan.






Martin Whiteley
Chief Executive

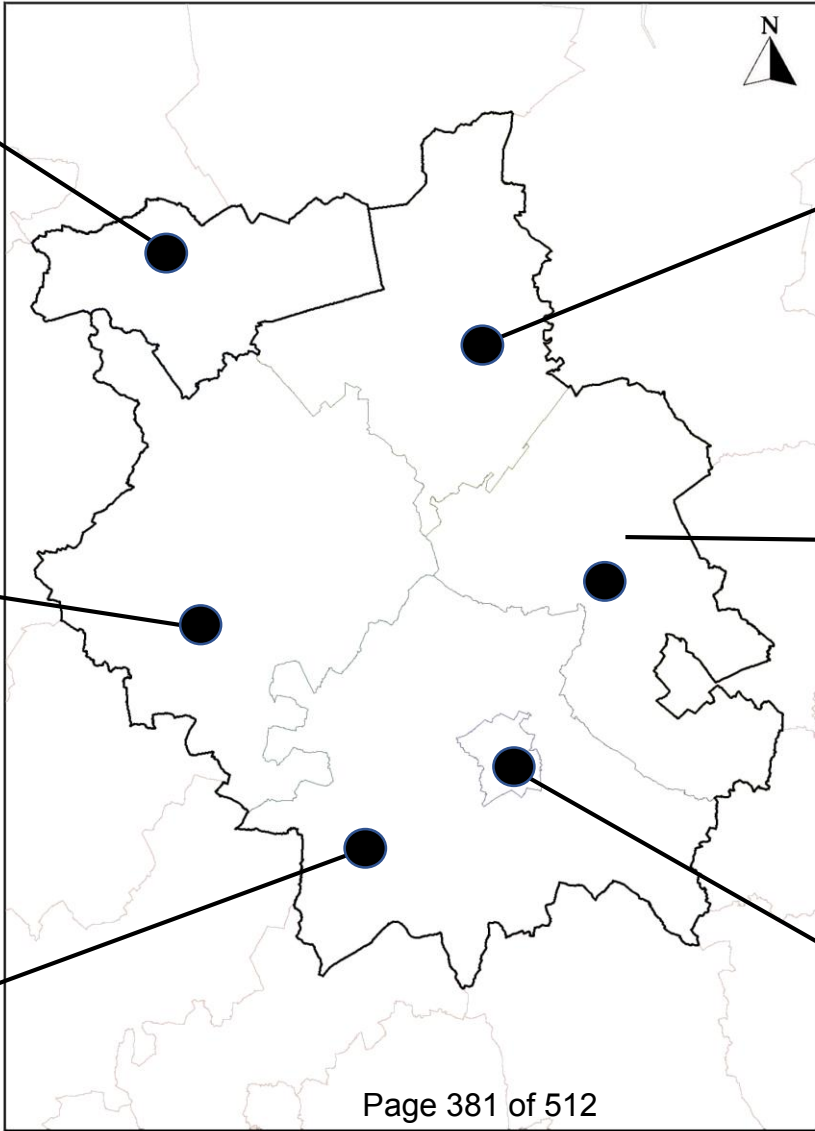



Key Achievements 2017-18 – a summary of investment and actions by the Combined Authority in Cambridgeshire and Peterborough







Peterborough		£m
	Opportunity Peterborough	£0.65
	Affordable homes	£1.85
	Infrastructure improvements A1260, A16, A47 (Pipeline)	tbd
	University of Peterborough Project & Interim Accommodation at Embankment	£6.53 £9.0
	NPIF Investment A605, A15	£6.5
	Skills and Innovation Pay and Progression Pilot (Peterborough & Cambridgeshire)	£5.0
	HIF Marginal Viability – Yaxley Loop Road to unlock 5,350 homes	£4.57





Huntingdonshire		
	Infrastructure improvements A141, strategic river crossing (pipeline)	£9.5
	St Neots Masterplan	£5.8
	Affordable homes	£0.66

South Cambridgeshire		
	Infrastructure improvements A10 level crossing, A505 corridor (pipeline)	£3.5
	Upgrading A10 business case	£0.5
	Cambridge South Station programme	£1.75
	Affordable homes	£0.83
	East-West Expressway / Rail	



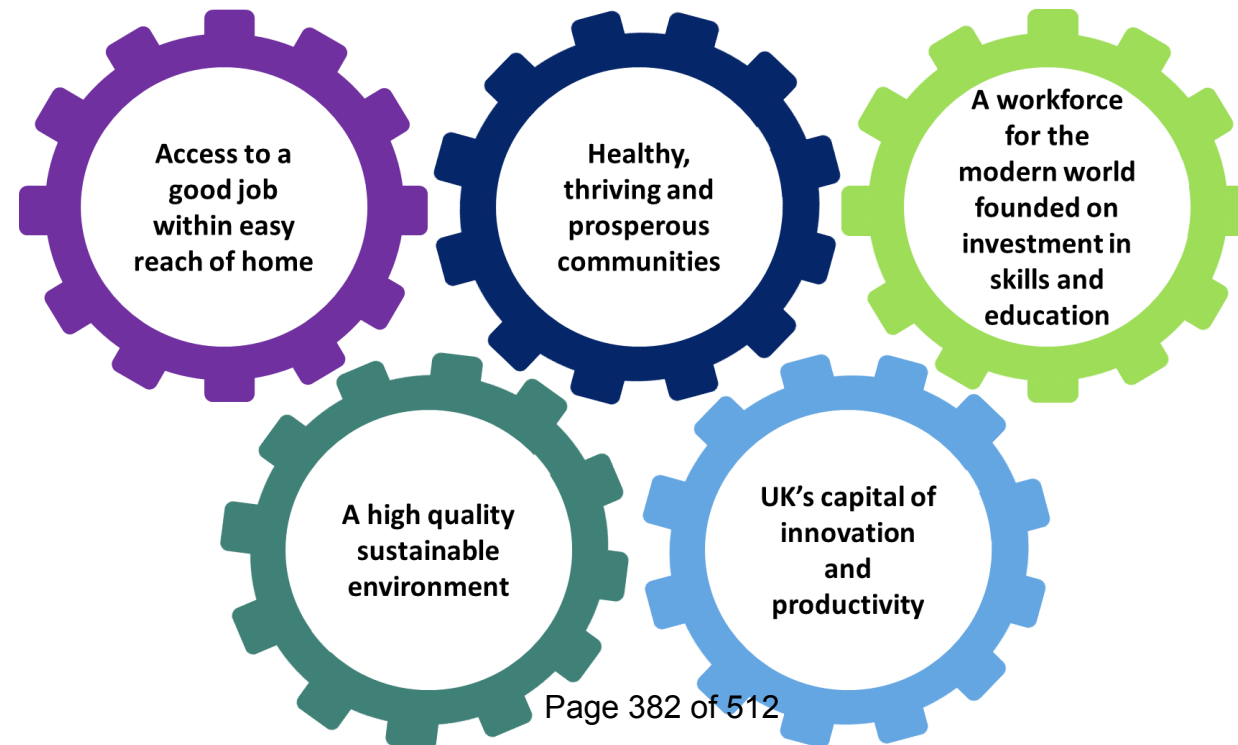
Fenland		
	Regeneration Fenland railway stations	£9.0
	Regeneration and growth in Wisbech	£10.5
	Infrastructure improvements March junction	£3.65
	Wisbech Garden Town feasibility study	£6.5
	Affordable homes	£0.3
	Dualling A47 Business Case; M11 Feasibility Study	£1.75

East Cambridgeshire		
	Soham station programme	£5.0
	Infrastructure improvements A14, A142	£0.3
	Upgrading A10- Business Case	£0.5m
	Affordable homes	£0.93
	HIF Marginal Viability – Soham Eastern Gateway Scheme to unlock 553 homes	£6.3
	ECTC Haddenham CLT Loan	£6.5

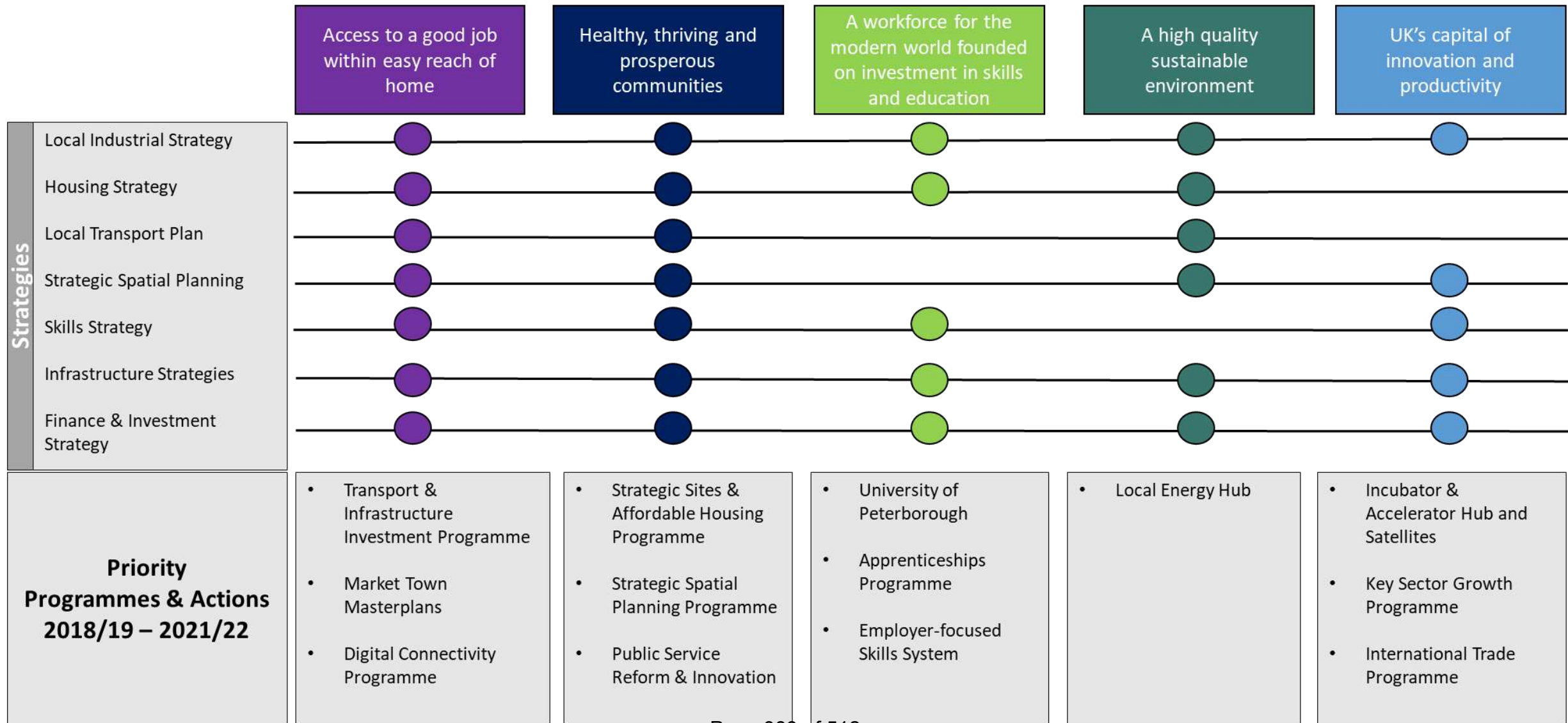
Cambridge		
	Cambridge Fringe North East 7,600 new homes programme HIF Forward Funding	Business Case
	Infrastructure improvements Coldhams Lane roundabout	£1.75
	Cambridge South Station programme	£1.75
	Cambridge Rapid Mass Transit study	£0.1

Cambridgeshire & Peterborough 2030 Ambition

**A leading place in the world to live,
learn and work**



Strategic Priorities & Programmes 2018/19 – 2021/22





Challenges

Priority Programmes & Actions

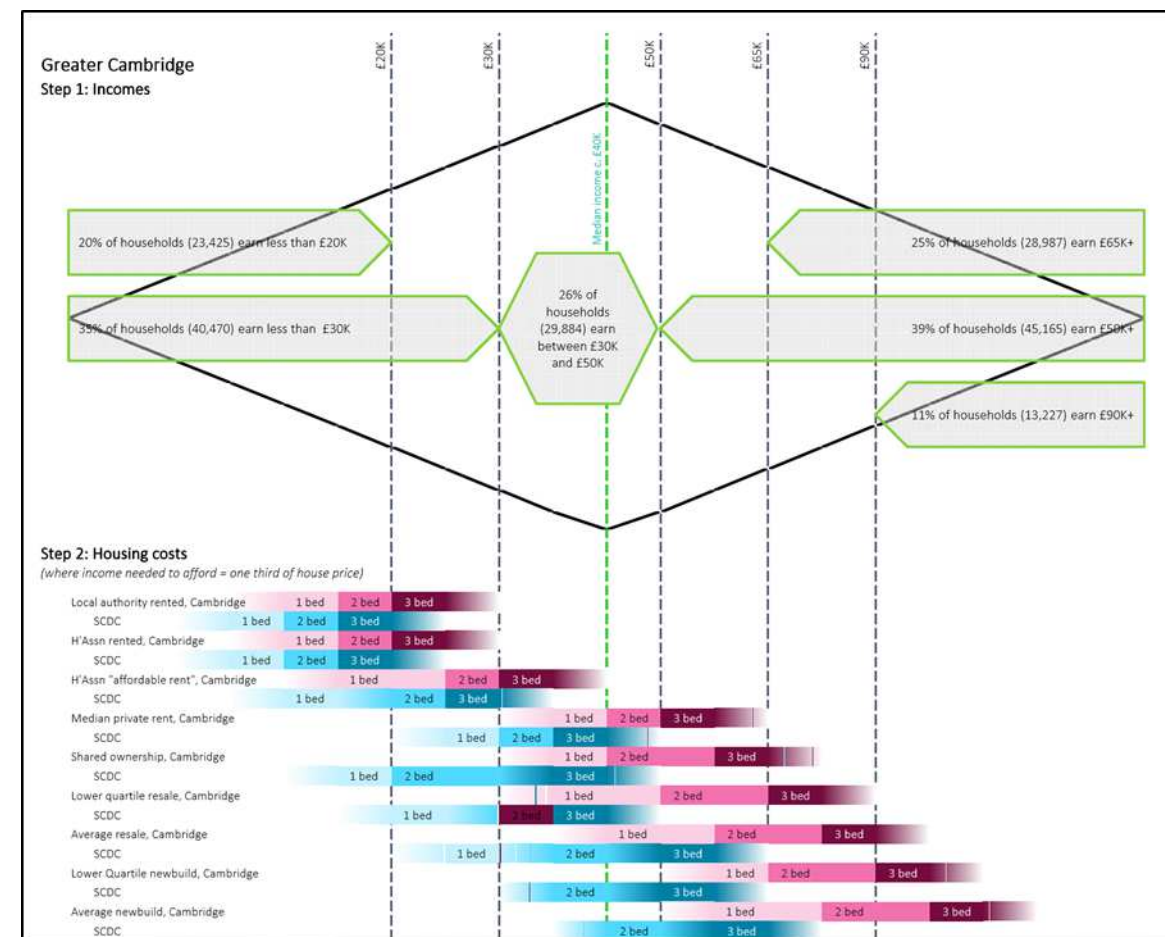
Target Deliverables

2030 Target Outcomes



Challenges

- **Demographic changes** – the area is set to experience significant population growth over the next 20 years, bringing significant demands on services, alongside the need for additional housing and infrastructure, particularly transport
- **Economic activity and employment** – a refreshed focus is required on creating good quality jobs, aligned to the area's key growth sectors and anchored around place
- **Housing supply and affordability** - the shortage of available and affordable housing within reasonable journey times of key employment centres has driven unsustainable housing prices (purchase and rental). Employers indicate that they find it difficult to recruit and retain staff in competition with areas where employees can access lower house prices; this is particularly evident for some of the area's public sector workers.
- **Connectivity & Transport** – the area's transport network is struggling to cope with current usage and will be further stretched as local travel demand is forecast to increase by 40% by 2030. Some key transport routes already suffer severe congestion including A14, A10 and A47 and links to new developments are congested e.g. Northstowe and Alconbury Weald.



Source: SCDC / Greater Cambridge Partnership



Priority Programmes & Actions

- Publish the report of the independent **Economic Commission** and the inaugural **Local Industrial Strategy Q2 2018/19**:
 - use them to agree the priority business growth sectors for the area and the places these sectors are likely to grow and flourish.
 - Use them to target investment to develop and improve the area's competitive position, generate significant GVA and support businesses and employees.
 - Use them to influence decisions taken at national level.
- Use the **Strategic Spatial Framework Phase 1 Q1 2018/19** to support the implementation of development strategies in Local Plans to 2030 so that jobs and homes targets are met and joint strategic planning reflects the standards expected to deliver inclusive, place-based growth spanning infrastructure, skills, health and wellbeing.
- Develop the **Strategic Spatial Planning Framework Phase 2 Q4 2018/19** – Scope the opportunities for longer term strategic planning between the Combined Authority and Planning Authorities from 2036 to 2050.
- Develop and execute the **Housing Strategy Q4 2018/19** to accelerate delivery of 100,000 homes (40% affordable) across the area by 2037.
- Develop and execute the **Local Transport Plan Q2 2019/20** and **Strategic Bus Review** to support sustainable growth including cycling, walking, rail, network management and smart transport.
- Deliver the **Strategic Transport Priorities**, investing in infrastructure and public transport:
 - East to West (Southern Corridor) – **Oxford to Cambridge Expressway (A428)** (Cambridge, Milton Keynes, Oxford), **Cambridge South Station, A505, East-West Rail**
 - East to West (Northern Corridor) – **A47 Dualling Peterborough to Wisbech; Wisbech Rail, Wisbech Access, Wisbech Garden Town**
 - North to South Corridor – **A10 upgrade; M11 extension; Ely Rail Improvements, Soham Station, Cambridge Rail Capacity Study, Huntingdon Third River Crossing**
 - Cambridge and travel to work areas – **Cambridgeshire Autonomous Metro** (The Combined Authority is currently investigating the feasibility of a Peterborough Metro and will determine if this will be a priority programme in due course).
- Roll out the programme of **Market Town Masterplans** to develop investment and regeneration delivery plans for each of the area's market towns. The rollout will be delivered in two waves over 2018 and 2019 so that **every town has a Masterplan in place by Summer 2019**.
 - April 2018 – December 2018: Chatteris, March, Littleport, St Ives, Whittlesey.
 - January 2019 – September 2019: Ramsey, Ely, Soham, Huntingdon.
- Deliver the **Digital Connectivity Programme**
 - **Achieve 99% superfast broadband across the area by 2020.**
 - Act as a **vanguard/test-bed for the deployment of 5G services and full-fibre.**
 - Work with delivery partners and use the world-class experience of companies in the area to explore opportunities to provide a world-leading digitally connected area and to advance IoT/Smart initiatives as part of the Smart Cambridge Programme.



2018/19 – 2021/22 Target deliverables

2018/19



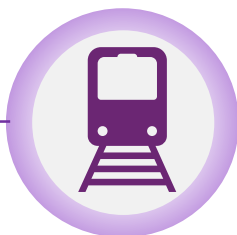
- Local Industrial Strategy
- A Masterplan for growth for every Market Town

2019/20



- A428 dualling Black Cat to Caxton Gibbet work underway
- 99% Superfast broadband coverage achieved
- Improved public wi-fi in our market towns

2020/21



- Soham Station operational
- New Cambridge South Station being built

2021/22



- Cambridge Automated Metro - initial metro services underway
- A10 transport improvements started
- Government backing for A47 Peterborough to Wisbech dualling
- 10,000 new jobs created



2030 Target Outcomes

Jobs

The area is on track to deliver 90,000 new jobs by 2036.

There are good jobs in the area for all who want them.

Residents are able to choose to work in the area rather than commuting to jobs elsewhere.

The area's economic growth is supported by coordinated interventions in transport and infrastructure, housing, planning & land use and skills.

Housing

There is a choice of high quality, affordable housing close to the area's main centres of employment.

Residents journey to work times have improved dramatically and the area is working to achieve its goal of no more than a 30 minute journey to work.

Transport & Infrastructure

Investment in transport infrastructure has relieved pressure on key routes and reduced congestion.

Investment in public transport means that active travel (walking and cycling) and public transport is the natural choice for residents.

Digital connectivity enables a wide range of working patterns and supports a range of innovations in work, travel, leisure and health



Challenges

Priority Programmes & Actions

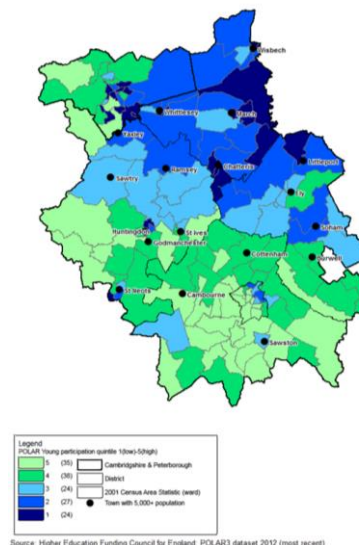
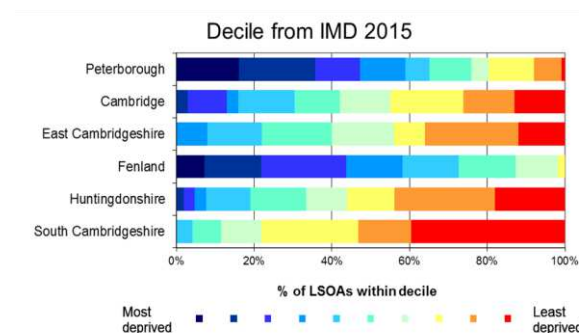
Target Deliverables

2030 Target Outcomes



Challenges

- **Differential growth** – whilst Cambridgeshire and Peterborough is one of the fastest growing and most economically significant parts of the country the socio-economic characteristics of the area show a distinctive north/east pattern of deprivation
- **Growing and Ageing Population** – the area is forecast to experience significant population growth over the next 20 years, including an increasingly elderly population with more complex needs. The levels of population growth predicted will make significant demands on services and the need for additional housing, schools, social care and health provision and infrastructure.
- **Health inequalities** – there is a large difference in health and wellbeing outcomes across the area e.g. a 9 year gap in healthy life expectancy with residents in some areas living only 55 years in good health and twice the rate of ESA claimants (6.9% of working age population) in Peterborough and Fenland compared to the other authorities (*Public Health England*).
- **Sustainable Places and Communities** - the built and natural environment is a key environmental determinant of health and wellbeing. Creating the right physical environment e.g. schools, workplaces, homes, communities, parks/recreation areas, green (visible grass, trees and other vegetation) and blue spaces (visible water) in which people live, work and play is essential.
- **Community Safety** – despite recent rises in the levels of recorded crime, believed to be driven by improved recording practices, the overall crime rate remains lower than previously. The Police and Crime Plan sets focuses on four key themes, responding to public demand to increase visibility of policing and responsiveness to antisocial behaviour while ensuring the threat and harm associated with high risk crimes are dealt with, victims supported and pathways put in place to reduce offending and re-offending



Protecting and improving

A decent home, a job and friends are more important to good health than the NHS. This report highlights how we can build places and communities that encourage healthier choices

Duncan Selbie
Chief Executive
Public Health England



Spatial Planning for Health
An evidence resource for planning
and designing healthier places



Priority Programmes & Actions

- Develop and execute the **Housing Strategy Q4 2018/19** to accelerate delivery of 100,000 homes (40% affordable) across the area by 2037 including actions to:
 - Advance plans for **strategic, high impact sites** including those within the Strategic Spatial Framework
 - Deliver the **£170m Housing Programme with 2,500 high quality affordable homes started on site by Q4 2021/22**
- Develop the **Strategic Spatial Planning Programme** to coordinate all activities / policies across the area, ensuring that the design and delivery of all programmes (spanning infrastructure, skills, health & wellbeing, innovation and business growth) reflect the standards expected to deliver inclusive, place-based growth.
- Develop the **Public Service and Innovation Reform Programme Q2 2018/19** based on scaling and rolling out the service and sustainable demand models for adults' and children's social care developed by Cambridgeshire County Council and Peterborough City Council:
 - Develop an evidence base that is objective and supports Cambridgeshire and Peterborough in making **the case for further local devolution/accountability and implementation support Q3 2018/19**
 - Promote and foster a common understanding of the future development of Cambridgeshire and Peterborough public services in support of the area's wider economic and social ambitions across local partners and Whitehall.
- Ensure the **Market Town Masterplans** for each of the area's market towns consider and put in place actions to deliver appropriate community infrastructure.
 - Work with delivery partners to ensure that neighbourhood and community planning and design protects and improves peoples' health and wellbeing, and reduces health inequalities.
- Develop and execute the **Local Transport Plan Q2 2019/20** to promote active travel, health and wellbeing through the walking and cycling strategies and making use of the high quality public realm within our cities and towns.



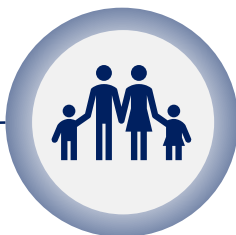
2018/19 – 2021/22 Target deliverables

2018/19



- Community Land Trust Programme to deliver 1,800 homes underway
- Quality Charter for Growth adopted for all developments

2019/20



- 1,300 new affordable homes started

2020/21



- 29,000 new homes built
- New model of Health & Social Care services
- Transport for Cambridgeshire and Peterborough running pioneering public transport services

2021/22



- 2,500 new affordable homes underway
- Mayoral Development Corporation leading new major business and residential developments



2030 Target Outcomes

Inclusive growth

Every city, town and village is prosperous and vibrant in its own right.

All residents contribute to and benefit from the area's growth and success.

Targeted, evidence-based interventions are helping those living in areas of deprivation, improving social mobility and inclusion.

Improved quality of life

Cambridgeshire and Peterborough is a place where people want to live.

Every child has the best start in life. All children, young people and adults are able to achieve their full potential.

Residents are healthy, active and connected. They live in good health for longer. Where needed, they access health care, social care and other public services which support their independence and choice.

Sustainable places & communities

Residents live in sustainable places and communities with access to a choice of high quality, affordable homes and good jobs.

People can access a range of leisure, cultural, community resources and natural green and blue spaces.

People are proud of where they live and have a strong sense of community and belonging.



Challenges

Priority Programmes & Actions

Target Deliverables

2030 Target Outcomes

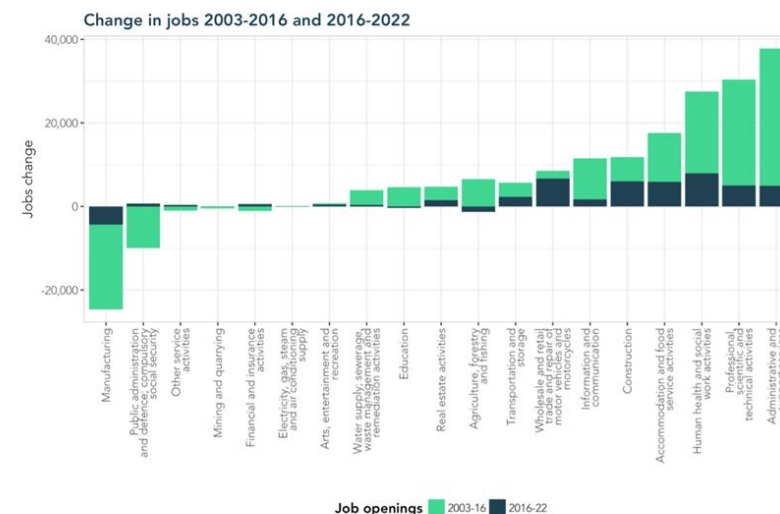


Challenges

- **Skills Demand** – National forecasts predict by 2024 there will be:
 - 9.2m low-skilled people chasing 3.1m low-skilled jobs
 - 12.6m people with intermediate skills chasing 10.7m jobs
 - 16.1m high-skilled jobs with only 11.9m high-skilled workers
- **Skills Gap** – Cambridgeshire and Peterborough's current skills and training provision matches the national picture; it is not delivering the right mix of skilled people that the growing businesses in the area need. High value-added, high productivity sectors depend on the right skills to grow; and those without the right skills are not well placed to share in the prosperity or provide a route out of disadvantage that growth brings.
- **Population growth - by 2031** forecast growth is:
 - Cambridgeshire forecast growth 22% 15-19 year-olds and 9.5% 20-64 year-olds
 - Peterborough forecast growth 23.5% 15-19 year olds and 6.9% 20-64 year-olds
- **Skills provision** – is fragmented and is failing to deliver right mix of skills for the area's businesses; it is also provider rather than employer focused. This is made more challenging by fast moving business sectors, many growing through innovation into new products and services. Low average unemployment mean businesses are particularly reliant on the skills sector to retrain or bring people back into the labour market.

Qualification level	Percentage share		Forecast % change
	2012 actual	2022 projection	
QCF 7-8 (post-grad) Masters and Doctoral level	9.1	14.6	+60.4%
QCF 4-6 University degree level	27.6	33.1	+ 19.9%
QCF 3 A Level	19.9	17.6	- 11.6%
QCF 2 A-C GCSE level	22.1	19.9	- 10.0%
QCF 1 D-F GCSE level	15.2	11.3	-25.7%
No qualification	6.1	3.5	-42.6%

Table 1 – Projected qualification demand for Eastern Region (UKCES 2015)
Source: Old Hall Associates Ltd Report to Peterborough Skills Partnership Group (July 2015)



Data: Emsi 2016.1 Industry



Priority Programmes & Actions

- Develop and execute the **Skills Strategy Framework and Action Plan Q2 2018/19** to deliver an end-to-end regional skills system from schools, to FE and HE, to apprenticeships, to workplace.
- Develop the proposals and business case for the next phases of the **University of Peterborough**:
 - Phase 1: Curriculum development, marketing & engagement **Q2 2018/19**.
 - Phase 2: Develop teaching & learning and amenities for the interim University solution on the permanent site at the Embankment site **Q2 2019/20 and Q2 2020/21**.
 - Phase 3: Design and build new University Campus – **Business Case Q4 2018/19**.
- Deliver the **Apprenticeships** & Pathways to Employment schemes to:
 - Support young people to make informed choices about FE and HE so they can capitalise on the business employment opportunities available and help fill skills gaps.
 - Support young people into high quality apprenticeship programmes and on to skilled and in-demand occupations.
 - Establish an Apprenticeship Hub
 - Deploy the AGE grant supporting apprenticeships into SMEs.
- Establish a **Coordinated Employer-focused Skills System** including:
 - Managing the **devolved budget for 19+ adults skills education transition arrangements Q2 2019/20 and devolved budget Q4 2021/22**.
 - Delivering the **Health & Social Care Innovation Pilot to support 2000 people on universal credit into higher skilled health and care jobs, addressing skills shortages in this sector Q4 2021/22**. Assess the scope to extend the pilot and develop a Business Case and Implementation Plan.
 - Develop **community learning** to support people to access higher skilled, better paid jobs building on the **Opportunity Areas Programme** currently underway in East Cambs and Fenland.



2018/19 – 2021/22 Target deliverables

2018/19

iMET

- Skills Strategy and Action Plan launched
- 20,000 adults supported through further education and training
- iMET opens

2019/20



- University of Peterborough opens new Embankment Site
- 1,200 students enrolled at University of Peterborough

2020/21



- New Apprenticeship Service established and supporting 3,500 apprenticeships per year

2021/22



- 2,000 people have secured higher skilled health and care jobs
- 2,300 students enrolled at University of Peterborough



2030 Target Outcomes

Meeting businesses needs

Homegrown talent fostered through a wide range of education and training programmes is the foundation of the area's thriving job market.

The area's skills base matches businesses' needs.

Skills support is targeted on agreed sectors e.g. science, technology, engineering and maths (STEM) occupations, health and social work and construction.

Meeting people's needs

People have access to a world class end-to-end skills system with good early years provision, schools, colleges and universities.

The area's skills base matches people's needs at different stages in their careers.

The natural gaps between education and work are spanned by traineeships, work experience, apprenticeships, re-training and degrees supporting flexible and agile career paths and lifelong learning.

Social Inclusion

Adult, community and upskilling programmes provide a route to employment.

Vulnerable and excluded people are supported into work.

Investment in skills and education enables people to access higher skilled, better paid jobs improving labour market participation and productivity.



Challenges

Priority Programmes & Actions

Target Deliverables

2030 Target Outcomes



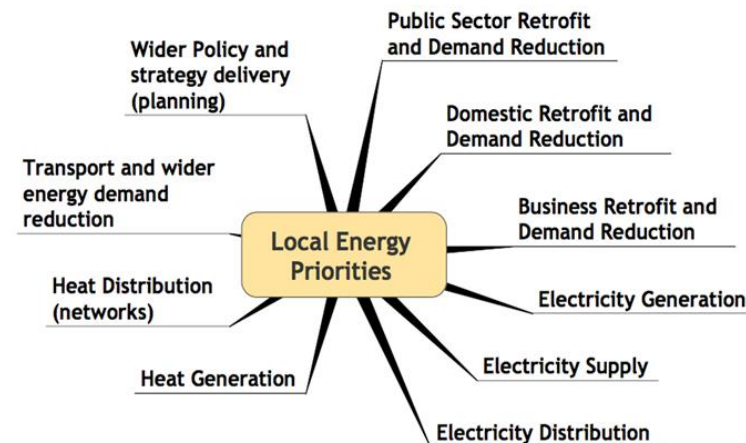
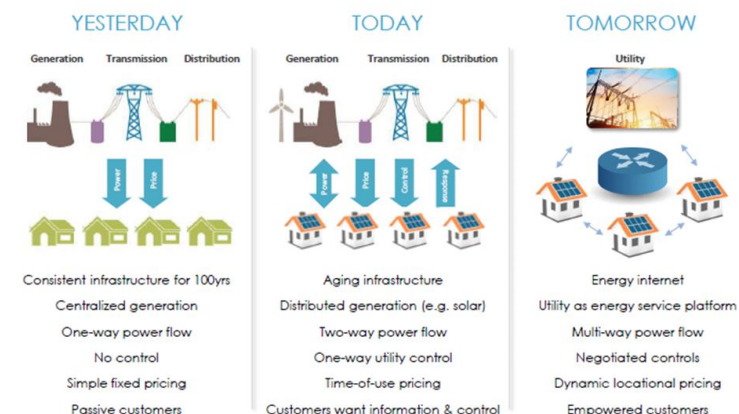
Challenges

• Energy & Water

- Reducing carbon emissions from energy consumption and finding alternative, clean, renewable sources of energy
- Addressing the barriers presented by utilities' distribution networks
- Planning for the security of long term water resources and drought resilience which is critical not only to agriculture but to businesses, homes and the environment
- Joining up clean technology, life sciences and ICT
- Enabling householders to improve the energy efficiency of their homes and reduce their waste

- **Mobility** - integrating public transport systems; enabling sustainable transport
- **Built environment** - designing and producing multi-usage, modular, energy-positive buildings from durable, non-toxic materials
- **Natural capital** - Harnessing the area's natural capital including high quality farmland, natural 'green and 'blue' assets, natural habitats – creating a network of naturally diverse, accessible places which are valued and enjoyed by our communities.

Electric System: Yesterday, Today and Tomorrow



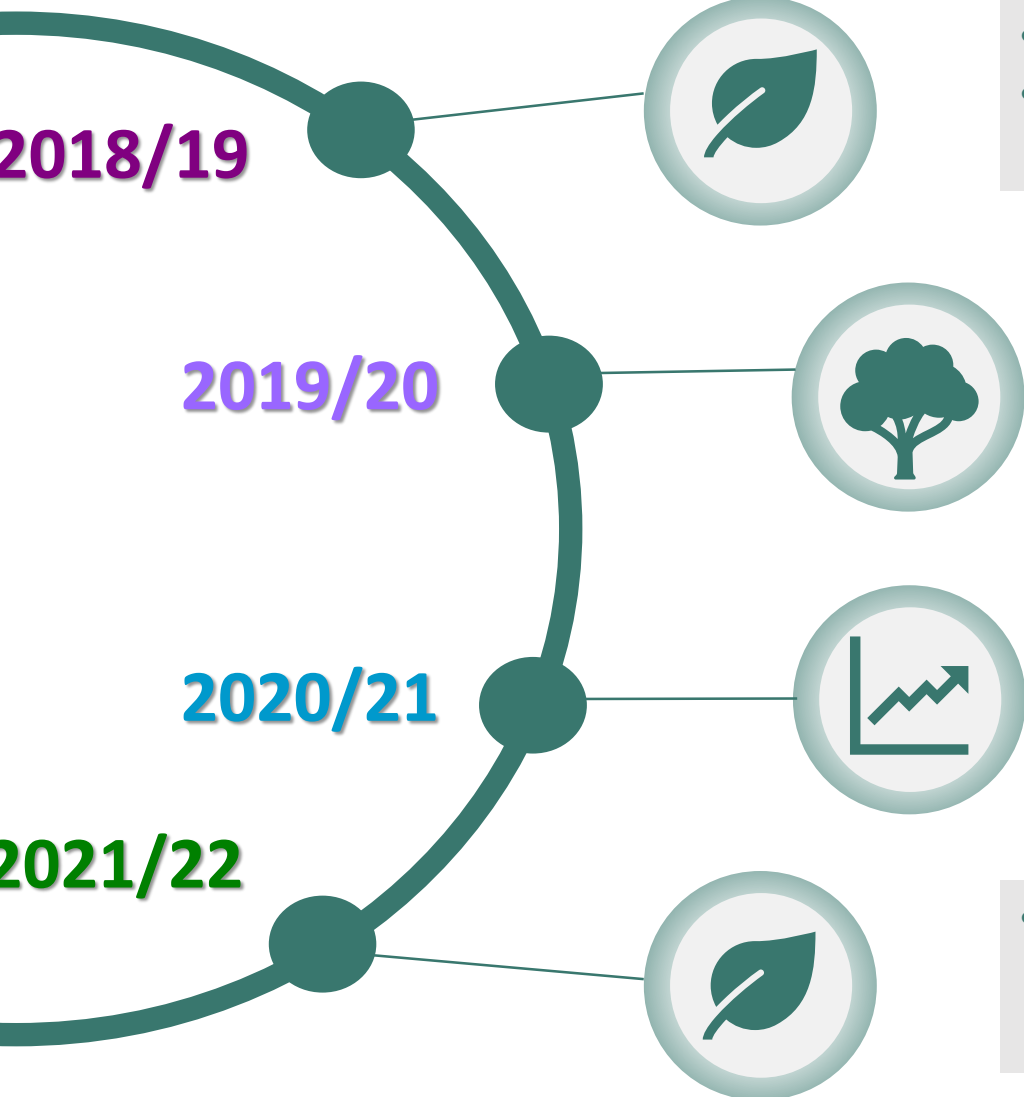


Priority Programmes & Actions

- Establish the **Local Energy Hub** for the Greater South East area (East of England, London, the South East and the Cambridge to Oxford growth corridor comprising 11 LEPs, 149 LAs and 16 counties) this will include:
 - Creating innovative financial model(s) to invest in local energy infrastructure Q3 2018/19.
 - Developing the delivery plan informed by the evidence base and the **Local Energy East Infrastructure and Delivery Strategy Q1 2018/19 and Q3 2018/19**.
 - Prioritising the most significant impediments to sustainable economic growth, e.g. housing and transport Q1 2019/20.
 - Creating feasibility studies and technical reports for funding and delivery approval Q3 2019/20.
- Develop and execute the **Rural Strategy Q4 2018/19** – including actions to:
 - Promote the benefits of Community Land Trusts to village communities, making use of designated/ non-designated rural land.
 - Apply environmental and energy efficient quality standards across all new buildings and homes.
- Develop and execute the **Local Transport Plan Q2 2019/20** to support the area's sustainable environment objectives and to help futureproof transport solutions that will reduce traffic congestion, parking and pollution problems – including the Clean Air Strategy, Walking and Cycling Strategies and 'Smart' transport initiatives.



2018/19 – 2021/22 Target deliverables



- Greater South East Energy Hub established – managed by CPCA
- Tri-LEP area Energy Investment & Delivery Strategy launched

- Quality Charter for Growth adopted for all developments delivering sustainable growth

- £50m energy infrastructure projects underway
- Transport for Cambridgeshire and Peterborough's pioneering public transport services have reduced traffic congestion and increased active travel

- Improved public health outcomes delivered through clean air, cycle routes, long-distance footpaths and green infrastructure



2030 Target Outcomes

Renewable energy and clean growth

The area has optimised the use of local renewable energy generation, reduced energy consumption and carbon emissions and developed a thriving local energy market, buying and selling energy locally to manage energy costs.

Long term water resources and greater resilience to drought have been secured through better water management and infrastructure investment.

Sustainable and healthy communities

Investment in clean energy and public transport has delivered a modal shift, reduced traffic congestion, carbon emissions and air pollution; increased active travel (walking and cycling) and improved public health.

Investment in energy infrastructure supports Cambridgeshire and Peterborough's aspiration to move towards car-free city centres.

Natural & cultural assets

The area is a thriving tourist destination attracting visitors who want to experience its character, heritage, culture, natural habitats and rich environment.

Residents have access to a variety of parks and natural green and blue spaces.



Challenges

Priority Programmes & Actions

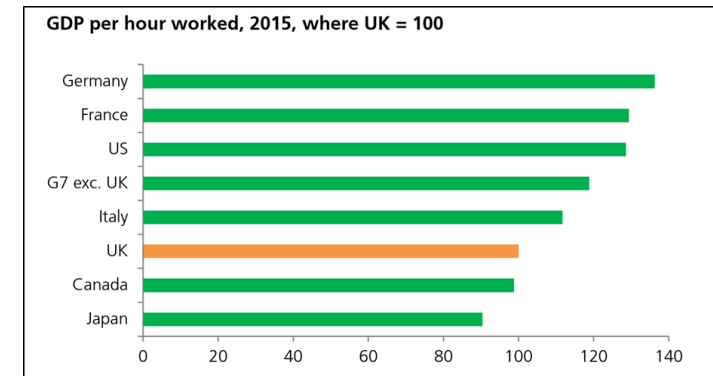
Target Deliverables

2030 Target Outcomes



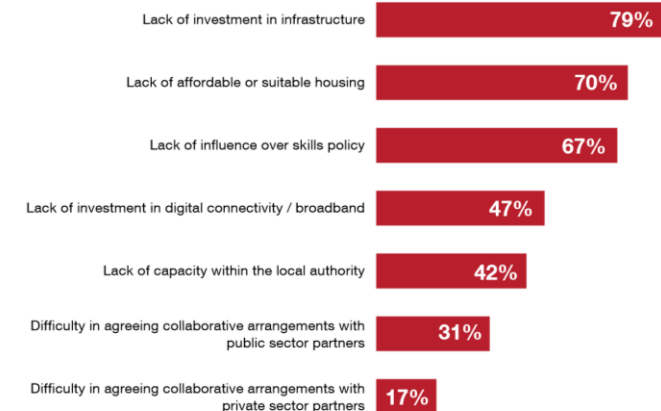
Challenges

- **UK's Productivity Gap** - the Office for Budget Responsibility revised down its forecasts for productivity growth, business investment and GDP growth through to 2020/2021. The UK's labour productivity has stagnated and the productivity gap widened since the recession and in 2015 was 19 percentage points below the rest of the G7 average according to ONS.
- **Cambridgeshire & Peterborough Productivity** – striking the balance in the investment and interventions required to achieve the target doubling of GVA.
- **Social and Physical Barriers to Economic Growth** - the 2017 PwC annual local government survey 'The local state we're in' identified barriers to economic growth with the top three being: lack of investment in infrastructure (79%), lack of affordable or suitable housing (70%) and lack of influence over skills policy (67%).
- **Impact of Brexit** – ensuring that the area has plans in place; concern that the agreed trading arrangements may have a negative impact
 - 44% of all UK goods & services go to EU
 - 53% of all UK imports come from EU
 - 45% of the stock of foreign direct investment in UK comes from EU



Productivity in the UK Briefing Paper, Sept 2017:

Figure 15: Key barriers to growth



PwC The Local State we're in, 2017



Priority Programmes & Actions

- Publish the **Local Industrial Strategy Q2 2018/19** and use it to agree economic investment priorities to shape future growth and productivity:
 - Use the evidence of the Economic Commission on the area's three economic areas (size, additionality, rate of growth, long term drivers of growth etc) to develop strategies and interventions that respond to the specific needs of these economic areas and influence decisions taken at national level.
 - Develop and execute **Key Sector Growth Programme** for the sectors highlighted by the Economic Commission and Local Industrial Strategy.
- Use the **Strategic Spatial Framework (Phase 1) Q1 2018/19** to support the implementation of development strategies in Local Plans to 2030 so that jobs and homes ambitions are met and joint strategic planning reflects the standards expected to deliver inclusive, place-based growth.
- **Strategic Spatial Planning Framework (Phase 2) Q4 2018/19** - Scope the opportunities for longer term strategic planning between the Combined Authority and Planning Authorities from 2036 to 2050.
- Develop and execute the **Finance and Investment Strategy Q3 2018/19**.
- Develop and execute the **International Trade Programme Q3 2018/19** – work with delivery partners to implement the strategy and action plan to attract international students, research contracts and business investors and compete on the international stage.
- Develop the business case to establish an **Incubator and Accelerator Hub and Satellites** creating an inspiring network of work spaces and enabling environments to support high growth start-up businesses and to nurture and grow-out existing businesses **Q4 2018/19**.
- Develop the business case to extend the network of **Enterprise & Job Zones** to support the creation of more high value jobs and improve the productivity of existing businesses by targeting (i) specific growth sectors; (ii) existing sectors that generate significant GVA and (iii) sectors that support a large number of businesses/employees **Q4 2018/19**.
- Create an **Innovation & Business Growth Fund Q3 2018/19** providing businesses with the ability to access finance (grant/loan funds; public/private financing).
- Establish **Investment capacity Q1 2018/19** to optimise CPCA/LEP/GCP funds, working with investors and national/international partners to attract direct investment and develop innovative financial models to create capital and income streams e.g. Land Value Capture.



2018/19 – 2021/22 Target deliverables





2030 Target Outcomes

Inclusive Growth & Productivity

Cambridgeshire and Peterborough is applauded as a model of locally-led economic growth.

Cambridgeshire and Peterborough is an exemplar inclusive economy providing opportunity for all the area's residents.

Cambridgeshire and Peterborough is on track to double the size of the economy to £40bn GVA by 2040. The Combined Authority has boosted productivity and earning power across the region.

Sector Growth

The area is world renowned in Life Sciences, Agri-tech, ICT and Digital and Advanced Manufacturing and Engineering.

Existing centres of expertise have been nurtured and new growth has been supported to scale and grow out.

Collaboration between businesses and academia continues to generate innovative and pioneering products and services. Cambridgeshire and Peterborough consistently tops the innovation leader board.

International Trade & Investment

The region has attracted over £500m direct investment to the area

The Combined Authority has developed exciting value propositions to attract inward investment and create capital and incomes streams.

Appendix B

Draft Cambridgeshire and Peterborough Combined Authority Medium Term Financial Plan

	2018/19						2019/20	2020/21	2021/22
	Approved Budget - Nov Board £k	Delegated Officer Changes £k	Approvals Dec/ Jan/ Mar £k	Revised Approved Budget £k	New Funding Needs £k	Total Draft Budget CPCA £k	Draft Budget Plan £k	Draft Budget Plan £k	Draft Budget Plan £k
Operational Budget									
Staffing Costs	1,731.2	76.5	-	1,807.7	1,436.2	3,243.9	4,230.2	4,230.2	4,230.2
Support Provided by Constituent Authorities	109.0	-	-	109.0	343.0	452.0	452.0	452.0	452.0
Corporate Overheads	162.9	451.9	400.0	1,014.8	115.8	1,130.6	466.8	466.8	466.8
Corporate Income	-	-	-	-	(508.6)	(508.6)	(508.6)	(508.6)	(508.6)
Election Costs	260.0	-	-	260.0	-	260.0	260.0	260.0	260.0
Governance Costs	2.0	-	0.3	2.3	-	2.3	2.3	2.3	2.0
Total Operational Budget	2,265.1	528.4	400.3	3,193.7	1,386.4	4,580.1	4,902.7	4,902.7	4,902.4
Workstream Budget									
Rural Areas, Culture, Parks and Open Spaces									
Develop Energy Hub	-	-	-	-	631.0	631.0	690.0	-	-
Develop Rural Strategy	-	-	-	-	50.0	50.0	-	-	-
Total Rural Areas, Culture, Parks and Open Spaces	-	-	-	-	681.0	681.0	690.0	-	-
Economic Strategy									
Market Town Masterplan (2nd Tranche)	-	-	-	-	150.0	150.0	-	-	-
Development of a Market Towns Strategy	-	-	250.0	250.0	-	250.0	200.0	-	-
Develop and execute an International Trade Programme	-	-	-	-	50.0	50.0	50.0	50.0	50.0
Establish Investment Team to optimise CPCA/LEP/GCP Funds	-	-	-	-	50.0	50.0	50.0	50.0	50.0
Independent Economic Commission: Developing Economic Strategy	-	-	-	-	300.0	300.0	-	-	-
Total Economic Strategy	-	-	250.0	250.0	550.0	800.0	300.0	100.0	100.0
Transport and Infrastructure									
Digital Connectivity Infrastructure	-	-	440.0	440.0	-	440.0	1,985.0	1,955.0	1,280.0
Wisbech Garden Town Study	3,250.0	-	-	3,250.0	(1,250.0)	2,000.0	5,300.0	4,000.0	-
Local Transport Plan (estimate)	300.0	-	-	300.0	13,483.0	13,783.0	13,483.0	Includes (Irish)	-
Priority Transport Schemes	1,000.0	-	4,230.0	5,230.0	5,250.0	10,480.0	16,980.0	20,330.0	-
Strategic Bus Review	90.0	-	-	90.0	60.0	150.0	-	-	-
Mass Rapid Transport Phase 2	-	-	600.0	600.0	400.0	1,000.0	2,000.0	5,000.0	1,500,000.0
Dualling A47 Phase 2	-	-	-	-	600.0	600.0	1,000.0	2,000.0	320,000.0
M11 Extension to A47 - Phase 2	-	-	-	-	500.0	500.0	1,000.0	2,000.0	2,500,000.0
Upgrading of A10 Phase 2	-	-	-	-	-	-	2,000.0	5,000.0	500,000.0
National Productivity Investment Fund	-	-	-	-	6,650.0	6,650.0	-	-	-
LTP Capital Grant (estimate)	27,654.0	-	-	27,654.0	-	27,654.0	27,654.0	27,654.0	-
Total Transport and Infrastructure	32,294.0	-	5,270.0	37,564.0	25,693.0	63,257.0	71,402.0	81,422.0	4,821,280.0

	2018/19						2019/20	2020/21	2021/22
	Approved Budget - Nov Board	Delegated Officer Changes	Board Approvals Dec/ Jan/ Mar	Revised Approved Budget	Anticipated New Funding Needs	Total Draft Budget CPCA	Draft Budget Plan	Draft Budget Plan	Draft Budget Plan
	£k	£k	£k	£k	£k	£k	£k	£k	£k
<u>New Homes & Communities</u>									
Programme delivery support to the Housing Programme	240.0	-	-	240.0	-	240.0	240.0	240.0	240.0
Housing Investment Fund Programme - Quick Wins	1,820.0	-	-	1,820.0	21,635.0	23,455.0	21,635.0	21,635.0	21,635.0
New Schemes £100m Programme	-	-	3,660.0	3,660.0	-	3,660.0	-	-	-
Cambridge City Devolution Housing Programme	-	-	971.2	971.2	15,632.2	16,603.4	15,632.2	15,632.2	15,632.2
CA2030 Programme	-	10.0	-	10.0	-	10.0	-	-	-
E Cambs Strategic Community Land Trust Prog - Loan Facility	-	-	6,500.0	6,500.0	-	6,500.0	-	-	-
Total New Homes & Communities	2,060.0	10.0	11,131.2	13,201.2	37,267.2	50,468.5	37,507.2	37,507.2	37,507.2
<u>Employment & Skills</u>									
University of Peterborough - Business Case	-	-	-	-	1,531.8	1,531.8	1,454.2	185.4	-
University of Peterborough - Interim Accommodation	-	-	9,740.0	9,740.0	(7,740.0)	2,000.0	6,740.0	1,000.0	-
University of Peterborough - Student Facilities	-	-	-	-	1,175.0	1,175.0	-	-	90,000.0
Skills Hub	231.0	-	-	231.0	-	231.0	-	-	-
Deliver Apprenticeships & Pathways to Employment Schemes	-	-	-	-	2,892.0	2,892.0	2,700.0	2,700.0	2,700.0
Develop and Deliver Employer-focused schemes	-	-	-	-	3,669.0	3,669.0	3,669.0	2,369.0	2,369.0
Devolution of Adult Education Budget	-	-	-	-	154.0	154.0	9,730.0	9,730.0	9,730.0
Total Employment & Skills	231.0	-	9,740.0	9,971.0	1,681.8	11,652.8	24,293.2	15,984.4	104,799.0
<u>Strategic Planning</u>									
Non Statutory Spatial Plan (Phase 2)	-	-	-	-	200.0	200.0	-	-	-
Cambridgeshire and Peterborough Land Commission	-	-	80.0	80.0	-	80.0	-	-	-
Total Strategic Planning	-	-	80.0	80.0	200.0	280.0	-	-	-
<u>Public Sector Reform</u>									
Independent Commission and Reform Plan	-	-	-	-	877.6	877.6	-	-	-
Total Public Sector Reform	-	-	-	-	877.6	877.6	-	-	-
Total Workstream Budget	34,585.0	10.0	26,471.2	61,066.2	66,950.6	128,016.9	134,192.4	135,013.6	4,963,686.2
Total CPCA Budget	36,850.1	538.4	26,871.5	64,260.0	68,337.0	132,597.0	139,095.1	139,916.3	4,968,588.7
Indicative inflation Based on 2.3% Annual CPI							3,199.2	6,510.2	350,778.2
Total CPCA Budget After Indicative Inflation	36,850.1	538.4	26,871.5	64,260.0	68,337.0	132,597.0	142,294.3	146,426.5	5,319,366.9

Notes and Assumptions

General Assumptions

- The Medium Term Financial Plan (MTFP) includes an indicative inflationary value equivalent to 2.3% per annum (in line with current CPI). This will be updated as plans assumptions are developed
- The Mayoral Budget has been prepared separately and is presented at Appendix D
- Creation of statutory 2017/18 accounts for the Combined Authority accounts is in progress, with a regulatory deadline for publication of the draft accounts on 31st May 2018. The 2018/19 budget presented above excludes resources budgeted but not spent in 2017/18, which may be subsequently be agreed for carry-forward into 2018/19 or future years budgets
- The 2018/19 Total Draft CPCA Budget excludes legacy LEP spending plans (presented separately in Appendix C). This budget is based on a range of assumptions, which will be updated as full information becomes available:
 - **Approved Budget – Nov Board** – Budget figure approved at the 30th November 2017 Board Meeting
 - **Delegated Officer Changes** – Budgets increased since November 2017 through approval powers delegated to senior officers. These will be reported in detail for information at the June 2018 CA Board meeting
 - **Board Approvals Dec / Jan / March** – 2018/19 Budget changes approved at CA Board meetings since the approved budget was presented in November 2017. Note that where CA Board approvals impact future years spending plans, these changes are incorporated into subsequent years budget figures presented in the tables contained in this MTFP
 - **Revised Approved Budget** – Total of the 30th November to March Board Approvals impacting on 2018/19 plus budget changes approved through officer delegated authority since November 2017
 - **Anticipated New Funding Needs** – Discussion with Directors and programme leads has provided a high-level draft view of planned further approvals that will be required to enable delivery of the four-year plan. In presenting this, it is important to recognise that changes in leadership associated with implementation of the revised staffing structure and further detailed development of the programmes required to deliver means that significant further refinement of operational and budget planning will be required, which will be presented to the CA Board to secure allocation of resources to progress the schemes. At this stage, the approved budget remains as per the Revised Approved Budget and will be increased incrementally as papers are presented and approved by the CA Board. Detailed notes relevant to specific MTFP lines appear in the points below.

- **Total Draft Budget CPCA** – this confirms the Draft Budget total, incorporating figures and assumptions presented in this MTFP
- **2019/20, 2020/21 and 2021/22** budgets presented in the table above include budget changes approved via previous CA Board reports, plus outputs from discussions with Directors to assess the likely profile of spending for each programme. These figures will remain draft until detailed proposals are presented to the CA Board for approval

Detailed Assumptions and Notes Relating to Budget Lines

- **Operational Budget / Staffing Costs** – The draft revised CA organisational structure was created and launched in the last week of April 2018 and is subject to a staff consultation process concluding on 23rd May 2018. At this time, draft costing of the new structure has been assessed in conjunction with the CA HR team to establish an indicative cost for each role. At this stage, most roles have not been evaluated and consequently the indicative costs are based on an interim assessment of the likely costs based on existing similar roles and recognition of market conditions combined with prevailing contributions for Employers NI and Superannuation contributions. These figures will be further refined as the structure crystallises and roles are evaluated, fully costed and populated. Further points to note are:
 - The draft CA organisational structure combines activities previously delivered by the LEP with those of the Combined Authority to create one unified organisation. For costing purposes, it is not possible to differentiate many roles in the previous structures from those in the new structure. For costing purposes therefore, a key assumption is that the cost of the pre-existing LEP organisation is held stable for costing purposes only (Appendix C), with additional costs of the whole structure presented in the CA MTFS. Creation of a unified structure and MTFP will remove this issue as new plans are built for each programme and funding stream as the plan is populated and developed further
 - Additional staffing costs associated with the new Organisational structure are presented in the Anticipated New Funding Needs column in the table above. This has been calculated for 2018/19 on the assumption that existing agreed budgets for the first six months of 2018/19 will be replaced by the draft costed structure for the second half of the year (existing staff cost x 50%, plus new structure draft cost x 50% for 2018/19). Practically, the actual timing of populating the new organisational structure depends on a wide number of variables, with this high-level assumption adopted for planning purposes at this stage to provide a draft view. As stated above, detailed costing and verification will take place as posts are filled to create a final estimation of the likely cost impact. Section 4.5 in the main body of

this report provides details of the difference between previous and new organisational costs and associated funding sources

- A £200k consultancy contingency has been added to the staffing cost budget for 2018/19 only, representing the need to secure specialised contingency support to maintain progress on programme delivery. Subject to approval of this sum, this sum would be drawn via Officer Decision Notices and reported subsequently to the CA Board
- **Rural Areas, Culture, Parks and Open Spaces / Develop Energy Hub** – based on receipt of £1.29m funding for this purpose, with phasing as per planned deployment
- **Transport and Infrastructure** – Budgets are based on high-level estimates of the likely costs associated with each of the programmes, each of which will require significant development through detailed planning stages. It should be noted that the 2021/22 budget column has been utilised to capture an early estimate of the costs to complete each of the schemes, although in practice, these are liable to change as programmes develop and are likely to fall in subsequent years and will be subject to securing new sources of funding
- **New Homes and Communities** – Funding levels have been profiled in discussion with programme leadership, recognising that detailed delivery is likely to vary from that profile. The profile does not at this stage take account of repayment of any loans agreed to third parties for affordable house building projects and associated recycling of funding that may be achieved
- **Employment and Skills / Peterborough University** – This budget profile will be highly dependent on the final delivery model agreed to progress this project. The 2021/22 estimate of £90m represents a very high-level estimate of the potential cost to complete this scheme, but this is subject to a broad range of variables and possible delivery models which may impact the final delivery solution and cost profile. The £90m should therefore be considered as indicative at this stage
- **Employment and Skills / Deliver Apprenticeships & Pathways to Employment Schemes / Develop and Deliver Employer-focused schemes** – High level estimate of the potential cost of programmes fitting within the remit of the Combined Authority and four-year plan. Final approval will be subject to subsequent Board Reports to gain approval for this activity
- **Employment and Skills / Devolution of Adult Education Budget** – The budget profile reflects proposed £12.099m per annum devolution of Adult Education Budgets to the Combined Authority from 2019/20 (subject to agreement with the DfE), supported by £154k implementation funding provided in 2018/19 to prepare for the change. It should be noted that the £12.099m is partially presented in the row above (in the main table) to align with the four-year planning process and will be subject to Board approval to progress

Appendix C

Draft Cambridgeshire and Peterborough LEP Medium Term Financial Plan

	2018/19	2019/20	2020/21	2021/22
	Indicative Budget Plan £k	Indicative Budget Plan £k	Indicative Budget Plan £k	Indicative Budget Plan £k
Operational Budget				
Staffing Costs - 2017/18 Structure	1,240.5	1,240.5	1,240.5	1,240.5
Corporate Overheads - 2017/18 Values	517.9	517.9	517.9	517.9
Total Operational Budget	1,758.4	1,758.4	1,758.4	1,758.4
Growth Deal Fund Programmes				
Committed Programmes				
Kings Dyke	6,885.8	-	-	-
Ely Southern Bypass	3,805.6	-	-	-
Bourges Boulevard Phase 2	1,351.7	-	-	-
Agri-Tech Growth Initiative (£996k is match funded from NALF)	1,982.2	-	-	-
Lancaster Way Phase 2 Grant (GPF ext)	863.5	-	-	-
iMET Phase 3	2,174.1	-	-	-
Manea and Whittlesea Stations	345.7	-	-	-
Lancaster Way Phase 2 Capital Repayments	-	-	(184.0)	(184.0)
Total Committed Programmes	17,408.6	-	(184.0)	(184.0)
Total Uncommitted Programmes - Planned	-	-	-	22,800.0
Total Growth Funding Programmes	17,408.6	-	(184.0)	22,616.0
Growing Places Fund (GPF)				
Committed Programmes				
COSMOS	27.1	-	-	-
In Collusion	124.0	15.0	-	-
University of Peterborough Project Group	13.4	-	-	-
University of Peterborough TDAP	303.1	142.8	-	-
Opportunity Peterborough Skills	155.0	-	-	-
A1139 Fletton Parkway Improvement Scheme Capital Repay	(3,000.0)	-	-	-
Ashwell Business Park Capital Repayments	-	-	-	-
Total Growth Places Funding	(2,377.4)	157.8	-	-
Total Legacy LEP Budget	16,789.6	1,916.3	1,574.4	24,374.4
Indicative inflation Based on 2.3% Annual CPI	-	44.1	73.3	1,720.8
Total CPCA Budget After Indicative Inflation	16,789.6	1,960.3	1,647.7	26,095.2

Notes and Assumptions

General Assumptions

- The Medium Term Financial Plan (MTFP) includes an indicative inflationary value equivalent to 2.3% per annum (in line with current CPI). This will be updated as plans assumptions are developed
- As stated in the section 4.3 and notes in Appendix B, the table above presents a hybrid view of the MTFP for the activities including LEP funding sources. It is presented here for completeness, although it is acknowledged that the Four-Year Plan presented in this report relates to Combined Authority funding sources only at this stage and further work is required to create a clear MTFP and plan aligned with unified CA planning and budgeting. It is anticipated that the Business Board will agree plans and funding for LEP activity, although the exact relationship between the Business Board and the Combined Authority Board will be confirmed as arrangements get underway
- This Draft LEP MTFP is based on a combination of indicative operational costs incurred in 2017/8 combined with known programme position for 2018/19 and beyond. Significant further work is required to combine ex-LEP funding streams and activities into a unified Combined Authority plan and MTFP, which will depend on creating stable operational and leadership structures to inform that position
- The draft revised CA organisational structure was created and launched in the last week of April 2018 and is subject to a staff consultation process concluding on 23rd May 2018. At this time, draft costing of the new structure has been assessed in conjunction with the CA HR team to establish an indicative cost for each role. At this stage, most roles have not been evaluated and consequently the indicative costs are based on an interim assessment of the likely costs based on existing similar roles and recognition of market conditions combined with prevailing contributions for Employers NI and Superannuation contributions. These figures will be further refined as the structure crystallises and roles are evaluated, fully costed and populated. Further points to note are:
 - The draft CA organisational structure combines activities previously delivered by the LEP with those of the Combined Authority to create one unified organisation. For costing purposes, it is not possible to differentiate many roles in the previous structures from those in the new structure. For costing purposes therefore, a key assumption is that the cost of the pre-existing LEP organisation is held stable for costing purposes only (Appendix C), with additional costs of the whole structure presented in the CA MTFS. Creation of a unified structure and MTFP will remove this issue as new plans are built for each programme and funding stream as the plan is populated and developed further

- Calculation of LEP staffing costs involved assumptions regarding NI and superannuation costs. It was not possible to determine where these are also included in programme costs, meaning that there is a limited risk of double counting to reach this view. Restatement of the actual budget and funding position is required to accurately determine current and future planning totals
- **CEC** costs and funding cross over with the Combined Authority, with some streams of activity presented in that MTFS. Work is required to determine the activity, cost and funding for this delivery to accurately portray this in the MTFP
- **Energy Hub** costs and funding for 2018/19 and 2019/20 are included in the CA MTFP
- **Growth Deal** funding includes £1.19m of 'top-sliced' funds. At this time, this revenue funding has been allocated to project costs based on the assumption that this will continue in future years

Details Notes and Assumptions Relating to Funding Streams

- **Local Authority** contributions to LEP activity is excluded from this table as it is understood that this will not be required from 2018/19 and beyond
- **Enterprise Zone** funding is excluded from the table above, as the level and value available to the Combined Authority requires clarification (Note that the 2017/18 funding for the LEP included £150k of EZ receipts)
- **Interest Receivable** on fund balances and capital loan repayments is excluded from this table, as the treatment on these items requires consideration in the context of the treatment in the wider Combined Authority.

Appendix D

Draft Cambridgeshire and Peterborough Mayoral Budget Medium Term Financial Plan

	2018/19						2019/20	2020/21	2021/22
	Approved Budget - Nov Board	Delegated Officer Changes	Board Approvals Dec/ Jan/ Feb/ Mar	Revised Approved Budget	Anticipated New Funding Needs	Total Draft Budget CPCA	Draft Budget Plan	Draft Budget Plan	Draft Budget Plan
	£k	£k	£k	£k	£k	£k	£k	£k	£k
Mayoral Office Costs									
Mayoral Allowance	84.5	-	-	84.5	-	84.5	84.5	84.5	84.5
Mayoral Staffing Costs	-	-	95.5	95.5	92.5	188.0	188.0	188.0	188.0
Mayoral Expenses	12.0	-	-	12.0	-	12.0	12.0	12.0	12.0
Accommodation Fit out (Capital)	-	7.0	-	7.0	-	7.0	-	-	-
Accommodation and Share of Support Services	-	6.5	40.0	46.5	-	46.5	46.5	46.5	46.5
Total Mayoral Budget	96.5	13.5	135.5	245.5	92.5	338.0	331.0	331.0	331.0

- The Medium Term Financial Plan (MTFP) includes an indicative inflationary value equivalent to 2.3% per annum (in line with current CPI). This will be updated as plans assumptions are developed
- The 2018/19 Total Draft Mayoral Budget is based on a range of assumptions, which will be updated as full information becomes available:
 - **Revised Approved Budget – Nov Board** – Budget figure approved at the 30th November 2017 Board Meeting
 - **Delegated Officer Changes** – Budgets increased since November 2017 through approval powers delegated to senior officers. These will be reported in detail for information at the June 2018 CA Board meeting
 - **Board Approvals Dec / Jan / Feb/ March** – 2018/19 Budget changes approved at CA Board meetings since the approved budget was presented in November 2017. Note that where CA Board approvals impact future years spending plans, these changes are incorporated into subsequent years budget figures presented in the tables contained in this MTFP
 - **Revised Approved Budget** – Total of the 30th November to March Board Approvals impacting on 2018/19 plus budget changes approved through officer delegated authority since November 2017. The budget figure reported to

the February 2018 Board was £212k for 2018/19, uplifted by Officer Delegations for accommodation (net £13.5k above existing budget) and allowances for accommodation and support costs.

- **Anticipated New Funding Needs** – Additional costs associated with the Mayoral team, totalling circa £95k are included in this draft MTFP – these posts are funded from the Mayoral capacity fund.

DRAFT



**CAMBRIDGESHIRE
& PETERBOROUGH**
COMBINED AUTHORITY

CAMBRIDGESHIRE AND PETERBOROUGH COMBINED AUTHORITY BOARD	AGENDA ITEM No: 2.3
30 MAY 2018	PUBLIC REPORT

LOCAL TRANSPORT CAPITAL GRANT ALLOCATION 2018/2019

1.0 PURPOSE

- 1.1. The Mayor has been notified by the Department of Transport of the capital funding allocations towards local transport for the 2018/19 financial year. The Mayor must consult the Combined Authority before making a decision to allocate this funding to Cambridgeshire County Council and Peterborough City Council in line with the Department for Transport formula.
- 1.2. This funding includes the Integrated Transport Block, the Highway Maintenance Block needs element, the Highway Maintenance Block incentive element, and the Pothole Action Fund.

<u>DECISION REQUIRED</u>	
Lead Member:	Mayor James Palmer
Lead Officer:	Keith McWilliams Director of Transport
Forward Plan Ref: 2018/008	Key Decision: Yes
<p>a) The Combined Authority Board is consulted regarding the Mayor's intention to allocate grants totalling £23,077,091 to Cambridgeshire County Council and Peterborough City Council in line with the Department for Transport formula as set out in the table below. Further details of this breakdown by funding stream is contained within this paper.</p> <p>b) Subject to a), the Mayor is recommended to allocate the grants as set out in this paper</p>	<p>Voting arrangements</p> <p>No vote is required.</p>

Constituent Council	Allocation /£
Peterborough City Council	4,863,357
Cambridgeshire County Council	18,213,734
Total	£23,77,091

2.0 BACKGROUND

- 2.1. In accordance with the Cambridgeshire and Peterborough Combined Authority Order 2017, the Mayor is responsible for the payment of grants to Cambridgeshire County Council and Peterborough City Council to meet expenditure incurred by them as highways authorities. Before making that decision, he is required to consult the Combined Authority.
- 2.2. On 11 April the Combined Authority received a letter from the Department for Transport advising that local transport capital funding allocations for 2018/19 had been granted to the Combined Authority.
- 2.3. This funding allocation is made up of a number of different financial grants covering Integrated Transport Block; Highway Maintenance Block needs element; Highway Maintenance Block incentive element and the Pothole Action Fund.
- 2.4. The allocations of these to the constituent councils, Cambridgeshire County Council (CCC) and Peterborough City Council (PCC) is set out below in line with the Department for Transport formula.

Grant Stream	CCC	PCC	Total
Integrated Transport Block	£3,190,000	£1,407,000	£4,597,000
Highway Maintenance Block needs element	£12,076,000	£2,786,000	£14,862,000
Highways Maintenance Block incentive element	£2,535,315	£584,685	£3,120,000
Pothole Action Fund	£412,419	£85,672	£498,091
Total Payment	£18,213,734	£4,863,357	£23,077,091

- 2.5. The maximum level of Highway Maintenance Block incentive element has been awarded by virtue of being a Combined Authority.
- 2.6. The Pothole Action Funding allocation is the final payment for 2018/19 due to the Combined Authority.

3.0 FINANCIAL IMPLICATIONS

- 3.1. There no additional financial implications beyond those set out above – all grant expenditure proposed is fully covered by the income received from the Department for Transport.

4.0 LEGAL IMPLICATIONS

- 4.1. The proposal is in line with appropriate Regulations including governance requirements in The Cambridgeshire and Peterborough Combined Authority Order 2017 on the basis that prior to any grant the Mayor must consult with the Combined Authority Board as set out in the Constitution

5.0 OTHER IMPLICATIONS

- 5.1. There are no ongoing financial risks to the Combined Authority arising from the allocation of this funding and each constituent council will provide an annual certification as to the use and application of these funds. Each of the constituent councils will be responsible for their own risk management arrangements in delivering the services associated with this funding.

6.0 APPENDICES

- 6.1. None

<u>Source Documents</u>	<u>Location</u>
Formal grant letter detailing local transport capital funding allocations for 2018/19, dated 11 April 2018.	Cambridgeshire and Peterborough Combined Authority, The Incubator, Alconbury Weald Enterprise Campus, Alconbury Weald, Huntingdon, PE28 4WX



**CAMBRIDGESHIRE
& PETERBOROUGH**
COMBINED AUTHORITY

CAMBRIDGESHIRE AND PETERBOROUGH COMBINED AUTHORITY BOARD	AGENDA ITEM No: 2.4
30 MAY 2018	PUBLIC REPORT

£100M AFFORDABLE HOUSING PROGRAMME

1.0 PURPOSE

- 1.1. The Combined Authority successfully secured £100million from the Government as part of the devolution deal to deliver 2,000 affordable homes across Cambridgeshire and Peterborough. This report seeks approval for the next phase of affordable housing schemes.

<u>DECISION REQUIRED</u>	
Lead Member:	Mayor James Palmer
Lead Officer:	Martin Whiteley, Chief Executive
Forward Plan Ref: 2018/004	Key Decision: Yes
The Combined Authority Board is recommended to: (a) Commit grant funding of £905,000 for the next Phase of affordable housing schemes. (b) Note that the next quarterly progress report will be to the Board in July 2018.	Voting arrangements Simple majority of all Members

2.0 BACKGROUND AND CONTEXT

Cambridgeshire and Peterborough 2030 Ambition

- 2.1. The Mayor and the Combined Authority are committed to accelerating affordable housing delivery to meet local and UK need and support economic growth in the region. This is reflected in the 2030 Ambition for coordinated,

interventions and investment tailored to local need across housing, transport and infrastructure, planning and land use and skills.

Cambridgeshire & Peterborough 2030 Ambition

**A leading place in the world to live,
learn and work**



6

Affordable Housing Business Case

- 2.2. In March 2017 the Combined Authority Board agreed the business case for £100m to enable an additional 2,000 new affordable homes to start on site in the Combined Authority area during the five year period commencing 1 April 2017. The £100m fund will be deployed in the four local authority districts and the unitary excepting Cambridge City, which has received a separate ring-fenced £70m grant fund.
- 2.3. The Business Case recognised that in some cases the deployment of Combined Authority funding could accelerate the delivery of new affordable homes. The Business Case also envisaged that funding to support the construction of new homes would average up to £25k per unit, and between £16k and £25k per unit for infrastructure.
- 2.4. The Business Case recognised the high levels of growth and exceptional housing market conditions facing Cambridgeshire and Peterborough including predicted job and population growth, housing supply and affordability challenges. The Business Case committed the £100m to delivering schemes which create added value by:
 - (a) Accelerating the delivery of new affordable homes.
 - (b) Enabling new, or stalled schemes to proceed.
 - (c) Achieving otherwise unviable Local Authority affordable housing and planning policy compliant outcomes
 - (d) Creating future development funding capacity.
- 2.5. The Business Case also recognised that in the first instance “New homes will be delivered through the direct grant funding initially, however, this funding is expected to enable a fully revolving local fund in the Combined Authority which outlasts the initial five year period”.
- 2.6. It is anticipated that the programme will support a mixed portfolio of schemes including strategic sites, sites brought forward by Housing Associations and developers and community land trusts.

2.7. This report seeks approval for the next phase of affordable housing schemes.

3.0 PROPOSED SCHEMES FOR APPROVAL

3.1. One scheme, which meets the requirements of additionality, deliverability, meeting identified priority needs and value for money, is recommended for approval. £905,000 of Combined Authority grant funding to provide 23 new affordable homes.

Schemes for Approval May 2018								
LA	Provider	Scheme	Affordable Rent	Shared Ownership	Total No of Units	CA Grant per unit £	Other Public Subsidy (OPS) £	Total CA grant allocation £
PCC	Medesham Homes	Midland Road	23	0	23	39,348		905,000
TOTALS			23	0	23			905,000

3.2. The Midland Road scheme is supported by the Local Authority Housing Enabling Manager and provides additionality to the delivery of affordable homes in the Combined Authority area:

- (a) Additionality – the scheme provides much needed affordable rented homes (let at Local Housing Allowance rent caps) in the centre of Peterborough. The scheme is managed by Medesham Homes (a joint venture partnership between Peterborough City Council and Cross Keys Homes) with a track record of effective delivery and management. The scheme was granted planning permission to build 29 units, including 9 affordable units. It is now proposed that the full scheme is delivered as affordable rented housing.
- (b) Viability - the 'funding gap' and associated grant requirement has been assessed and validated by utilising the Government 'Development Appraisal Tool' (DAT) model. Medesham Homes have provided full details of the scheme costs, revenues, schedule, and income sources which indicates that the scheme would not proceed without grant; the grant will bridge the funding gap. The amount requested per unit is consistent with the level of funding (construction and infrastructure) identified in the Business Case (ref para 2.3).
- (c) Deliverability – the site is owned by Medesham Homes and has full planning approval. The new homes will be delivered in phases from September to December 2018.
- (d) Identified Priority Needs – Peterborough City Council has seen a 42% rise in homelessness over the last two years and is currently accommodating 349 households in temporary accommodation. The scheme provides a mix of 1, 2 and 3 bed homes for people who would otherwise be accommodated in temporary accommodation or homeless. Of the 349 households currently in temporary accommodation, 334 households are awaiting an offer of a 1, 2 or 3 bedroom property and therefore the homes at Midland Road are in significant demand.

3.3. The next quarterly progress report will be to the Board in July 2018.

4.0 FINANCIAL IMPLICATIONS

4.1. A review of the proposed scheme outlined in Section 3 has confirmed that it meets the objectives of the programme and requires additional funding to progress. Approval of £905,000 Combined Authority grant is supported to achieve delivery of 23 affordable housing units.

4.2. The table below summarises the budget based on the financial commitments for approved schemes and the projected pipeline to 2022.

£100M Affordable Homes Programme Budget							
	Phase 1 Quick Wins	Phase 2 Schemes for Approval	Schemes for Approval May 2018	Forward Programme to 2022	Total	Gap to Target (2000)	Available Budget £m
# Homes	185	612	23	1385	2,205	-205	
Total £m	4.05(i)	10.16 (ii)	0.9(iii)	48.475(iv)	63.59		36.41

5.0 LEGAL IMPLICATIONS

5.1. The Combined Authority has authority under section 1 Localism Act 2011 to exercise a general power of competence. The Combined Authority can exercise this power by virtue of the Cambridgeshire and Peterborough Combined Authority Order 2017. This power permits the Combined Authority to make grants to providers in order to deliver the terms of the devolution deal signed with Government.

6.0 SIGNIFICANT IMPLICATIONS

6.1. There are no specific implications for this report.

7.0 APPENDICES

None

<u>Source Documents</u>	<u>Location</u>
None	Cambridgeshire and Peterborough Combined Authority, , Unit 3, The Incubator, Alconbury Weald Enterprise Campus, Alconbury Weald, Huntingdon, PE28 4WX



**CAMBRIDGESHIRE
& PETERBOROUGH**
COMBINED AUTHORITY

CAMBRIDGESHIRE AND PETERBOROUGH COMBINED AUTHORITY BOARD	AGENDA ITEM No: 3.1
30 MAY 2018	PUBLIC REPORT

CAMBRIDGESHIRE AND PETERBOROUGH INDEPENDENT ECONOMIC REVIEW

1.0 PURPOSE

- 1.1. Recognising the once-in-a-generation opportunity provided by our devolution deal, the Combined Authority and Business Board have taken the bold and progressive approach of establishing an Independent Economic Commission. The Commission provides an exceptional standard of independent analysis and advice to inform future economic strategies and investment decisions.
- 1.2. The Commission is chaired by Dame Kate Barker and since its inception in Summer 2017 has been carrying out public consultation, stakeholder engagement, and thorough economic analysis and modelling to inform strategic discussion and consideration. This has resulted in the publication of the interim Cambridgeshire and Peterborough Independent Economic Review this month.
- 1.3. This Interim CPIER is brought before the Combined Authority Board in order that the Board can:
 - (a) Welcome the publication of the Interim CPIER as a first stage in the most in-depth economic analysis of the area ever undertaken
 - (b) Consider the headlines and key messages that have emerged from the work to date
 - (c) Agree the principles by which the Business Board should engage partners so that the final results of the CPIER are used to inform to develop the Local Industrial Strategy for Cambridgeshire and Peterborough

<u>DECISION REQUIRED</u>	
Lead Member:	Cllr Charles Roberts, Deputy Mayor and Portfolio Holder for Industrial Strategy
Lead Officer:	Harriet Fear, Interim Director for Business and Skills
Forward Plan Ref: Not applicable	Key Decision: No
<p>The Combined Authority Board is recommended to:</p> <p>(a) Welcome the publication of the Interim CPIER</p> <p>(b) Consider and comment on the headlines and key messages that have emerged from the Interim CPIER</p> <p>(c) Agree the principles by which the Business Board should engage partners in the development of the Local Industrial Strategy, in response to the CPIER</p>	<p>Voting arrangements</p> <p>Simple majority of all Members</p>

2.0 BACKGROUND

- 2.1. At the heart of the Cambridgeshire and Peterborough devolution deal is the commitment to use new forms of local leadership and new levers to achieve greater level of economic growth, and to ensure that this opportunity and prosperity is shared across all parts of the region. This is captured most acutely by the commitment of local partners to nearly double the size of the local economy over the next 25 years, from a Gross Value Added (GVA) of £22bn to over £40bn.
- 2.2. In response to this the Combined Authority Board recognised the need to create a single strategic position that will guide interventions and investments in economic growth. The Board therefore took the bold approach of acting alongside the (then) Local Enterprise Partnership and the business and academic community to establish the Cambridgeshire and Peterborough Independent Economic Commission (CPIEC). The Commission has brought together internationally renowned business leaders and economists to provide local leaders with expert and objective strategic advice.
- 2.3. This advice will be used by the Combined Authority and the Business Board to inform all future discussions and negotiations with Government around further devolution of funding and powers.

- 2.4. At the outset of their formation the Commission were tasked with undertaking the Cambridgeshire and Peterborough Independent Economic Review (CPIER). The CPIER is the most in-depth economic analysis ever undertaken for Cambridgeshire and Peterborough and its neighbouring areas. The CPIER has its own website which provides further detail; www.cpier.org.uk. The project to deliver the CPIER is managed by Cambridge Ahead on behalf of all funding partners.
- 2.5. The Review has been supported by a technical group drawn from local academic and authority expertise, and is aided by a management group consisting of; the Combined Authority and Business Board, Cambridge Ahead, Opportunity Peterborough, and the Greater Cambridge Partnerships. Metro Dynamics – experts in developing economic strategy to underpin devolution – have been engaged by the project to provide further policy advice and capacity.
- 2.6. Whilst the Review has been underway Government has published the UK Industrial Strategy which sets out national policy initiatives to boost productivity and address imbalances across the country. The Industrial Strategy calls for local areas to bring forward Local Industrial Strategies as a “foundation” policy mechanism to achieve growth objectives. The production of the CPIER therefore positions Cambridgeshire and Peterborough at the leading edge of local areas with devolution levers and collective ambition to deliver a Local Industrial Strategy at the earliest possible opportunity.

Headlines and Key Findings from the Interim CPIER

- 2.7. The full Interim CPIER is included as **Appendix A** of this document. Its analysis establishes some key features regarding the current nature and scale of the Cambridgeshire and Peterborough economy of note for the Board;
- (a) The Cambridgeshire and Peterborough economy is out-performing both the East of England region and the country in its value to the exchequer (GVA)
 - (b) Productivity levels in all districts that make up the Combined Authority area have grown over the last 15 years, with an average increase of GVA per head of over £10,000
 - (c) There is evidence so far that national figures significantly undervalue the growth of the Cambridgeshire and Peterborough economy, with jobs growth actually an average of 1% higher per annum than ONS figures describe over the last 5 years
 - (d) Cambridgeshire and Peterborough has demonstrable specialisms and strengths in strategic future growth sectors; Agriculture and Food, Logistics, Life Sciences, IT and Digital, and Manufacturing, Advance Manufacturing and Materials
 - (e) There are also natural assets across the area which need to be factored into strategic economic planning and development, such as the fact that over half of the UK’s Grade 1 agricultural land is in the Fens
 - (f) A strong thread of innovation runs through the entire economy, with the both Cambridge and Peterborough in the top 15 cities in the UK for

patent applications, with Cambridge as the top city in the country by a huge margin

- (g) This strong and special economy is homegrown in nature, with the vast majority of large businesses being homegrown, and these large homegrown firms seeing faster growth than recent arrivals
- (h) The economic growth potential of the area over the next 30 years, under a range of modelled scenarios, is set to outpace our current projections and plans
- (i) The above features, and many other factors, point towards the existence of distinct economic areas within the Combined Authority geography, and whilst these distinctions are “fuzzy” and not hard (and therefore there will always been connections and overlaps between them), strategies and interventions are needed which respond to specific needs of the Fens, Greater Peterborough, and Greater Cambridge, to stimulate growth and achieve better overall outcomes

2.8. The Commission has also highlighted examples of interest and excellence they have come across from their evidence gathering and engagement, a number of which have been initiated by the Combined Authority, the Business Board (as the LEP), and other local partners. For example;

- (a) Strategic investment and intervention in education and skills provision including; the iMET facility at Alconbury Weald, the progress made by the Thomas Clarkson academy at Wisbech, and the progression of plans for Peterborough University
- (b) The St Neots Masterplan for Growth as an example of a place-based growth strategy to address the specific challenges faced by Market Towns and a focus on inclusive growth
- (c) The Commission was also encouraged by the proactive and creative approach of Cambridgeshire and Peterborough’s local authorities to housing development

Reasons that action is needed to unlock growth – questions for further engagement

2.9. Using the baseline economic analysis summarised above as a foundation, the interim CPIER explores and summaries a number of key lines of enquiry which it will seek to examine further, working towards a set of policy recommendations to come forward in the final version of the CPIER in September this year. These questions are:

- (a) How can the area achieve its target of doubling GVA in 25 years?
- (b) How can the south of the area ensure its success doesn’t come at a cost to local people in the form of unaffordable housing? What practical steps can central and local government take to improve housing supply?
- (c) What are the main infrastructure priorities and why? What needs to come first to maintain economic growth *and* unlock future growth, from an economic and practical perspective?
- (d) What are the funding streams that can allow for ambitious development?

- (e) Where are the limitations in the electricity supply and broadband provision hampering local growth?
- (f) What will the likely impacts of Brexit be upon the area? How can the area best prepare for any changes this will bring? What local and national policy environment is likely to be conducive to this?
- (g) How much is lack of available premises hindering business growth? Similarly, is access to finance a significant problem?
- (h) Does this three area characterisation summarise the area well? Which links between the area have not been well captured? What are the most important links to the outside area?
- (i) How can we create the conditions required for the development of sectors which will provide long-term resilience for the local economy? What role should industrial policy play in this?
- (j) How can Cambridge lose its unwanted accolade of being the most unequal city in the UK? How can we tackle inequality and deprivation across the Cambridgeshire and Peterborough area?
- (k) Where can we see poor health outcomes affecting productivity? Which businesses are exemplars at improving health outcomes for employees? How can lower life expectancy outcomes be improved?
- (l) What specialisms should the planned new university at Peterborough focus on?
- (m) Where does the education system most need attention? How conducive is the wider environment (including early years schooling) to helping young people develop necessary skills?

2.10. The Combined Authority board are recommended to welcome the publication of the Interim CPIER, and to consider the emerging findings from the work to date.

Next stages for the completion of the CPIER and the subsequent development of the Local Industrial Strategy

2.11. At the point of publication on 9 May the Commission launched a public consultation exercise on the contents of the Interim CPIER and the key questions posed at the conclusion of the report. This has been running since 9 May and will conclude on Friday 8 June. Responses should be submitted to evidence@cpier.org.uk.

2.12. The Commission is also undertaking a further round of engagement with key stakeholders that inputted into the interim CPIER, and others. This includes; the Business Board, the Mayor, the constituent councils of the Combined Authority, the wider Business Board constituent councils, businesses, and others.

2.13. The Commission will continue to meet through the Spring and Summer, considering all responses received, along with further evidence as it becomes available, supplemented by the stakeholder engagement described above. The final CPIER will be written over Summer. It is expected to be published in September 2018. The objectives for the final report are to:

- (a) Model scenarios for the further development of the region to show the economic, social and environmental costs of each and make recommendations;
- (b) Define the doubling GVA target and comment on how best to achieve it;
- (c) Provide guidance and recommendations on future infrastructure priorities as well as possible funding mechanisms

2.14. Alongside this further development of the CPIER the Business Board and Combined Authority will initiative engagement with partners and stakeholders to prepare for the development of the Local Industrial Strategy – in response to the ultimate findings of the CPIER – from September 2018 through to February 2019.

2.15. This will be the lead responsibility of the Business Board to undertake and ultimately to recommend the Local Industrial Strategy to the Mayor and the Combined Authority.

2.16. In the activity, the Business Board has already undertaken to establish its vision and remit. It has been clear that it has an ambition to bring a Local Industrial Strategy proposition to Government as soon as is possible, and therefore lead the way nationally in helping to shape what is considered as an exemplar LIS.

2.17. Therefore, it is proposed at this stage that the Interim Chair of the Business Board take recommendations from the Combined Authority Board as to the principles that will underpin this process. It is recommended that the Local Industrial Strategy is developed:

- (a) Through engagement and involvement of the business and academic community, particularly including representatives from the sectors that are seen as strategic growth sectors and which align with those identified in the UK Industrial Strategy
- (b) Through the engagement and involvement of the local authorities that make up the Combined Authority, including via the regular strategic policy setting mechanisms already in place for Members and officers
- (c) In collaboration and partnership with Government, namely through the Cities and Local Growth Unit
- (d) With the involvement and engagement of public service partners that have an interest in the future growth of the area, including but not limited to the health, police and fire sector leaders represented on the Combined Authority Board
- (e) In alignment with the strategic corridors which Cambridgeshire and Peterborough is a partner in, including specifically the Cambridge – Milton Keynes – Oxford corridor which is a “national trailblazer” for emerging local industrial policy

3.0 FINANCIAL IMPLICATIONS

3.1. None

4.0 LEGAL IMPLICATIONS

- 4.1. The proposal is in line with appropriate Regulations including governance requirements in The Cambridgeshire and Peterborough Combined Authority Order 2017 on the basis that prior to any grant the Mayor must consult with the Combined Authority Board as set out in the Constitution

5.0 SIGNIFICANT IMPLICATIONS

- 5.1. None

6.0 APPENDICES

- 6.1. Appendix A – full Interim CPIER

<u>Source Documents</u>	<u>Location</u>
None	Cambridgeshire and Peterborough Combined Authority, , Unit 3, The Incubator, Alconbury Weald Enterprise Campus, Alconbury Weald, Huntingdon, PE28 4WX

CPIER

CAMBRIDGE & PETERBOROUGH
Independent Economic Review

Interim Report

May 2018

www.cpier.org.uk

Foreword



FROM THE CHAIR OF THE REVIEW, DAME KATE BARKER

The Cambridgeshire and Peterborough Independent Economic Review (CPIER) is pleased to present the interim report, which has been led by the Cambridgeshire and Peterborough Independent Economic Commission (CPIEC). It is co-funded by the Cambridgeshire and Peterborough Combined Authority, the Business Board of the Combined Authority, and Cambridge Ahead.

This is of course the Commission’s report. The views expressed have been developed as independent – as our funders asked us to do.

The Commission is now roughly at the half way stage in the review. We have gathered a great deal of evidence. Much of the evidence we have is data on the Cambridgeshire and Peterborough economy. Most of what we have now is from published sources, and we have commissioned a range of new research too. Some of that is available to us now and informs this report. Much of the research is still underway and will be reflected in the final report. At this stage, we have not set out a wholly definitive analysis of where the economy of the area is heading and what should be done about it. This is more our view of where the economy is today and how it got there, an important starting point for the review.

While the area the review has responsibility for is defined by its administrative geography, we are primarily concerned with the economics of the area, and we therefore refrain from artificially simplifying, or forcing together, the economic geography. We also acknowledge where there is evidence of significant economic linkage beyond the administrative area.

But the interim report aims to do much more than set out data and economic evidence.

We have been clear from the outset that no Commission or process of review could fulfil the terms of reference we have been given (available here¹) without taking full account of the views of the people, businesses and other organisations whose work contributes most to the creation of the economic present and future of the area. That is why we issued a call for evidence in January. We received 52 responses, which are summarised in this interim report, and for which we are very grateful. The Commission has also had a range of very informative discussions with the Local Authorities of the area and with the Combined Authority Mayor, as well as other local stakeholders. These too are reflected in this report.

We use our baseline economic findings and the views of a wide range of people and organisations to set out what we see as the most important policy challenges facing Cambridgeshire and Peterborough in the years ahead. The Commission believes these are the most important to tackle if the area is to meet the goal set out in its Devolution Deal with Government (to increase economic output by nearly 100% over the next 25 years, from £22bn to over £40bn). Every area will have to maximise its contribution, where the challenges, and what success will look like, are different. While it is critical to plan for the projects of the future, it is even more important to do the right things now. This will mean ensuring strong growth continues in high-output areas, and laying the ground for future growth in lower-output areas.

In our final report, we will offer our views on how this goal might best be achieved and a series of policy recommendations which support it. Here we aim to lay the foundations for the final report. Whilst we would welcome views on any aspect of this report, the policy issues are the most important and where we would be particularly interested to receive feedback.

With this in mind, we are inviting comments on the interim report. You are welcome to submit any responses, views and supplementary evidence to the Commission at evidence@cpiere.org.uk. We would be very grateful if responses were sent by 8th June 2018.

Dame Kate Barker

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¹<http://www.cpiere.org.uk/about-us/terms-of-reference/>

Executive Summary

THIS REPORT

This is the Interim Report of the CPER, which is the first major project undertaken by the CPER. It has been commissioned and funded by Cambridgeshire and Peterborough Combined Authority, the Combined Authority's Business Board (formerly the Greater Cambridge Greater Peterborough Local Enterprise Partnership) and Cambridge Ahead. This is a report of the CPER. It is intended to inform policy decisions undertaken by the Mayor, Combined Authority, and others but it is an independent report and the views expressed here are those of the Commissioners only.

This interim report sets out the progress in the CPER to date. It is intended to stimulate debate and views on its contents are welcomed. Throughout the report we have highlighted key questions the final report will answer, and here we would especially value input. The closing date for views on the report is 8th June. Following the completion of the research undertaken by the Commission and further consultation and deliberation over the spring and summer, the final report of the CPER will be launched in September 2018.

THE ECONOMY OF CAMBRIDGESHIRE AND PETERBOROUGH

Section 1 of the Report sets out the evolution of the economy of Cambridgeshire and Peterborough in recent years. It demonstrates there have been markedly different trends across the area. There are real reasons for optimism – business birth rates in all districts have increased over the last six years, GVA (Gross Value Added – a measure of the value of output of the economy) has been increasing everywhere, and employment is growing. The often noted 'Cambridge Phenomenon' is continuing, but increasing prosperity is being

felt everywhere (although not by everyone). What is clear, though, is that there are different dynamics at play. The area can be broadly understood as three economies, based around Cambridge, Peterborough, and the fens. As with any characterisation, it simplifies – there are, for instance, significant crossover areas – particularly Huntingdonshire, which looks to Peterborough in the north, and the Cambridge area in the south.

Peterborough has been and remains a diversified economy with strong traditions in manufacturing and engineering, but with a strong base in services too. It has strength in its excellent rail connections to London and the Midlands via the East Coast Mainline, allied to reasonable national road connectivity and significant room for growth, making it an ideal centre for a range of economic functions requiring otherwise scarce, affordable but connected premises. This is reflected in a quickly growing population – currently the fourth fastest-growing city in the UK². Nonetheless, Peterborough's economic evolution and the loss of traditional jobs has had an impact in some parts of the city, creating localised problems.

Peterborough has long had a natural role as the gateway to the fens and there is some evidence of this today in commuter patterns. Though (as with the connectivity south to Cambridgeshire) relatively poor road and rail connectivity have limited links into this area, the exception being relatively well-connected northern Huntingdonshire.

The fens hold the area's greatest natural asset in the extremely high quality arable land – 50% of England's grade 1 agricultural land is found here³. The market towns of this area are a marked feature and strength which hold much potential for the future if

this can be unlocked. However, the relatively poor connectivity of the fens, which for the purposes of this report broadly comprises the Districts of Fenland, and parts of Huntingdonshire and East Cambridgeshire, is one very important factor in shaping both recent and more longstanding, lower growth in the area. The area has a large agribusiness and food sector, which plays a big part in feeding the nation – 37% of English acreage given over to the growing of vegetables in the open is found in the fens⁴. However, the area's economy has historically grown modestly, and the value of its output is below that of other areas.

The remaining part of the area is centred on Cambridge, and includes South Cambridgeshire and parts of East Cambridgeshire and Huntingdonshire. This large area has grown dramatically for some decades, fuelled to a significant degree by the growth of Cambridge's innovation-rich boom, which is concentrated in the city and South Cambridgeshire, but has spread out from there, and is complemented by similarly strong performance in the southern part of Huntingdonshire. This is a phenomenon that has historic roots dating back to the 1960s, but has been refreshed by new waves of investment and technological development. This report analyses the nature of growth in and around Cambridge and concludes that this growth is driven by locally-specified factors (and may be slow to spread as a result), and that the natural pull of this growth is towards the south and east.

The economy, travel to work and housing patterns of Cambridgeshire and Peterborough are dominated by these three core areas which adjoin each other in an indistinct way. Unlike other, more city-centred Combined Authorities, this is not a single economic area. It is a geographically large multi-centred area

This interim report sets out the progress in the CPER to date. It is intended to stimulate debate and views on its contents are welcomed.

in which each city and indeed market town has a different role. The southern economy has been the most productive – this has been significantly facilitated by creating the conditions for growth through proactive planning policy and purposeful action to stimulate nascent entrepreneurs, which has in turn leveraged external private and government investment.

We also find evidence that, right across these economies, growth is higher than official figures suggest. Examination of employment growth in individual companies suggests firms are increasing employment at a rate greater than that captured by ONS (Office of National Statistics) data; similarly, turnover growth is strong. This will be viewed as positive in most quarters; there are, however, major doubts as to how well the area is set up to cope with future growth, particularly where the strain is already evident.

These current dynamics are important in the context of the target agreed as part of the Devolution Deal between Cambridgeshire and Peterborough and the government. It has committed the area to a near doubling of economic output from £22 billion to over £40 billion over the next 25 years. It is important that all areas grow and prosper, but it will take time to improve the economies in areas that are currently lagging so that they catch up with areas that are doing well. Those areas that are doing well now, even over a 25-year period, will deliver the lion's share of the GVA growth for the target to be reached – slow growth in these areas would mean the GVA target would be difficult if not impossible to attain.

This section also considers the nature of business. New research has looked at the extent to which business in the area can be said to be 'special' and 'indigenous'. The first examines the sectors where the area can be said to particularly excel, using analysis of the University of Cambridge's Centre for Business Research's (CBR) corporate database. This finds that each area has particular strengths and has significantly higher concentrations of certain industries than national averages. The second examines the extent to which companies that were born in the area, or moved here over fifty years ago, contribute to turnover and employment. In the majority of districts, we find compelling evidence that homegrown companies have grown more quickly since 2010. This signals that growth is 'coming up through the floorboards', rather than being largely the product of national and

multinational companies moving in. This is not to diminish, however, the extent to which national and international companies have made the area their home, due to its global reputation.

The Commission has also taken a particular interest in how health impacts upon work, and vice versa. The link between poor health outcomes and poor performance at work has been noted by many studies, and similarly, bad working practices can have a detrimental impact on health. The report notes that health outcomes are very uneven across the area of study, and that this seems to be exacerbating productivity divides. This subject will be returned to in more detail in the final report.

There is also a preliminary analysis of work being undertaken by Cambridge University into the future of the area. Building on a long track record of working on the Cambridge economy (Cambridge Futures, and Cambridge Futures 2 – this work is therefore sometimes referred to as 'Futures') the CPIER extends this analysis to the whole Combined Authority area for the first time. The full results of this analysis and the modelling of different scenarios will be available for the final report to underpin our recommendations.

Initial work on the baseline is included in this report. It sets out a varied picture for the future of Cambridgeshire and Peterborough. Positive levels of growth can be expected in several parts of the area without overburdening the system. However, problems that are already apparent in the greater Cambridge area of traffic congestion and prohibitively expensive housing look set to intensify. Unless addressed soon, this will, in the long-run, restrict the potential of the Cambridge economy, and reduce the growth of the whole area.

Section 2 of the report considers in detail the over fifty responses received to the Call for Evidence and the results of a wide-ranging consultation exercise involving the commission and key stakeholders, including the mayor, local authorities, and a range of other key businesses and interests.

The results of this consultation support the statistical analysis on the multipolar nature of the Cambridgeshire and Peterborough economy and the ready awareness of stakeholders about the differential speed at which parts of the area have grown over recent years, as well as the distinct opportunities and needs of each sub-area.

Issues that arise from the responses include the vitally important question of industrial strategy, noting that, while there are excellent examples of best practice already identified through consultation, there are also gaps in knowledge, including in relation to business premises.

Cambridgeshire and Peterborough suffers from significant inequality and the data and analysis received in consultation highlights a strong spatial and social dimension to inequality. Given the major impact this has on individuals, families, and communities, as well as economic performance, inclusive growth is another key theme.

A range of views was received on human capital: education and skills, as well as the role of higher education and the impact of changing patterns of migration. Despite strong educational performance in the main, there are marked concerns about the quality of the school system, particularly in relation to students who do not take an academic route through A-levels and to university. There is also a high level of concern for the fitness for purpose of the skills and vocational training system. This is seen by many as having pivotal importance in light of Brexit and the anticipated fall in the availability of migrant workers in skilled as well as unskilled occupations.

Whilst university provision in Cambridge is among the best in the world, the need for higher level technical skills remains right across the area, with proposals being made and strongly backed by the Mayor and others for further vocationally-oriented higher education provision in Peterborough.

The Review received a wide range of consultation responses in relation to transport where the sheer range of potential investments will necessitate a principles-driven and prioritised approach so as to maximise the impact of the programme in total and its impact on each area. There are strategic risks to the area if it cannot get the major infrastructure improvements it needs, and previous delays in bringing forward and delivering schemes must not continue. But careful consideration is required about which schemes will have the most impact, and about the optimal timing of different schemes. This question, and how these investments relate to other interventions, will be a major part of our final report.

Among other issues flood risk was highlighted by a number of respondents, as was the issue of bottlenecks in the electricity supply – both will be the subject of further analysis.



The Commission was in general encouraged by the proactive and creative approach of Cambridgeshire and Peterborough's local authorities to housing development. The view of respondents, which the Commission recognises, is that the housing development will be constrained as much by the ability to deploy appropriate infrastructure provision as by a willingness to develop sites in many cases – though they note that land values in some areas make it difficult to attract development interest.

A number of respondents to the consultation highlighted the potential for confusion and even duplication arising from the new governance arrangements. Whilst this can largely be attributed to their newness, with the balance of respondents seeing great opportunity from the advent of the Mayor and Combined Authority, the need for clarity and legibility of the new arrangements is clear. Delivering the new mandate for the Combined Authority will require sufficient

capacity, not least to deal with what were described by some respondents as increasingly complex national planning requirements.

Section 3 sets out a series of Key Questions arising from the consultation and data analysis on which the Commission would welcome further views and discussion in the period leading to the final report. The next steps for the commission are summarised, including a list of 'Key Questions', which are spread throughout the report at relevant points. The Commission's ultimate purpose is to make meaningful, evidence-based recommendations that will inform the trajectory of the Combined Authority area.

This interim report aims to take stock of the current state of the economy, so preparing the ground, and facilitating an informed approach.

The Economy of Cambridgeshire and Peterborough

1.1 Overview

The Cambridgeshire and Peterborough area is home to over 1.6m people⁵, and covers an area of 3,400 sq. km. It consists of six local authorities – Cambridge, East Cambridgeshire, Fenland, Huntingdonshire, Peterborough and South Cambridgeshire. Its largest conurbations include Cambridge in the south, Peterborough in the north-west, Wisbech to the north-east, Huntingdon to the west and Ely to the east.

HISTORY

Cambridgeshire and Peterborough are steeped in history. Major historic buildings include the two ancient cathedrals in Ely and Peterborough, where significant religious sites have existed since the 7th century. The cathedrals were constructed in the 12th and 13th century. The University of Cambridge was founded in 1209, being granted a royal charter by King Henry III in 1231, making it the UK's second-oldest university.

The fens – a large, flat area to the north and east – begun to be dredged in earnest in the 17th century, led in part by the Dutchman,

Sir Cornelius Vermuyden. This allowed settlements to develop in areas which had previously been partially or entirely underwater. The Bedford Level Corporation was later founded to oversee the pumping and drainage of the area. Land use in this area is now largely given over to agriculture, thanks to its high-quality, peat-rich soil.

Many market towns grew up across the area and remain important centres of trade and society. Peterborough was one of these, until its course changed drastically, due to its newfound place on the Great Northern railway line between London and York. This development allowed Peterborough's brick industry to grow rapidly (combined with more efficient production methods) and turned it into a large local centre. Engineering became an increasingly significant part of Peterborough's economy, which continues to this day.

The University of Cambridge established itself as one of the very best academic institutions in the world, and boasts innumerable notable alumni and breakthrough discoveries.

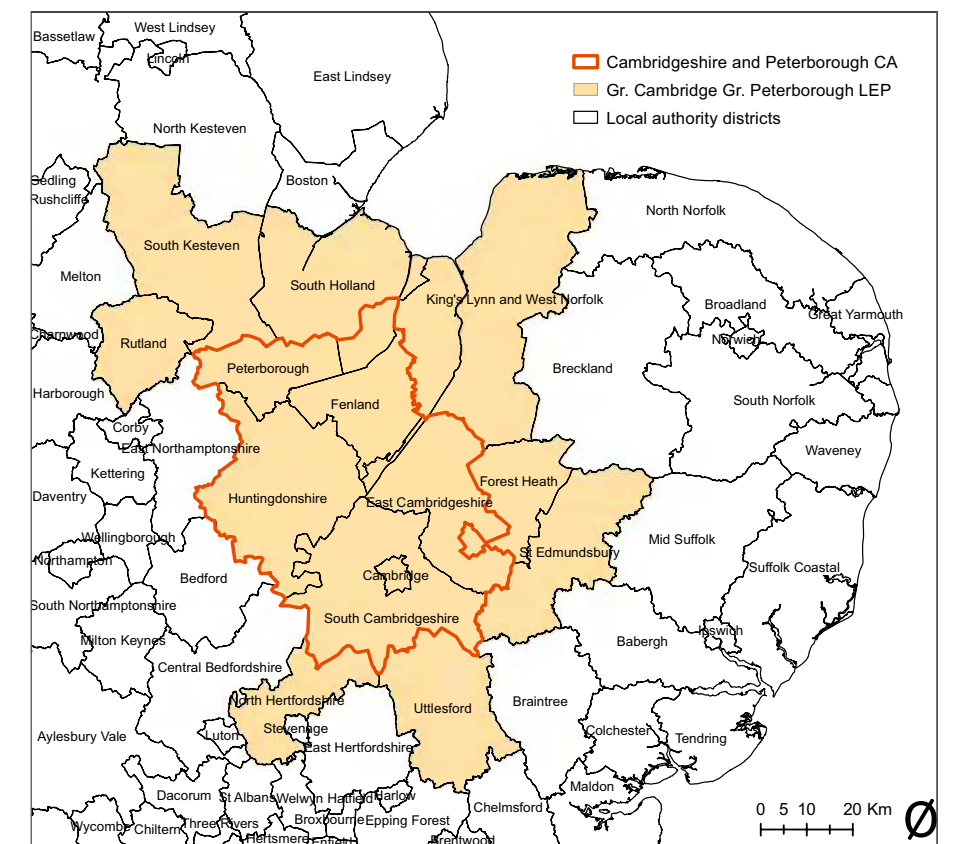
Cambridge has maintained its dominance, regularly topping international league tables. Despite this, the city remains relatively small, and (whilst it has been allowed to grow somewhat) is contained within a large 'green belt'.

ADMINISTRATIVE GEOGRAPHY

The six constituent local authorities together form the Cambridgeshire and Peterborough Combined Authority (sometimes referred to as CPCA). All districts but Peterborough also fall under Cambridgeshire County Council – Peterborough City Council is a unitary council.

The Combined Authority sits at the centre of a much larger Local Enterprise Partnership (LEP) area – the Greater Cambridgeshire Greater Peterborough LEP, whose board consists of local business people and local councillors. Its role is to deliver the Government's Industrial Strategy insofar as it relates to all areas of local business. Recently, the GCGP LEP has been integrated into the Combined Authority as 'the Business Board', with the two organisations now sharing premises at Alconbury. The map below shows the geographies covered by the Combined Authority and the LEP.

Figure 1 – The Combined Authority and Local Enterprise Partnership for Cambridgeshire and Peterborough



The Combined Authority, as part of a Devolution Deal, now has a directly elected Mayor. The current (and first) incumbent is James Palmer. As the head of the Combined Authority, he is responsible for driving change within the area, accomplishing more by bringing local authorities together than would be possible otherwise.

The area is home to seven parliamentary constituencies, which are: Cambridge, Huntingdon, North East Cambridgeshire, North West Cambridgeshire, Peterborough, South Cambridgeshire, and South East Cambridgeshire. This report's data, however, is given at the local authority level, as this tends to be how it is produced. This is also more relevant for the Combined Authority.

1.2 Economic Geography

TREATMENT OF THE CAMBRIDGESHIRE AND PETERBOROUGH AREA

A key finding from all of the work done to date is that the Combined Authority area of Cambridgeshire and Peterborough is not one economy. For our purposes, an economy can be (roughly) defined by the following features: A shared labour market, where workers live and travel within the same area; integrated business, with supply chain linkages; and a shared housing market. Considering the area of Cambridgeshire and Peterborough under these headings:

A SHARED LABOUR MARKET

To analyse the extent to which the labour market across the area is integrated, it is best to consider commuter data. If the labour market is broadly unified, then when an individual living in any one part of the area is considering offers of employment, they would be willing to look at anything within the wider area. Consequently, any local business

would consider this as its 'pool' of potential employees. This would be seen in commuting patterns.

This is not what we find in Cambridgeshire and Peterborough (see below and right). These images show where those who work in each of the local authority districts live (based upon 2011 census data). As can be seen, Cambridge and South Cambridgeshire has the largest reach, stretching into Huntingdonshire and East Cambridgeshire to the north, as well as south towards London and east into Suffolk. However, it does not have significant reach into Fenland and Peterborough. It is the opinion of those consulted that, over the seven years since this data was produced, it is likely that Cambridge/South Cambridgeshire has extended its reach.

Peterborough has the characteristics of a strong regional centre, with a clear retention of large numbers of its residents within the city for work. Its reach is greater than this

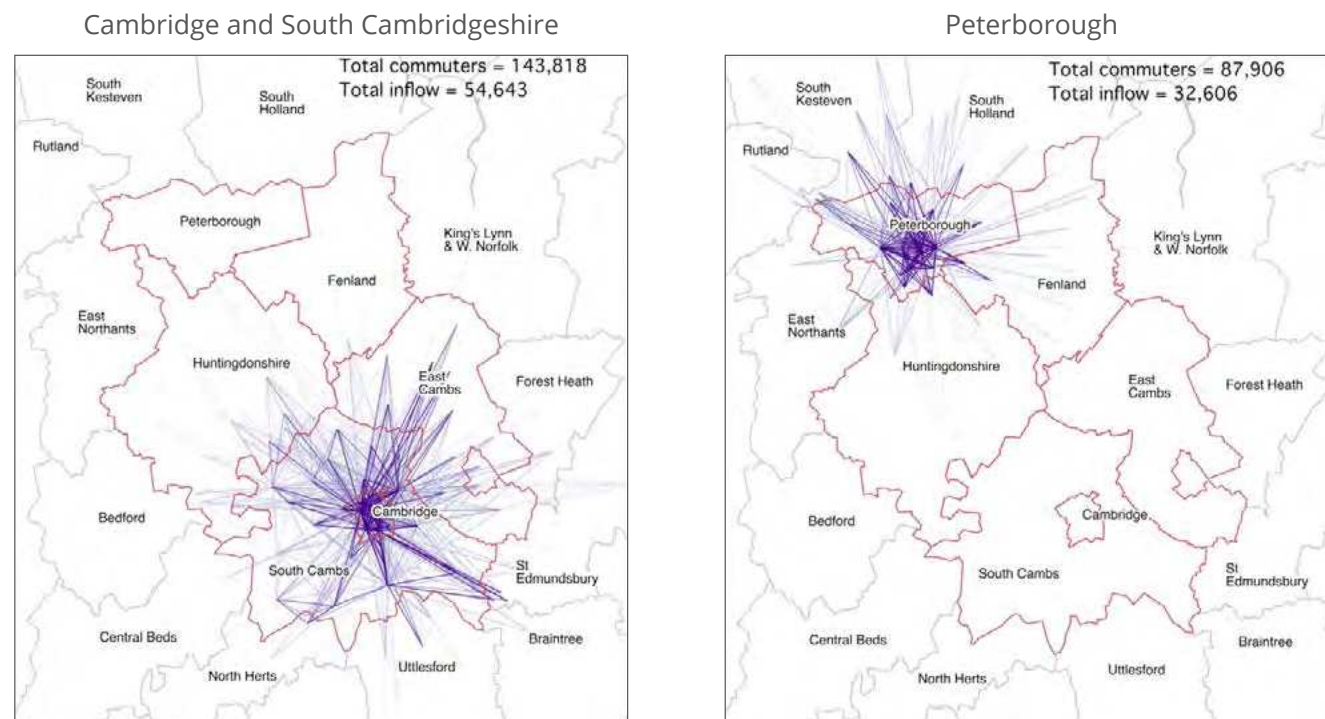
though, stretching in all directions.

Peterborough is the largest conurbation in the surrounding (largely agricultural) area, which likely explains this fact.

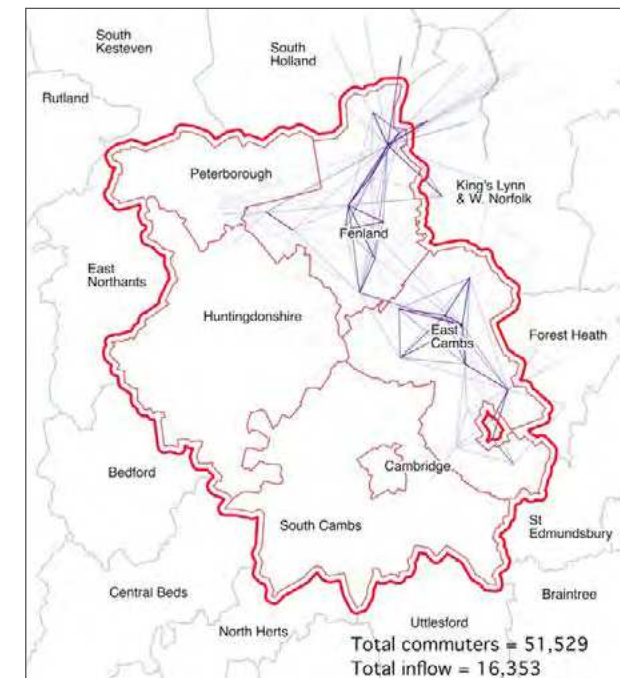
Those that work in Huntingdonshire tend to come from the area, although, as noted, significant numbers from Huntingdonshire commute out to Peterborough and Cambridge. The patterns for East Cambridgeshire and Fenland are more disparate – there are fewer commuters to jobs in these areas and there are less clearly defined centres that draw people towards them. They have a loose pull on the area around them – the strongest links are into Peterborough, and also into the King's Lynn area from the north of Fenland. East Cambridgeshire also has significant ties into Suffolk via Newmarket – it is a quirk of administrative geography that this has been effectively 'carved out' of East Cambridgeshire.

These considerations demonstrate that there is not a shared labour market across the Cambridgeshire and Peterborough area.

Figure 2 - Commuting flows of workers



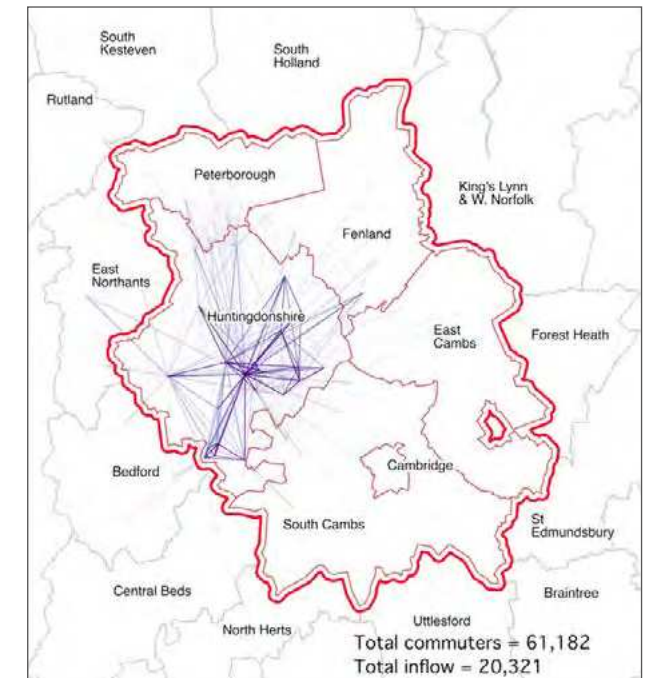
Fenland and East Cambridgeshire



number of commuters
25 - 50 — 50 - 100 — 100 - 150 — 150 - 200 — 200+

Source: 2011 Census Origin Destination table WU03EW - Location of usual residence and place of work by method of travel. Contains National Statistics data © Crown copyright and database right 2015.

Huntingdonshire



10 0 10 20 30 40 km

INTEGRATED BUSINESS, WITH SUPPLY CHAIN LINKAGES

When an area is functioning as one economy, we would expect to see close linkages between businesses across the area, through supply chains.

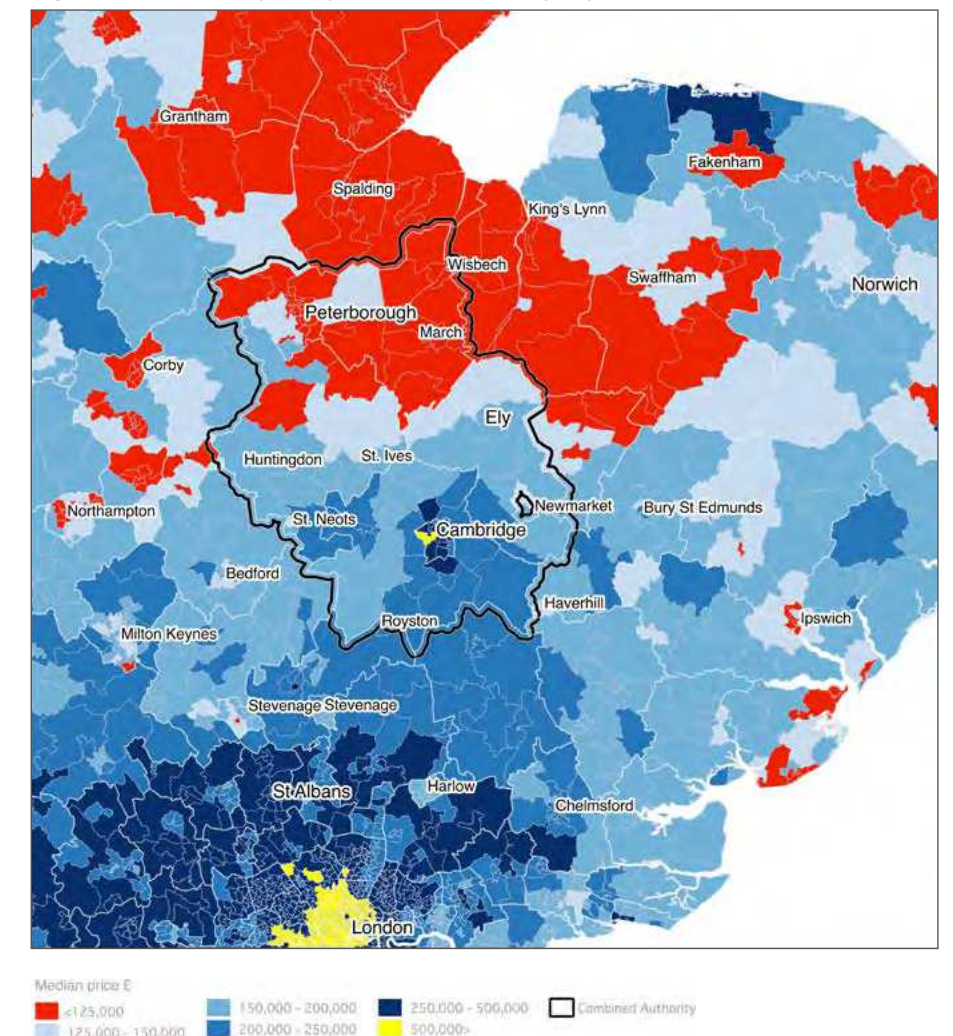
In the Combined Authority area, while a degree of business integration exists, our initial impression is that supply chain linkages are not especially strong. For the final report, we will have completed our qualitative survey of businesses, and will provide further analysis on this.

A SHARED HOUSING MARKET

Another indicator that an area comprises a single economy is that the housing market reflects what would be expected, were the same houses being considered by people across the area. We would therefore expect a degree of parity between property prices (as access to jobs would be roughly constant – though other 'quality' factors need to be considered), and parallel patterns for rents.

In Cambridgeshire and Peterborough, this is possibly the clearest indicator that there is more than one economy in operation. Differences between property prices are stark. Figure 3, which maps the median price paid for terraced properties, shows differences of greater than a factor of four between some of the northern districts and central Cambridge. Notably, Cambridge's house prices are in the same league as some areas of London.

Figure 3 – Median price paid for terraced properties: 2010-2015



Source: Land registry: Price paid data. Contains Ordnance Survey data © Crown copyright and database right 2015.

DESIGNING AN APPROACH THAT FITS THE DATA

Having rejected the idea that Cambridgeshire and Peterborough functions as one economic area, what better conception could be provided? There are different ways of subdividing the area, and any classification is guaranteed to be a simplification. Boundaries are 'fuzzy' and there will always be connections and overlaps between different areas.

The characterisation which was found to best fit is that of three economies – the fens, Peterborough, and the wider Cambridge area. The rationale for this approach is set out below.

Firstly, the separation between the two largest conurbations in the area, Cambridge and Peterborough, was noted. None of the evidence suggests strong economic connections between these two places, therefore they are part of separate economies. Next, it is clear that South Cambridgeshire and Cambridge are part of the same economy – workers commute between these two districts, and much of the 'innovation economy' associated with Cambridge (both the city and the University of Cambridge) is in fact based in South Cambridgeshire, such as Granta Park and Babraham Research Campus.

To the north, while there are some links between Peterborough and Fenland, these are not particularly strong – hindered in part by poor transport connections (particularly along the A47). The business make-up of Fenland and Peterborough also differ, with agriculture and manufacturing forming a more significant part of Fenland's economy (7.8% and 24.2% of district GVA for Fenland, 3.6% and 12.7% for Peterborough, respectively) while distribution, transport, accommodation and food, and ICT are more significant for Peterborough (23.7% and 6.3% for Peterborough, and 17.0% and 1.22% for Fenland, respectively)⁶. Therefore, we have treated these as separate. We note that Peterborough was described by the East of England Economic Planning Sub-areas and Cluster Policy as a "relatively isolated but

locally dominant centre"⁷ in 2002. While there have been changes since, we believe this broadly to hold true.

The outstanding question is where the two districts across the middle of the area – Huntingdonshire and East Cambridgeshire – fit into the analysis. It is clear that both have an element of 'looking two ways'. Huntingdonshire has residents who both commute to Peterborough and Cambridge/ South Cambridgeshire, as well as many who stay and work in the local market towns. East Cambridgeshire has increasing numbers commuting to Cambridge, but also has a significant agricultural economy and large areas of fens which are more akin to Fenland to the north.

Therefore, we end up with a geography which has Peterborough and its surroundings in the north (including north Huntingdonshire) as one economy; the fens, including Fenland, some of East Cambridgeshire, and part of Huntingdonshire as a second; and Cambridge, South Cambridgeshire, and southern parts of Huntingdonshire and East Cambridgeshire as a third.

Finally, a note on the changes to the economic geography over time. As housing in Cambridge and South Cambridgeshire has become increasingly expensive, workers have been moving further afield – this is the case for both Huntingdonshire and East Cambridgeshire (particularly Ely). The upgrading of the A14 is set to deepen economic ties between Huntingdon and Cambridge, and if upgrades to the A10 go ahead, we would anticipate closer linkages between East Cambridgeshire and the Cambridge/South Cambridgeshire economy.

Soundings have been taken on this approach, and the broad three-economy approach seems to best reflect the perceptions of local stakeholders.

Key Question: Does this three-area characterisation summarise the area well? Which links between the area have not been well captured? What are the most important links to outside the area?



MARKET TOWNS

An important feature of the economic geography is the prominence of market towns. These have long served as economic centres for local populations, providing hubs for commerce. While the relative importance of market towns has, to some extent, declined as transport has enabled larger centres to become more dominant, they continue to play a key role. For many rural communities they remain the central destination for work, retail and leisure. They are of varying sizes, from the large (such as Wisbech – population 32,489), to the medium-sized (such as Yaxley – population 9,174), and down to much smaller towns (such as Sutton – population 3,816)⁸.

There are many opportunities for these towns, as they often present an attractive and affordable alternative to larger centres and can deliver well on quality of life. However, they can be held back – for example, it was noted by local councillors that poor internet provision in some market towns dissuades businesses from relocating there, and some high streets have deteriorated.

We will, in the final report, make suggestions as to what further work could be done to understand and classify market towns, as well as what data can be examined to see the trajectory different market towns are on.

Useful work in this field has been done for the East Midlands⁹, where a typology of secondary economic centres (consisting of Sub-Regional Centres, Manufacturing/ Transition Economies, Strong Local Economies, Healthy Town Economies, Dependent/ Commuter Centres, and Centres without Critical Mass) has been utilised.

LINKS TO LONDON

Certain towns and cities within the area benefit from fast connections to London. To assess the economic importance of London for the area, we have examined commuter rail flows, using methods which take the 2011 Census data on commuting, and then use Google maps recommended journeys to estimate where people are changing in order to get to London. We have produced this analysis for Cambridge and Peterborough, both showing volumes of flows and destinations within London. As will be seen, there are significant numbers of commuters travelling to London; however, when these numbers are compared to the size of working populations, it is obvious that a characterisation of these simply as 'commuter towns' to London would be false. As can be seen from figure 4 overleaf, these values number in the low thousands; meanwhile Cambridge alone has a total of 143,818 commuters, of which 54,643 is inflow from local areas.

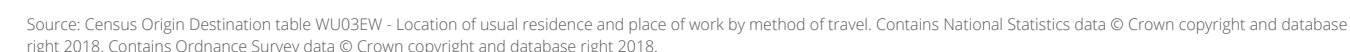
⁶Source: Regional Accounts (ONS) - Regional Gross Value Added (Balanced).

⁷In the final report to the EEDA, page 4

⁸Figures taken from 2011 census.

⁹Secondary Centres of Economic Activity in the East Midlands (Atherton and Price, University of Lincoln).

Commuting flows to London by rail - rail journeys originating at Cambridge



Cambridgeshire and Peterborough is a hub area, from which various national 'corridors' stretch. These corridors are geographical concepts which attempt to capture both existing and potential economic linkages, demonstrating the potential that can be unlocked through greater connections between centres of national excellence. The most significant of these in the current policy environment is the Cambridge – Milton Keynes – Oxford corridor, where plans for

It is worth noting the intrinsic natural assets of the area. While there is no significant mineral wealth, the agricultural quality of the land is extremely high in some areas, particularly towards the north east – over 50% of the UK's grade 1 agricultural land is found in the fens, along with significant quantities of grade 2 land in the south of the county.

Relatedly, in the fens in particular, water has a significant effect on the local economy. Much of the area is classified by the Environment Agency as being in flood zone 3 (see figure 6). This presents challenges to local economic development. At the same time, there is risk of drought in Cambridgeshire and Peterborough – it receives some of the lowest levels of rainfall in the UK, while a growing population is increasing the demand for water.

Another key corridor, where much work has been done, is the London-Stansted-Cambridge corridor¹¹, which recognises the potential of an international hub centred on Stansted, combining London and Cambridge's

Lastly, there is an important research corridor is the Cambridge-Norwich corridor, focusing especially on food science and agricultural technology.

[illegible]

Flood Risk

- Flood Boundary
- Phoenix Metropolitan Area
- Flood Zone 2
- Flood Zone 3

LD&DESIGN

GCP ECONOMIC PLAN

Flood Risk

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CITY OF PHOENIX	April 2017	PAGE 10
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1.3 Growth

ECONOMIC GROWTH

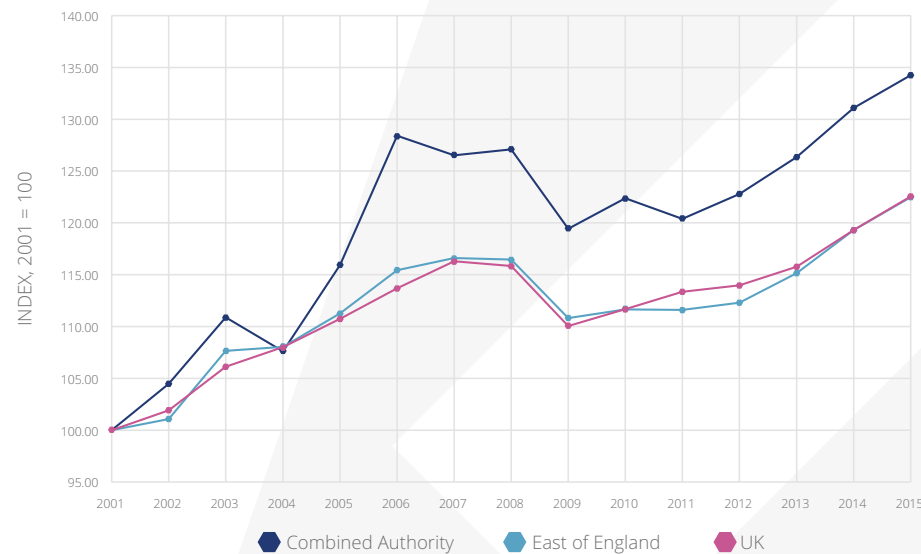
Economic growth in the area has been strong on the whole, although there are significant disparities in the levels of output.

The Combined Authority area has been growing faster than the wider East of England, and indeed the UK. The best approach available for measuring growth at local levels is to use Gross Value Added (GVA). While GVA has traditionally been an income-based approach (summing up wages, profits, and other incomes), recently a 'balanced' approach has been developed by the Office for National Statistics (ONS), which includes production-based methods (i.e. the value of goods and services produced locally) in the measure. This is likely to give more accurate results, however, the approach does not allow for the removal of inflation from the analysis. We have therefore also considered data from the East of England Forecasting Model (EEFM, developed by Cambridge Econometrics), which does account for inflation. The EEFM model is less likely to lead to overoptimistic conclusions about growth, but the ONS figures are official, nationally comparable data, and are constructed using a more sophisticated method. There are discrepancies between these two sources – we have attempted to present as coherent an analysis as possible.

As figure 7 demonstrates, the area's growth has performed significantly better than both the East of England and the UK. This growth was particularly strong in the period from 2004 to 2006.

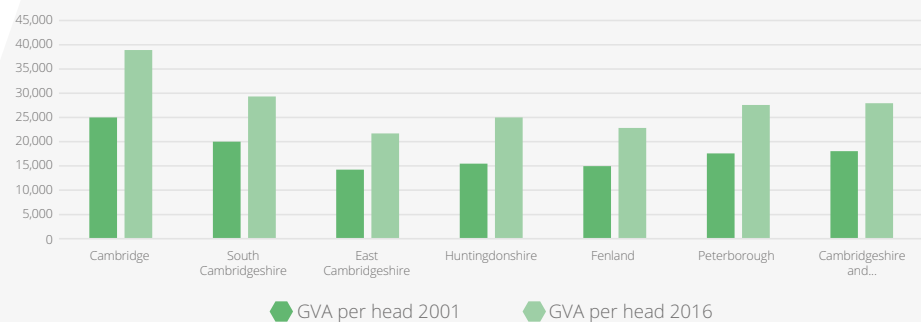
Using ONS figures, we see that, while the GVA of the East of England has grown by 70% between 2001 and 2016 (though note this figure does not account for inflation), and that of the UK at 72.7%, the Cambridgeshire and Peterborough area's GVA has grown by 84.6%¹². However, across the area, there are great discrepancies in the amount of GVA. Alternative methods employed by Cambridge Econometrics in creating the East of England Forecasting Model, have shown wide differences in how districts are performing. Differences are less stark, but still significant when GVA per head is considered. Strongest % growth has been seen in Huntingdonshire and Peterborough – see figure 8.

Figure 7 – Total GVA – Index: 2001 = 100



Source: East of England Forecasting Model (EEFM), Cambridge Econometrics

Figure 8 – GVA per head growth between 2001 and 2016



Source: ONS Regional Accounts

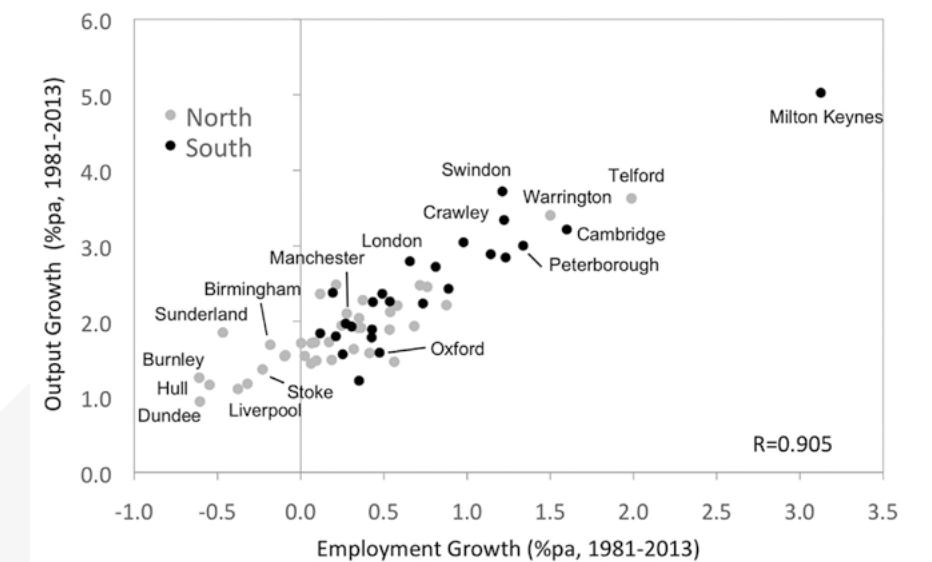
Nonetheless, comparing Cambridge and Peterborough to other high-growth UK cities, growth over the last forty years has been relatively more driven by employment growth – see figure 9. This may be in part due to high levels of public sector activity.

The question of how to ensure growth in the area benefits everyone is a challenging one. For now, the Commission notes the wide discrepancies that exist, and will for the final report make recommendations on how every part of the area can best achieve inclusive growth which benefits residents.

A central element of the Devolution Deal was the commitment by the new Combined Authority area to nearly double its Gross Value Added (GVA) over the following 25 years (from £22bn to over £40bn) in return for new powers. The Review has concluded that more detail is needed around this target, including defining precisely which measure of GVA will be used, and how inflation will be accounted for. A proposal for this will be set out in the Final Report, which will detail how the Combined Authority can ensure this target captures the real value of the local economy over time, and appropriately balances the population and productivity growth elements of the GVA measure. It will also consider how this goal should be shared across the area – clearly all areas need to grow well for the area to be succeeding, but areas which have larger economies at present need to grow by a smaller percentage to achieve the same level of absolute increase in GVA. It follows that the bulk of the heavy lifting of this target will be done by the larger economies of Cambridge, South Cambridgeshire and Peterborough.

Key Question: How can the area achieve its target of doubling GVA in 25 years?

Figure 9 – Employment and output growth for UK cities, 1981-2013



Source: Divergent Cities in post-industrial Britain - Martin, Sunley, Tyler and Gardiner

THE SOUTH CAMBRIDGESHIRE ECONOMY

The high levels of GVA in the Cambridge/ South Cambridgeshire area are in large part due to an active knowledge and innovation economy. This has been allowed to grow over the last fifty years as various areas of land have been freed up to accommodate research parks, business parks, and laboratories.

This ‘pro-growth’ mentality has not always been instinctive in Cambridge. In 1950, the Holford Report into land use in Cambridge suggested that the city’s population should not be allowed to increase above 100,000. Holford stated: “That there should be a resolute effort to slow down migration into the Cambridge district, and to reduce the high rate of growth so that future population should not greatly exceed present figures, is our first and main proposal.”¹³

However, in 1969, a committee led by Sir Nevill Mott, a Cambridge University Physicist recommended to government an expansion of ‘science-based industry’ close to Cambridge to take maximum advantage of the concentration of scientific expertise, equipment and libraries and to increase feedback from industry into the Cambridge scientific community.

Throughout the seventies, a pattern of establishing technological companies started to be set-up. This was small, but significant – with some companies floating on the stock market, and others being bought, often by American companies. This generated capital, which could be invested in other new business. Beginning with computers and software, entrepreneurs began to branch out into other sectors with different business models, such as telecommunications, and (more latterly) life sciences.

At the turn of the 21st century, the original Cambridge Futures Report was published, which aimed to explore what sort of direction Cambridge and the surrounding area should take, engaging the public in this process. In its introduction, it notes the two competing visions of Cambridge put forward Holford and Mott, and maps out various scenarios for Cambridge’s future. This work is being brought up to date, and expanded, for this report – see the Futures section for current progress on this.

The work of the Futures report has had a large influence on how planning has been enacted in the wider Cambridge area. Among other outputs, it informed the debate resulting

in the strategy set out in the Cambridgeshire and Peterborough 2003 Structure Plan, which itself informed the Regional Spatial Strategy and subsequent rounds of local plans. Crucially, it made the case for further developing Cambridge in a way that was persuasive and gave people ownership of the future of their city. This led to areas of the Cambridge green belt being freed up for important developments and various market towns being expanded, along with the designation of Northstowe as a New Town.

In addition, the City Deal acknowledged that Cambridge and South Cambridgeshire are part of the same economy, and provided funding to the Greater Cambridge Partnership for development of transport networks. This work is being implemented in conjunction with South Cambridgeshire District Council and Cambridge City Council.

The release of green belt land, implementing the strategy referred to above, provided for additional homes and employment opportunities, including at the Cambridge Biomedical Campus. This has supported the continuing growth of the world-leading life sciences cluster in Greater

Cambridge, and encouraged research institutes and laboratories to move to the area. As the area established itself as a scientific centre of global importance, a wave of large multinational companies started to move in, realising they had to have a presence in the area. One of the most significant was AstraZeneca (AZ), which has moved its global headquarters to the city. AZ initially bought Cambridge AntibodyTechnology in 2006, proceeding to merge it into MedImmune (a later acquisition). Multinationals have continued to develop a presence – one example being Microsoft’s new research lab by Cambridge central train station.

This has helped foster a general innovation culture, with accompanying finance, consultancy, investment, and legal support. It is very supportive for new enterprises, which means a large amount of innovation occurs. The clearest indicator of the strength of this within the city is the large number of patent applications, three times that of its closest competitor:

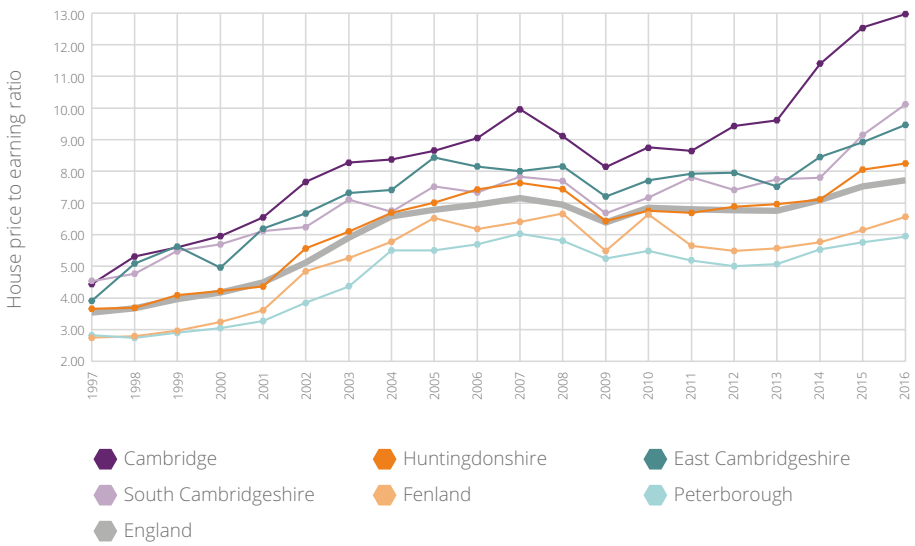
Table 1 – Top twenty cities for patent applications in the UK

RANK	CITY	PATENT APPLICATIONS (PER 100,000 POPULATION) 2015
1	Cambridge	341.06
2	Coventry	118.36
3	Oxford	79.86
4	Derby	67.69
5	Swindon	61.59
6	Aberdeen	57.26
7	Crawley	55.84
8	Aldershot	51.47
9	Slough	45.45
10	Reading	40.26
11	Milton Keynes	38.22
12	Bristol	34.72
13	Peterborough	30.20
14	Gloucester	27.81
15	Southampton	27.24
16	Birkenhead	26.55
17	York	26.03
18	Dundee	22.84
19	Portsmouth	21.35
20	London	21.27
	UK	18.17

Source: Centre for Cities

However, one of the challenges associated with this higher growth is that housing has become less and less affordable. Figure 10, right, shows how in all districts the ratio of median house prices to median earnings has increased. In 1997, all of these ratios were reasonably close to the English average of 3.54 – with South Cambridgeshire highest at 4.53, and Fenland lowest, at 2.75. While Fenland, Huntingdonshire and Peterborough have all broadly followed national trends since then, East Cambridgeshire, South Cambridgeshire, and especially Cambridge have accelerated, such that in Cambridge the median house price was almost thirteen times median gross earnings in 2016.

Figure 10 – Ratio of median house price to median gross workplace based annual earnings

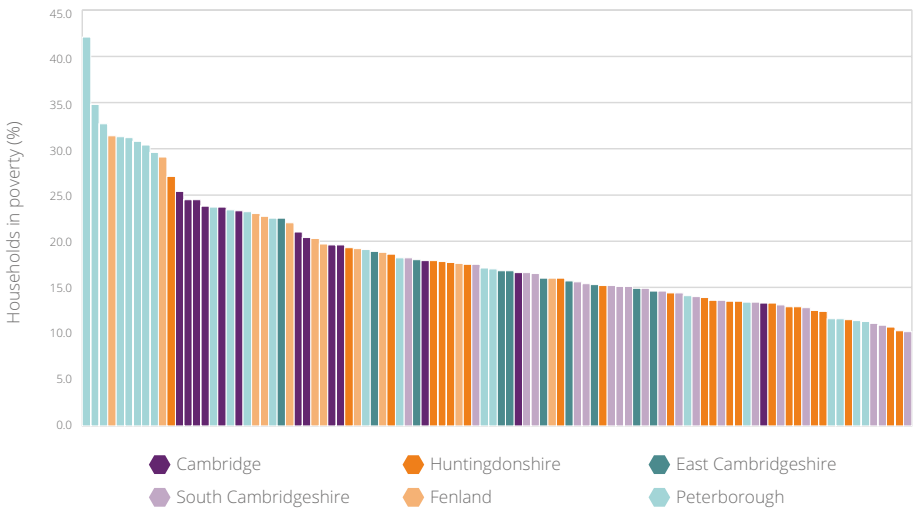


Source: ONS - Ratio of house price to workplace-based earnings (lower quartile and median)

This draws out one of the paradoxes surrounding the idea of what makes a place like Cambridge an ‘attractive place to live’. On the one hand, many feel that the small size of Cambridge coupled with its attractive and accessible surroundings are what draws many high-value companies and individuals to locate there. On the other, the quantity of housing, which is small relative to levels of economic activity, pushes up prices, potentially preventing younger people on lower incomes from locating in the city – its high prices make it unattractive. This debate lies at the centre of what kind of city Cambridge wants to be – though the choice may be less stark if improved transport makes it easier to work in Cambridge but live outside of it.

It is also important to note that the economic growth of an area as a whole does not necessarily imply an absence of poverty. Figure 11 shows MSOAs (Medium Super-Output Areas, which contain roughly 6,000 people) ranked according to the percentage of households in poverty. As is evident, some of the highest rates are found in Peterborough, Fenland, and Cambridge. In Cambridge, this corroborates the finding by the Centre for Cities that it is the least equal city in the UK¹⁴ – while there are high levels of economic growth, it is evident that not everyone is experiencing this prosperity.

Figure 11 – MSOAs ranked by the percentage of households in poverty



Source: ONS 2014

¹³Available at: <https://www.cambridge.gov.uk/public/ldf/coredocs/RD-STRAT/RD-STRAT-430%20p1.pdf>

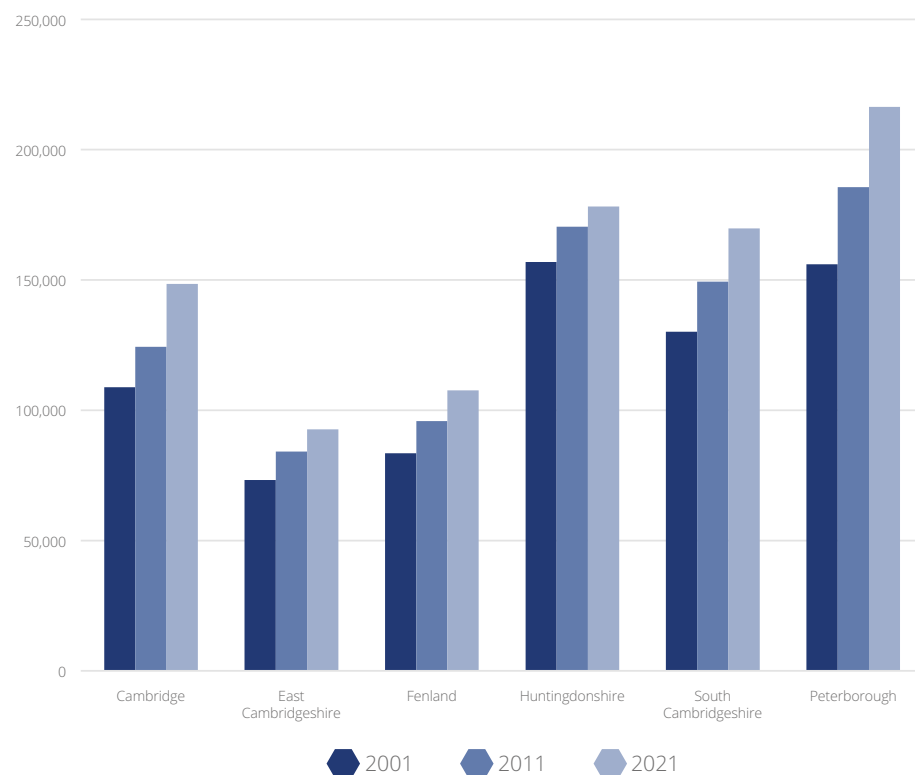
¹⁴<http://www.centreforcities.org/wp-content/uploads/2018/01/18-01-12-Final-Full-Cities-Outlook-2018.pdf>, page 31

POPULATION AND EMPLOYMENT GROWTH

Population growth figures are of economic significance, though the relationship is complex. To some extent, they describe the amount of labour available for the economy to use in production. This will feed into future growth numbers. Additionally, the number of people will affect house prices via demand levels, and local government costs via greater requirements for e.g. health and social care.

Population has grown in every district and is projected to continue to grow – see figure 12.

Figure 12 – Population growth: actual and forecast

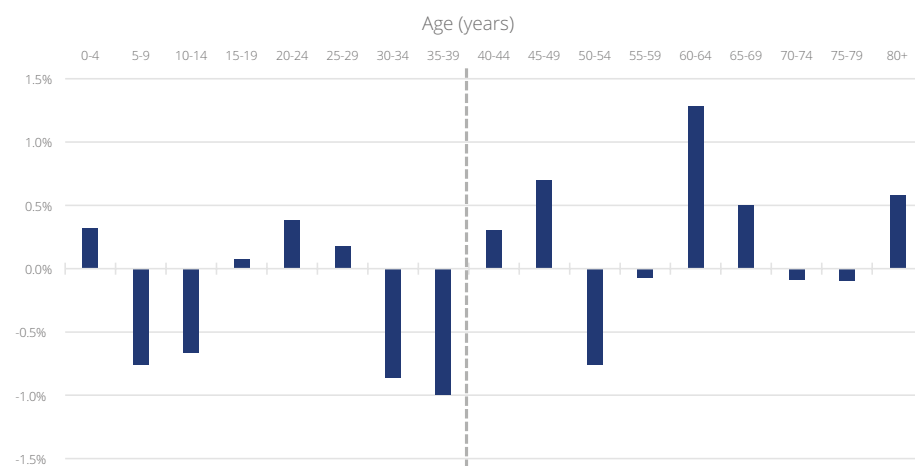


Source: Census and Cambridgeshire County Council population estimates.

The largest increases between 2001 and 2011 were in Peterborough and South Cambridgeshire. By the next census in 2021, increases are expected to have been greatest in Peterborough and Cambridge. The increases in Peterborough are especially striking – if these forecasts are correct, by 2021 its population will have grown by almost 40% from 2001 numbers. Across the area, the population grew by 1.34% per annum between 2001 and 2011 – a slightly lower rate of 1.21% per annum is forecast to 2021, increasing the population by a little over 100,000.

The effect of this growth on the age composition of the population has been mixed, though the evidence suggests a general ageing of the population across Cambridgeshire and Peterborough. Figure 13 shows the change in the proportion of the population in each age bracket between the 2001 and 2011 censuses. (For example, in 2001, 7.9% of the population was aged between 35 and 39. In 2011 this was 6.9%. Therefore, there was a decrease of one percentage point.)

Figure 13 – Changes in the % of the population in different age bands, 2001-2011 (Cambridgeshire and Peterborough)



Source: ONS 2001 and 2011 census

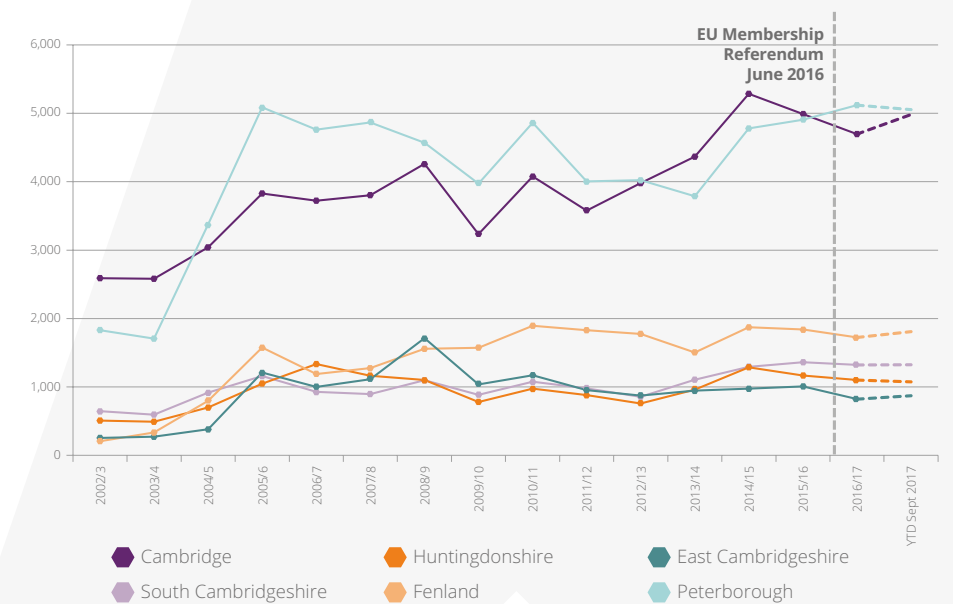
A strong increase is being seen in the 60-64 age bracket, and decreases are being seen in most or all districts in the 5-14, 30-34, and 35-39 age brackets. When the age brackets are divided at the 39/40 break (so that those 0-39 constitute the 'young', and 40-80+ the 'old'), it becomes apparent that values are more significantly below the line for the young, and more significantly above for the old. Overall, the population can be said to be ageing, although increases in the proportion of 20-24 year olds in most areas means the picture is mixed.

Migration is a significant factor in determining what the population growth of Cambridgeshire and Peterborough will be. (This is to be considered apart from inward migration, which involves people moving from other parts of the UK into Cambridgeshire and Peterborough). Determining future migration numbers is challenging, particularly given the current political circumstances. Since the EU referendum in June 2016 there has been a sharp fall in the number of EU citizens coming to the UK without a job to go to, while numbers with a definite job have remained at historically high levels.

In Cambridgeshire and Peterborough, National Insurance Registrations for Overseas Nationals have not fallen (see figure 14). Future levels shall depend upon the nature of agreements made between the UK government and the European Union, as well as future government migration targets and the degree to which temporary residents (such as seasonal migrant workers and international students) are restricted. This brings us to a broader question about what the likely effects of Brexit will be economically.

Key Question: What will the likely impacts of Brexit be upon the area? How can the area best prepare for any changes this will bring? What local and national policy environment is likely to be conducive to this?

Figure 14 – Annual National Insurance Registrations for Foreign Nationals



Source: Department for Work and Pensions, 2018

EMPLOYMENT GROWTH – DISCREPANCIES BETWEEN CBR AND ONS BRES FIGURES

Employment has clearly grown strongly across the area in recent years, however one issue that has emerged is discrepancies between data gathered on businesses by the Centre for Business Research (CBR) at Cambridge University and the UK Business Register and Employment Survey data (BRES) compiled by the Office for National Statistics (ONS). The work presented here is provisional and will be revised following discussions with ONS and as more data become available.

Over the past few years the CBR database of all companies based within the Combined Authority has been indicating faster growth rates than those suggested by BRES data.

There are many reasons why this difference may exist. The most important is that the corporate database covers only companies that are based in the area. This means that it ignores the employment in business units and divisions of companies not based in the area, self-employment and sole proprietorships and much of public sector employment; and it is possible that such employment is growing more slowly than the corporate employment captured by the database.

Another possible reason is that part of the employment captured by the corporate database is employed outside the boundaries of the local authority, even abroad. This has been analysed by surveying companies in the Cambridgeshire area to gather information about their total employment growth in

comparison with their growth of employment within the area. This work continues, but the closeness of the growth rates of local and total employment for companies in our sample suggests that this is not the cause of the difference.

Therefore, we have created a weighted growth measure. This depends in places on ONS BRES figures (for industries which the corporate database does not cover well) and in others on the corporate database (where the ONS BRES figures don't cover local industries so well). The details of how this has been done can be found in Appendix 1.

Having combined these measures, we still find that growth rates are significantly higher than BRES data suggests:

Table 2 – Comparison of employment growth for BRES data and combined CBR and BRES data

COMPARISON WITH BRES		6YRS GROWTH PER ANNUM 2010-2016	
DISTRICT	BRES DATA	CBR/BRES DATA	
Cambridge	2.3%	2.4%	
South Cambridgeshire	2.2%	3.8%	
East Cambridgeshire	3.8%	4.3%	
Huntingdonshire	1.7%	2.2%	
Peterborough	2.3%	3.4%	
Fenland	2.6%	3.7%	
Cambridgeshire and Peterborough	2.3%	3.3%	

In particular, South Cambridgeshire, Peterborough and Fenland are all showing significantly higher rates of employment growth (1.6%, 1.1% and 1.1% differentials respectively). Overall, we find growth to have been 1% higher per annum than BRES data suggests, leading to a significant differential over time. It is worth repeating that these findings are provisional – and should not for now be taken as definitive.

We will continue to explore this topic for the final report. However, the importance of this should be noted, as BRES data are incorporated into the ONS methodology for estimating GVA growth in the area. They are combined with average earnings data to generate a measure of the Compensation of Employees (COE), which is one of the main elements of the income-based aspect of the GVA measure. Therefore, if employment growth is understated, GVA growth is also likely to have been understated.

QUALITY OF GROWTH CONSIDERATIONS

As a final note in this section, the Commission recognises that a desire for economic growth is not simply a case of “growth for growth’s sake”, but for growth to be beneficial to everyone in society. Various considerations that touch on ‘inclusive growth’ are considered throughout the report, and the nature, as well as quantum, of growth, will be discussed in the context of the ongoing Cambridgeshire and Peterborough Futures work.

1.4 Business

Even a brief survey of businesses in the Cambridgeshire and Peterborough area gives a clear impression of a vibrant, diverse, and unique business ecosystem. Specialised sectors range from manufacturing to data science, agriculture to life sciences. As part of the review, businesses have been surveyed for their experiences operating in the area. This work is ongoing, but already a recurring message has emerged that local factors play a significant part in determining why many businesses are here (as opposed to mere convenience, or accident of origin). Over 50% of respondents so far have acknowledged proximity to local premises, local labour supply and the quality of the local environment as “important”, “very important” or “critically important”. A number, particularly businesses based around Cambridge, have indicated that, if they could not be based here, they would consider moving abroad to Europe, North America, and South-East Asia. Therefore, it will be necessary to think about what makes the economy of Cambridgeshire and Peterborough unique within the UK, and how this unique character can be maintained, so that the significant contributions to national growth can continue.

In order to assess this, the Review has carried out specific tests on two hypotheses about the local economy. The first is that the Cambridgeshire and Peterborough area is special – that is, it contains significantly higher concentrations of particular industries than other areas of the UK. The second is that a sizeable part of growth in the area is indigenous – that is, growth organically driven by native companies. This section also considers the role of the Cambridgeshire and Peterborough economy in national and international perspective, and births of businesses in the area.

THE SPECIAL NATURE OF THE CAMBRIDGESHIRE AND PETERBOROUGH ECONOMY

The Review assesses the specialness of the Cambridge economy by examining the key features characterising the corporate sectors in the area.

To assess the specialness of industries in each district, we use location quotients (often shortened to LQs), a measure which shows the concentration of particular industries in an area relative to a wider geography (in this case, the UK). For example, suppose 30% of area X’s workers work in manufacturing, and 15% of the UK’s workers do, this industry is twice as ‘concentrated’ in area X as it is in the UK, giving an employment LQ value of 30/15 = 2. You can also create LQ analysis for turnover values – suppose 5% of area Y’s business turnover is in construction, whereas 20% of the UK’s turnover value is. Then you would have a turnover LQ of 5/20 = 0.25. Any values above 1 can be said to be “special”, and the greater a value is above 1, the more special it will be. Any values less than 1 indicate that the industry is not a specialism for the area. Finally, values equal to one show that the concentration of turnover or employment is the same as the UK as a whole.

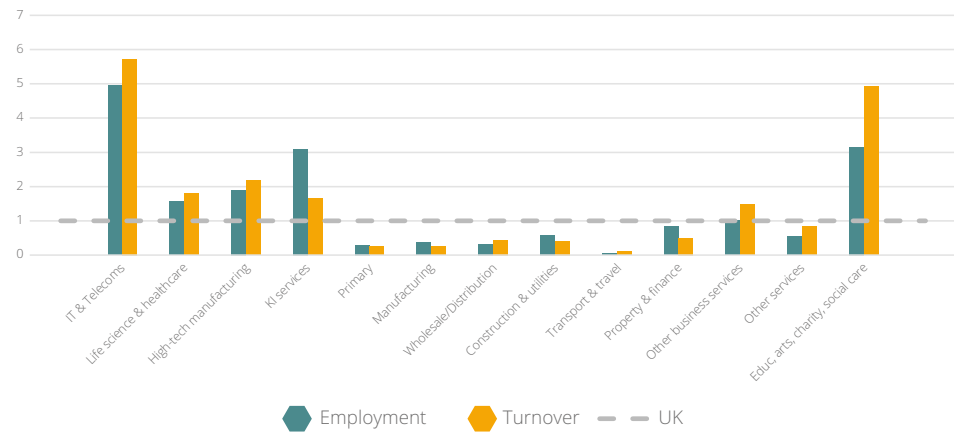
All data referred to have been produced by Dr Andy Cosh at the Centre for Business Research

(CBR) unless otherwise indicated – this differs from BRES data, in that it only focuses on the corporate sector. The first four sectors – IT, Life sciences, High-tech manufacturing and KI services are defined as Knowledge Intensive Sectors. ‘KI services’ is short for Knowledge Intensive Services – i.e. services to the knowledge intensive industry. At Appendix 2, we have included summaries of business performance in each of the six districts, which includes other details of their ‘specialness’.

The methodology used to derive these figures stems from a database of companies that are based in the area – that is, their main base is in each of these districts. It then considers the total employment and turnover for these companies. This may mean that figures don’t perfectly reflect the amount of turnover being generated locally, or the amount of people employed in a particular industry. (Note the comment on Peterborough’s distribution LQs below). This data is based on 2015-16 figures – it will be brought up to date for the final report, by conducting another data draw for the whole of the UK.

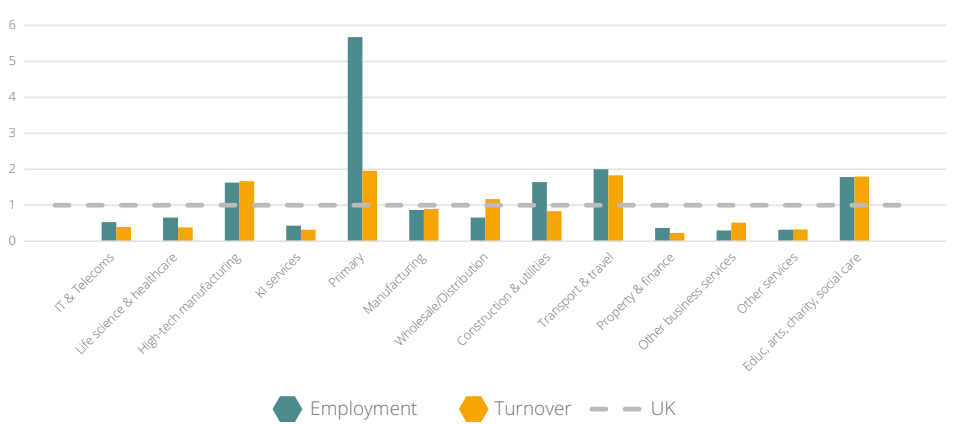
We have also included location quotients according to the ONS (BRES) data as an appendix – see Appendix 3. Note that the BRES data uses sectors which are defined differently.

Figure 15 – Location quotients for Cambridge



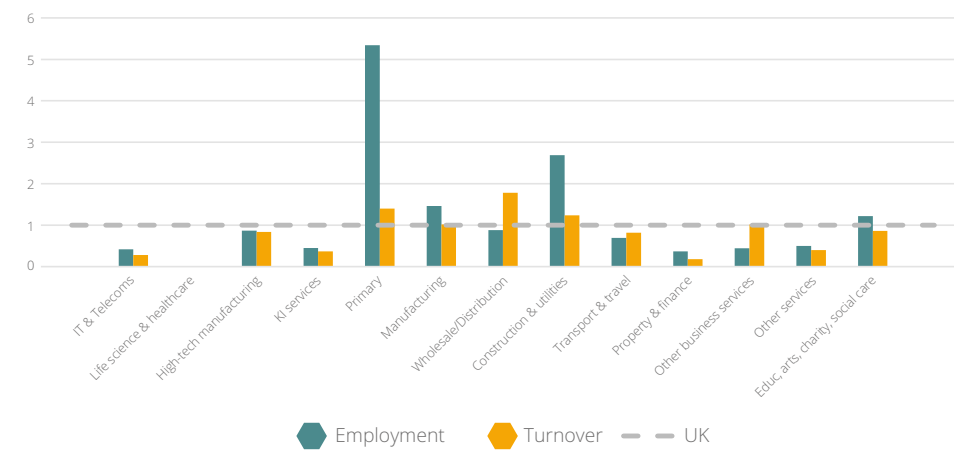
Cambridge has particular specialisms in IT & Telecoms, and Education, arts, charity and social care sectors. Life sciences & healthcare, High-tech manufacturing and KI services are also all special – meaning that each of the four knowledge intensive sectors is a specialty in Cambridge.

Figure 16 – Location quotients for East Cambridgeshire



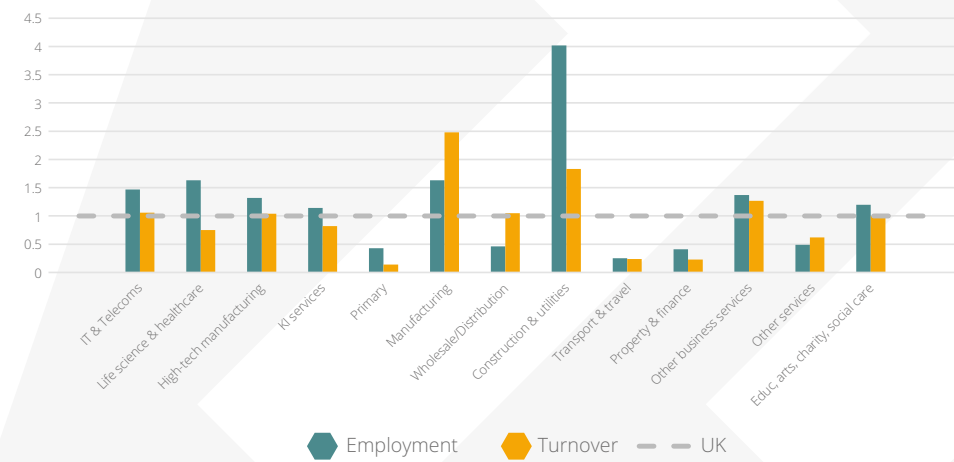
East Cambridgeshire's most 'specialised' sector is Primary – which includes agricultural business. However, employment is much more concentrated relative to the UK than turnover, suggesting the conversion of employment to turnover (i.e. productivity) is lower than in primary sectors across the UK. This would imply that these industries should look to improve the value of their output, given the numbers employed. High-tech manufacturing, Transport & travel, and Education, arts, charity and social care sectors are other specialisms.

Figure 17 – Location quotients for Fenland



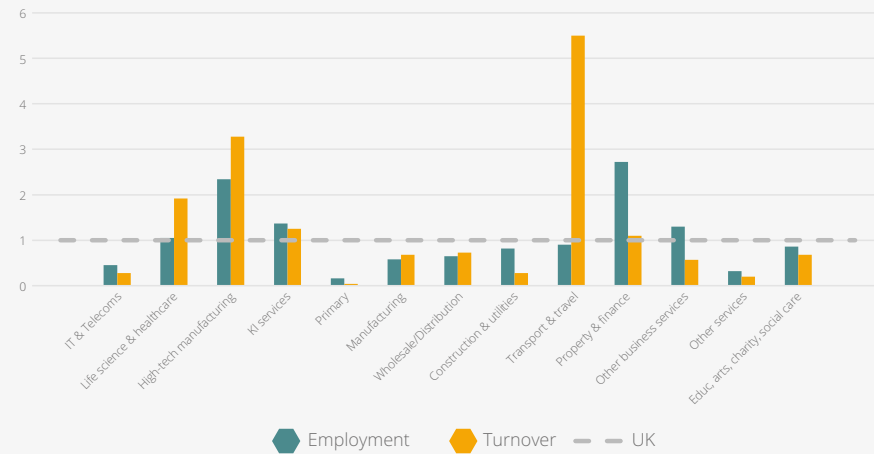
Similar to East Cambridgeshire, Fenland is a specialist in Primary industries, particularly regarding employment. Construction & utilities is a specialist sector, as is Wholesale/Distribution.

Figure 18 – Location quotients for Huntingdonshire



In terms of employment, Huntingdonshire's most special industry is Construction & utilities; in terms of turnover, it is Manufacturing. Note that for employment, Huntingdonshire shows a small degree of specialism for all of the Knowledge Intensive Sectors, but this is not yet matched by turnover.

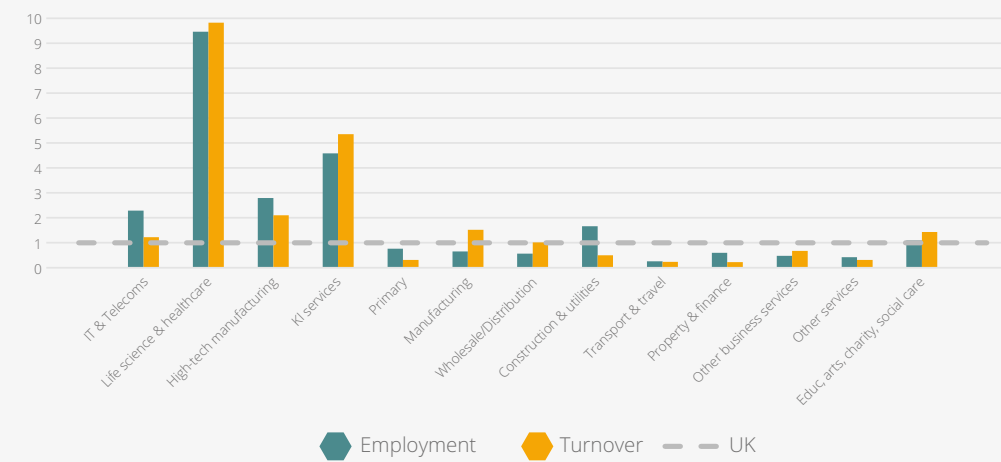
Figure 19 – Location quotients for Peterborough



Peterborough has a particular specialism in High-tech manufacturing, reflective of its history. Transport & travel shows a turnover specialism, while Property & finance shows an employment specialism. It's also interesting to note the high concentration of Life science & healthcare turnover relative to the UK.

Surprisingly, these figures do not demonstrate a specialism in Wholesale/Distribution, industries we know to be strong in Peterborough. This is likely in part to be because large firms have premises in Peterborough but are not headquartered there (such as Amazon). In addition, for this sector, we generally find the BRES data to be more accurate – see Appendix 2, where an employment LQ of 1.32 for Wholesale Distribution and 1.34 for Retail Distribution are given.

Figure 20 – Location quotients for South Cambridgeshire



South Cambridgeshire has the highest location quotients for any of the areas in Life science & healthcare, with an extremely high location quotient of 9.82. In all of the Knowledge Intensive sectors, South Cambridgeshire is special – this is especially shown by the values for the KI services industry which has grown up around it.

CONCLUSION

The economy of Cambridgeshire and Peterborough is far from ordinary. Real specialisms exist in IT, life sciences, manufacturing (both high-tech and standard) and primary sectors. This invites a bespoke treatment which recognises its nationally (and internationally) significant industries.

THE INDIGENEOUS NATURE OF THE CAMBRIDGESHIRE AND PETERBOROUGH ECONOMY

The data presented here focuses on companies which are 'large' – i.e. have 50 or more employees. These companies employ

roughly 60% of the area's workers and produce 68% of business turnover.

Companies are defined as 'indigenous' if they were either started in a district, or have been based there for over 50 years. The proportion of companies that are indigenous is largest in Fenland (83%), then East Cambridgeshire (76%), Cambridge (72%), South Cambridgeshire (70%) and finally, Peterborough and Huntingdonshire (both 69%).

The contrasts across the districts are far greater in terms of employment and turnover; and these two differ. The share of indigenous corporate employment is greatest in the

areas where agriculture is more dominant – Fenland has 82% in homegrown companies and East Cambridgeshire has 87%. Next come South Cambridgeshire (74%) and Cambridge (72%). The proportion of large company employment in homegrown companies is much lower in Huntingdonshire (61%) and, particularly, in Peterborough (48%).

There are differences, however, for the extent to which turnover is generated by organically grown local companies. This can be seen in figure 21. (It should be remembered that these analyses exclude companies that have set up divisions, or trading units in these districts, such as the logistics operations that have been attracted to Peterborough).

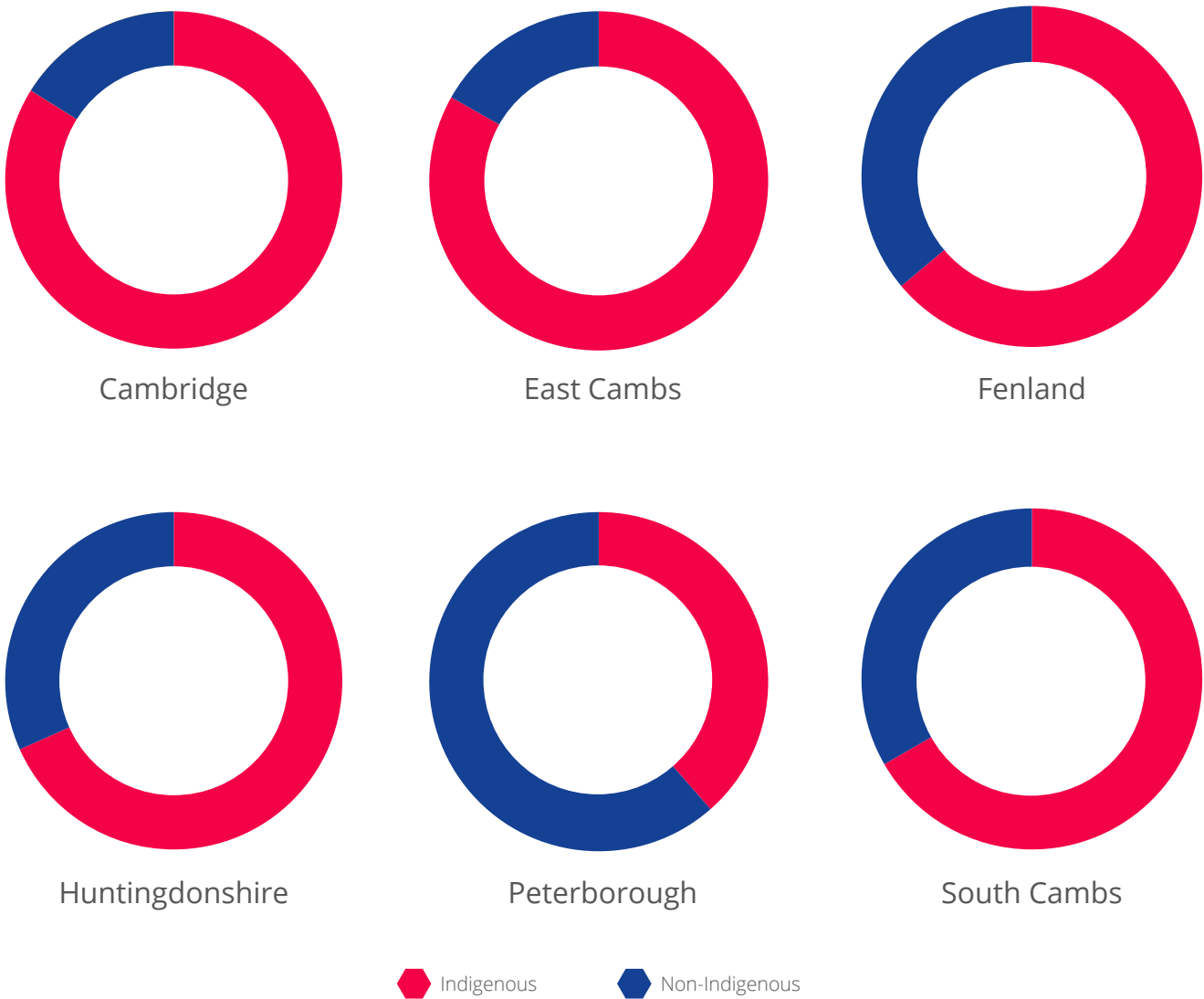
Another finding is that, in most areas, indigenous companies are growing faster than other companies – see figure 22. Employment growth has been higher for these in all areas except Cambridge and Fenland – especially so in Huntingdonshire (4.1% higher). In terms of turnover growth,

the majority has been driven by homegrown firms, with growth rates over 3% higher in South Cambridgeshire and Peterborough.

We have shown this by modelling the per annum CBR growth rates from the last six years as if they were constant during this

time, to give an impression of how this growth has occurred. To do this we have set a base year of turnover as 100.

Figure 21 – % of local large business turnover stemming from homegrown and non-homegrown companies



Source: Dr Andy Cosh, University of Cambridge

Figure 22 – Stylised business turnover growth of all large and homegrown companies based in the six districts, 2010=100



Source: Dr Andy Cosh, University of Cambridge

AGE, MARKET VALUE AND FOREIGN OWNERSHIP OF LARGER COMPANIES – INDIGENOUS AND IMPLANTS

Many of the large companies based in the Combined Authority area are not listed on the stock market. Some of the companies that started locally floated on the stock market and were then acquired and lost their listing. Other companies were founded with their HQ in the area, but with foreign ownership from the start, so without a listing for the local company. Other large companies have not sought to be listed.

For example, Cambridge Antibody Technologies was founded in 1989, floated in 1997 and then sold to AstraZeneca for £0.7bn in 2006; Domino Printing Sciences was founded in 1978, floated in 1985 and sold to Brother Industries for £1bn in 2015; CSR was founded in 1998, floated in 2004 and sold to Qualcomm for \$2.4bn in 2015; ARM was founded in

1990, floated in 1998 and sold to Softbank for \$31bn in 2016.

Cambridge has seven local companies listed on the London market with a combined value of £3.4bn. South Cambridgeshire has thirteen listed with a combined value of £6.4bn. East Cambridgeshire and Peterborough each have three local companies with a combined value of £142m and £90m respectively. Finally, Huntingdonshire and Fenland have one listed local company each with current market values of £623m and £41m respectively. These figures show that Cambridge and South Cambridgeshire have continued to grow large companies that are taken to the market.

Table 3 also shows the age composition of large companies and those that are locally grown. Considering the proportion of all large companies that have been incorporated since 2000, Huntingdonshire (54%), Fenland

(53%) and East Cambridgeshire (51%) each have over half of their large local companies incorporated since then. Cambridge has 49%, South Cambridgeshire has 44%; and Peterborough has the oldest profile with 38% of their large local companies incorporated since 2000 and 32% before 1980. Cambridge and South Cambridgeshire exhibit a golden age of incorporations between 1981-89 with 39% and 42% respectively.

Looking at the age profile of indigenous large companies across the districts, a similar pattern emerges. Huntingdonshire, Fenland and East Cambridgeshire each have 57% of their homegrown companies incorporated since 2000. Cambridge has 53%, South Cambridgeshire has 48% and Peterborough has 42%. In each district they show a younger age profile than all large local companies.

Table 3 – Market value, age and foreign ownership of large companies based in the six districts

DISTRICT	SAMPLE	MARKET VALUE MARCH 2018 (£,000)	INCORP PRE-1980	INCORP 1981-99	INCORP 2000-07	INCORP POST 2008	2016-17 % FOREIGN OWNED
Cambridge	Large	3,477,152	12%	39%	30%	19%	18%
	Indigenous	3,425,788	12%	35%	31%	22%	8%
South Cambridgeshire	Large	6,469,778	14%	42%	23%	21%	24%
	Indigenous	6,368,834	14%	38%	24%	24%	9%
East Cambridgeshire	Large	158,538	19%	30%	27%	24%	8%
	Indigenous	141,677	14%	29%	25%	32%	0%
Huntingdonshire	Large	623,145	13%	32%	31%	23%	27%
	Indigenous	623,145	9%	34%	31%	26%	10%
Peterborough	Large	89,652	32%	28%	18%	20%	19%
	Indigenous	89,652	30%	28%	17%	25%	9%
Fenland	Large	41,373	17%	31%	28%	25%	6%
	Indigenous	41,373	20%	23%	27%	30%	0%

Source: Dr Andy Cosh, University of Cambridge

Finally, the proportion of large companies that are foreign-owned today is shown in the final column of table 3. Fenland (6%) and East Cambridgeshire (8%) have the lowest proportions of foreign ownership of their large companies. The highest proportion of foreign ownership is in Huntingdonshire (27%), followed by South Cambridgeshire (24%), Peterborough (19%) and Cambridge (18%). As expected, the proportion of homegrown companies that are now foreign-owned is much lower. Fenland and East Cambridgeshire have none and the other four districts have between 8% and 10%.

APPLICATION OF THE CBR DATABASE TO PLANNING

The development of the CBR databases of businesses across the area allows those who plan for the future of the area to take a much more business and employment-focussed approach to growth. This is because it enables authorities to know exactly which businesses are employing people, rather than having to rely on high-level statistics, which may be retrospectively adjusted over time. This can drive informed planning of commercial premises, designed to match the demands of specific companies, and therefore with confidence in the number of jobs this will generate. This in turn can inform decisions

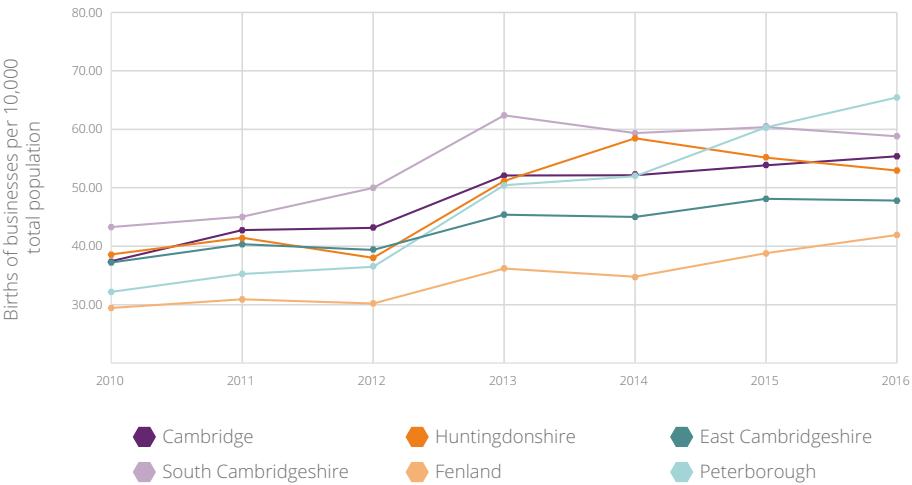
around location, quality, and quantity of housing. By letting business lead, rather than follow, the planning process, it is possible to design Cambridgeshire and Peterborough to be more business-ready.

THE GROWTH OF BUSINESS

The number of business births is a useful indicator for the vibrancy of the local economy. Figure 23 shows how these figures have changed between 2010 and 2016. Encouragingly, all of the districts have seen the rate of business births increase. Most striking is Peterborough, where this has more than doubled from 32.2 (per 10,000 population) in 2010 to 65.5 in 2016.

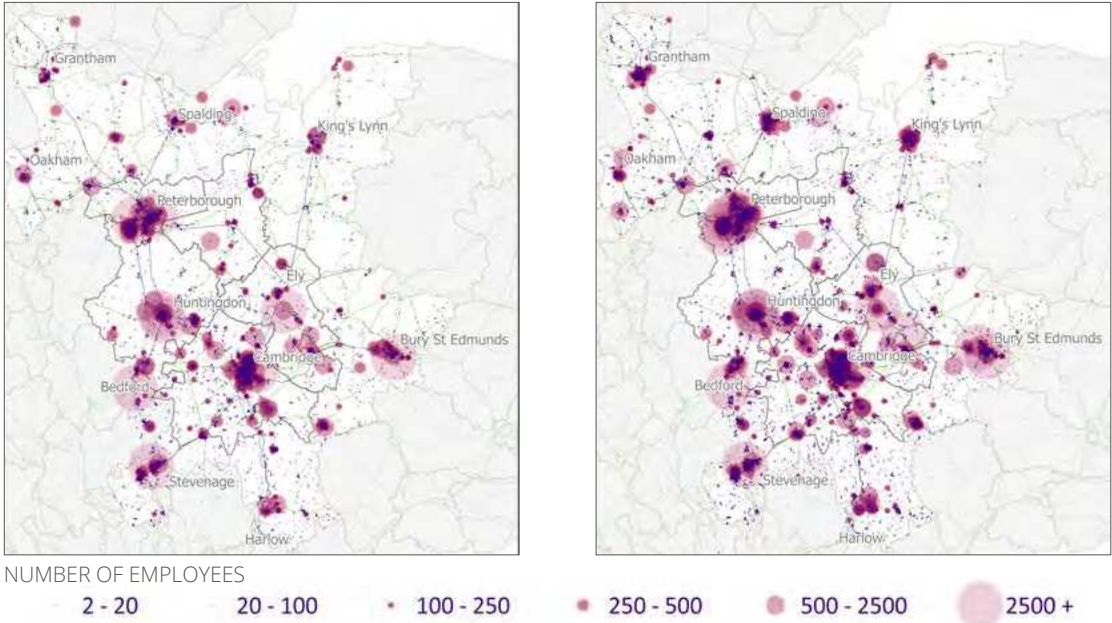
We can also see that these births are leading to a greater number and spread of businesses across the area.

Figure 23 – Births of businesses per 10,000 total population 2010-2016



Source: ONS Business Demography. Note that this data refers to where businesses are registered, which may not correlate directly to where its output is generated.

Figure 24 – Businesses across the area by number of employees, 2010/11 (left) and 2016/17 (right). Combined Authority area shown.



Source: Dr Andy Cosh, University of Cambridge, 2018. Contains Ordnance Survey data © Crown copyright and database right 2018. Notes: Location of businesses in 2010/11 based on 2015/16 (where available) or 2015/16 address due to data availability.

BUSINESS CULTURE

A distinctive feature of the Cambridge/South Cambridgeshire business environment is the large number of business networks that exist. These include the Cambridge Network, Cambridge Wireless (for technology businesses), One Nucleus (for life sciences), Cambridge Clean Tech, Agri-Tech East, and an innumerable amount of other networks, meetups and groups prevalent in the area. These networks have grown alongside the ‘Cambridge Phenomenon’ and have been decisive in its success. They support new companies by providing access to expertise and opportunities for collaboration.

Currently, this pattern of business networks is not replicated across the area. However, Peterborough City Council’s response to the consultation on this report states that:

Discussions with industry have revealed that the development of Manufacturing Association would particularly help drive productivity growth within that sector.

There may be, therefore, opportunities for other parts of the area to improve the generation of high-quality local businesses by establishing or fostering these networks.

Key Question: How can we create the conditions required for the development of sectors which will provide long term resilience for the local economy? What role should industrial policy play in this?

1.5 Human Capital

The term 'human capital' refers to "individuals' skills, knowledge, abilities, social attributes, personality and health attributes. These factors enable individuals to work, and therefore produce something of economic value"¹⁵. Human capital is a critical factor in economic production. One local government official consulted during this review stated that: "human capital is where the biggest potential for this area is". In this review we chosen to focus on skills and health in particular.

SKILLS

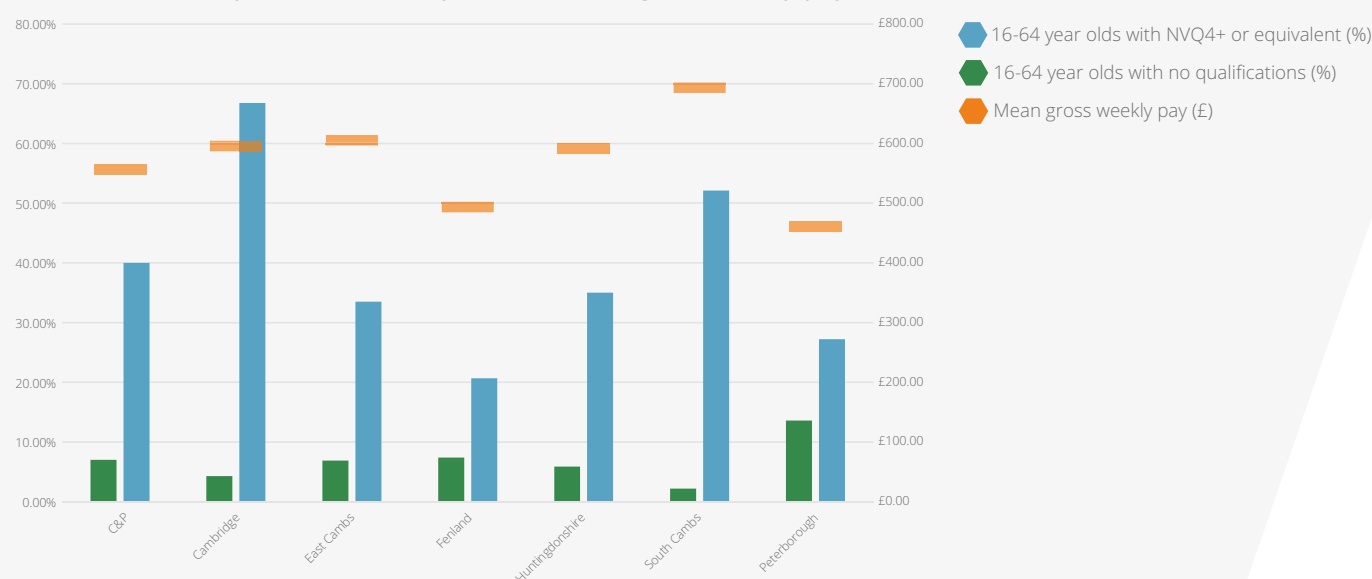
In a Centre for Cities study which considered the economic progression of every UK city from 1901 until 2011, it was concluded that "skills are the most important factor determining long-run urban success"¹⁶. Recent publicity around the slow growth of productivity in the UK has drawn attention to the extent to which a dearth of skills in a wide range of disciplines is hindering the UK's competitiveness and growth. The government has rethought its approach to adult skills recently and plans to bring in new T-levels (technical skills qualifications) shortly. One of the four key recommendations from the recent Made Smarter Review into how the UK could seize the opportunity of the digitisation of industry is "Upskill a million industrial workers to enable digital technologies to be successfully exploited"¹⁷. As disruptive technologies continue to transform our workplaces, sectors, and outputs, those areas which have the workforces to successfully integrate them into production will succeed.

Within Cambridgeshire and Peterborough, there are large differences in qualifications

held by individuals. Figure 25 shows that to the north and east of the county, there is a higher prevalence of individuals holding no qualifications – particularly in Peterborough, at 13.6%. This is as low as 2.2% in South Cambridgeshire. At the top end, there are also big differences – unsurprisingly, Cambridge has the highest proportion of individuals with NVQ4+ or equivalent qualifications, followed by South Cambridgeshire (52.1%). Fenland performs particularly poorly on this measure – only 20.7% of its population have this level of qualification.

The link to earnings for individuals can be clearly seen. Across the districts there is a strong positive correlation (0.66) between rates of NVQ4+ qualifications and earnings, and a very strong negative correlation (-0.88) between rates of individuals with no qualifications and earnings. There is therefore a strong priori reason to conclude that one of the main foci for improving economic outcomes, particularly in areas where they may be falling behind, is to improve skill levels.

Figure 25 – Proportions of individuals aged 16-64 with no qualifications and with NVQ4+ qualification of equivalent; mean gross weekly pay



Source: Annual Population Survey; ONS Jan-Dec 2016, Annual Survey of Hours and Earnings (ASHE) ONS 2016

¹⁵Human Capital Estimates – Office for National Statistics ¹⁶Centre for Cities: City Outlook 1901 ¹⁷Made Smarter. Review 2017

ORGANIC GROWTH OF SKILLS: EXAMINING THE LOCAL EDUCATION SYSTEM

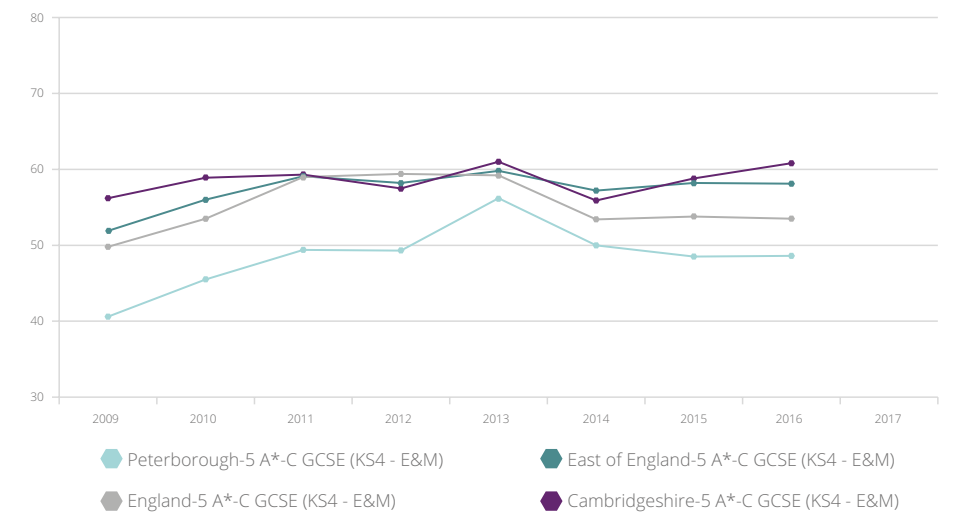
One very important element of this is developing the skills profile of the native population. Particularly in areas that have fallen behind, it is difficult to encourage highly skilled people into the area, as there are unlikely to be large numbers of highly skilled jobs. It is also possible that high skill levels in the south of the county may be driven more by individuals moving in than the development of local youngsters, meaning that high skill levels are disguising local educational shortcomings.

Educational outcomes across the county are variable. Data produced at a higher-tier authority level suggests Cambridgeshire is generally ahead of the England and East of England averages on various measures, while Peterborough is behind (see figure 26).

Fenland and East Cambridgeshire have been designated a Social Mobility Opportunity Area. This follows work from the Social Mobility Commission to assess the prospects of disadvantaged young people from every council area in the UK. These councils were then ranked – in the most recent analysis, East Cambridgeshire and Fenland ranked 241st and 308th out of 324 respectively¹⁸ (this an improvement on 2016's scores of 311st and 319th respectively). The delivery plan for the opportunity area has four priorities, one of which is to focus on raising the aspirations of young people regarding their final careers. Lacking aspiration is something which was noted as a problem by some councillors during consultation.

Other key actions include increasing teacher numbers. The struggle to recruit and retain teachers has been recognised as an increasingly acute problem right across the area. In a report by RAND Europe, it was noted that "teacher shortages are a real threat for Cambridgeshire"¹⁹. Various causes for this were identified. One was that in general, teachers in Cambridgeshire are paid less than the national average, with a pay distribution that is more skewed towards lower values. Additionally, expensive housing in some parts of the area and a larger than average proportion of jobs being part-time may be deterring teachers from beginning their career in Cambridgeshire. At the same time, there are higher rates of retirees than the national average, diminishing the overall population of teachers.

Figure 26 – % of Pupils achieving 5 A*s – C, including English and Maths, at GCSE



Source: Department for Education

Key Question: Where does the education system most need attention? How conducive is the wider environment (including early years schooling) to helping young people develop necessary skills?

There are many encouraging signs that the area is responding to the challenge of improving provision of education and skills. Examples of this include:

IMET at Alconbury Weald

iMET – which stands for Innovation, Manufacturing, Engineering and Technology – is a new educational institution that will open its doors in September 2018. A collaboration between Cambridge Regional College and Peterborough Regional College, it will have a business-focused approach to its skills training and is working with local businesses to develop its curriculum. This will cover a wide range of disciplines, including engineering, construction, manufacturing, life sciences, and IT and digital technologies.

The Thomas Clarkson Academy, Wisbech

The Thomas Clarkson Academy has gone through a difficult period with poor results and recommendations from Ofsted to improve. Some parents from Wisbech would send children out of the county to Lincolnshire and Norfolk for a better education, and staffing was often temporary. However, matters have recently improved – with better facilities, a completed first year with full staffing, and leadership driving towards improved results. The most recent report from Ofsted concluded

that it is “a rapidly improving school... Over the last year, new leaders have introduced policies and procedures which are beginning to have impact”²⁰. The sixth form is also noted as being good, giving confidence that school leavers will have useful skills for work.

Plans for a Peterborough University

Peterborough is the largest urban centre in the UK without its own university. This means that many young people leave the city to go on to higher education, and that the perception of the city is damaged. The council is now driving forward plans for a University. Thought is being given to how Peterborough University can find a ‘niche’ where it is especially strong, similar to Loughborough University, which has established itself as a centre of Sports Science expertise. This offer will be business-focused, creating a path where high-achieving young people can pursue an academic education and go on to stimulating work while remaining in Peterborough.

It is also encouraging to note that in Fenland and East Cambridgeshire, there is a higher than average level of apprenticeship take-up; however, there are currently no degree-level apprenticeships on offer in the area²¹.

HEALTH

Promoting health and wellbeing for all raises employment, reduces child poverty and poverty later in life, and raises growth in productivity. According to one report²², which measures the number of ‘impairment days’ where productivity is reduced for health reasons, the least healthy 20% of employees generate 45.4 impairment days for their companies.

High levels of ill health cause staff absence, which has costs for business. What is being increasingly recognised is that employers face significant costs due to presenteeism – employees being at work but unable to function to maximum capacity because of the work environment, poor managerial relations, or unsupported poor health. Thought to be an even greater problem than sickness absence, presenteeism affects business performance on productivity, quality and safety. It is often concealed and unrecognised, mostly revealed through workforce surveys, and difficult to measure objectively.

The direction of causality, between good health and good work, is not one-way. There is also clear evidence to show that being in work can positively impact health. Employment (so long as it is of sufficient quality and security) can provide an important source of income, social contact and a core role, identity and purpose. On the other hand, unemployment is associated with an increased risk of mortality and morbidity, including limiting illness, cardiovascular disease, poor mental health, suicide and health-damaging behaviours.

Clearly, within Cambridgeshire and Peterborough, there are health issues which weigh on productivity. In particular, research has shown how districts with worse economic outcomes tend to have worse health outcomes. Almost two-thirds of Cambridgeshire and Peterborough adults carry excess weight, with higher levels than found nationally in East Cambridgeshire and Fenland. Peterborough and Fenland have significantly higher levels of obesity in those aged 18 and over than found nationally. While adult smoking across the area is around the national average, it is higher in Fenland. “Levels of disability and general ill-health are generally low in Cambridgeshire but are higher in Peterborough and also the Cambridgeshire district of Fenland”²³. There are some areas where the trends are different – self-harm, for instance, is notably higher in Cambridge City.

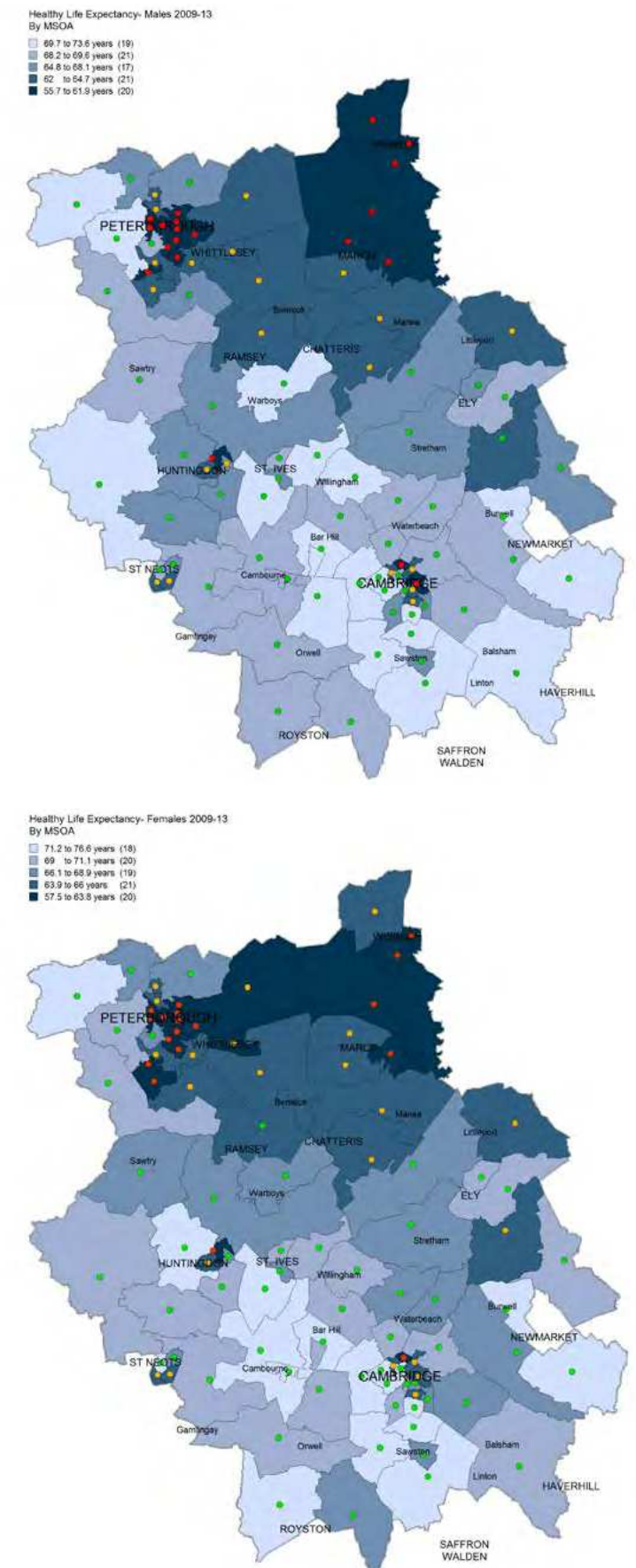
These discrepancies can be seen most strikingly when life expectancy is considered. The maps in figure 27 show healthy life expectancy rates – that is the number of years a person can expect to live in good health – for males and females, with darker blues showing worse outcomes, and the green/amber/red dots showing whether these are significantly better, roughly the same, or significantly worse than English averages.

Concerningly, in some areas the healthy life expectancy age is below the pension age, meaning poor health has a direct impact upon the supply of labour to the economy.

The Commission will continue to explore these themes to understand how they are impinging upon economic success for all across Cambridgeshire and Peterborough.

Key Question: Where can we see poor health outcomes affecting productivity? Which businesses are exemplars at improving health outcomes for employees? How can lower life expectancy outcomes be improved?

Figure 27 – Healthy life expectancy for males (top) and females (bottom) across Cambridgeshire and Peterborough



Source: Cambridgeshire and Peterborough Public Health Intelligence Team



1.6 Cambridgeshire and Peterborough Futures

As previously noted, Cambridge Futures was the name given to a collaborative exercise conducted at the turn of the 21st century, when Cambridge was trying to decide what sort of city it wanted to be. This examined different options for development in Cambridge and framed the ensuing debate.

The creation of the Cambridgeshire and Peterborough Independent Economic Review makes this an apposite time to extend this work to the wider area of the Combined Authority and help bring the Cambridge work up to date. The economy has evolved, and as already noted, pressures in areas such as housing and congestion are much more visible than at the time of the original study. Further, the city of Cambridge does not exist in a vacuum; and there are clearly knock on effects across districts according to how development occurs.

The Commission also hopes that this work will help people to think about the future they desire for their locality. It is to empower people by showing realistic options that can be taken. It is to help people understand where there are trade-offs and encourage informed debate between those with different perspectives. Lastly, it should encourage citizens from different parts of the area to consider their future together, recognising themselves as part of a broader network, where success of the whole can entail success for all.

For this, the interim report, we only set out the 'base case' of what we expect to happen given current development in Cambridgeshire and Peterborough, taking account of proposals in local plans, produced by councils. For this 'base case' the modelling assumes no further

housing beyond that proposed in the plans, although it includes the build out of the remainder of the planned new settlements. This raises some challenges for the area, as will be clear. In the final report we will analyse five scenarios for the future of the area, using the model to discover the likely outcomes arising. This will inform recommendations from the Commission about how development should be carried out, and what infrastructure is likely to be needed to position the area well in future.

HOW IT WORKS: THE MODEL

The model which drives the analysis is an advanced land use and transport model. It incorporates the prices, rents, environmental amenity and consumer wellbeing of different locations to predict the demand from residents and businesses to be in a certain area. The philosophy that underlies the model remains the same from the previous Cambridge Futures modelling, but it has been updated in almost every aspect to include more sophisticated behavioural assumptions. The basic modelling approach used for this model was recently subject to an Impact Case Study by the UK's Research Excellence Framework 2014, in which it was noted that: "[it] has been used extensively by the UK Government in LASER (London And South East Area) model for London Crossrail, Thames Gateway, Congestion Charging, and has become the core of the DfT National Transport Model."²⁴

The model is conditioned under the assumption of development as currently planned. The model's outputs are wages, business costs, household numbers, household occupancy rates (an index

capturing the average number of people living in each area relative to the number of dwellings), rents, and commuter numbers. The main horizons for the model are 2021, 2031, 2041 and 2051.

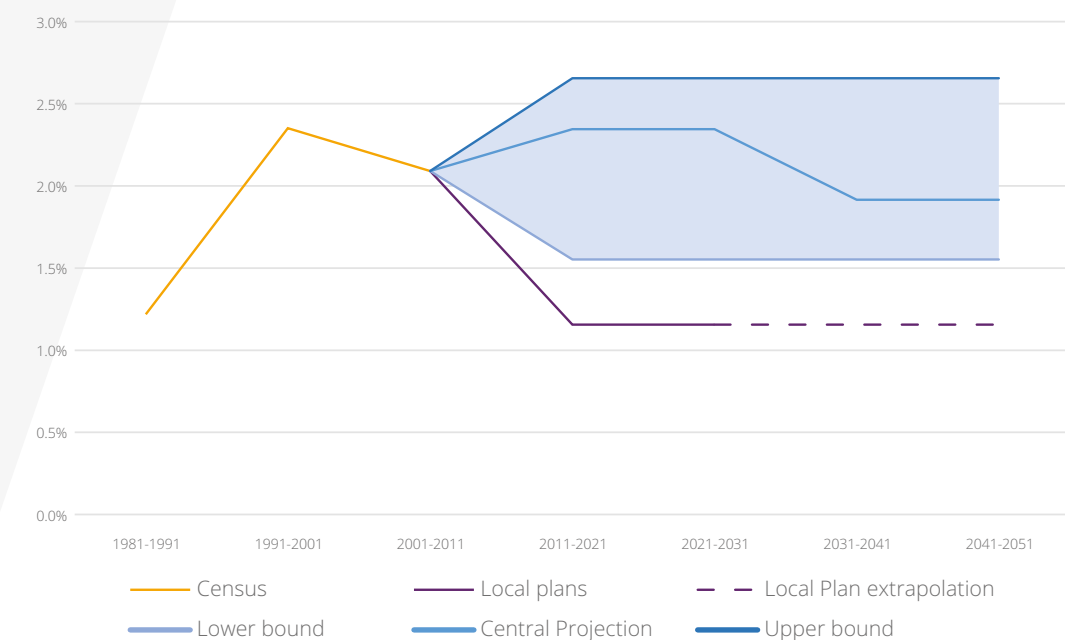
The model is driven by employment growth. As the number of employees grows, the demand for housing, and the pressure on transport systems will increase. The model is run for four possible employment growth scenarios:

1. Local land use plans – to create land use plans, councils make assumptions as to how employment will grow. This run captures these assumptions, with an extrapolation to 2051.
2. Employment Growth – lower bound. This projection is a continuation of the 1981-2016 trend of employment growth, which therefore does not give special weight to more recent high-levels of employment growth.
3. Employment Growth – upper bound. This projection is a continuation of the 2010-2015 employment growth trends according to recent CBR data.
4. Employment Growth – central projection. In recognition that recent growth rates have been exceptional (and have been accelerated by construction of new science parks and premises) this run models, at first, continuation of recent CBR growth rates, but then a gradual return to long term ONS growth rates.

INITIAL FINDINGS

The different employment growth rates implied by these scenarios are shown in figure 28.

Figure 28 – Cambridgeshire and Peterborough yearly employment growth rates – Actual, and projected

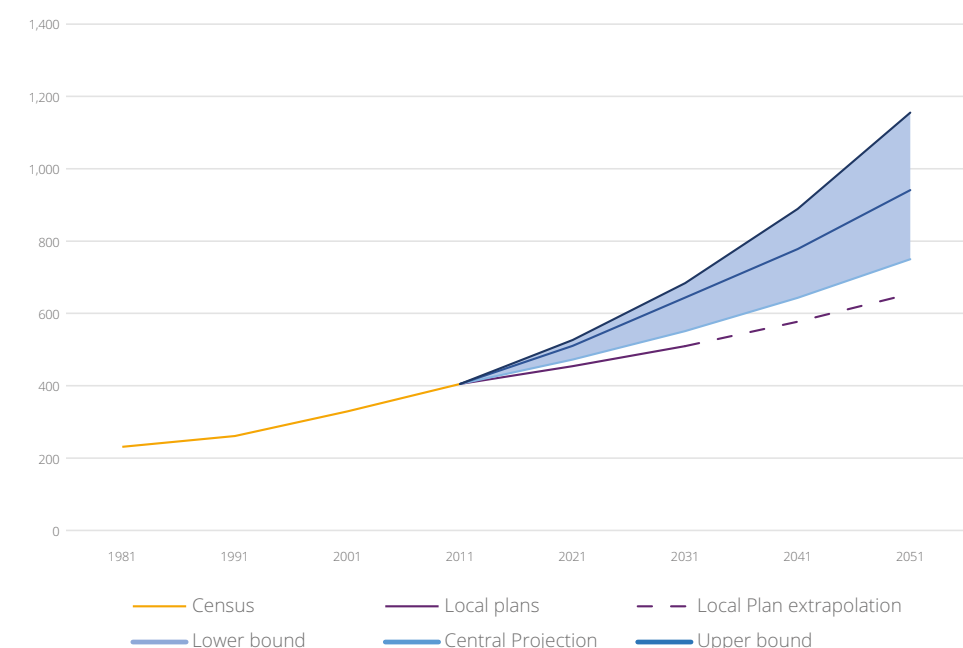


Source: Dr Ying Jin, Department of Architecture, University of Cambridge

As an early indication of where the area may need to adjust for this growth, the rates of employment growth anticipated in local plans are lower than the lower bound of our projections. The gap is particularly wide if the 2010-15 growth trends continue.

The corresponding effect on number of employed persons is shown below:

Figure 29 – Employment projections for Cambridgeshire and Peterborough – 000's of people



Source: Dr Ying Jin, Department of Architecture, University of Cambridge

²⁴<https://impact.ref.ac.uk/CaseStudies/CaseStudy.aspx?id=23292>

HOUSING RENTS

The research so far suggests that in Cambridge, South Cambridgeshire, and East Cambridgeshire, should recent high employment growth continue, the effect of rising rents will be significant. If this is correct, local plans will need to take account of the available evidence of population growth and housing need as they are refreshed in the coming years.

COMMUTING

Another impact of increasing employment numbers is that the weight of commuting is forecast to worsen, especially in Cambridge. This is due in part to a mismatch between where housing is expected to develop (in general, more to the north of the city, where there are brownfield sites) and where jobs are expected to be on offer (as shown by growth in business floorspace, which is forecast to be evenly spread around the city).

If that is correct, the result would be that more people will commute across Cambridge, making an already bad problem worse. If employment grows at the rates envisaged by the local plans, by 2031 there will be 32% more in-commuters in 2031 than in 2011. However, if employment growth continues at recent high rates, this could be as much as 82%. It seems unlikely that the current transport system could sustain these levels.

The modelling has not at this stage tested specific transport improvement as schemes or projects. Instead, the model has assumed that transport improvements and travel demand management measures will be in place to maintain the current average speeds of travel door to door.

In the other main city of Peterborough, population growth could put considerable strain on the road network, especially at junctions e.g.

as demonstrated by the congestion effects on the Nene Parkway after a move of a headquarters office within the city.

WAGES

It follows that, if house prices and rents increase in some areas, and heavier commuting leads to extra delays, the wages demanded by workers to compensate for these difficulties would increase in those areas. The work done so far suggests this would be particularly acute in Cambridge, South Cambridgeshire and East Cambridgeshire.

INITIAL CONCLUSION

Based on the preliminary analysis, it seems that Cambridge and South Cambridgeshire will be unable to maintain their present growth given current infrastructure and housing plans, and we see this start tailing off as house prices, office rents, and congestion make the area too costly a place to live and do business. This is not a criticism of local plans – indeed, these have been recognised as relatively very proactive. Rather, it is brought about by the unusually high rates of local growth. The other parts of the area do not seem to face a strain that is as systematic, but strains and bottlenecks may emerge as they face growing pressures.

All else remaining equal, this would suggest that the Combined Authority's target of nearly doubling GVA will be at risk, as the largest economy is expected to start to falter in the foreseeable future. In the final report we will look at the kinds of approach to development that will be required to prevent this from happening. Alongside taking steps to raise the growth potential of other areas of Cambridgeshire and Peterborough, it will be necessary to invest in the infrastructure of the main current economic driver of the area.

FUTURE WORK

In the final report, we will examine how alternative approaches to the development of Cambridgeshire and Peterborough could lead to different results. The five scenarios we are going to look at are designed as distinct options for the purposes of informing the debate:

- Densification – where new jobs and housing are delivered in existing urban areas, particularly around fast public transit hubs
- Fringe Growth – where development spreads outwards from current sites in high-demand locations
- Dispersal – where development happens away from the two cities and the current suburban growth spots in South Cambridgeshire
- Transport Corridors – where development is planned as clusters along key public transport corridors
- Deeper Digital Transformations – where autonomous vehicles as well as more flexible work patterns lead to alterations in demand for housing, business premises, and transport

These scenarios will guide the Commission in understanding what approaches may work well, or less well, in the shaping of the Cambridgeshire and Peterborough area, helping it make informed and objective conclusions in its final report.



Perspectives On The Future Of Cambridgeshire and Peterborough

2.1 Introduction

In the previous section of this report we set out a summary of the wealth of data and analysis available to us on the economy. But the Terms of Reference require the Commission to take a view on a range of policy issues more wide-ranging than can be captured by data. The Commission's approach is evidential wherever possible, but we must also listen to the views of the people of the area, its businesses and local and other public authorities.

The data presented in previous sections make it plain that all of Cambridgeshire and Peterborough is growing, though different historic trajectories have meant some areas are working from a much lower base. The 'Cambridge Phenomenon' has delivered consistently strong levels of growth for decades in the south of the area, but the industries which have driven this haven't spread to the north in significant measure. In this sense, it could be argued Cambridgeshire and Peterborough acts as a microcosm of the UK as a whole in that it is growing, but in some senses growing apart as well as together. To fulfil the terms of reference for the Review, therefore, the Commission needed to understand the extent to which Cambridgeshire and Peterborough itself agrees with this view and – to the extent it

does – what peoples' understanding is of what is driving change and how it manifests itself. The way Cambridgeshire and Peterborough is growing presents a range of opportunities, but in our view it also poses some very particular challenges. It is important that we take stock not just of what these are but of the plans and policies in place or under development to understand where Cambridgeshire and Peterborough stands on these issues and to help us frame our response.

This section sets out a summary of what we have seen and heard over recent months from the people and businesses as well as the local and other public authorities of Cambridgeshire and Peterborough. Here we use the more than fifty responses to the call for evidence we issued in January as well as the findings from the roadshow we undertook in February and March, talking with the leadership of each Local Authority, a discussion with the Combined Authority Mayor and with a range of other organisations and individuals.

The key issues are set out below grouped around a series of themes, starting with the very nature of the economy of Cambridgeshire and Peterborough itself.

2.2 The Economic Geography of Cambridgeshire and Peterborough and the Nature of Growth

As the data considered earlier established, there is a clear finding from consultation that Cambridgeshire and Peterborough is far from being one area. To create a series of foci for analysis and policy, we think it is best to look at the area broadly as three sub-areas: Peterborough, the fens and the wider Cambridge area. There is no evidence for a contrary view in the consultation, even if the precise identities we have sought to define are more implicit than clearly explicit in the responses and discussions. What is more interesting is how respondents to the survey understand these differences. The University of Cambridge commented:

Given the complementary strengths of Peterborough and surrounding rural economies such as that in Fenland, Cambridgeshire as a whole is therefore well poised to play a crucial role in local, regional, and national priorities. It has the potential to lead on the grand challenges of the industrial strategy, such as those focusing on Artificial Intelligence, Big Data, and Clean Energy – all of which already have a significant footprint in the Cambridge ecosystem.

This response typifies the sense of optimism on the possibilities for the Cambridgeshire and Peterborough area. This has been couched in terms of the possibilities of transport connectivity, as in Peterborough, as the City Council noted:

Improved connectivity to surrounding market towns would help to boost

economic growth within those towns and provide residents with greater economic opportunities. Public transport between Peterborough and the surrounding towns, and between those towns, is poor, particularly in Fenland. This not only limits options for residents on low incomes but can act as a barrier to education for young people wishing to take advantage of Further and Higher Education Provision.

Or, in the response from the Citizens Advice Bureau in relation to the need for inclusive growth:

New housing development and expansion of existing communities are an essential element in raising economic growth. However, the recent emphasis on creating the hard infrastructure (the houses, roads etc) without also focusing, at the outset, on the need for accompanying soft infrastructure has certainly led to problems. Families and lone parents can find themselves in large new estates, isolated, often with difficult or expensive public transport. The soft infrastructure, creating community groups, providing access to advice must be included from the outset and we can help in that process, particularly if we are involved early in the planning of future developments.

The suggestions for what is needed are necessarily couched, either explicitly or implicitly, in the conditional. Transport investment is vital to sustain, and in some cases to create, vitality in Cambridgeshire and

Peterborough's market towns. Successful communities are a prerequisite for this success, and would surely flow from it, but choosing the right infrastructure programmes is important. A sense of prioritisation will be needed if the economic geography is to be developed in an affordable and timely manner, while there are finite limits on the power of planners and politicians to foster successful communities.

The clear view from the consultation, including comments from AstraZeneca, Anglian Water and Cambridge Innovation Capital and from our various meetings, is that there is the potential for benefits to flow across the area, but that the factors that make different parts of the area successful are very specific indeed. In our view, with the likely limited resources at play in the area, a careful analysis of relative priorities will be needed if public and private investment in transport and other measures is to turn the potential of Cambridgeshire and Peterborough's economic linkages into reality.

Similarly, the challenge of inclusive growth is one with which the whole country is wrestling. Are growth and inclusion in tension, or can they be complementary? Increased interest in inclusive growth has stemmed from the observation that large parts of the UK have not felt the benefits of growth. The Cambridgeshire and Peterborough area is no exception. The first question is whether this is inevitable – i.e. is exclusion the price we pay for growth? On the one hand, it seems some aspects of the Cambridge/South

Cambridgeshire cluster will not be replicable around the area – it is the very proximity to expertise that means businesses will pay extremely high rents to be there, and this is self-perpetuating. However, this cluster has many business needs which do not need to be serviced from “next-door” but could still helpfully be served from nearby. These include resources, materials, and back office services. In some areas there are good examples – for instance, Huntingdon's production of composites. In order to seize these opportunities, though, it is necessary that there are sufficient ‘intermediate-level’ skills – not at the level of expertise needed for Cambridge's advanced research, but sufficient to create the sophisticated products and services that these industries require.

There is one further notable aspect of economic geography. This review concerns Cambridgeshire and Peterborough. Whether in recognition of wider economic linkages or otherwise, a range of responses make clear the linkages outside the review area. The fens stretch for miles beyond Cambridgeshire, while Peterborough still stands as a vital gateway between East Anglia and the Midlands and the views of many in Cambridge is that it is integrating more into a wider South Eastern economy. We therefore need to bear in mind that not every solution to the challenges or opportunities of different parts of the area lie within it. Indeed, in some cases the costs of doing so may already be prohibitively high compared to alternatives. Similarly, several of the Cambridge responses made clear that, whilst the benefits of technological development in Cambridge are applicable to the area, many of the economic linkages from the city are already with other research centres, in Oxford, London or northern cities and further afield.

2.3 The Role and Scope of Industrial Policy

The best companies in Cambridgeshire and Peterborough are some of the best in the world. There is an enviable foundation to build on to enable every part of the area to fulfil its potential. The Combined Authority, supported by the Local and other public Authorities will have to forge a new approach to achieving this, with and for the benefit of the businesses and people of the area. One of the most important roles of the Commission in our view is to frame what this approach should look like.

Views on the role and nature of Industrial Policy in the UK are changing. Decades in which liberal market policy have been the main, if not sole, basis of policy are giving way to very different views across the political spectrum, with a reappraisal of the role of government. Most relevantly, the Government's recently released Industrial Strategy²⁵ sets out a new and more ambitious agenda for purposeful action based on strong partnership between the private and public sectors. Cambridgeshire and Peterborough must capitalise on this.

Members of the CPIEC were involved in the recent national Industrial Strategy Commission²⁶ and, as we approached the consultation with local partners, we had its approach to industrial strategy in our minds. It set out seven strategic goals which are consistent with but range more widely than the Government's approach:

- Industrial strategy should be understood as a broad and non-partisan commitment to strategic management of the economy.
- The UK economy has many strengths and areas of opportunity, but the reality must be accepted that it also contains many

sustained weaknesses. The government should commit to addressing all of the weaknesses through strategic economic management.

- The new industrial strategy must be designed with a comprehensive understanding of the state's unique powers of coordination and convening, and its ability to pool risk, create markets and provide public goods.

- Comprising a long-term and viable industrial policy framework, the strategy should be built on seven foundational themes: a new institutional framework; place; science, research and innovation; competition policy; investment; skills and the state's regulating and purchasing power.

- The UK needs significant cultural change in policymaking so that the new industrial strategy does not become paralysed by risk aversion and short-termism.

- The new industrial strategy should embrace technological change and seek to capture the benefits, but a critical perspective to occasionally overstated claims is always necessary. It should recognise the state's essential role in driving technological innovation, and focus on diffusion, as much as disruption.

- A new strategy should have an ambition to achieve positive outcomes and make material differences to people's everyday lives, and not confine itself to a few 'sector deals'.

As we have assessed the feedback from the consultation and our other meetings, we have

asked: is this a valid approach to Cambridgeshire and Peterborough, what are the opportunities and barriers in the area, and how can we start to identify the approach that will work best?

In our view, this general approach is valid (though we would welcome views). We intend it to underpin our work in the months ahead. Emerging from the consultation responses and our meetings, a series of themes emerge.

EXCELLENCE THROUGHOUT CAMBRIDGESHIRE AND PETERBOROUGH

There is excellence throughout the Cambridgeshire and Peterborough area. Though it may no longer be the largest employer in Peterborough, Perkins Engines, now a subsidiary of Caterpillar Inc, remains one of the leading manufacturers of diesel and gas engines in the world.

On a smaller scale, but of great interest to the Commission, is Stainless Metalcraft Ltd based in Chatteris in Fenland. It has won awards for its work investing in the skills of its workforce to develop cutting edge products for the nuclear, health and technology industries, including making parts for the Large Hadron Collider at CERN. SpiroTech SRD, an engineering company specialising in the bulk handling industry, is a shining example of a local company which has gone from strength to strength, with a 40,000 square foot factory in Sawtry, and now a further division in York. Hotel Chocolat is based a road's width outside the Cambridgeshire area in Royston. Nonetheless its entire manufacturing operations take place just outside Huntingdon, with its distribution centre at St Neots. Of course, the major generator of wealth in the area is the Cambridge and the southern part of the area with its world-class clusters of bioscience, pharmaceutical and technological companies.

SPECIFICITY

The research findings considered earlier sought to establish how specific the nature of growth in the Cambridgeshire and Peterborough economy is: how rooted it is in the places where it occurs as well as how far it is genuinely additional to the UK economy.

The consultation we have undertaken tends to support quite strongly the view that the location decisions of businesses across the area, including all those listed above, are highly specific to their needs and difficult (if

not impossible in many cases), to influence in the short term. Businesses locate where they choose to for a variety of reasons, some of which relate to the proximity of other important factors such as research and talent. In some cases they are simply a matter of history that cannot be circumnavigated.

CREATING THE RIGHT CONDITIONS EVERYWHERE

Over time, the objective of Cambridgeshire and Peterborough must be to create the conditions across the area such that businesses will tend to choose to locate their activities on a more geographically distributed basis. In the paragraphs below, we consider some of these vitally important factors such as transport, skills and housing.

The question for industrial policy is what it can do to add to the general policy interventions to catalyse the process of change.

EXISTING INITIATIVES

The legacy of Regional Development Agency and local investment over recent years is seen throughout the area through the active engagement of businesses in every sector in a variety of different institutions and policy initiatives aimed at improving economic performance. Some of these are highly local such as the Cambridge Centre for Science and Policy, some of them are pan-regional such as the National Centre for Food Manufacturing in Lincolnshire, which serves the whole of the agriculture sector. Many, particularly those in Cambridge related to academic-related business spin outs, are national or international in orientation. These nationally funded and internationally renowned bodies include the Babraham Institute and One Nucleus. We were interested to find out how much of this kind of activity is state-funded and how much is the product of entrepreneurs leading the development of skills, innovation or other industry developing activity. The pattern is not wholly clear, but suffice it to say that there is considerable existing private sector activity and engagement. We are interested in finding further examples of excellence, particularly those that can be scaled up.

GETTING THE BASICS RIGHT: THE EXAMPLE OF BUSINESS PREMISES AND FINANCE

One of the most basic issues in industrial policy is the provision of sites and premises

for business. This ranges from having large sites with specialised technical equipment down to the smallest incubators, so that location decisions which could lead to the loss of business are not aided by lack of available, affordable and suitable accommodation.

The responses to the consultation on this issue were interesting. In some areas, particularly Huntingdonshire, there was a very clear analysis of what is needed and of some of the potential problems given current market conditions. In terms of need:

Identifying, planning to accommodate and supporting the development of new opportunities including Industry 4.0. This involves de-globalisation, on-shoring of suppliers (Cooke, 2018) and means it's critical that sufficient commercial space is made available in proximity to Cambridge to allow for Industry 4.0, pioneers in 'crossover' innovation 4.0 platforms and suppliers to co-locate. Market pressure on commercial land allocations for distribution and warehousing should be resisted to ensure sufficient capacity for the development of Industry 4.0 automated manufacturing processes which in many cases will be space consumptive, but low job density, so will not bring additional pressure to housing demand.

Both in the Huntingdonshire response and in the St. Neots Masterplan there is clear concern about the need for planning policy to ensure that economic capacity is not lost both to distribution as above, and, as discussed in the St. Neots Masterplan, under the weight of pressure for housing development via changes to the Permitted Development Rights introduced in 2017. These allow for the conversion of light industrial to residential use without planning permission:

A concern is the substantial market pressure aimed at conversion of commercial and industrial land use to residential. For example, a 2.6ha industrial property on Cromwell Road in the primarily industrial area is being marketed as potential residential development. To limit manufacturing loss and therefore a stalling of the Masterplan for Growth, a review of the St Neots Neighbourhood plan should be carried out to examine how it can help to protect the existing industrial land and buildings during a period of stabilisation, growth and transformation.

²⁵https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/664563/industrial-strategy-white-paper-web-ready-version.pdf

²⁶<http://industrialstrategycommission.org.uk/wp-content/uploads/2017/10/The-Final-Report-of-the-Industrial-Strategy-Commission.pdf> Quote taken from P4.

These issues are undoubtedly found elsewhere in Cambridge and Peterborough, though no other respondent raised the issue. What the consultation did highlight was a potential lack of analysis on the state of the market and the availability of suitable premises. Within the Cambridge area one response argued as follows:

We have the space to accommodate expansion and the international connections to be the global hub for ideas, research and innovation.

Another, also in Cambridge, noted that there is a:

Shortage of office and incubator space. The East of England currently has fewer incubators per 1000 new businesses than any other UK area - lack of available office space has pushed up commercial prices for following companies by almost two thirds since 2007.

As the response from Peterborough City Council argues similarly to the latter point, the balance of argument is probably with there being a lack of potential space as this is something that is also felt in that city, as set out in the Peterborough response:

A major factor constricting business growth is the lack of availability of good quality serviced offices and grow on space.

If this analysis is correct, a point on which we would welcome views, this would be illustrative of what is found elsewhere in the country in that there is a lack of clear evidence of the supply and demand for business premises or a programme to ensure that needs are met appropriately in every part of the area. More positively, the new Enterprise Campus at Alconbury Weald was noted, which will be accompanied by its own station, and offer 100% business rate discounts and superfast broadband to companies which establish themselves there. This is a positive example of rising to the challenge of providing modern and flexible working space for business.

There was very little reference to finance for business in the consultation responses indicative of a sense that this isn't a burning issue at present for the private sector in the Combined Authority area. Here too, views would be welcome, especially with regard to start-ups of high-tech firms.

Key Question: How much is a lack of available premises hindering business growth? Similarly, is access to finance a significant problem?

NEW IDEAS: EXISTING AND POTENTIAL

We were encouraged that in the responses to the consultation there were interesting and potentially important suggestions for industrial policy initiatives which could help to stimulate the private sector growth. These included the suggestion from Stainless Metalcraft Ltd for an advanced manufacturing centre in Fenland. We would be interested to know more about the proposals for Technology Institutes which came from Cambridge University Health Partners, and would be particularly interested to talk further with Peterborough about the idea for a Manufacturing Association, particularly if it were to help local and regional manufacturers to improve productivity and achieve excellence.



2.4 The Social Inclusion Dimension to Growth

The need for inclusive growth has assumed particular importance over recent years particularly in light of the Brexit referendum and the sense that some places and people have been “left behind” in the way the economy has grown.

Cambridgeshire and Peterborough is far from immune from this problem. As the Police and Crime Commissioner says in his submission:

Any economic strategy needs to clearly incorporate people and place, making sure that any policies do not have the unintended consequences of excluding populations or worsening inequalities.

The Police and Crime Commissioner, along with other respondents, cites the Centre for Cities Outlook 2018 which, as in 2017, found Cambridge to be the most unequal city in the UK.²⁷

Key Question: How can Cambridge lose its unwanted accolade of being the most unequal city in the UK? How can we tackle inequality and deprivation across the Cambridgeshire and Peterborough area?

The Citizens Advice Bureau response notes that investment in development in places can often overlook their social needs and the need for communities to remake themselves in new developments if the ill-health-inducing effects of isolation and lower levels of social capital are to be avoided. Public Health England argue, we think correctly, that these social issues are neither purely local nor trivial for this Review. This is because they contribute to lower health and wellbeing across economies; in a point raised by the CAB:

Good worker health contributes to high productivity and successful enterprises, which in turn supports economic prosperity, and the social wellbeing and welfare of communities.

Referencing the work of Michael Marmot, PHE make the point that lower economic activity rates, high levels of benefit, mental health and other issues arise less from the performance of the health and care sector (important as this is) and more from wider social issues.

The health data considered in Section 1 highlight the extent of these issues and how disproportionately they affect not just the individuals and families concerned but the whole character and sense of wellbeing of the places where they are concentrated. These issues are of great importance to the people who live there, as well as to ensure the places are not unduly affected by concentrations of disadvantage, and to ensure that everywhere in the area is able to fulfil its potential.

We noted earlier that the basis of a successful industrial policy requires a functioning health and care system. As PHE note in their response and in their “Health and Wealth” report²⁸, the most important aspect of the health and care system in this regard is the need for investment appropriate preventative, long-term provision which tackles the social determinants of health at source. We would welcome further views on this issue and how Cambridgeshire and Peterborough should tackle it as we prepare our final report.

²⁷<http://www.centreforcities.org/reader/cities-outlook-2018/>

²⁸https://static1.squarespace.com/static/55e973a3e4b05721f2f7988c/t/5a3252e88165f59567b6bca5/1513247469817/Metro_Dynamics_PHE_Health_%26_Wealth.pdf

2.5 Human Capital: Education and Skills, the Role of Higher Education and Migration

The social dimension to growth in the previous section essentially concerns the way in which the economy interacts with the population. The most important part of this relationship concerns human capital: the education and skills of the workforce.

We received a variety of views from the consultation and stakeholders on the views of schools, further education, and higher education.

THE SCHOOL-AGE EDUCATION SYSTEM

The school system of Cambridgeshire and Peterborough has mixed but generally positive features. Cambridgeshire generally over-performs relative to UK averages but this is skewed by strong relative performance towards the south of the county, with poorer outcomes in Fenland and East Cambridgeshire. Peterborough also suffers relative disadvantage, and faces the challenge of large numbers of schoolchildren who don't have English as a first language. In Cambridgeshire, a Fenland and East Cambridgeshire Opportunity Area Programme has been established as a means of improving outcomes in these areas.

Perhaps one of the most surprising and consistent findings of the consultation we undertook with local authorities was that there is a sense of dissatisfaction with educational outcomes even in areas of Cambridgeshire which perform well in statistical terms.

A comment made frequently to the Commission is that the school education system of the area is not fit for purpose. Given the relatively positive performance

figures, in further discussion with stakeholders we ascertained that the greatest concern is for those not achieving good GCSE results and the extent to which these young people are ill-equipped with the skills for the world of work. This is something on which the Commission would welcome views in the period ahead.

One issue on which we received very little feedback was on the fitness for purpose or otherwise of the pre-school education system and the impact of the wider social determinants of educational performance on later school attainment. The Commission welcomes further views on this issue.

THE SKILLS SYSTEM AND VOCATIONAL TRAINING

Many of the responses to consultation raised the issue of skills. In several areas including St. Neots and Fenland, employer surveys and engagement revealed widespread discontent among businesses with the skills system, something echoed in Peterborough and in Huntingdonshire in relation to the lack of incentives for schools to provide accurate information that enables young people to make decisions on their vocational education and training.

The need for high-quality education and training provision, particularly in relation to vocational skills, was highlighted by many respondents, including in Greater Cambridge, as a key means by which inequality can be alleviated, with considerable concern that current arrangements do not lend themselves well to achieving this.

Previous analyses of skills nationally such as the Leitch Report²⁹ have established that some skills issues can be a product of low employer investment. However, even in the high performing Cambridge economy, key stakeholders have commented to us on the lack of fitness for purpose of the school system:

As part of an effort to address this issue, the complexity of skills provision needs to be addressed. There are currently more than 600 skills providers in Cambridgeshire with very little coordination or signposting for users.

In discussion, the Mayor and Local Authorities noted with some frustration that, as in other areas with devolved governance, negotiation of devolution of responsibility for education and skills had been met with strong resistance by central government, leaving little space for local discretion.

HUMAN CAPITAL AND MIGRATION – THE BREXIT DIMENSION

Many respondents who referenced skills made a direct connection between the need for a significant and rapid improvement in the level of skills training and the expectation of a lower supply of skilled labour arising from Britain's exit from the European Union:

We would like to see a joined-up approach to apprenticeships rather than the current arrangements which, despite the goodwill and hard work of individuals, does not meet the critical mass which is required in a future where the life science industry will be affected by Brexit.



This response came from Cambridge University Health Partners and reflects concern well beyond the relatively lower skilled and low-paid agricultural sectors on the link between skills and migration. We note that in some responses (the St Neots Masterplan being one example) a particular concern over lack of training provision sees this issue not just as driving international migration but also higher than necessary levels of commuting as employees cannot source local labour.

The consultation revealed excellent local action which can be built on including the Accelerate East umbrella skills partnership, proposals for an apprenticeship hub in Peterborough and the iMET campus in Huntingdonshire. Despite these and other positive developments, these consultation responses accord with concerns about the skill system expressed in many local areas and is one we will return to in the final report. Views would be welcome on this issue.

UNIVERSITIES AND HIGHER EDUCATION

Cambridgeshire and Peterborough is lucky to have one of the most successful universities in the world in its area. Cambridge University, in addition to its educational excellence, is a major employer with some 12,000 staff, and has secured some £1.6 billion in follow-on funding for University spin outs in the last 20 years, spawning nearly 5,000 knowledge intensive companies in the area. It is also a major investor in the future development of the area with its project at Eddington alone worth £1 billion, leading to the creation of more than 3,000 homes as well as retail, community centres and research space.

The area also has Anglia Ruskin University, also based in Cambridge, which, in partnership with Peterborough Regional College, has created the University Centre Peterborough.

Despite this enviable level of provision in a single area, access to higher education is uneven across Cambridgeshire and Peterborough and the educational attainment figures for areas relatively close to but economically distant from the centres of education suggest that more could be done to create pathways between local communities and higher education.

The comments we received from or on behalf of employees, particularly outside of the Greater Cambridge area, point to the need for better skills training for local employment sectors, an area where Higher Education could also play a bigger role. This is among the reasons why Peterborough City Council has high on its list of priorities the development of a university in the city. The consultation revealed that the University of Lincoln and its link to the National Centre for Food Manufacturing is something which should be further analysed and possibly emulated as part of a coordinated response to the need for a stronger skills supply in the agribusiness, manufacturing, and other important sectors in the Cambridgeshire and Peterborough economy.

²⁹Prosperity for all in the global economy - world class skills – found at https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/243599/0118404865.pdf

2.6 Transport and Infrastructure

Transport and infrastructure are some of the most important policy levers available to governments to support economic growth. The picture which has greeted the review through consultation is one of frustration in this area. Many schemes have been discussed and planned, some are in development whilst other important proposals remain undeveloped.

There are undoubtedly development pressures in the area so frustration is understandable. It is worth recalling some of the other developments in and around Cambridgeshire and Peterborough in recent decades. The M11 may now be some 40 years old but was the fulfilment of plans started in 1915. M11 access to Stansted airport, itself a relatively recent addition to the transport infrastructure of the area, didn't arrive until 2002. The A14, currently under reconstruction, was itself the subject of major upgrading from the 1980s onwards, whilst rail connections have been the subject of considerable improvement, most importantly the development of a direct and fast train link from Cambridge to London Kings Cross.

Clearly these important developments have not arrived as quickly as hoped and we have

found through consultation that the list of schemes now proposed is long indeed. However, the key findings from this analysis is that development of schemes is possible in the area, but that the time taken to see them through from conception to completion is too long and results in significant economic costs.

The Commission is conscious that, given the many strong options for infrastructure schemes, an evidence-based view needs to be developed on the timings for these schemes to come to fruition. This needs to look at where the urgent need is at present, what finance will be available and when, and what would guarantee a good return on investment.

What is true in terms of transport limitations may well be true in relation to utilities; especially electricity supply and broadband, as well as in flood defences – a uniquely important part of the infrastructure in this part of the world.

We consider what we have seen and heard on transport, utilities and broadband in the sections below.

TRANSPORT

Cambridgeshire and Peterborough is a large area with a dispersed pattern of settlement and unsurprisingly the consultation has revealed a wide range of views on transport investment.

In relation to roads, it is important to note that both Peterborough and Fenland accord a very high priority to the dualling of the A47 which would improve connectivity across the northern part of Cambridgeshire to Peterborough, and also complete a vitally important link from Norfolk through to the Midlands.

Similarly, there is great anticipation:

- from the greater Cambridge area and Huntingdonshire for the completion of the current works on the A14 to improve cross country connectivity in that part of the county.

- from East Cambridgeshire as well as from Cambridge and South Cambridgeshire for improvements to the A10.

In addition, the review has heard compelling arguments for essentially local but nonetheless fundamentally important projects. For example, in Huntingdonshire, a third river crossing over the river Ouse to St Ives would offer the potential for 10,000 new homes in that area.

As a New Town, Peterborough has a problem looming over the simultaneous ageing of much of its infrastructure. The poor connectivity of many market towns, particularly those in the fens, would not be wholly resolved by current plans for the A47 and the as yet unscheduled works for the A10.

The city of Cambridge has its own set of local and sub-regional needs extending into the greater Cambridge area and a variety of road and cycle priorities. The Big Conversation (a Greater Cambridge Partnership (GCP) survey in November 2017) found that “traffic and congestion slowing your journey” was the most commonly experienced challenge when travelling around the area, with almost 70% of people noting this. The lack of, and unreliability of, public transport were the next biggest issues. The Combined Authority, as the Strategic Transport Authority, are taking forward transport proposals for intra-city travel in the area, with the Cambridge Autonomous Metro high up on the agenda. GCP is supporting the proposal and has jointly funded with Combined Authority a high-level options appraisal of a suitable solution. Other studies have been produced to explore

options to the west and south east of Cambridge (linking the Cambridge Biomedical Campus with Babraham and/or Granta Park). Connectivity to the south is felt to be a particular issue – with the A505 beginning to show strain, and increased momentum for the construction of a Cambridge South station.

In addition to these and other schemes the review is aware that the Mayor has a long-term proposal to extend the M11 north from the Cambridge area to join the A47 in order to create a Peterborough – Cambridge – London corridor.

The limitations on likely road access to Cambridge have seen attention switch, building on the success of the guided busway and Cambridge North Station, to off-road solutions including the possibility of creating an autonomous Metro service connecting the city with its hinterland. This idea has been developed to include tunnels for rubber wheeled vehicles guided by artificial intelligence, which would stop at a central terminus under the city. There would then be set aside above-ground roads to connect developments around Cambridge to the city. This form of connectivity would expand the area considered to be in easy reach of Cambridge.

In the centre of the county, at Ely, there are proposals which will go some way to alleviating the congestion and alignment of the railway lines which meet at Ely Junction. In the north of the county, the campaign to reopen the Wisbech to March line has seen feasibility work started, funded by the Combined Authority, in 2018.

At a more advanced stage of planning is an improved rail route between Cambridge, Milton Keynes and Oxford (with funding for the western section approved by the Chancellor in the 2017 Budget) and less developed plans for a road Expressway scheme as recommended by the National Infrastructure Commission.

Elsewhere in relation to public transport, the Commission has received impassioned pleas for the development of cross ticketing and for the mayor to take up the right under the Devolution Deal to implement bus franchising.

This is by no means a complete list of the schemes that have been put to the Commission in its consultation. There are numerous ideas at both the national and local level. What does strike the Commission as of great importance is that these two levels of

transport planning are not considered in isolation; rather, delivery must occur in a synchronised fashion. For example, the positive effect of strengthening links from Oxford to Cambridge will be severely blunted if researchers from Oxford are unable to reach research institutions within Cambridge easily upon arrival, such as is often the case for institutions like the Hinxton Genome Centre some distance to the south of the city. Inter-city travel matters, but intra-city travel is crucial. In its review of infrastructure initiatives in the final report, the Commission will consider transport both within and beyond city boundaries.

The capacity of the Combined Authority and local authorities to manage such a large and complex list of priorities is considered below. However, even with the capacity to manage it, this list of schemes is in all likelihood too expensive to fund simultaneously; but because of the vastly different sizes and states of development of each, they may not need to be funded at the same time. It looks to the Commission as if a process of prioritisation will be needed so as to ensure that schemes are progressed in a timely manner as they are ready to proceed and in an order which reflects their importance to the economy as a whole (whilst being mindful of the need to ensure that growth is maximised in each part of the Cambridgeshire and Peterborough area). This is an area where the Commission will make recommendations in its final report and views are welcome on both the priorities themselves and the principles and process by which they should be prioritised.

Key Question: What are the main infrastructure priorities and why? What needs to come first to maintain economic growth and unlock future growth, from an economic and practical perspective?

Key Question: What are the funding streams that can allow for ambitious development?



UTILITIES AND FLOOD RISK

The evidence submitted to the Commission by the Middle Level Commissioners (who represent thirty Flood Risk Management (FRM) authorities) revealed the complex patterns of governance and management stewarding the flood defences. These have developed over several hundred years in the area. They allude to the levels of investment which will be required in the future, partly for reasons of maintenance, but partly because of increased flood risk.

In its submission to the Commission, the Regional Flood and Coastal Committee quantified the financial risk, arguing that the Environment Agency have reported the existence of £1.2 billion worth of flood risk assets in the Great Ouse tidal river area, with Government funding likely to meet only 40% of the anticipated funding needs, resulting in a funding gap of £80-£100 million.

The Environment Agency argue that even though over one third of the area is at high risk of flooding, resulting in major cost pressures, investment in managing risk brings significant capital and wider benefits, which are many times the level of investment.

It is impossible for the Commission to quantify the risk to the economy of Cambridgeshire and Peterborough arising from floods. We would welcome further views on this issue in the period before our final report is produced but would note that financial pressures in this area will add to those considered previously in relation to transport projects, further highlighting the need for a robust process of investment prioritisation.

Many respondents to the consultation made reference to potential shortages of power, though most were essentially anecdotal. Peak demand nationally is expected to increase from 60GW currently to 85GW in 2050. Emerging challenges flagged by UKPN in its Long Term Development Statement for the Eastern Power Networks (EPN) area (which covers our area and beyond into Essex, Bedford, Buckinghamshire, and North London) include

the loss of night-time load from the increasing penetration of gas heating systems, increasing summer load from air conditioning and cooling equipment, and the growth in demand from electric vehicle (EV) charging.

A need for increased efficiency of usage is driving an increase in 'flexibility services', whereby energy supply becomes more responsive to local demand. Therefore, the responsibility is changing from one of overseeing local distribution, to one of managing an intelligent, multi-input, local energy system. Even so, a number of bottlenecks are anticipated, with several in the Greater Cambridge area in particular, associated with major new developments.

Relatively few respondents cited imminent pressures in relation to water. In general, this was backed up by the evidence from Anglia Water Services. Nonetheless they and others make the argument that flood risk can only be minimised through investment in appropriate infrastructure alongside or ahead of development, whilst there is the need for continuing innovation such as that underway in Fenland involving a partnership between the District Council and the Dutch Government.

Broadband and Mobile Telephony Many respondents made reference to either or both the patchy mobile phone coverage within their areas and the limitations of the existing programme of superfast broadband rollout across the area.

The Connecting Cambridgeshire programme, which provided a response to the Commission, used 2017 Ofcom data from its Connected Nations report to illustrate the unevenness of connectivity to 2G and 4G mobile signals in the area. Whilst Cambridge and Peterborough are relatively well served, a different picture is found in other districts, with indoor, in car and 4G coverage at substantially lower levels than the English average. We will analyse this data further in our final report, and will be interested in hearing from mobile operators on the current levels of service and future

plans, both in relation to these data and those relating to the development of 5G services.

In relation to broadband provision, the Connecting Cambridgeshire submission outlines how, since 2015 and in three phases, the provision of superfast broadband has increased markedly. The programme is on course to reach a target of 97% by the end of 2018 and a further phase is planned with the target of 99% by the end of 2020.

On these figures, Cambridgeshire and Peterborough look to be relatively well provided for. The same looks to be the case in relation to ultra-fast (fibre to the premises) provision, with Cambridge and Peterborough both marginally above the UK average of 3.7%. This is a very low figure given the growing importance of synchronous and uncontended high bandwidth provision to business users, however is the result of national rather than local issues, and therefore is an area where the Combined Authority should continue to press for greater investment. In this area, Peterborough looks to have positioned itself well through the CityFibre project.

CityFibre has also announced a strategic partnership with Vodafone to deliver Gigabit capable full-fibre broadband to up to 5 million homes and businesses nationally by 2025. Peterborough is one of the first cities to be announced as part of this partnership. The project will see a private investment from CityFibre of at least £30 million into a state-of-the-art digital infrastructure, bringing ultrafast internet connectivity within reach of every building in the city.

Key Question: Where are limitations in the electricity supply and broadband provision hampering local growth?

2.7 Housing

Cambridgeshire and Peterborough has performed better than many areas of the country in delivering new housing over recent years. Nonetheless, the need for further housing provision in the area was one of the most widespread concerns which arose in the consultation.

As stated above in relation to transport and infrastructure, the relatively permissive development environment which exists in some parts and where there is potential to develop is tempered by reservations concerning infrastructure. Local authority respondents are increasingly concerned that appropriate transport and other infrastructure needs to be put in place prior to housing development to ensure effective integration of new developments within existing urban environments. Getting infrastructure right is essential to delivering stronger house in growth.

The work on Cambridge Futures discussed in Section 1 of the report looks set to confirm that on current trends, the existing levels of housing completions relative to demand will lead to increasing pressure on the housing market with a potentially severe impact on the local economy. This is despite considerable efforts on the part of the local authority to

improve matters. As the Greater Cambridge Partnership commented in their response:

Jobs growth in Greater Cambridge has outstripped housing growth, resulting in high house prices and declining affordability. These issues contribute to Cambridge being the most unequal city in the UK, with significant shortages in key workers likely in the future without action being taken.

The area has already responded: the local planning authorities have ambitious plans for new housing with sites allocated in adopted and submitted plans providing over 40,000 new homes, including through new settlements at Northstowe (now underway), Waterbeach and Bourn and development on the edges of Cambridge City at Wing, Cherry Hinton, Darwin Green and North-West Cambridge. In recognising the significant housing affordability issues in Greater Cambridge, the Cambridgeshire and Peterborough Devolution Deal has secured funding from Government for affordable housing, including £100 million for affordable, rented and shared ownership homes, and £70 million, to be passported to the City Council, specifically to support the development of council homes in

Cambridge, given the high level of house prices in the city.

This is a welcome intervention, however will not alone solve problems for Greater Cambridge.

Elsewhere, rather than development pressures, the prevailing issue is of relatively modest demand and low land prices. This is complicated by land conditions, which is particularly the case in Fenland as their response to the Commission made clear:

Fenland faces an unfortunate set of circumstances in that although there is a significant supply of suitable development and urban extension sites, house prices and therefore returns to developers, are relatively low comparative to build costs which may be higher still in some locations due to additional foundation design to meet geological conditions (essentially flood risk).

In response to reduced market activity, Fenland District Council has commissioned feasibility studies to consider the development of a Wisbech Garden Town, an effective expansion of the existing town with the



construction of a further 12,000 new homes and the creation of jobs to ensure the sustainable growth of the town and future economic prosperity.

Clearly, Fenland has opportunities for housing development as do East Cambridgeshire and Peterborough. The question, neatly summarised in Fenland's response, is how to convert this potential into actual supply and in ways which do not weaken demand. This, in our view, is unlikely to be achieved simply or even primarily by improving transport connectivity, but by education, skills, industrial and indeed every other policy lever considered in this report. The balance between and sequencing of these issues will be the key issue for the Combined Authority and its Local Authority Members. We will make recommendations in this regard, and would welcome further views.

In areas of high demand, the responses from the University of Cambridge and others highlight the steps that major employers are taking to ensure that there is at least some supply of affordable housing for key workers. Despite this and the activity of Housing Associations, and indeed Local Authorities (some of the latter report that they are starting to set up their own development companies),

there remains an acute shortage of affordable housing. There is anecdotal but compelling evidence that commuting patterns are becoming ever more extended out of Cambridge, particularly for lower paid workers due to unaffordable housing costs.

The only hard evidence presented to the Commission in relation to housing need was from Peterborough, whose submission reported some 3,117 applicants waiting for social housing as of April 2017. Peterborough City Council is one of the local authorities which has created a new housing development company in partnership with a developer. This issue – the need for and creation of a supply of affordable housing – is one the Commission will return to in the second half of our work.

The Commission has also noted data from the Ministry of Housing, Communities and Local Government (MHCLG) on housing completions for the last five years across the economy, which show that average completions over 2012-2017 were 3581 per annum for the area³⁰. The data from the Government's recent housing consultation state that an additional 4826 dwellings will be required per year to meet demand³¹. This need to build more housing is being recognised in local plans, and we will

consider this issue further in the final report.

Strategic Planning policy has an important role to play in sustaining the pipeline of housing sites and in ensuring that the necessary infrastructure is in place too. Several responses to the consultation highlighted the role that the Combined Authority could play in this area not least via the Spatial Framework included in the Devolution Deal, a point picked up later in relation to public administration, below. There looks also to be a role for creative new ways of developing housing, and increased density in urban centres seems likely to be a feature of the future.

Key Question: How can the south of the area ensure its success doesn't come at a cost to local people in the form of unaffordable housing? What practical steps can central and local government take to improve housing supply across the area?

2.8 The role of the public sector

Following the creation of the Combined Authority and the election of its first Directly Elected Mayor, Cambridgeshire and Peterborough has undergone significant change in governance and is in the process of maturing existing and new institutions into a system which is as yet still emergent. The opportunity of the Combined Authority was not lost on respondents to the consultation, who expressed clear appreciation of the need and opportunity for better and more coordinated action across the range of issues considered in this section.

There is, for some respondents, concern that the split of responsibilities between town and local authorities, the County Council, and the Combined Authority is not clear and therefore there is potential for duplication and delay. There were echoes of these concerns from the private, academic as well as public sector respondents. Clearly these are inevitable concerns at this stage in the evolution of the new system but do highlight the need to create legibility and clarity.

The consultation has revealed strong and perhaps unusually high levels of excellence, such as the work of the Combined Authority, Huntingdonshire District and St. Neots Town Council on the 'St. Neots Masterplan for Growth'. Clearly this is one example of the new system starting to work, underpinned by the principle of subsidiarity which has been key to the 'devolution revolution'. We also note that this is a very positive example of a market town taking responsibility for its own destiny, deciding the sort of place it wants to be, and partnering to achieve it. Other market towns should look to develop their own futures, by allowing themselves to grow, and by creating jobs for local people to ensure that economic vibrancy does not just become the preserve of the larger settlements, and we are encouraged to note further market towns, such as Ramsey and Littleport, are to be given funding to develop plans.

Similarly, the enterprising activities in East Cambridgeshire District Council on financing for infrastructure – the development and extension of which the Mayor is actively

considering as part of his plan for funding major infrastructure development in the future – is another area with considerable potential.

The opportunity and the challenge to the public sector in the period ahead was laid out most clearly by the University of Cambridge response:

Through encouraging spillovers, greater connectivity, and collaboration, we would urge regional policymakers to recognise the GVA of these distinct zones and assess how their different strategies and visions can be brought into greater alignment rather than brought into greater competition for regional or national investment. This might build on the forthcoming Non Statutory Spatial Plan and would help to disperse growth prospects more equitably across the county, without diminishing the comparative strengths of any area.

The Anglian Water submission laid out the potential for a growth and development strategy to combine minimum standards and to improve the collation of data and information among planning authorities leading to better service outcomes. Though, mindful of the points on business premises made earlier, this point on data could extend beyond planning into the wider economic and social development arena though the development of an ongoing capacity for data and intelligence.

Several respondents also raised the potential for public service reform activity across the range of health, care and other human services to help make better inroads into inequality within the Combined Authority area.

The strategic capacity of the Combined Authority along with that of the other local authorities is an area where the Commission has found evidence of a real need for focus. As the County Council itself noted:

Timescales for bringing forward infrastructure projects are getting longer, restricting growth plans. Processes are becoming more complex due to a more risk averse regulatory environment. A review of planning processes, particularly relating to

land and compulsory purchase powers and the possible devolution of call-in powers could assist in making schemes more efficient.

The Commission also recognises that the Combined Authority currently has limited fiscal powers. Before the current Devolution Deal, there had been a number of attempts to secure greater devolution of powers and funding to the local area, with the City Deal for Greater Cambridge representing the most successful. However, there has been very limited progress towards genuine fiscal devolution, where greater control over tax revenues rests with the local area.

In the negotiations around the Cambridge City Deal, local partners (Cambridge City Council, South Cambridgeshire District Council, Cambridgeshire County Council, Cambridge University and the Local Enterprise Partnership) had argued for an arrangement which would have been underpinned by tax increment financing - so that a portion of the uplift in tax revenues created by the investments within the City Deal would have been retained locally to cover the costs of that investment. In the later part of the negotiations, Government decided against this approach and instead opted for what is essentially a grant system, with gateway reviews to test progress against plans before the next tranche of grant funding can be released.

Since the City Deal was agreed, the existing collaborative working between the local authorities, the business community and universities has strengthened and widened. Now, with the creation of the Combined Authority and the office of a directly-elected Mayor, there may be opportunities to make the case again for greater fiscal devolution so that more of the fruits of future growth are retained locally and harnessed to cover the costs of putting in place the enhanced infrastructure of all types that will be necessary to ensure the whole area can make the most of its potential. This is something the Commission will consider in its final report.

Towards The Final Report

3.1 Questions for further consultation

All of the work done so far has raised particular questions which the Commission would like to engage further with local business, residents, and authorities on, as well as any other interested stakeholders. These have been noted throughout the report. They are:

1. Does the three-area characterisation summarise the area well? Which links between the area have not been well captured? What are the most important links to outside the area?
2. How can the area achieve its target of doubling GVA in 25 years?
3. What will the likely impacts of Brexit be upon the area? How can the area best prepare for any changes this will bring? What local and national policy environment is likely to be conducive to this?
4. How can we create the conditions required for the development of sectors which will provide long term resilience for the local economy? What role should industrial policy play in this?
5. Where does the education system most need attention? How conducive is the wider environment (including early years schooling) to helping young people develop necessary skills?
6. What specialisms should the planned new university at Peterborough focus on?
7. Where can we see poor health outcomes affecting productivity? Which businesses are exemplars at improving health outcomes for employees? How can lower life expectancy outcomes be improved?
8. How much is lack of available premises hindering business growth? Similarly, is access to finance a significant problem?
9. How can Cambridge lose its unwanted accolade of being the most unequal city in the UK? How can we tackle inequality and deprivation across the Cambridgeshire and Peterborough area?
10. What are the main infrastructure priorities and why? What needs to come first to maintain economic growth and unlock future growth, from an economic and practical perspective?
11. What are the funding streams that can allow for ambitious development?
12. Where are limitations in the electricity supply and broadband provision hampering local growth?
13. How can the south of the area ensure its success doesn't come at a cost to local people in the form of unaffordable housing? What practical steps can central and local government take to improve housing supply across the area?

3.2 Next steps

The consultation on this interim report will remain open for a month after its launch. Comments, further evidence and other responses should be sent to the Commission at the following e-mail address: evidence@cpier.org.uk by Friday 8th June at the latest.

The Commission will continue to meet through the spring and summer, considering the responses received, along with further evidence as it becomes available. A series of further consultation visits will be undertaken, and the report will be written in summer 2018. It will be launched as soon as possible following the summer holidays.

Appendices

Appendix 1

CALCULATION OF THE CA/BRES COMBINED MEASURE OF GROWTH IN CORPORATE EMPLOYMENT

To create the weighted measures, more weight was given to sectors where CBR were more confident in their figures, due to the in-depth knowledge of the corporate economy. This includes the five KI sectors, which are (according to BRES definitions): High-tech manufacturing, Life sciences manufacturing, ICT, R&D, and Knowledge intensive services. The first five non-KI sectors, where generally we trust CBR figures more are Primary, Other manufacturing, Property and construction, Utilities, and Publishing. The remaining ten, where we rely on BRES figures more are: Transport and travel, Wholesale distribution, Retail distribution, Hotels, pubs and restaurants, Other business services, Public services, Other Services, Education, Finance and professional services, and Health services.

This table shows the different employment weights given to different sectors according to BRES and CBR figures.

BRES COMPARISON	6YRS 2010-2016			
EMPLOYMENT GROWTH (% PA)	BRES DATA		CBR DATA	
	GROWTH	% WEIGHT	GROWTH	% WEIGHT
Cambridge				
5 KI sectors	3.6%	14.5%	5.3%	30.1%
First 5 non-KI sectors	0.0%	7.9%	-0.6%	10.8%
Last 10 non-KI sectors	2.3%	77.6%	3.6%	59.1%
Total Employment	2.3%	100.0%	3.7%	100.0%
South Cambridgeshire				
5 KI sectors	3.7%	28.2%	5.7%	46.5%
First 5 non-KI sectors	-2.5%	19.7%	5.5%	18.1%
Last 10 non-KI sectors	3.0%	52.1%	9.8%	35.3%
Total Employment	2.2%	100.0%	7.2%	100.0%
East Cambridgeshire				
5 KI sectors	3.1%	10.7%	4.2%	12.9%
First 5 non-KI sectors	2.0%	21.2%	4.9%	46.6%
Last 10 non-KI sectors	4.4%	68.1%	9.4%	40.5%
Total Employment	3.8%	100.0%	6.8%	100.0%
Huntingdonshire				
5 KI sectors	-1.0%	11.9%	4.0%	19.1%
First 5 non-KI sectors	2.1%	18.9%	4.2%	37.1%
Last 10 non-KI sectors	1.9%	69.2%	6.0%	43.8%
Total Employment	1.7%	100.0%	5.0%	100.0%
Peterborough				
5 KI sectors	-0.5%	10.4%	1.9%	24.9%
First 5 non-KI sectors	-1.5%	14.0%	9.3%	23.4%
Last 10 non-KI sectors	3.3%	75.7%	9.7%	51.7%
Total Employment	2.3%	100.0%	7.9%	100.0%
Fenland				
5 KI sectors	0.5%	4.7%	6.4%	7.4%
First 5 non-KI sectors	1.0%	27.9%	7.2%	48.7%
Last 10 non-KI sectors	3.4%	67.4%	6.0%	43.9%
Total Employment	2.6%	100.0%	6.7%	100.0%

Appendix 2

BUSINESS OVERVIEW OF EACH DISTRICT

CAMBRIDGE
KEY SECTORS
<ul style="list-style-type: none">Cambridge contributes 15.8% of total employment and 15.6% of total turnover in the Combined Authority.The largest share of employment is found in the Information Technology and Telecoms sector (22.8% of total employment in Cambridge and 44.7% of total employment in the sector for the Combined Authority).KI sectors constitute 38.1% of total employment in the area, the second highest figure after South Cambridgeshire (43.3%) and well above the Combined Authority (25.3%).Significant shares of turnover are observed in Information Technology and Telecoms (31.9% and 56.6%), High-Tech Manufacturing (20.6% and 24.7%) and Other Business Services (9.8% and 24.4%).There is particular concentration in the KI sectors, especially in Information Technology and Telecoms, and in Knowledge Intensive Services.Six-year employment growth in the district (5.6%) has been lower compared to the Combined Authority (6.7%).Employment growth for KI sectors in Cambridge (6.9%) has been remarkably higher than that for the Combined Authority (4.9%).Concentration has increased over time in Information Technology and Telecoms, Knowledge Intensive Services, and Life Science and Healthcare.
DISTRIBUTION OF EMPLOYMENT AND TURNOVER BY FIRM SIZE
<ul style="list-style-type: none">SMEs account for the largest share of employment in the district (42.0%), while over a third of employment is at large firms.Half of total turnover in Cambridge is accounted for by large firms, whilst turnover generated by SMEs represents around a third of total turnover in the district.Total employment growth in the area appears to be driven by the growth of large firms.All three groups of firms in Cambridge have witnessed lower employment growth rates relative to the Combined Authority.The fastest rates of growth in turnover are found among firms with more than 250 employees.
LARGEST COMPANIES
<ul style="list-style-type: none">Some of the largest companies that are based in Cambridge are found in the KI sectors, namely Information Technology and Telecoms (e.g. ARM LIMITED and AVEVA GROUP PLC), Life Science and Healthcare (e.g. CARL ZEISS LTD) and High-Tech Manufacturing (QUALCOMM TECHNOLOGIES INTERNATIONAL, LTD.).Key examples of companies that are active in the district include GLAXOSMITHKLINE PLC and ASTRAZENECA PLC (Life Science and Healthcare) as well as VODAFONE LIMITED and VIRGIN MEDIA LIMITED (Information Technology and Telecoms).
COMPARISON WITH BRES
<ul style="list-style-type: none">Total employment based on Cambridge Ahead data represents approximately 37% of total BRES employment.The largest differences between Cambridge Ahead and BRES employment estimates are found for Education (-17,812), Health Services (-14,016) and Retail Distribution (-8,332).Six-year employment growth is 5.6% based on Cambridge Ahead data and 2.3% according to BRES data.

EAST CAMBRIDGESHIRE
KEY SECTORS
<ul style="list-style-type: none">East Cambridgeshire contributes 9.8% of total employment and 7.6% of total turnover in the Combined Authority.The largest number of employees are in the Primary sector (25.6% of total employment in the district and 49.7% of total employment in the sector for the Combined Authority).The share of employment in KI sectors (10.5%) is the second lowest after Fenland (6.5%) and well below the average for the Combined Authority (25.3%).The greatest shares of turnover are generated in the Primary sector (24.3%) and in the Wholesale and Retail Distribution sector (21.9%).Employment LQs suggest that there is high concentration in the Primary sector, in the Transport and Travel sector, and in the Education, Arts, Charities, Social Care sector.Total employment in East Cambridgeshire has increased at a slightly higher rate compared to the Combined Authority (6.8% and 6.7%, respectively, for the six-year growth).Employment growth in the Primary sector (6.0%) has witnessed a higher rate relative to the Combined Authority (4.9%).The largest rates of growth in turnover are observed for Education, Arts, Charities, Social Care (32.5%), Other Services (16.0%), Construction and Utilities (11.6%) and Primary (7.8%).Concentration in terms of employment has increased over time in a number of non-KI sectors, including Education, Arts, Charities, Social Care, Primary and Other Services.
DISTRIBUTION OF EMPLOYMENT AND TURNOVER BY FIRM SIZE
<ul style="list-style-type: none">Large firms account for over half of total employment in the area, a figure that is considerably higher compared to the Combined Authority (46.8%).Over 47% of total turnover in the district is generated by the 14 firms with more than 250 employees that are based in the area, while SMEs contribute almost a third of total turnover.Employment growth for large firms (7.0% for the six years to 2016-17) appears to be the major driver of total employment growth in the district.Large firms in East Cambridgeshire have seen greater turnover growth (9.4%) than the average for the entire area (7.8%).
LARGEST COMPANIES
<ul style="list-style-type: none">The largest companies based in the district tend to be concentrated in non-KI sectors, namely Primary (e.g. G'S GROUP HOLDINGS LIMITED), Transport and Travel (e.g. TURNERS (SOHAM) HOLDINGS LIMITED) and Wholesale and Retail Distribution (e.g. GEORGE THURLOW AND SONS (HOLDINGS) LIMITED).Among the key sectors in terms of active companies are Manufacturing (e.g. WITTINGTON INVESTMENTS LIMITED), Wholesale and Retail Distribution (e.g. VOLKSWAGEN GROUP UNITED KINGDOM LIMITED) and Construction and Utilities (e.g. EUROPEAN METAL RECYCLING LIMITED).
COMPARISON WITH BRES
<ul style="list-style-type: none">Total employment based on Cambridge Ahead data represents around 75% of total BRES employment, the highest value among the six districts.The largest differences between Cambridge Ahead and BRES employment estimates are found for Primary (5,768), Other Business Services (-3,093) and Other Services (-2,052).Six-year employment growth is 6.8% based on Cambridge Ahead data and 3.8% according to BRES data.

FENLAND
KEY SECTORS
<ul style="list-style-type: none">Fenland contributes 5.2% of total employment and 4.9% of total turnover in the Combined Authority, the smallest contribution among the six districts.The largest share of employment is in the Primary sector (20.7% of total employment in the area and 21.6% of total employment for the sector in the Combined Authority).The share of employment in KI sectors (6.5%) is the lowest in the Combined Authority.The greatest contribution in terms of turnover comes from the Wholesale and Retail Distribution sector, which accounts for 31.5% of total turnover in Fenland.Employment in the district tends to be concentrated in the Primary sector, although relatively high concentration is also observed in Construction and Utilities, and Manufacturing.During the six years to 2016-17, total employment in the area has grown at the same rate of the Combined Authority (6.7%).High rates of growth in employment have been experienced by Construction and Utilities (13.2%) and Other Business Services (10.2%).Key sectors in terms of employment, such as Primary, Manufacturing, and Construction and Utilities, have had higher rates of growth compared to the Combined Authority.Six-year turnover growth in the district (5.4%) has been lower than that for the Combined Authority (6.7%), yet greater than that for Peterborough (2.6%).Relative concentration for employment has increased in a number of key sectors, namely Construction and Utilities, Manufacturing and Primary.
DISTRIBUTION OF EMPLOYMENT AND TURNOVER BY FIRM SIZE
<ul style="list-style-type: none">Over half of total employment in Fenland is concentrated in SMEs, while micro firms account for approximately 30% of total employment.The largest share of turnover in the area is originated by firms with 10-49 employees (28.2%).SMEs have exhibited the highest rates of employment growth in the district (8.4%) and have grown at a faster rate relative to the Combined Authority (6.0%).The highest rate of growth in turnover is reported for large firms (7.8%).
LARGEST COMPANIES
<ul style="list-style-type: none">Some of the key players based in Fenland are found in Wholesale and Retail Distribution (e.g. MM (UK) LIMITED), Primary (e.g. PRODUCE INVESTMENTS PLC and ALAN BARTLETT & SONS (CHATTERIS) LIMITED), Construction and Utilities (e.g. FOSTER PROPERTY MAINTENANCE LIMITED) and Manufacturing (e.g. LH HOLDINGS LIMITED and TRADELINK DIRECT LIMITED).Most of the largest companies active in the area belong to non-KI sectors, including Wholesale and Retail Distribution (e.g. PRINCES LIMITED and FARMFOODS LIMITED), Primary (e.g. AGGREGATE INDUSTRIES UK LIMITED), Construction and Utilities (e.g. BIFFA WASTE SERVICES LIMITED), Manufacturing (e.g. SMURFIT KAPPA UK LTD) and Transport and Travel (e.g. CEVA LOGISTICS LIMITED).
COMPARISON WITH BRES
<ul style="list-style-type: none">Total employment based on Cambridge Ahead data represents over a third of total BRES employment, the lowest value among the six districts.The largest differences between Cambridge Ahead and BRES estimates are found for Other Business Services (-3,620), Other Manufacturing (-3,557) and Health Services (-3,413).Six-year employment growth is 6.7% based on Cambridge Ahead data and 2.6% according to BRES data.

HUNTINGDONSHIRE
<p>KEY SECTORS</p> <ul style="list-style-type: none"> • Huntingdonshire contributes 20.4% of total employment and 19.6% of total turnover in the Combined Authority. • The largest sector in terms of employment is Other Business Services (19.4% of the total for the district and 29.4% of the total in the sector for the Combined Authority). • KI sectors account for 17.3% of total employment in the area, significantly below the average for the Combined Authority (25.3%). • The largest share of turnover is generated in the Manufacturing sector (23.7%). • There is particular concentration in Construction and Utilities, Manufacturing and Other Business Services. • During the six years to 2016-17, Huntingdonshire has witnessed a lower growth rate in total employment (5.0%) compared to the Combined Authority (6.7%). • Among the fastest growing sectors based on employment are Education, Arts, Charities, Social Care (17.4%), Other Services (10.3%) and Wholesale and Retail Distribution (7.9%). • Growth in employment for the KI sectors (3.3%) has been lower than the average for the Combined Authority (4.9%). • The highest growth rates in turnover over the entire period can be seen for Education, Arts, Charities, Social Care (13.4%), Property and Finance (10.8%) and Other Services (10.1%). • Relative concentration in employment has increased for Manufacturing, Education, Arts, Charities, Social Care, Wholesale and Retail Distribution, and Other Services.
<p>DISTRIBUTION OF EMPLOYMENT AND TURNOVER BY FIRM SIZE</p> <ul style="list-style-type: none"> • Large firms contribute the largest share of employment in the district (42.4%), while employment at SMEs constitutes around one third of total employment. • Almost half of total turnover in Huntingdonshire is originated by large firms. • The highest rates of employment growth are reported by SMEs (6.7% over the entire period), whereas more limited appears to be employment growth among large firms (3.3%). • Micro firms have the highest rate of turnover growth in the district (7.7%). • The lowest growth rate in turnover is observed for large firms (5.0%).
<p>LARGEST COMPANIES</p> <ul style="list-style-type: none"> • Some of the largest Huntingdonshire-based companies operate in Construction and Utilities (e.g. OSPREY ACQUISITIONS LIMITED), Manufacturing (e.g. HILTON FOOD GROUP PLC), Other Business Services (e.g. RR DONNELLEY UK LIMITED), Life Science and Healthcare (e.g. ENVIGO CRS LIMITED) and High-Tech Manufacturing (e.g. BOSCH REXROTH LIMITED). • Most of the largest companies active in the area are concentrated in non-KI sectors, including Other Business Services (e.g. SERCO GROUP PLC), Wholesale and Retail Distribution (e.g. WILKO RETAIL LIMITED), Property and Finance (e.g. ROYAL & SUN ALLIANCE INSURANCE PLC) and Construction and Utilities (e.g. SKANSKA UK PLC).
<p>COMPARISON WITH BRES</p> <ul style="list-style-type: none"> • Total employment based on Cambridge Ahead data represents approximately 62% of total BRES employment. • The largest differences between Cambridge Ahead and BRES employment estimates are found for Health Services (-8,464), Retail Distribution (-6,720) and Public Services (-4,493). • Six-year employment growth is 5.0% based on Cambridge Ahead data and 1.7% according to BRES data.

COMPARISON WITH BRES
<ul style="list-style-type: none"> • Total employment based on Cambridge Ahead data represents around 54% of total BRES employment. • The largest differences between Cambridge Ahead and BRES estimates are found for Other Business Services (-12,087), Retail Distribution (-11,981) and Health Services (-11,506). • Six-year employment growth is 7.9% based on Cambridge Ahead data and 2.3% according to BRES data, the largest difference among the six districts.
SOUTH CAMBRIDGESHIRE
KEY SECTORS
<ul style="list-style-type: none"> • South Cambridgeshire contributes 23.3% of total employment and 27.5% of total turnover in the Combined Authority, the highest contribution in the area alongside Peterborough. • The largest sector in terms of employment is given by Life Science and Healthcare (15.9% of total employment in the district and 69.5% of total employment in the sector for the Combined Authority). • Particularly high is employment in Biotechnology R&D (5,993) and in High-Tech Manufacturing – Life Sciences (2,193). • Among non-KI sectors, employment is high in the Wholesale and Retail Distribution sector (12.7% and 28.4%). • Turnover in the Life Science and Healthcare sector in South Cambridgeshire alone accounts for over 70% of total turnover in the sector for the Combined Authority. • During the six years to 2016-17, total employment growth (7.5%) has been the second highest after Peterborough (7.9%) and greater than that for the Combined Authority (6.7%). • The fastest growing KI sector based on employment is Information Technology and Telecoms (8.1%). • Growth in turnover has been particularly high in Information Technology and Telecoms (10.5%) and Life Science and Healthcare (10.4%). • Relative concentration in terms of employment for KI sectors has somewhat increased throughout the entire period.
DISTRIBUTION OF EMPLOYMENT AND TURNOVER BY FIRM SIZE
<ul style="list-style-type: none"> • Firms with more than 250 employees account for the largest share of employment in South Cambridgeshire (40.8%), while SMEs contribute over one third of total employment. • The largest portion of turnover in the district is generated by large firms (48.6%), followed by SMEs (33.9%) and micro firms (17.5%). • The highest six-year employment growth rates in the district are found among large firms (7.9%). • Firms with more than 250 employees have seen the largest increase in turnover throughout the entire period (11.1%), substantially higher than that for the Combined Authority (7.8%).
LARGEST COMPANIES
<ul style="list-style-type: none"> • A number of the largest companies based in the district belong to High-Tech Manufacturing (e.g. Marshall of Cambridge and DOM-INO UK LIMITED) and to Life Science and Healthcare (e.g. PPD GLOBAL LTD, NAPP PHARMACEUTICAL HOLDINGS LIMITED and ABCAM PLC). • Some of the largest companies that are active in South Cambridgeshire are found in Information Technology and Telecoms (e.g. SONY INTERACTIVE ENTERTAINMENT EUROPE LIMITED and IBM UNITED KINGDOM LIMITED), Knowledge Intensive Services (e.g. INTERTEK GROUP PLC) and High-Tech Manufacturing (e.g. SPIRAX-SARCO ENGINEERING PLC).

Appendix 3

EMPLOYMENT LOCATION QUOTIENTS ACCORDING TO BRES DATA

CAMBRIDGE			
	LQ (Comb. Auth. = 1)	LQ (LEP = 1)	LQ (GB = 1)
High-tech manufacturing	0.34	0.34	0.44
Life sciences manufacturing	0.18	0.17	0.19
ICT	1.29	1.71	1.53
R&D	1.32	2.16	9.01
Knowledge intensive services	1.35	1.63	1.89
Sub-total - KI sectors	1.08	1.36	1.68
Primary	0.04	0.03	0.01
Other manufacturing	0.12	0.09	0.12
Property and construction	0.58	0.49	0.49
Utilities	0.74	0.76	0.74
Publishing	1.73	2.44	4.30
Transport and travel	0.36	0.30	0.35
Wholesale distribution	0.31	0.27	0.32
Retail distribution	0.91	0.87	0.91
Hotels, pubs and restaurants	1.35	1.14	1.02
Other business services	0.68	0.72	0.70
Public services	1.05	1.10	0.84
Other Services	1.19	1.19	1.16
Education	2.08	2.35	2.53
Finance and professional services	1.04	1.12	0.70
Health services	1.25	1.30	1.15
Sub-total - Other sectors	0.99	0.95	0.93

EAST CAMBRIDGESHIRE			
	LQ (Comb. Auth. = 1)	LQ (LEP = 1)	LQ (GB = 1)
High-tech manufacturing	1.21	1.22	1.58
Life sciences manufacturing	0.65	0.60	0.68
ICT	0.51	0.68	0.61
R&D	0.14	0.23	0.94
Knowledge intensive services	1.08	1.31	1.52
Sub-total - KI sectors	0.72	0.90	1.11
Primary	2.10	1.73	0.31
Other manufacturing	1.34	1.01	1.37
Property and construction	1.52	1.28	1.28
Utilities	1.12	1.15	1.12
Publishing	0.97	1.37	2.41
Transport and travel	1.95	1.66	1.90
Wholesale distribution	1.04	0.89	1.06
Retail distribution	0.91	0.87	0.90
Hotels, pubs and restaurants	1.02	0.86	0.77
Other business services	1.00	1.06	1.03
Public services	0.49	0.51	0.39
Other Services	1.84	1.83	1.80
Education	0.86	0.97	1.04
Finance and professional services	0.54	0.58	0.36
Health services	0.56	0.58	0.52
Sub-total - Other sectors	1.05	1.01	0.99

FENLAND			
	LQ (Comb. Auth. = 1)	LQ (LEP = 1)	LQ (GB = 1)
High-tech manufacturing	0.59	0.60	0.78
Life sciences manufacturing	0.00	0.00	0.00
ICT	0.17	0.22	0.20
R&D	0.01	0.02	0.06
Knowledge intensive services	0.45	0.54	0.63
Sub-total - KI sectors	0.29	0.36	0.45
Primary	6.83	5.64	1.02
Other manufacturing	2.82	2.13	2.89
Property and construction	1.18	0.99	0.99
Utilities	0.75	0.77	0.76
Publishing	0.29	0.41	0.73
Transport and travel	1.59	1.35	1.55
Wholesale distribution	1.54	1.32	1.57
Retail distribution	0.99	0.95	0.99
Hotels, pubs and restaurants	0.83	0.70	0.63
Other business services	1.00	1.05	1.02
Public services	1.04	1.10	0.83
Other Services	0.71	0.71	0.70
Education	0.84	0.95	1.03
Finance and professional services	0.64	0.69	0.43
Health services	0.86	0.89	0.79
Sub-total - Other sectors	1.12	1.08	1.06

HUNTINGDONSHIRE			
	LQ (Comb. Auth. = 1)	LQ (LEP = 1)	LQ (GB = 1)
High-tech manufacturing	0.91	0.92	1.19
Life sciences manufacturing	0.39	0.36	0.41
ICT	0.77	1.03	0.92
R&D	0.11	0.17	0.72
Knowledge intensive services	1.02	1.22	1.42
Sub-total - KI sectors	0.71	0.89	1.10
Primary	0.55	0.45	0.08
Other manufacturing	1.80	1.36	1.84
Property and construction	1.23	1.03	1.03
Utilities	1.30	1.34	1.31
Publishing	0.45	0.63	1.12
Transport and travel	1.23	1.04	1.20
Wholesale distribution	1.26	1.09	1.29
Retail distribution	1.06	1.01	1.05
Hotels, pubs and restaurants	1.05	0.89	0.79
Other business services	0.88	0.93	0.91
Public services	1.71	1.80	1.36
Other Services	0.98	0.98	0.96
Education	0.56	0.63	0.68
Finance and professional services	0.61	0.65	0.41
Health services	1.05	1.09	0.97
Sub-total - Other sectors	1.05	1.01	0.99

PETERBOROUGH			
	LQ (Comb. Auth. = 1)	LQ (LEP = 1)	LQ (GB = 1)
High-tech manufacturing	1.10	1.11	1.43
Life sciences manufacturing	0.54	0.50	0.57
ICT	0.85	1.13	1.01
R&D	0.03	0.05	0.19
Knowledge intensive services	0.39	0.47	0.54
Sub-total - KI sectors	0.61	0.77	0.95
Primary	0.33	0.27	0.05
Other manufacturing	0.56	0.42	0.57
Property and construction	0.79	0.67	0.67
Utilities	1.40	1.44	1.41
Publishing	1.12	1.57	2.78
Transport and travel	1.14	0.97	1.12
Wholesale distribution	1.29	1.11	1.32
Retail distribution	1.34	1.29	1.34
Hotels, pubs and restaurants	0.83	0.71	0.63
Other business services	1.53	1.62	1.57
Public services	0.99	1.04	0.79
Other Services	0.90	0.90	0.88
Education	0.59	0.67	0.72
Finance and professional services	1.71	1.84	1.15
Health services	0.96	0.99	0.88
Sub-total - Other sectors	1.06	1.03	1.01

SOUTH CAMBRIDGESHIRE			
	LQ (Comb. Auth. = 1)	LQ (LEP = 1)	LQ (GB = 1)
High-tech manufacturing	1.90	1.92	2.49
Life sciences manufacturing	3.89	3.60	4.10
ICT	1.62	2.15	1.93
R&D	3.62	5.91	24.67
Knowledge intensive services	1.61	1.94	2.25
Sub-total - KI sectors	2.15	2.69	3.32
Primary	0.68	0.56	0.10
Other manufacturing	1.06	0.80	1.08
Property and construction	1.32	1.11	1.11
Utilities	0.53	0.54	0.53
Publishing	0.76	1.07	1.89
Transport and travel	0.77	0.66	0.75
Wholesale distribution	0.97	0.83	0.99
Retail distribution	0.61	0.59	0.61
Hotels, pubs and restaurants	0.80	0.68	0.60
Other business services	0.76	0.81	0.78
Public services	0.43	0.45	0.34
Other Services	0.72	0.72	0.70
Education	0.75	0.85	0.92
Finance and professional services	0.66	0.71	0.45
Health services	0.92	0.95	0.84
Sub-total - Other sectors	0.81	0.78	0.76

CPIER

CAMBRIDGE & PETERBOROUGH
Independent Economic Review



**CAMBRIDGESHIRE
& PETERBOROUGH**
COMBINED AUTHORITY

CAMBRIDGESHIRE AND PETERBOROUGH COMBINED AUTHORITY BOARD	AGENDA ITEM No: 3.2
30 MAY 2018	PUBLIC REPORT

MAYORAL INTERIM TRANSPORT STRATEGY STATEMENT

1.0 PURPOSE

- 1.1. The Cambridgeshire and Peterborough Combined Authority Order 2017 transferred the local transport planning powers to the Combined Authority and created the Cambridgeshire and Peterborough Combined Authority as the local transport authority for the area.
- 1.2. These powers include responsibility for the development of a new Local Transport Plan (LTP).
- 1.3. To ensure that the Combined Authority complied with its statutory duty, an interim LTP was created. By necessity, this document was an amalgamation of the individual LTPs produced previously by Cambridgeshire County Council and Peterborough City Council. Whilst this LTP set out transport priorities for the area it is recognised that it does not fully align with the bolder transport aspirations of the Combined Authority.
- 1.4. The preparation of a new LTP is major undertaking and is currently under development and will be completed by spring 2019. This new document will address the shortfalls in the existing LTP to ensure full alignment with the Combined Authority's bold and ambitious transport aspirations and priorities for the region. This LTP will challenge traditional approaches in how we design our transport solutions, moving towards a new model which creates a world-class public transport system which integrates metro, rail, bus and mobility services with walking and cycling facilities that supports more active travel choices.
- 1.5. Until such times as the new LTP is in place, there is a need for the Combined Authority to clarify its transport priorities as is set out within this paper. This will bring confidence to residents, businesses, other partners and agencies over the long-term direction of transport in this region.

- 1.6. The Combined Authority Board is asked to approve the enclosed Mayoral Interim Transport Strategy Statement.

<u>DECISION REQUIRED</u>	
Lead Member:	James Palmer, Mayor
Lead Officer:	Martin Whiteley, Chief Executive
Forward Plan Ref: Not applicable	Key Decision: No
<p>The Combined Authority Board is recommended to:</p> <ol style="list-style-type: none"> 1. approve the Mayoral Interim Transport Strategy Statement 2. note that a review of the features and timeframes for all transport corridors will be undertaken and completed in June and July 2018 3. note that a further report will be brought to the Combined Board on 25 July 2018. 	<p>Voting arrangements</p> <p>All members are required to be present for this item.</p> <p>Two thirds of the constituent council members must vote in favour to include Cambridgeshire County Council and Peterborough city Council</p>

2.0 BACKGROUND

Transport Responsibilities

- 2.1 The Cambridgeshire and Peterborough Combined Authority was formed on 28th March 2017, and from this date certain transport functions transferred to it by operation of law. These functions primarily relate to transport planning, bus services and transport operations as contained within Parts 3 and 4 of the Transport Act 1985, and Part 2 of the Transport Act 2000. They can be summarised as:

- Duty to produce a LTP
- Production of a Bus Strategy
- Rights to franchise local bus services within its area, subject to the completion of the process set out in the Bus Services Act 2017
- Powers to enter into quality bus partnerships and enhanced partnerships
- Responsibility for the provision of bus information and the production of a bus information strategy
- Role of Travel Concession Authority
- Financial powers to enable the funding of community transport
- Powers to support bus services

- 2.2 A key component of these transport powers is the duty to produce a LTP. The LTP is intended to set out the authority's plans and strategies for maintaining

and improving all aspects of the local transport system over a set period of time. It also helps support the authority's place-shaping role and delivery of services to the community.

- 2.3 To ensure that the Combined Authority complied with its statutory duty, an interim LTP was created and subsequently approved by the Combined Authority Board on the 28th June 2017. By necessity, this was an amalgamation of:
- a) Third Local Transport Plan and Long Term Transport Strategy for Cambridgeshire
 - b) Fourth Local Transport Plan and Long Term Transport Strategy for Peterborough
- 2.4 Following the development of the Cambridgeshire and Peterborough 2030 Strategy, the Combined Authority has embarked upon the development of its new LTP. This is a significant undertaking both in terms of the scale and scope of the document, and in the need to consult effectively with the wider community. The revised LTP will be completed by Spring 2019.
- 2.5 In the meantime, the transition from the interim LTP to the future LTP creates a challenge for transport schemes that are currently being promoted and/or developed by other organisations in the region. Whilst such schemes may well align with the interim LTP, there is a risk that these may diverge from the future LTP resulting in abortive costs or schemes that ultimately undermine the aspirations of the Combined Authority.
- 2.6 Since its formation in 2017, the Combined Authority has set out its transport aspirations and priorities through various Board papers and press releases. In order to provide greater clarity to the public, businesses and other bodies with transport or highway responsibility in the region, the Mayor has prepared an Interim Transport Strategy Statement as summarised in this paper and contained within **Appendix A**.
- 2.7 The purpose of this statement is to guide the development of the new LTP and to provide clear direction to transport projects that are either underway or soon to be developed. By providing this direction the expectation is that all schemes will be consistent with the key features and strategic framework that will emerge from the new LTP. The aim is to improve immediate decision making, accelerate delivery and achieve long term value for money.

Mayoral Interim Transport Strategy Statement

- 2.8 The guiding principles of the new LTP will include:
- (a) **Economic growth and opportunity** by connecting our dynamic workforce with a growing number of jobs
 - (b) **Equity** to ensure that all areas of the Combined Authority can prosper
 - (c) **Environmental responsiveness** by encouraging active and sustainable travel choices

2.9 The primary goals and targets will include a focus on:

- (a) Transforming public transport
- (b) Designing integrated walking and cycling solutions
- (c) Creating and upgrading our major road network
- (d) Expanding transport access
- (e) Creating effective travel choice
- (f) Ensuring reliability of our network
- (g) Improving safety
- (h) Creating a network fit for the future

2.10 Underpinning these primary goals and targets is the ambition to challenge traditional approaches to how we design our transport solutions. The Combined Authority is committed to delivering a world-class public transport system that integrates metro, rail, bus and mobility services with walking and cycling facilities that supports more active travel choices. The aim must be create a sustainable transport system that is so good and appealing that public transport, walking and cycle become the preferential travel choice over the car.

2.11 In order to transform the current transport network and achieve the guiding principles set out above, the Combined Authority will focus its efforts on a number of strategic transport projects, grouped around four corridors/areas. These are:

Corridor / Area	Transport Schemes
Metro	Cambridge Autonomous Metro
North - South	A10 upgrade, M11 extension, Ely Rail Improvements, Soham Station, Cambridge Rail Capacity Study, Huntingdon Third River Crossing
East – West (North)	A47 Dualling Peterborough to Wisbech, Wisbech Rail, Wisbech Access, Wisbech Garden Town
East - West (South)	Oxford to Cambridge Expressway (A428), Cambridge South Station; A505 corridor, East-West Rail

2.12 In doing so the Combined Authority will engage responsively and effectively with the public and key stakeholders; partnering organisations; regional/national bodies and central governance departments; and businesses. Importantly, it will be the role of the Combined Authority to lead on the engagement with any strategic bodies.

- 2.13 Over time it can be expected that additional transport priorities will also emerge and it is important that this list of schemes remains 'live'. Furthermore, whilst the Combined Authority will focus on these strategic projects, it will continue to support and delegate responsibility for the delivery of a wider pipeline of transport schemes as set out in the March 2018 paper, Transport Programme 18/19.
- 2.14 Of the transport schemes currently being promoted or developed by other local and regional organisations, it is important that these are assessed to ensure that they are consistent with the approach set out in the Mayoral Interim Transport Strategy Statement. In the interim and specifically, all current bus way and park and ride plans must be paused until the Combined Authority is confident there is full alignment with its plans. After the discussions during June and July, a decision will be made about the future of those plans including those in the Greater Cambridge area.
- 2.15 The Transport Statement, combined with work that is underway to assess how delivery of all programmes and projects can be accelerated, provide the opportunity to:
- Clarify the features of the future transport proposals in each of our travel corridors; and
 - Improve the timeframes for transport scheme delivery
- 2.16 Moving forward the Combined Authority will develop its approach in the short term as follows:
- | | |
|-----------|---|
| June 2018 | A review of the features and timeframes for all transport corridors will be undertaken and completed. This will be completed with support from Cambridgeshire County Council and Greater Cambridge Partnership. |
| July 2018 | A report will be brought to the Mayor, Leaders and culminate in a further Combined Board paper on 25 July 2018. |

3 FINANCIAL IMPLICATIONS

- 3.1 There are no financial implications.

4 LEGAL IMPLICATIONS

- 4.1 The Combined Authority assumed the role of the Local Transport Authority by virtue of Article 8 of the Cambridgeshire and Peterborough Combined Authority Order 2017. The Combined Authority must exercise the statutory functions of the local transport authority under Part II Local Transport Act 2000 and Parts 4 & 5 of the Transport Act 1985 so as to achieve effective and efficient transport within the area.

- 4.2 Part II of the Transport Act 2000 introduced new requirements for the preparation of local transport plans, replacing transport policies and programmes. Each local transport authority must (a) develop policies for the promotion and encouragement of safe, integrated, efficient and economic transport to, from and within its area; (b) carry out its functions so as to implement those policies.
- 4.3 For the purpose of adding clarity to the current Local Transport Plan the Mayor and/or the Combined Authority may rely upon its general power of competence to produce a statement regarding the interpretation how it intends to implement its transport plan to achieve the objectives set out in Part II Transport Act 2000.
- 4.4 The general power of competence was granted to the Combined Authority by virtue of Article 11 of the Cambridgeshire and Peterborough Combined Authority Order 2017 and enables the Combined Authority to rely upon the powers under Chapter 1 Part 1 of the Localism Act 2011. The Mayor's general power of competence exists under Article 12 of the 2017 Order.

5 SIGNIFICANT IMPLICATIONS

- 5.1 There are no other statutory matters to bring to the Board's attention.

6 APPENDICES

- 6.1 Appendix A – Mayoral Interim Transport Strategy Statement

<u>Source Documents</u>	<u>Location</u>
None	Cambridgeshire and Peterborough Combined Authority, , Unit 3, The Incubator, Alconbury Weald Enterprise Campus, Alconbury Weald, Huntingdon, PE28 4WX

Mayoral Interim Transport Strategy Statement

The purpose of this statement is to guide the development of the new Local Transport Plan, which will be completed by Spring 2019, and to provide clear direction to transport projects that are either underway or soon to be developed. By providing this direction the expectation is that all schemes will be consistent with the key features and strategic framework that will emerge from the new Local Transport Plan. The aim is to improve immediate decision making, accelerate delivery and achieve long term value for money.

Cambridgeshire and Peterborough 2030 sets-out a clear ambition to create a world class public transport system. This will form the centre piece of the new local transport plan

The core objectives are to plan for a future where all residents have better and more equitable travel choices; where efficient transport networks enable economic opportunity; and provide connectivity to allow all areas to be prosperous. Whether traveling by public transport, on foot, on a bike, or by car, residents and businesses will be able to access all parts of the region safely and reliably. Transport policies will reflect the growing pressures on our climate and focus on sustaining a clean and green environment.

Guiding Principles

The guiding principles that will shape the new local transport plan will include:

- **Economic Growth & Opportunity** – Cambridgeshire and Peterborough will connect its dynamic workforce with a growing number of well-paying and lasting jobs, particularly those in our key and new-economy sectors.
- **Equity** – Cambridgeshire and Peterborough transport systems will actively address transport and infrastructure gaps across the region and especially those in badly served communities and help all areas to be prosperous.
- **Environmental Responsiveness & Sustainability** – Cambridgeshire and Peterborough will develop a network that encourages active and sustainable travel choices, such as walk, cycling and public transport. The public transport system will be based on green energy and be so good that consumers choose to use it rather than opt for the car.

Primary Goals and Targets

The new local transport plan will contain a set of primary goals and targets. These will include a focus on:

- **Transforming public transport** – by implementing a new metro system to link our area including its principal cities and surrounding urban settlements;

optimising our rail network; and creating a modern, reliable and responsive mobility and bus services that supports and complements other forms of public transport.

- **Designing integrated walking and cycling solutions** – creating new pedestrian and cycle-friendly infrastructure and facilities; better public realm spaces; and incentivising behavioural change. The aim will be to increase the number of and average distance travelled by these modes in line with best practice examples from countries such as Holland.
- **Creating and upgrading our major road network** – to cater for longer distance car and freight journeys; and providing vital connectivity with the strategic roads network and key origins and destinations outside of our region.
- **Expanding access** – connecting people with jobs and services that will enable businesses to grow; that addresses social exclusion; and supports the development of new housing and employment sites.
- **Travel choice** – providing residents and businesses with a public transport system that is the automatic choice for residents and businesses. We will set an aspiration that every home and business in Cambridgeshire and Peterborough will have easy access to either a metro stop, rail station, on-demand bus or mobility service, and carshare. Through technology we provide real time information to enable travellers to make well informed journey decisions.
- **Ensuring reliability** – we will prioritise making travel predictable on Cambridgeshire and Peterborough's public transport system and road networks.
- **Improving safety** - substantially reduce accidents through education, enforcement, and designs that prioritise moving people safely rather than faster; including an objective to eliminate traffic fatalities and severe injuries in Cambridgeshire and Peterborough.
- **Creating a network fit for the future** – by adopting a longer-term perspective on transport we will build a network that meets the long-term needs of businesses and residents and ensure that shorter term interventions support these future aspirations.

Priority Programmes

Cambridgeshire and Peterborough will, through its new local transport plan, develop a list of programmes and policies. These will include early actions as well as a set of long term projects and policies that will require further planning processes to be implemented over the next 12 years.

In the interim the Combined Authority Board have agreed the ten strategic transport schemes, grouped around four corridors/areas, that will have the biggest greatest

benefits to the region. This corridor approach is vitally important as will ensure a co-ordinated and holistic approach to key inter-related projects.

Corridor / Area	Transport Schemes
Metro	Cambridge Autonomous Metro
North - South	A10 upgrade, M11 extension, Ely Rail Improvements, Soham Station, Cambridge Rail Capacity Study, Huntingdon Third River Crossing
East – West (North)	A47 Dualling Peterborough to Wisbech, Wisbech Rail, Wisbech Access, Wisbech Garden Town
East - West (South)	Oxford to Cambridge Expressway (A428), Cambridge South Station, A505 corridor, East-West Rail

These programmes will all be taken forward by the Combined Authority, and naturally will be subject to an extensive public consultation and business case assessment analysis.

The **Cambridgeshire Metro**, in particular, will transform public transport in the region and underpins the Combined Authority’s bold vision for our major cities and market towns. Whilst this metro proposal undergoes rapid development, it is vitally important that ongoing transport schemes and associate strategies align with and support this policy commitment to create a metro solution that:

- Delivers high quality, high frequency, reliable services, making it the mode of choice and taking away a reliance on cars
- Delivers maximum connectivity, network coverage, and reliable journey times
- Forms part of a more active and sustainable travel choice which encourages walking and cycling at the start and end of journeys
- Provides sufficient capacity for growth and supports transit-led development
- Flexibly adapts to future needs
- Uses emerging technologies, including connected and autonomous vehicles

Transport programmes underway or currently being developed

There are currently a number of transport programmes that are at various points in their design or delivery. Each of these projects should now be reevaluated to ensure that the design and policies that have been used to guide its development to date are consistent with the approach set out in this transport statement.

In particular,

- All schemes should look immediately at measures that will encourage people out of their cars by removing the opportunities for cars to park in and around our cities. An excellent public transport system will provide the opportunity to travel without the car. Infrastructure such as Park & Ride

schemes commits people to their cars. A review of new Park and Ride schemes will be undertaken by the Combined Authority in June to assess their place in the short and long term. This will be included in a further report to the Combined Authority Board in July.

- As the Metro enters a more detailed phase of development and design proposals for new guided bus ways schemes, off road bus schemes and bus ways will also be reviewed by the Combined Authority and included in the report to the Combined Authority Board in July.
- Charging will not be introduced at a time when we are still working to improve the public transport system. It would not be appropriate to start to develop proposals in this respect until there is a greater understanding about the future transport solutions and when they will become operational.

In the interim all current bus way and park and ride plans must be paused until the Combined Authority is confident there is full alignment with its plans. After the discussions during June and July, a decision will be made about the future of those plans including those in the Greater Cambridge area.

It is very important that all transport infrastructure solutions fully align to the features in this Statement. The Combined Authority is focused on accelerating delivery of short and long-term solutions. This will ensure that they address the great short-term pressures that already exist in our current transport network. It will also make sure that is a sustainable vision for the medium to long term and supports the significant growth expected across our area and specifically in Greater Cambridge over the next decade.

By taking these steps and pausing development until the review has been completed in June and July, residents and businesses will have confidence that the area is developing transport solutions in the short medium and long term in a coherent and consistent manner.

Public and Stakeholder consultation and engagement

In the development of the Local Transport Plan and the delivery of the priority programmes outlined above the Combined Authority will engage responsively and effectively with:

- the public and stakeholders on all major schemes and policies, responding to concerns raised whilst recognising the wider public need.
- partnering organisations to ensure a co-ordinated and holistic approach to transport, as well as wider strategies around housing, spatial planning and economic investment.
- regional and national bodies and central government departments to ensure the best possible outcomes for the people of Cambridgeshire and Peterborough.
- businesses, creating new and collaborative delivery models that encourage innovation and accelerate delivery.

The Combined Authority Board have previously agreed that it is the Mayor and the Combined Authority's role to lead engagement and activity with strategic bodies. This includes the East – West corridor, (including rail, road, and Cambridge South Station), and with Transport East. The Combined Authority Board will agree and determine how to lead and provide representation on these groups.

Conclusion

The Combined Authority has set out its strategy ambition for the area. Underpinning this will be the transformation of our transport network which will help the region achieve its full economic potential; create equity in our transport and infrastructure provision so that all areas can prosper; ensure that environmental sustainability is at the heart of what we do; and help make Cambridgeshire and Peterborough a leading place in the world to live, learn and work.

This Transport Statement, combined with work that is underway to assess how delivery of all programmes and projects can be accelerated, provide the opportunity to:

- Clarify the features of the future transport proposals in each of our travel corridors
- Improve the timeframes for transport scheme delivery

Moving forward the Combined Authority will develop its approach in the short term as follows:

- | | |
|-----------|---|
| June 2018 | A review of the features and timeframes for all transport corridors will be undertaken and completed. This will be completed with support from Cambridgeshire County Council and Greater Cambridge Partnership. |
| July 2018 | A report will be brought to the Mayor, Leaders and culminate in a further Combined Board paper on 25 July 2018. |



**CAMBRIDGESHIRE
& PETERBOROUGH**
COMBINED AUTHORITY

CAMBRIDGESHIRE AND PETERBOROUGH COMBINED AUTHORITY BOARD	AGENDA ITEM No: 3.3
30 May 2018	PUBLIC REPORT

CONSENT TO BUSINESS RATE SUPPLEMENTS ORDER

1.0 PURPOSE

- 1.1. This report provides the background to the request from the Ministry of Housing, Communities and Local Government (MHCLG) for consent to the making of an Order to confer the power to levy a Business Rate Supplement on to the mayor of Cambridgeshire and Peterborough Combined Authority in accordance with Sections 105B(1) and 107D(9) of the Local Democracy, Economic Development and Construction Act 2009.

<u>DECISION REQUIRED</u>	
Lead Member:	Cllr Steve Count, Portfolio Holder for Fiscal Strategy
Lead Officer:	Interim Chief Finance Officer
Forward Plan Ref:	Key Decision: No
<p>The Combined Authority Board is recommended to:</p> <ol style="list-style-type: none"> 1. Approve the transfer of functions to Cambridgeshire and Peterborough Combined Authority ("CPCA") conferred by the Business Rate Supplements Act 2009. 2. Give consent on behalf of the CPCA to the making of an Order giving effect to this transfer. 3. Give delegated authority to the Legal Counsel and Monitoring Officer in consultation with the Portfolio Holder and the Mayor to approve the 	<p>Voting arrangements</p> <p>Simple majority of all Members</p>

<p>final draft Order in order to meet the timetable for transfer of the powers.</p> <p>4. Note that the constituent councils have been requested to give their consent to the making of an Order giving effect to this transfer including the necessary delegation to approve the final draft Order</p> <p>5. Note that only the draft Order can be approved, as the Order cannot be deemed finalised until it has been presented to and approved by Parliament.</p>	
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2.0 BACKGROUND

- 2.1. The raising of funds through business rates was referred to in the original CPCA Devolution Deal as follows: "Following the implementation of the necessary primary legislation, the Mayor will be given the power to place a supplement on business rates to fund infrastructure, with the agreement of the local business community."
- 2.2. The Local Government Finance Bill 2017 would have enabled the Mayor of Cambridgeshire and Peterborough Combined Authority to ask for an additional payment of up to 2p in the pound from local businesses. This would have allowed the Mayor to raise funds for infrastructure projects to promote economic development.
- 2.3. However, the Local Government Finance Bill 2017 was "lost" due to the interruption of business caused by the 2017 general election.
- 2.4. The Ministry of Housing, Communities and Local Government (MHCLG) has now produced the attached draft Statutory Instrument and will shortly be writing out to ask for the consents of the mayor, the Combined Authority, and the constituent councils, to the making of an Order to confer the power to levy a Business Rate Supplement on to the mayor of the combined authority.

The making of the Statutory Instrument

- 2.5. Sections 105B(1) and 107D(9) of the Local Democracy, Economic Development and Construction Act 2009 require that a mayor, combined authority, and each of its constituent authorities, give consent to any conferral of powers on the combined authority under that Act.
- 2.6. The Cambridgeshire and Peterborough Combined Authority (Business Rate Supplements Functions) Order 2018 will give effect to commitments in the area's devolution agreement by giving the mayor the same powers as the

mayor of Greater London has to levy a supplement on business rates to raise money for a project that will promote economic development in the area.

2.7. These powers are provided in the Business Rate Supplements Act 2009 (see link provided under the source documents section).

2.8. Key features of the Business Rate Supplements Act 2009 are:

- (a) Money raised from the supplement cannot be put towards the authority's day-to-day costs for services it has existing obligations to provide.
- (b) Before levying any supplement, the mayor would be required to consult on and publish a prospectus setting out the benefits of the proposed project that the supplement would fund.
- (c) The proposed supplement is then subject to a ballot of businesses that would be affected. Both a majority of affected individual rate-payers must approve it and the aggregate rateable value of those businesses in favour must exceed those against.
- (d) The Business Rate Supplement may only be levied on business properties with a rateable value of £50,000 or more. The mayor may increase, but cannot reduce, this threshold, and can apply any other reliefs as may be set out in the prospectus.

2.9. The process for the making of the Order is as follows:

- (a) MHCLG instructs its lawyers to prepare a draft Order
- (b) The draft Order is given to the lawyers of the Joint Committee on Statutory Instruments (JCSI) to review.
- (c) Once both sets of lawyers have agreed the draft, MHCLG will write to the Combined Authority, the Mayor and the Constituent Councils for consent to the Order. This is likely to be the day after the local elections (i.e. Friday 4th May 2018)
- (d) Once consent from all parties has been confirmed, the draft will be laid in parliament. This gives the Order full status as a final 'Draft' order and will appear as a 'Draft' on the legislation website. The provisional date for the laying of the Order is Monday 4th June 2018.
- (e) The Draft Order will then be considered by the Joint Committee on Statutory Instruments (likely to be Wednesday 6th June 2018 or Wednesday 11th June).
- (f) If the JCSI agree to the Statutory Instrument, it will then be laid before each House of Parliament for approval.
- (g) Once approved by each House, the Order will be signed by the Minister and is likely to come into force in the following week.

3.0 FINANCIAL IMPLICATIONS

3.1. None.

4.0 LEGAL IMPLICATIONS

- 4.1. The Draft Order will be laid before Parliament under section 117(2) of the Local Democracy, Economic Development and Construction Act 2009, for approval by resolution of each House of Parliament.

5.0 SIGNIFICANT IMPLICATIONS

- 5.1. There are no other significant implications to bring to the Board's attention.

6.0 APPENDICES

- 6.1. Appendix 1 - The draft Cambridgeshire and Peterborough (Business Rate Supplements Functions) Order 2018

<u>Source Documents</u>	<u>Location</u>
Business Rate Supplements Act 2009. Link to website:	https://www.legislation.gov.uk/ukpga/2009/7/pdfs/ukpga_20090007_en.pdf

DRAFT STATUTORY INSTRUMENTS

2018 No.

LOCAL GOVERNMENT, ENGLAND

**The Cambridgeshire and Peterborough Combined Authority
(Business Rate Supplements Functions) Order 2018**

Made - - - -

Coming into force in accordance with article 1

The Secretary of State makes the following Order in exercise of the powers conferred by sections 105A, 107D(1), (5) and (7)(a) to (e) and 117(5) of the Local Democracy, Economic Development and Construction Act 2009^(a) (“the 2009 Act”).

In accordance with sections 105B(1) and 107D(9) of the 2009 Act, the county council and district councils whose areas are comprised in the area of the Cambridgeshire and Peterborough Combined Authority, the Cambridgeshire and Peterborough Combined Authority and the Mayor of the Cambridgeshire and Peterborough Combined Authority have consented to the making of this Order.

The Secretary of State considers that the making of this Order is likely to improve the exercise of statutory functions in the area to which this Order relates.

In accordance with section 105B(9) of the 2009 Act the Secretary of State has laid before Parliament a report explaining the effect of this Order and why the Secretary of State considers it appropriate to make this Order.

A draft of this instrument has been laid before, and approved by a resolution of, each House of Parliament pursuant to section 117(2) of the 2009 Act.

(a) 2009 c.20. Section 105 was amended by the Cities and Local Government Devolution Act 2016 (c. 1) (“the 2016 Act”), sections 6, 9 and 14. Sections 105A and 107D were inserted by sections 4 and 7 of the 2016 Act. Section 114 was amended by Schedule 5 to the 2016 Act. Section 117 was amended by section 13(2) of the Localism Act 2011 (c. 20) and Schedule 5 to the 2016 Act.

PART 1

General

Citation and commencement

1. This Order may be cited as the Cambridgeshire and Peterborough Combined Authority (Business Rate Supplements Functions) Order 2018 and comes into force on the day after the day on which it is made.

Interpretation

2. In this Order—

“the 2009 Act” means the Local Democracy, Economic Development and Construction Act 2009;

“the BRS Act” means the Business Rate Supplements Act 2009(a);

“the CPCA” means the Cambridgeshire and Peterborough Combined Authority(b).

PART 2

Business Rate Supplements Functions

Conferral of BRS power of Greater London Authority

3.—(1) The CPCA has, in relation to its area, functions corresponding to the functions conferred on the Greater London Authority in relation to Greater London by the BRS Act.

(2) Paragraph (1) does not apply in relation to the function conferred by section 3(5) of the BRS Act.

General functions of the Combined Authority exercisable only by the Mayor

4.—(1) The functions of the CPCA specified in article 3 are exercisable only by the Mayor(c).

(2) The members or officers of the CPCA may assist the Mayor in the exercise of the functions specified in article 3.

(3) For the purposes of the exercise of the functions specified in article 3 the Mayor may do anything that the CPCA may do under section 113A of the 2009 Act (general power of EPB or combined authority)(d).

Adaptation of BRS Act in consequence of article 3

5. For the purposes of article 3, the BRS Act applies to the CPCA as if —

(a) references to the Greater London Authority in section 2(1) (levying authorities) and in section 5(2) (prospectus) of the BRS Act include references to the CPCA;

(b) subject to paragraph (c), references in that Act to a lower-tier authority include references to a district council whose area forms part of the CPCA’s area;

(a) 2009 c. 7, as amended by Part 4 of the Localism Act 2011 (c. 20).

(b) The Cambridgeshire and Peterborough Combined Authority was established by the Cambridgeshire and Peterborough Combined Authority Order 2017, S.I. 2017/251.

(c) S.I. 2017/251, article 5, provided for there to be a mayor of the combined authority. The first mayor was elected on 4th May 2017.

(d) Section 113A was inserted by section 13 of the Localism Act 2011 and amended by section 23 of, and paragraph 25 of Schedule 5 to, the Cities and Local Government Devolution Act 2016.

- (c) reference to a lower-tier authority in section 6(1)(b) includes reference to a district council whose area forms part of the CPCA's area and to Cambridgeshire County Council.

Amendment of the Cambridgeshire and Peterborough Combined Authority Order 2017

6.—(1) The Cambridgeshire and Peterborough Combined Authority Order 2017 is amended as follows.

(2) In paragraph (2) of article 6 after “article 12(1)” insert “and the functions conferred on the combined authority by article 3 of the Cambridgeshire and Peterborough Combined Authority (Business Rate Supplements Functions) Order 2018”.

Signed by authority of the Secretary of State for Housing, Communities and Local Government

	<i>Name</i>
	Parliamentary Under Secretary of State
Date	Ministry of Housing, Communities and Local Government

EXPLANATORY NOTE

(This note is not part of the Order)

This Order provides for the conferral of functions the Greater London Authority has under the Business Rate Supplements Act 2009 (“the BRS Act”) on the Cambridgeshire and Peterborough Combined Authority.

Part 6 of the Local Democracy, Economic Development and Construction Act 2009 (“the 2009 Act”) provides for the establishment of combined authorities for the areas of two or more local authorities in England. Combined authorities are bodies corporate which may be given power to exercise specified functions in their area.

Article 3 of the Order provides that the Combined Authority is to have in relation to its area functions corresponding to the functions that the Greater London Authority has under the BRS Act to levy a supplement on business rates to raise money for expenditure on a project which will promote economic development in its area.

Article 4 provides that the functions are exercisable only by the Mayor, that the Mayor may be assisted by members or officers of the authority in the exercise of the functions and that the general power of the combined authority under section 113A of the 2009 Act is conferred on the Mayor for the purposes of those functions.

Article 5 provides for modification of the Business Rate Supplements 2009.

Article 6 amends the Cambridgeshire and Peterborough Combined Authority Order 2017 to provide that the BRS functions of the combined authority will be funded in accordance with the arrangements specified in article 6 of that Order.

A full regulatory impact assessment has not been prepared as this instrument will have no impact on the costs of business and the voluntary sector.



CAMBRIDGESHIRE AND PETERBOROUGH COMBINED AUTHORITY BOARD	AGENDA ITEM No: 3.4
30 MAY 2018	PUBLIC REPORT

ADULT EDUCATION BUDGET (AEB) DEVOLUTION OF POWERS TO COMBINED AUTHORITY

1.0 PURPOSE

- 1.1. To outline the process for agreeing the devolution of powers required to enable transfer of the Adult Education Budget (AEB) and associated powers for delivery of the adult education service and the timescale and proposed process for doing so.

<u>DECISION REQUIRED</u>	
Lead Member:	Cllr John Holdich, Portfolio Holder for Employment and Skills
Lead Officer:	Martin Whitelely, Chief Executive
Forward Plan Ref: Not applicable	Key Decision: No
<p>The Combined Authority Board is recommended to:</p> <ol style="list-style-type: none"> 1. Approve the transfer of functions to Cambridgeshire and Peterborough Combined Authority ("CPCA") to ensure the successful devolution of the Adult Education Budget ("AEB") in 2019. 2. Give consent on behalf of the CPCA to the making of an Order giving effect to this transfer. 3. Give delegated authority to the Legal Counsel and Monitoring Officer in consultation with the Portfolio Holder and the Mayor to approve the 	<p>Voting arrangements</p> <p>Simple majority of all Members</p>

<p>final draft Order in order to meet the timetable for transfer of the powers.</p> <p>4. Note that the constituent councils have been requested to give their consent to the making of an Order giving effect to this transfer including the necessary delegation to approve the final draft Order</p> <p>5. Note that only the draft Order can be approved, as the Order cannot be deemed finalised until it has been presented to and approved by Parliament.</p>	
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2.0 BACKGROUND

- 2.1. The Devolution Deal of June 2016 included the transfer of AEB to the CPCA and the subsequent Order establishing the Combined Authority contained details of a number of Adult Education powers although it did not deal with the devolution of funding. In order to prepare for devolution, the Combined Authority is required to meet a series of readiness conditions including the transfer of the Secretary of State for Education's statutory duties in relation to the provision of further education for adults.
- 2.2. The principal purpose of AEB is to engage adults in learning that supports wider economic and social priorities. Devolution of AEB will only be applied within constituent member areas and the indicative budget will be approximately £12.1m from 2019 based on current spend on residents.
- 2.3. The Order, to be received in draft by CPCA, will set out the details of the AEB functions that will be transferred to the CPCA with the agreement to devolve the budget. DfE have been clear that the Order will not cover apprenticeships, adult offender learning or provision for people aged 16 -18. Subject to these exceptions, it is proposed that the following functions contained in the Apprenticeships, Skills, Children and Learning Act (ASCL) 2009 will transfer to the CPCA in relation to constituent member areas:
- I. S86 – Duty to provide appropriate FE to learners aged 19 and over(not to include apprenticeships, prisoner education or traineeships).
 - II. S87 – Duty to provide appropriate FE to learners aged 19 and over, who do not have certain specified qualifications
 - III. S88 – Duty to ensure that provision is free for relevant learners who do not have certain specified qualifications

The following powers will be exercised concurrently with the Secretary of State:

IV. S90 – Duty to encourage learner and employer participation in education and training of people aged 19 and over (except those in adult detention) (to be exercised concurrently with the Secretary of State)

V. S115 – Duty to consider/have regard to the needs of learners aged 19 and over, with Special Education Needs (other than those aged 19-25 with Educational Health Care plans, who will remain the responsibility of the LAs as they are treated as 16-18 year old learners).

VI. S122 – Power to exchange information with providers to enable provision of FE to learners aged 19 and over (to be exercised concurrently with the Secretary of State).

- 2.4. Mayoral Combined Authorities (MCAs) are required to provide the Department for Education (DfE) with consent to the draft Order by the end of July 2018 to meet the necessary timescales to enable full devolution in 2019/20. The Order will need to be laid before Parliament by the end of July 2018 and made in November 2018 to meet the timescales to commission for the 2019/20 academic year. There is a reputational risk to the CPCA if the order is not laid in a timely manner.

3.0 FINANCIAL IMPLICATIONS

- 3.1. The impact of not achieving the proposed timescale as set by DfE is that the devolution of AEB could be delayed by a further year
- 3.2. If there are financial implications, the report needs to go to the Investment Board. This paragraph needs to be approved with the Chief Finance Officer (S151).

4.0 LEGAL IMPLICATIONS

- 4.1. Devolution of the AEB will mean that the CPCA will have the duty and responsibility to deliver the government's commitment to statutory entitlements for fully funded qualifications at Levels 2 and 3, English and Maths and the future digital entitlements for learners, free of charge. Based on figures for 2015/16, 48% of the AEB was spent on delivering statutory requirements. Although there may be a risk that these obligations exceed the available budget in any one year, the statutory entitlements are not time bound and the entitlement does not have to be offered immediately upon request. This will be reflected in the CPCA's AEB Funding Policy where it will be clearly stated that if demand exceeds availability some learners may have to wait to the following academic year.

- 4.2. Section 105(b) of the 2016 Cities and Local Government Devolution Act states that to allow Secretary of State to make an order for the devolution of functions, consent also has to have been given by each appropriate authority which for these purposes are the Combined Authority and the constituent authorities of that Combined Authority.
- 4.3. The timetable for approvals is challenging given the timetable constraints of the Parliamentary process. We have spoken to each constituent authority and agreed that they can provide appropriate consent by approving a report through their Cabinet in a timely manner to ensure that orders are laid before Parliament before the end of June 2018. A delegation is also requested to authorise the final sign off of the draft Orders when requested by the DfE on the basis that there is no material change to the drafting

5.0 EQUALITIES IMPLICATIONS

- 5.1 These aspects of the Devolution Agreement are reflected in the CPCA Equalities Scheme.

6.0 APPENDIX

- 6.1. Appendix 1 - Affirmative Resolution Procedure:

<u>Source Documents</u>	<u>Location</u>
None	

Appendix 1

The SI is laid in the form of a draft instrument, which is later made when it has been approved by both Houses.



The instrument cannot be made unless the draft Order is approved by Parliament.



The instrument is made when a motion approving it has been passed by both Houses and it is the responsibility of the minister, having laid the instrument, to move the motion for approval.



The instrument is laid after making and will come into effect immediately but cannot remain in force unless approved within a statutory period (usually 28 or 40 days).



CAMBRIDGESHIRE AND PETERBOROUGH COMBINED AUTHORITY BOARD	AGENDA ITEM No: 4.1
30 MAY 2018	PUBLIC REPORT

TREASURY MANAGEMENT STRATEGY

1.0 PURPOSE

- 1.1. 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”
- 1.2. The purpose of this report is for the Board to receive the Treasury Management Strategy for 2018/19 as reviewed by the Audit and Governance Committee on 26 March 2018 and to note the Committee’s recommendation.
- 1.3. The Board is asked to adopt the Treasury Management Strategy for the financial year 2018/19.

<u>DECISION REQUIRED</u>	
Lead Member:	Cllr Steve Count, Portfolio Holder for Fiscal Strategy
Lead Officer:	Interim Chief Finance Officer
Forward Plan Ref: N/A	Key Decision: No
<p>The Combined Authority Board is recommended to:</p> <ol style="list-style-type: none"> 1. Receive and adopt the Treasury Management Strategy for 2018/19. 2. Note the recommendation of the Audit and Governance Committee to undertake a review of the Combined Authority’s investment strategy and risk appetite. 3. To approve funding of up to £20k to undertake the review. 	<p>Voting arrangements</p> <p>Simple majority of all Members</p>

2.0 BACKGROUND

- 2.1. According to the Combined Authority's Constitution, the Board is responsible for the adoption of, and any amendment to, the Treasury Management Strategy.
- 2.2. The Audit and Governance Committee shall ensure that there is effective scrutiny of the treasury management strategy and policies in accordance with CIPFA's Code of Practice.
- 2.3. The Treasury Management in the Public Services: Code of Practice 2011 recommends that Members receive an annual strategy and plan in advance of the year.
- 2.4. Peterborough City Council (PCC) have provided a Treasury Management support service to the Combined Authority through its 'Capital and Treasury' team since the Combined Authority was created in March 2017. The PCC Capital and Treasury team provide investment management support to the Combined Authority in accordance with the Combined Authority's Treasury Management Strategy.
- 2.5. At its meeting on 26th March 2018, the Audit and Governance Committee reviewed the draft Treasury Management Strategy for 2018/19 and made the following recommendation. 'The Combined Authority should undertake an immediate review of its investment strategy and risk appetite to maximise the yield based on expert advice. The results from the review should be reported back to the committee.'
- 2.6. Officers have engaged with our existing bankers and other 'expert advice' with a view to contributing to this review in order report back to the Audit and Governance Committee on the results of the review at its next formal meeting.

DCLG Consultation on Proposed changes to the prudential framework of capital finance 2018/19

- 2.7. In November 2017, DCLG carried out a consultation on proposed changes to the Local Authorities Investment Code and Minimum Revenue Provision Guidance. The main changes to the Investment Code are to extend its coverage to non-financial investments and loans made by local authorities. The main changes in MRP guidance are to prevent local authorities making retrospective calculations of MRP overpayments when changing their MRP policy and to set maximum asset lives for categories of assets to be used in calculating MRP.

CIPFA Consultation on the Treasury Management Code

- 2.8. The Chartered Institute of Public Finance and Accountancy consulted on changes to its Treasury Management Code of Practice and the Prudential Code. The review focussed on non-treasury investments and on the purchase of property with a view to generating income. CIPFA has also withdrawn a

number of existing prudential indicators and announced a change to the requirement to report on investments with a duration of 'longer than 364' days to become 'longer than 365 days'.

Borrowing Strategy

- 2.9. The Combined Authority is developing an ambitious investment plan for the future, and is considering what the optimal funding structure will look like for future programmes as part of its investment strategy. The Combined Authority is looking at a range of funding options including borrowing to be 'serviced' by devolution deal funding streams.
- 2.10. In the 2016 Autumn Statement, the Government confirmed that mayoral combined authorities would be given powers to borrow for their new functions which will allow them to invest in economically productive infrastructure, up to a cap to be agreed with the Government and subject to the passing of relevant secondary legislation.
- 2.11. On 8 February 2018, the Director Public Services of HM Treasury approved a cap agreement which will limit the Combined Authority's external long term debt for 2018-19 and 2019-20 as follows:

£	2018-19	2019-20
CPCA long-term external debt	55,910,000	84,610,000

The debt agreement, including the final limit on annual long-term external debt (£84,610,000), will remain in effect until superseded by another debt agreement between CPCA and HMT.

The current debt cap agreement will be reviewed before the end of 2019-20, and will also be reviewed in light of any initiative, local or national, that has material implications for CPCA borrowing totals.

- 2.12. All of the constituent councils have provided their consent to the Combined Authority having powers to borrow for its new functions, and the draft Statutory Instrument that will establish this power is in the process of being laid before parliament.

Treasury Management Strategy Prudential Indicators

- 2.13. The Prudential Code underpins the system of capital finance. Prudential indicators are developed to ensure that:
- (a) Capital investment plans are affordable;
 - (b) All external borrowing and other long term liabilities are within prudent and sustainable levels; and
 - (c) Treasury management decisions are taken in accordance with professional good advice.

- 2.14. The Combined Authority currently operates a restrictive lending list due to the continued economic uncertainty. Surplus cash is only invested for short periods with Barclays. The Combined Authority also invests with other Local Authorities, the Debt Management Office (DMO) and with facilities set up with Money Market Funds (MMF).
- 2.15. The Code requires the Combined Authority to set a range of Prudential Indicators. Targets for the Prudential Indicators are set out in the 2018/19 Treasury Management Strategy.

Investment Activity

- 2.16. The Combined Authority has so far received £153m of grant funding from the Department for Communities and Local Government (now MHCLG) - £40.5m was received in March 2017 and £60.5m was received in April 2017. A further £52.0m was received at the beginning of the 2018/19 financial year with further funds receivable according to future devolution agreements and as a result of the transfer of the accountable body status of the Local Enterprise Partnership.
- 2.17. As at 31 March 2018, the following investments were held with Approved Investments in accordance with the existing Treasury Management Strategy:

Class	Start / Purchase Date	Maturity Date	Counterparty	Principal O/S (£)
Deposit	23/08/17	23/05/18	Dundee City Council	5,000,000.00
Deposit	04/09/17	04/04/18	London Borough of Haringey	5,000,000.00
Deposit	06/10/17	05/10/18	Lancashire County Council	10,000,000.00
Deposit	12/10/17	12/07/18	Lancashire County Council	5,000,000.00
Deposit	04/12/17	04/06/18	Surrey Heath Borough Council	12,000,000.00
Deposit	19/12/17	11/04/18	Leeds City Council	10,000,000.00
Deposit	03/01/18	01/06/18	Eastleigh Borough Council	10,000,000.00
Deposit	17/01/18	17/07/18	Highland Council	5,000,000.00
Deposit	02/03/18	05/09/18	Highland Council	5,000,000.00
Deposit	12/03/18	12/06/18	London Borough of New ham	10,000,000.00
Fixed Total				77,000,000.00
Deposit	20/03/17		Barclays Bank plc	11,700,000.00
Call Total				11,700,000.00
Deposit	20/03/17		CCLA The Public Sector Deposit 4	10,000,000.00
MMF Total				10,000,000.00

Total Investments as at 31 March 2018 98,700,000.00

3.0 FINANCIAL IMPLICATIONS

- 3.1. The Board is asked to approve a budget allocation of up to £20k to conduct a review of its 'investment strategy and risk appetite to maximise the yield based on expert advice' as recommended by the Audit and Governance Committee.
- 3.2. It is anticipated that the costs of the review should be compensated for by increased investment yield brought about by the recommendations of the review.

4.0 LEGAL IMPLICATIONS

- 4.1. Treasury Management activities have to conform to the Local Government Act 2003, the Local Authorities (Capital; Finance and Accounting) (England) Regulations 2003 (SI 2003/3146), which specifies that the Council is required to have regard to the CIPFA Prudential Code and the CIPFA Treasury Management Code of Practice and also the Local Authorities (Capital Finance and Accounting) (England) (Amendment) Regulations 2008 (SI 2008/414), which clarifies the requirements of the Minimum Revenue Provision guidance. Local authorities must have regard to DCLG statutory investment guidance.

5.0 SIGNIFICANT IMPLICATIONS

- 5.1. None.

6.0 APPENDICES

- 6.1. Appendix 1 – Draft Cambridgeshire and Peterborough Combined Authority (CPCA) Treasury Management Strategy 2018/19.

<u>Source Documents</u>	<u>Location</u>
The Prudential Code for Capital Finance in Local Authorities – 2011 Edition, CIPFA Treasury Management in the Public Services, Code of Practice and Cross-Sectoral Guidance Notes – 2011 Edition, CIPFA	Cambridgeshire and Peterborough Combined Authority, Unit 3, The Incubator, Alconbury Weald Enterprise Campus, Alconbury Weald, Huntingdon, PE28 4WX



**CAMBRIDGESHIRE
& PETERBOROUGH**
COMBINED AUTHORITY

Treasury Management Strategy 2018/19 to 2020/21

1. Introduction

1.1. Background

1.1.1. The Combined Authority is required to operate a balanced budget, which means that cash raised through the year will meet cash expenditure. The Treasury Management Strategy (TMS) has four fundamental roles:

- Manage External Investments - Security, Liquidity and Yield
- Ensure Debt is Prudent and Economic
- Produce and Monitor the Prudential Indicators
- To ensure that decisions comply with regulations.

1.1.2. The role of treasury management is to ensure cash flow is adequately planned so that cash is available when it is needed. Surplus monies are invested in low risk counterparties commensurate with the Combined Authority's risk appetite ensuring that security and liquidity are achieved before considering investment return.

1.1.3. CIPFA defines treasury management as:

“ The management of the local authority's investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.”

1.1.4. This Treasury Management Strategy also fulfils the requirements of the Ministry of Housing Communities and Local Government (MHCLG) for every local authority to produce an Annual Investment Strategy.

1.2. Reporting Requirements

1.2.1. The Combined Authority is required to receive and approve, as a minimum, three reports each year. These reports are to be scrutinised by the Audit and Governance Committee before being recommended to Combined Authority.

1.2.2. This Treasury Management Strategy report covers:

- the capital programme (including prudential indicators)
- a Minimum Revenue Provision (MRP) Policy
- the Treasury Management Strategy including treasury indicators; and
- an Investment Strategy

1.2.3. A mid-year Treasury Management Report will update members of the Audit and Governance Committee with the progress of the capital programme, investments and amending prudential indicators as necessary.

1.2.4. An Annual Treasury Report will provide details of actual prudential and treasury indicators and actual treasury operations compared to estimates. The Annual Treasury Report is presented alongside the Statement of Accounts.

1.3. Treasury Management Strategy for 2018/19

1.3.1. The strategy for 2018/19 covers:

- | | |
|--|---|
| • Policy on use of External Advisors - Section 1.4 | • New Borrowing Approaches to be Considered – Section 8 |
| • Treasury Management Policy Statement - Section 1.5 | • Treasury Debt Prudential Indicators - Section 9 |
| • Revised CIPFA Treasury Management and Prudential Codes - Section 1.6 | • Policy on Borrowing in Advance of Need - Section 10 |

- Treasury Management role of the S151 Officer Roles - Section 1.7
- Capital Programme and the Prudential Indicators - Section 2
- Minimum Revenue Provision Policy - Section 3
- Current Treasury Position - Section 4
- Treasury Indicators - Section 4
- Prospects for Interest Rates - Section 5
- Investment and Borrowing Rates - Section 6
- Borrowing Strategy - Section 7
- Debt Rescheduling - Section 11
- Municipal Bond Agency - Section 12
- Investment Strategy - Section 13
- Creditworthiness Policy - Section 14
- Loans made to Third Parties - Section 15
- Non-financial Investments - Section 16
- Treasury Management Scheme of Delegation - Section 17

1.3.2. These elements cover the requirements of the Local Government Act 2003, the CIPFA Prudential Code 2017, the MHCLG, MRP Guidance, the CIPFA Treasury Management Code 2017 and the MHCLG Investment Guidance.

1.4. Treasury Management Advisors

- 1.4.1. The Combined Authority recognises that responsibility for treasury management decisions remains with the Combined Authority at all times and will ensure that undue reliance is not placed upon external advisors.
- 1.4.2. The Combined Authority also recognises that there is value in employing external providers of treasury management services in order to access specialist skills and resources. The Combined Authority will ensure that the terms of their appointment and the methods by which their value will be assessed are properly agreed and documented and subjected to regular review.

1.5. Treasury Management Policy Statement

- 1.5.1. The Treasury Management Policy Statement sets out the policies and objectives of Treasury Management Activities which is revised annually. It reflects April 2018 guidance.
- 1.5.2. The Combined Authority regards the successful identification, monitoring and control of risk to be the prime criteria by which the effectiveness of its treasury management activities will be measured. Accordingly, the analysis and reporting of treasury management activities will focus on their risk implications for the organisation, and any financial instruments entered into to manage these risks.
- 1.5.3. The Combined Authority acknowledges that effective treasury management will provide support towards the achievement of its business and service objectives. It is therefore committed to the principles of achieving value for money in treasury management, and to employing suitable comprehensive performance measurement techniques, within the context of effective risk management.
- 1.5.4. Investments in the above definition covers all financial assets of the organisation, as well as other non-financial assets which the organisation holds primarily for financial returns such as investment property portfolios. This may therefore include investments which are not managed as part of normal treasury management or under treasury management delegations. All investments require an appropriate investment management and risk management framework.
- 1.5.5. The Combined Authority's high level policies for borrowing and investments are set out below.

- To invest available cash balances with a number of high quality investment counterparties over a spread of maturity dates in accordance with the Combined Authority's lending list.
- To reduce the revenue cost of any debt the Combined Authority enters into by obtaining financing at the cheapest rate possible.
- To seek to reschedule or repay debt at the optimum time.

1.6. Revised CIPFA Treasury Management and Prudential Codes

- 1.6.1. CIPFA has reviewed the Treasury Management Code of Practice and the Prudential Code. This review focused on non-treasury investments and especially on the purchase of property with a view to generating income. Such purchases may involve undertaking external borrowing to raise the cash to finance these purchases, or the use of existing cash balances. Both actions affect treasury management.
- 1.6.2. CIPFA has withdrawn some prudential indicators (listed below) as they have caused confusion as to how to calculate them. However it is appropriate to retain two of these as local indicators because they are likely to be relevant to measuring the sustainability of the Combined Authority's long term financial position.
 - Incremental impact of capital investment decisions on Council tax (not relevant)
 - Estimates of the ratio of financing costs as a percentage of net revenue stream for three years ahead
 - Actual ratio of financing costs to net revenue stream (after the year-end)
 - Q4 of the Prudential Code consultation questionnaire also questioned whether HRA indicators should be removed. This will not affect the Combined Authority as it is not an HRA Combined Authority
- 1.6.3. The requirement to report on investments of longer than 364 days has been changed to longer than 365 days. This change has been incorporated into Indicator 11.

1.7. The Treasury Management Role of the Section 151 Officer

The S151 (responsible) officer must do the following:

- recommending clauses, treasury management policy/practices for approval, reviewing the same regularly, and monitoring compliance;
- submitting regular treasury management policy reports;
- submitting budgets and budget variations;
- receiving and reviewing management information reports;
- review the performance of the treasury management function;
- ensuring the adequacy of treasury management resources and skills, and the effective division of responsibilities within the treasury management function;
- ensuring the adequacy of internal audit, and liaising with external audit;
- recommending the appointment of external service providers.
- preparation of a capital strategy to include capital expenditure, capital financing, non-financial investments and treasury management, with a long term timeframe ensuring that the capital strategy is prudent, sustainable, affordable and prudent in the long term and provides value for money
- ensuring that due diligence has been carried out on all treasury and non-

financial investments and is in accordance with the risk appetite of the authority

- ensure that the authority has appropriate legal powers to undertake expenditure on non-financial assets and their financing
- ensuring the proportionality of all investments so that the authority does not undertake a level of investing which exposes the authority to an excessive level of risk compared to its financial resources
- ensuring that an adequate governance process is in place for the approval, monitoring and ongoing risk management of all non-financial investments and long term liabilities
- provision to members of a schedule of all non-treasury investments including material investments in subsidiaries, joint ventures, loans and financial guarantees
- ensuring that members are adequately informed and understand the risk exposures taken on by an authority. This is done by regular development sessions with the Audit and Governance Committee
- ensuring that the authority has adequate expertise, either in house or externally provided, to carry out the above and this is done by regular attendance at course and conferences and joint working with external advisors
- creation of Treasury Management Practices which specifically deal with how non treasury investments will be carried out and managed, to include the following -

Risk management (Treasury Management Practise 1 (TMP) and schedules), including investment and risk management criteria for any material non-treasury investment portfolios;

Performance measurement and management (TMP2 and schedules), including methodology and criteria for assessing the performance and success of non-treasury investments;

Decision making, governance and organisation (TMP5 and schedules), including a statement of the governance requirements for decision making in relation to non-treasury investments; and arrangements to ensure that appropriate professional due diligence is carried out to support decision making;

Reporting and management information (TMP6 and schedules), including where and how often monitoring reports are taken to the various committees;

Training and qualifications (TMP10 and schedules), including how the relevant knowledge and skills in relation to non-treasury investments will be arranged.

2. Capital Prudential Indicators 2018/19 to 2020/21

- 2.1. The Combined Authority's capital programme will become a key driver of the treasury management activity. The output of the capital programme will be reflected in the prudential indicators which are designed to assist member's overview and confirm the capital programme.

- 2.2. **Indicator 1** – Capital Expenditure – this Prudential Indicator will be a summary of the Combined Authority's estimated capital expenditure for the forthcoming financial year and the following two financial years including how it will be funded. It will be populated as and when the Combined Authority's Capital Programme becomes established.

Capital Expenditure	16/17 Actual £m	17/18 Est £m	18/19 Est £m	19/20 Est £m	20/21 Est £m
Transport & Infrastructure	0.0	0.0	tbc	tbc	tbc
New Homes & Communities	0.0	0.0	tbc	tbc	tbc
Education & Skills	0.0	0.0	tbc	tbc	tbc
Strategic Planning	0.0	0.0	tbc	tbc	tbc
Total	0.0	0.0	tbc	tbc	tbc
Financed by:					
Gainshare Capital Funds	0.0	0.0	tbc	tbc	tbc
Housing Capital Funds	0.0	0.0	tbc	tbc	tbc
Net financing requirement	0.0	0.0	tbc	tbc	tbc
Total	0.0	0.0	tbc	tbc	tbc

- 2.3. **Indicator 2** – Capital Financing Requirement (CFR) – the CFR is the total historical capital expenditure which has not yet been paid for from either revenue or capital resources. It is a measure of the Combined Authority's underlying borrowing requirement. Any capital expenditure which has not immediately been paid for will increase the CFR.
- 2.4. The Combined Authority currently does not have any debt, but is likely to borrow in the future as part of a wider funding strategy that will support future investment programmes.

Capital Financing Requirement	16/17 Actual £m	17/18 Est £m	18/19 Est £m	19/20 Est £m	20/21 Est £m
CFR brought forward	0.0	0.0	tbc	tbc	tbc
Borrowing	0.0	0.0	tbc	tbc	tbc
Repayment	0.0	0.0	tbc	tbc	tbc
CFR carried forward	0.0	0.0	tbc	tbc	tbc
Movement in CFR	0.0	0.0	tbc	tbc	tbc
Net financing requirement	0.0	0.0	tbc	tbc	tbc
Less MRP & other financing	0.0	0.0	tbc	tbc	tbc
Movement in CFR	0.0	0.0	tbc	tbc	tbc

- 2.5. The difference between the borrowing requirement and the movement on the CFR is the MRP recharge made during the year.
- 2.6. **Indicator 3** – Actual and estimates of the ratio of financing costs to net revenue budget. This indicator identifies the proportion of the revenue budget which is taken up in Financing capital expenditure i.e. the net interest cost and the provision to repay debt.

Ratio of gross financing costs to net revenue budget	16/17 Actual £m	17/18 Est £m	18/19 Est £m	19/20 Est £m	20/21 Est £m
Total ratio	n/a	n/a	tbc	tbc	tbc

3. Minimum Revenue Provision Policy

- 3.1. Capital expenditure is generally expenditure on assets which have a life expectancy of more than one year e.g. buildings, vehicles, equipment, etc. Such expenditure is spread over several years in order to try to match the years over which such assets benefit the local community through their useful life. The manner of spreading these costs is through an annual Minimum Revenue Provision (MRP).
- 3.2. CLG Regulations require the Combined Authority to approve an MRP statement in advance of each year. A variety of options are provided to Local Authorities to calculate this revenue charge and the Authority must satisfy itself that the provision is prudent.
- 3.3. Local Authorities are allowed by statute to use capital receipts for the repayment of any borrowing previously incurred. The application of capital receipts to repay debt would reduce the level of MRP chargeable to revenue, but statutory guidance does not address how such a reduction should be calculated. When the Authority uses its capital receipts to redeem borrowing, the value of the MRP which would otherwise have been set aside for that year will be reduced by the amounts which have instead been repaid from capital receipts. This results in a prudent level of MRP, as there will be no reduction in the overall level of funding set aside to redeem debt.
- 3.4. The Combined Authority's adopted policy is to charge MRP using the asset life annuity method.

4. Current Treasury Position

- 4.1. **Indicator 4** - The Combined Authority's treasury position at 31 March 2017, with estimates for future years will be entered in the table below as future borrowing requirements become clear. The table below shows the actual external borrowing (Gross Debt) against the CFR.

Gross debt & capital financing requirement	16/17 Actual £m	17/18 Est £m	18/19 Est £m	19/20 Est £m	20/21 Est £m
External Borrowing					
Market Borrowing	0.0	0.0	tbc	tbc	tbc
Repayment of borrowing	-	-	tbc	tbc	tbc
Expected change in borrowing	-	-	tbc	tbc	tbc
Other long-term liabilities	0.0	0.0	tbc	tbc	tbc
Gross Debt at 31 March	0.0	0.0	tbc	tbc	tbc
CFR	0.0	0.0	tbc	tbc	tbc
% of Gross Debt to CFR	n/a	n/a	tbc	tbc	tbc

- 4.2. Based on the prudential indicators there are a number of key measures to ensure that the Combined Authority operates its activities within defined limits. One of these is that the Combined Authority needs to ensure that its total borrowing does not, except in the short term, exceed the total of the CFR in the year plus the estimates of any additional CFR for 2018/19 and the following two financial years. This allows some flexibility for limited early borrowing for future years, but ensures that borrowing is not undertaken for revenue purposes.
- 4.3. **Indicator 5** - The Operational Boundary - external borrowing is not normally expected to exceed this limit. If the operational boundary was exceeded this would be reported immediately to the members of the Audit and Governance Committee with a full report taken to the next committee meeting. The Operational Boundary is set out below:

Operational Boundary	16/17 Actual £m	17/18 Est £m	18/19 Est £m	19/20 Est £m	20/21 Est £m
Borrowing	0.00	0.00	45.91	74.61	74.61
Other long term liabilities	0.00	0.00	0.00	0.00	0.00
Total	0.00	0.00	45.91	74.61	74.61

- 4.4. **Indicator 6** - The Authorised Limit for external borrowing - this represents a limit beyond which external borrowing is prohibited.

Authorised Limit	16/17 Actual £m	17/18 Est £m	18/19 Est £m	19/20 Est £m	20/21 Est £m
Borrowing	0.00	0.00	55.91	84.61	84.61
Other long term liabilities	0.00	0.00	0.00	0.00	0.00
Total	0.00	0.00	55.91	84.61	84.61

- 4.5. This is the borrowing cap agreed by HM Treasury with Cambridgeshire and Peterborough Combined Authority in advance of the making of the Combined Authorities (Borrowing) Regulations 2018.

5. Prospects for Interest Rates

- 5.1. The Combined Authority utilises the treasury services of Link Asset Services through its relationship with Peterborough City Council who provide Treasury Management Support to the Combined Authority. Part of their service is to assist the Combined Authority to formulate a view on interest rates to assist with borrowing and investment decisions.
- 5.2. The Link Asset Services forecast for bank base rate (as at November 2017) and PWLB new borrowing (as at November 2017) is as follows (note that the PWLB Borrowing Rate includes the Certainty Rate adjustment):

Interest Rate (All rates shown as %)	Bank Rate View	5yr PWLB Rate	10yr PWLB Rate	25yr PWLB Rate	50yr PWLB Rate	Budget Assumption
Now	0.50	1.50	2.10	2.80	2.50	2.60
Mar 18	0.50	1.60	2.20	2.90	2.60	
Jun 18	0.50	1.60	2.30	3.00	2.70	
Sep 18	0.50	1.70	2.40	3.00	2.80	2.90
Dec 18	0.75	1.80	2.40	3.10	2.90	
Mar 19	0.75	1.80	2.50	3.10	2.90	
Jun 19	0.75	1.90	2.60	3.20	3.00	3.15
Sep 19	0.75	1.90	2.60	3.20	3.00	
Dec 19	1.00	2.00	2.70	3.30	3.10	
Mar 20	1.00	2.10	2.70	3.40	3.20	3.35
Jun 20	1.00	2.10	2.80	3.50	3.30	
Sep 20	1.25	2.20	2.90	3.50	3.30	
Dec 20	1.25	2.30	2.90	3.60	3.40	
Mar 21	1.25	2.30	3.00	3.60	3.40	

5.3. Link Asset Services interest rate forecasts, detailed above, are based on their views of the future economic climate, and below are some extracts taken from their economic forecasts:

- As expected, the Monetary Policy Committee (MPC) delivered a 0.25% increase in Bank Rate at its meeting on 2 November. This removed the emergency cut in August 2016 after the EU referendum. The MPC also gave forward guidance that they expected to increase Bank rate only twice more by 0.25% by 2020 to end at 1.00%. The Link Asset Services forecast as above includes increases in Bank Rate of 0.25% in November 2018, November 2019 and August 2020.
- The overall longer run trend is for gilt yields and PWLB rates to rise, albeit gently. It has long been expected, that at some point, there would be a more protracted move from bonds to equities after a historic long-term trend, over about the last 25 years, of falling bond yields. The action of central banks since the financial crash of 2008, in implementing substantial Quantitative Easing, added further impetus to this downward trend in bond yields and rising bond prices. Quantitative Easing has also directly led to a rise in equity values as investors searched for higher returns and took on riskier assets. The sharp rise in bond yields since the US Presidential election in November 2016 has called into question whether the previous trend may go into reverse, especially now the Fed has taken the lead in reversing monetary policy by starting, in October 2017, a policy of not fully reinvesting proceeds from bonds that it holds when they mature.
- Until 2015, monetary policy was focused on providing stimulus to economic growth but has since started to refocus on countering the threat of rising inflationary pressures as stronger economic growth becomes more firmly established. The Fed has started raising interest rates and this trend is expected to continue during 2018 and 2019. These increases will make holding US bonds much less attractive and cause their prices to fall, and therefore bond yields to rise. Rising bond yields in the US are likely to exert some upward pressure on bond yields in the UK and other developed

economies. However, the degree of that upward pressure is likely to be dampened by how strong or weak the prospects for economic growth and rising inflation are in each country, and on the degree of progress towards the reversal of monetary policy away from quantitative easing and other credit stimulus measures.

- From time to time, gilt yields – and therefore PWLB rates - can be subject to exceptional levels of volatility due to geo-political, sovereign debt crisis and emerging market developments. Such volatility could occur at any time during the forecast period.
- Economic and interest rate forecasting remains difficult with so many external influences weighing on the UK. The above forecasts (and MPC decisions) will be liable to further amendment depending on how economic data and developments in financial markets transpire over the next year. Geopolitical developments, especially in the EU, could also have a major impact. Forecasts for average investment earnings beyond the three-year time horizon will be heavily dependent on economic and political developments.
- The overall balance of risks to economic recovery in the UK is probably to the downside, particularly with the current level of uncertainty over the final terms of Brexit.
- Downside risks to current forecasts for UK gilt yields and PWLB rates currently include:
- The Bank of England takes action too quickly over the next three years to raise Bank Rate and causes UK economic growth, and increases in inflation, to be weaker than we currently anticipate.
- Geopolitical risks, especially North Korea, but also in Europe and the Middle East, which could lead to increasing safe haven flows.
- A resurgence of the Eurozone sovereign debt crisis, possibly Italy, due to its high level of government debt, low rate of economic growth and vulnerable banking system.
- Weak capitalisation of some European banks.
- Germany is still without an effective government after the inconclusive result of the general election in October. In addition, Italy is to hold a general election on 4 March and the anti EU populist Five Star party is currently in the lead in the polls, although it is unlikely to get a working majority on its own. Both situations could pose major challenges to the overall leadership and direction of the EU as a whole and of the individual respective countries. Hungary will hold a general election in April 2018.
- The October 2017 Austrian general election has returned a strongly anti-immigrant coalition government. In addition, the Czech ANO party became the largest party in the October 2017 general election on a platform of being strongly against EU migrant quotas and refugee policies. Both developments could provide major impetus to other, particularly former Communist bloc countries, to coalesce to create a major block to progress on EU integration and centralisation of EU policy. This, in turn, could spill over into impacting the Euro, EU financial policy and financial markets.
- Rising protectionism under President Trump
- A sharp Chinese downturn and its impact on emerging market countries

- The potential for upside risks to current forecasts for UK gilt yields and PWLB rates, especially for longer term PWLB rates include: -
- The Bank of England is too slow in its pace and strength of increases in Bank Rate and, therefore, allows inflation pressures to build up too strongly within the UK economy, which then necessitates a later rapid series of increases in Bank Rate faster than we currently expect.
- UK inflation returning to sustained significantly higher levels causing an increase in the inflation premium inherent to gilt yields.
- The Fed causing a sudden shock in financial markets through misjudging the pace and strength of increases in its Fed. Funds Rate and in the pace and strength of reversal of Quantitative Easing, which then leads to a fundamental reassessment by investors of the relative risks of holding bonds, as opposed to equities. This could lead to a major flight from bonds to equities and a sharp increase in bond yields in the US, which could then spill over into impacting bond yields around the world.

6. Investment and Borrowing Rates

- 6.1. Investment returns are likely to remain low during 2018/19 but will be on a rising trend over the next few years.
- 6.2. Borrowing interest rates increased sharply after the result of the general election in June 2017 and then also after the September 2017 MPC meeting when financial markets reacted by accelerating their expectations for the timing of Bank Rate increases. Apart from that, there has been little general trend in rates during the current financial year.

7. Borrowing Strategy

- 7.1.1. At Autumn Statement 2016, the government announced that it would give mayoral combined authorities powers to borrow for their new functions, which will allow them to invest in economically productive infrastructure, subject to agreeing a borrowing cap with HM Treasury. This will align the combined authorities' financial powers with their new responsibilities, and give them the freedom to invest in important priorities such as economic development and regeneration. Each combined authority's new powers to borrow will be specified in regulations under section 23(5) of the Local Government Act 2003.
- 7.1.2. The limits on combined authority borrowing will be expressed in terms of annual caps on external debt. Capping external debt, rather than prudential borrowing, will give the combined authorities greater flexibility to manage capital programmes across financial years.
- 7.2. On 8 February 2018, the Director Public Services of HM Treasury approved a cap agreement with the Combined Authority. The terms of this agreement are as follows:
 - 7.2.1. CPCA must continue to ensure that its borrowing is lawful, and must continue to have regard to CIPFA's Prudential Code for Capital Finance in Local Authorities.

Debt caps

- 7.2.2. The debt cap agreement brings into effect annual maximum limits on CPCA's long-term external debt from 2018-19 onwards. "External debt" refers to the closing balance for actual gross borrowing plus other long-term liabilities (as defined in The Prudential Code for Capital Finance in Local Authorities). Short-term external debt (i.e. less than 12 months) does not count towards the agreed limits.

7.2.3. The agreed limits for long-term external debt in each financial year of the agreement are as follows:

£	2018-19	2019-20
CPCA long-term external debt	55,910,000	84,610,000

7.2.4. CPCA will not allow its long-term external debt to exceed the relevant annual limit at any point during the relevant financial year.

7.2.5. The debt agreement, including the final limit on annual long-term external debt (£84,610,000), will remain in effect until superseded by another debt agreement between CPCA and HMT.

Reviews

7.2.6. The current debt cap agreement will be reviewed before the end of 2019-20.

7.2.7. The debt cap agreement will also be reviewed in light of any initiative, local or national, that has material implications for CPCA borrowing totals. Either CPCA or HMT can request a review, and the parties will seek to agree revised totals within a reasonable period of time, or as otherwise agreed.

Reporting requirements

7.2.8. Borrowing by combined authorities has a significant impact upon the public finances. Unexpected changes in borrowing and spending plans complicate HM Treasury's ability to monitor, forecast, and manage public spending.

7.2.9. The caps set out in paragraph 6 of this agreement are based on the financial plans submitted to HM Treasury by CPCA in October 2017. HM Treasury accepts that capital programmes may be delayed and that the corresponding borrowing requirement may slip to future financial years. This is permissible under the terms of this agreement, provided CPCA's long-term external debt remains within the annual maximum limits set out in paragraph 6.

7.2.10. CPCA can mitigate risks to the public finances by providing accurate, timely information about its plans for borrowing and spending. CPCA will provide information on the following financial indicators to HM Treasury on a quarterly basis:

(a) External debt, as defined in The Prudential Code for Capital Finance in Local Authorities.

(b) Capital expenditure financed by borrowing and credit arrangements not supported by central government, as defined by the most recent guidance notes for Capital Outturn Return (COR) published by the Ministry of Housing, Communities and Local Government.

(c) HM Treasury may request other information if relevant and material to the public finances.

7.2.11. HM Treasury will notify CPCA of its requests in advance of any deadline.

7.2.12. CPCA's adherence to its submitted financial plans, and cooperation with the reporting requirements described in paragraph 12, will be taken into account when setting future debt agreements.

Borrowing by constituent local authorities

- 7.2.13. Ensuring proper accountability for combined authority borrowing was a key factor in HM Treasury's decision to extend additional borrowing powers to mayoral combined authorities. Accordingly, HM Treasury expects CPCA not to utilise borrowing through its constituent local authorities.
- 7.3. All of the constituent councils have provided their consent to the Combined Authority having powers to borrow for its new functions, and the draft Statutory Instrument that will establish this power is due to be laid before parliament in March.
- 7.4. Any borrowing decisions will be reported to the appropriate decision making body at the next available opportunity.
- 7.5. The proposed strategy for 2018/19 financial year is:
- a) Significant risk of a sharp fall in long and short term rates may arise. This might be due to a marked increase of risks around relapse into recession or of risks of deflation. In this case long term borrowings will be postponed, and potential rescheduling from fixed rate funding into short term borrowing will be considered.
 - b) Significant risk of a much sharper rise in long and short term rates than currently forecast may arise. This may arise due to a greater than expected increase in world economic activity or a sudden increase in inflation risks. In this case the portfolio position will be re-appraised with the likely action that fixed rate funding will be drawn whilst interest rates were still relatively cheap.
 - c) Loans will primarily be arranged from the PWLB and other Local Authorities.
 - d) To maintain an appropriate balance between PWLB, Local Authority and other market debt in the debt portfolio and a balance in the maturity profile of debt.
 - e) To give full consideration to other debt instruments e.g. Local Authority Bonds as an alternative to PWLB borrowing. Due regard will be given to money laundering regulations.

8. New Borrowing Approaches to Be Considered:

- 8.1. To achieve an even spread of loan maturities so that there is not an exceptional borrowing requirement in any future year. Currently under 10 year money and over 35 year money is historically at a low interest cost.
- 8.2. Link Asset Services have a product that will allow the Combined Authority to borrow from the market at current interest rates with a small premium but not draw down the funds until they are required - 'forward borrow'.

9. Treasury Debt Prudential Indicators

- 9.1. There are three debt treasury indicators which ensure debt structure remains within appropriate limits. This manages risk and reduces the impact of any adverse movement in interest rates.
- 9.2. **Indicator 7** – Upper limit on fixed interest rate exposure. This identifies a maximum limit for fixed interest rates based upon the debt position net of investments. This has been set at 100% of the borrowing requirement.
- 9.3. **Indicator 8** - Upper limit on variable rate exposure. This identifies a maximum limit for variable interest rates based upon the debt position net of investments. This has been set at 25% of the borrowing requirement.

Interest Rate Exposure (Upper Limits)	16/17 Actual £m	17/18 Est £m	18/19 Est £m	19/20 Est £m	20/21 Est £m
(7) Limits on fixed interest rate net debt	0.00	0.00	45.91	74.61	74.61
% of fixed interest rate exposure	100%	100%	100%	100%	100%
(8) Limits on variable interest rate on net debt	0.00	0.00	11.48	18.65	18.65
% of variable interest rate exposure	25%	25%	25%	25%	25%

- 9.4. **Indicator 9** - Maturity structure of borrowing. These gross limits are set to reduce the Combined Authority's immediate exposure to large fixed rate sums falling due for refinancing.

Maturity Structure of borrowing	Upper Limit
Under 12 months	40%
12 months to 2 years	40%
2 years to 5 years	80%
5 years to 10 years	80%
10 years and above	100%

10. Policy on Borrowing in Advance of Need (Future Capital Expenditure)

- 10.1. The Combined Authority will not borrow more than it requires, or in advance of its needs, purely in order to profit from the investment of the extra sums borrowed. However, at any time the Combined Authority may obtain a loan or other financing at what are considered advantageous terms in anticipation of future capital expenditure. The money borrowed will be invested temporarily. The Combined Authority may also borrow in the day-to-day management of its cash flow operations or as an alternative to redeeming higher yielding investments.
- 10.2. Any decision to borrow in advance of need will be within the CFR limits, and will be considered carefully to ensure value for money.
- 10.3. The Combined Authority will ensure there is a clear link between the capital programme across the future years and the maturity profile of the existing debt portfolio which supports the need to take funding in advance of capital expenditure.
- 10.4. The Combined Authority will ensure the ongoing revenue liabilities created, and the implications for the future plans and budgets have been considered and factored into the MTFS.
- 10.5. Consideration will be given to the alternative interest rate bases available, the most appropriate periods to fund and repayment profiles to use.

11. Municipal Bond Agency

- 11.1. It is possible that the Municipal Bond Agency will be offering loans to local authorities in the future. The Agency hopes that the borrowing rates will be lower

than those offered by the Public Works Loan Board (PWLB). The Combined Authority may make use of this new source of borrowing as and when appropriate.

12. Investment Strategy Principles

- 12.1. The Combined Authority will not borrow specifically for the purpose of making investments.
- 12.2. The Combined Authority has not made any non-financial investments. A revised strategy will be put forward to the Board for consideration before any non-financial investments are undertaken.

13. Investment Counterparty Selection Criteria and Financial Investment Strategy

- 13.1. Where it is necessary for investments to be undertaken in order to manage the Combined Authority's cash flows, the Combined Authority's primary principle is for the security of its investments. After this main principle the Combined Authority will ensure that:
 - It maintains a policy covering both the categories of investment types it will invest in, criteria for choosing investment counterparties with adequate security and monitoring their security.
 - It has sufficient liquidity in its investments. For this purpose it will set out procedures for determining the maximum periods for which funds may prudently be committed. These procedures also apply to the Combined Authority's prudential indicators covering the maximum principal sums invested.
- 13.2. The Chief Finance Officer will maintain a counterparty list as set out below. Any revision of the criteria will be submitted to the Board for approval as necessary.
- 13.3. The Combined Authority's minimum criteria will apply to the lowest rating for any institution according to the type of investment account being used. For instance, the credit rating criteria for the use of the Combined Authority's call accounts and Money Market Funds, which are used for short term investments only, will use the Short Term credit ratings in the table shown below if an institution is rated by the three credit agencies and two meet the Combined Authority's criteria and the other one does not, the institution will fall outside the lending criteria. This complies with a CIPFA Treasury Management Panel recommendation in March 2009 and the CIPFA Treasury Management Code of Practice.
- 13.4. In order to minimise the risk to investing, the Combined Authority has clearly stipulated the minimum acceptable credit quality of counterparties for inclusion on the lending list. The Combined Authority uses the creditworthiness service provided by Link Asset Services which uses ratings from all three rating agencies, Fitch, Moody's and Standard and Poor's, as well as Credit Default Swap (CDS) spreads. Link Asset Services monitors ratings on a real time basis and notifies clients immediately on any rating changes or possible downgrades.
- 13.5. Minimum Credit Ratings Criteria – further explanations are given in Appendix 1

Minimum Credit Ratings for Group 2 Banks		
Agency	Short Term	Long Term
Fitch	F1	A
Moody's	P-1	Aa
Standard & Poor's	A-1	A

- 13.6. All credit ratings will be monitored weekly. The Combined Authority is alerted to changes to ratings of all three rating agencies by Link Asset Services
- 13.7. The Combined Authority does not place sole reliance on the use of Link Asset Service's advice as the Combined Authority uses internal expertise and knowledge to make decisions. Market data, market information, information on government support for banks and the credit ratings of that government support are also considered when making treasury decisions.
- 13.8. The criteria for providing a pool of high quality investment counterparties (both Specified and Non-Specified investments), and is shown in the order of use by the Combined Authority, as follows:

- UK Government (including gilts and the Debt Management Account Deposit Facility (DMADF)).
- Bank of Scotland call account (part of the Lloyds Banking Group).
- UK Local Authorities.
- All of the above would be subject to continuous credit rating reviews

- 13.9. The Combined Authority also uses Barclays Bank, the Combined Authority's own banker. If Barclays fall below the criterion in 13.5 then the following strategy will be followed:

With regard to the three credit rating agencies, if one reduces it's rating but the other two remain the same or improve, no action will be taken with regards to funds held with Barclays, ie maximum of £5m in the call account

If two or more credit rating agencies reduce their ratings only, as the Combined Authority will still require to use the Barclays accounts for transactional purposes, a maximum balance of £500k will be left overnight to prevent the account becoming overdrawn and incurring overdraft fees

Seek advice from Link Asset Services

- 13.10. The above action applies to Barclays only due to its status as the Combined Authority's banking provider. Use of other bank accounts would be subject to criteria set out in the point above. The above approach to Barclay's Bank has been developed following consideration of that the Combined Authority needs banking facilities to process daily banking transactions, and such activity presents a lower risk profile compared to investment activity the significant impact, resource requirement, and risk exposure of changing bank provider the possible state and stability of the banking sector and viable alternative suppliers.
- 13.11. The Combined Authority's lending list will comprise of the institutions that meet the investment criteria above. Each counterparty on the list is assigned a counterparty limit as per the table in Appendix 1. Counterparties that no longer meet the investment criteria due to a credit rating downgrade will be removed from the list and any changes will be approved by Combined Authority. Resources. Approval will also be required if any new counterparties are added to the lending list.
- 13.12. Link Asset Services approach to assessing creditworthiness of institutions is by combining credit ratings, credit watches and credit outlooks to produce a colour coding system. The Combined Authority will use counterparties within the following maximum maturity periods, in order to mitigate the risk of investing in these institutions:

Link Asset Services Banding	Description
Blue	1 year (only applies to nationalised / semi nationalised UK banks)
Orange	1 year

Link Asset Services Banding	Description
Red	6 months
Green	3 months

13.13. The proposed criteria for Specified and Non-Specified investments are shown in Appendix 1 for approval.

13.14. **Indicator 11** - Upper limit for total principal sums invested for over 365 days excluding loans. This limit is set with regard to the Combined Authority's liquidity requirements and to reduce the need for an early sale of an investment, and is based on the availability of funds after each year-end and up-dates are reported to the Audit and Governance Committee at midyear.

Overall limit for sums invested over 365 days	16/17 Actual £m	17/18 Est £m	18/19 Est £m	19/20 Est £m	20/21 Est £m
Principal sums invested 365 days	1.0	10.0	10.0	10.0	10.0

13.15. There have been some new offerings to the market, and to allow the Combined Authority to investigate the appropriateness of these investments, the credit criteria and limits of specified and non-specified investments are to be reviewed in light of the Combined Authority's risk appetite and on the advice of independent advisors. Any investment identified as a result of changes to the existing credit criteria and limits will be subject to a full due diligence review. Changes to limits and credit criteria will be in line with registered providers to allow flexibility in decision making following due diligence.

14. Loans Made to Third Parties

14.1. The Combined Authority may make secured loans to third parties to advance the Combined Authority's strategic interests.

14.2. Loans are only made after the Combined Authority's formal decision making process has been followed. This includes formal approval by the Chief Finance Officer

14.3. As part of the formal decision to make the loan, the security for the loan will be assessed as to its adequacy in the event of the third party defaulting on repayment.

14.4. Individual loan agreements provide for the recovery of the capital loan in the event of a default.

15. Non-financial investments

15.1. The Combined Authority does not hold any non-financial investments whose purpose is to generate revenue to support core services.

16. Treasury Management Scheme of Delegation

16.1. The following is a list of the main tasks involved in treasury management and who in the Combined Authority is responsible for them:

CPCA Board / Audit and Governance Committee

- Receiving and reviewing reports on treasury management policies, practices and activities.
- Approval of Annual Strategy.

Audit and Governance Committee / S151 Officer

- Approval of / amendments to the Combined Authority's adopted clauses, Treasury Management Policy Statement and Treasury Management Practices.
- Budget consideration and approval.
- Approval of the division of responsibilities.
- Receiving and reviewing regular monitoring reports and acting on recommendations.

Section 151 Officer /Head of Finance

- Reviewing the Treasury Management Policy and procedures and making recommendations to the responsible body.
- Recommending clauses, treasury management policy/practices and making recommendations to the responsible body.
- Submitting regular treasury management reports.
- Submitting budgets and budget variations.
- Receiving and reviewing management information reports.
- Reviewing the performance of the treasury management function.
- Ensuring the adequacy of treasury management resources and skills, and the effective division of responsibilities within the treasury management function.
- Ensuring the adequacy of internal audit, and liaising with external audit.
- Recommending the appointment of external service advisors

APPENDIX 1

Specified Investment Credit Criteria and Limits

Specified Investment:

- Offer high perceived security such as placements with Central Government Agencies, Local Authorities or with organisations that have strong credit ratings
- They offer high liquidity i.e. short term or easy access to funds
- Are denominated in £ sterling
- Have maturity dates of no more than 1 year
- For an institution scheme to qualify as a 'Specified Investment' it must have a minimum rating (see Section 13.5)

Investment Type	Maximum Maturity Period	Minimum Credit Criteria	Collective Limit £m	Individual Limit £m
Deposit accounts with regulated UK Banks and UK Building Societies	Repayable on call, without notice	Minimum of two short term rating criteria	100	15
Money Market Funds repayable on call, no notice	Call	Minimum rating – AAA (Fitch)	50	10
Debt Management Agency Deposit Facility	6 months currently	UK Government backed	N/A	150
Term Deposits UK Government & Local Authorities	Maturities of up to 1 year	Sovereign risk high security not credit rated	200	20
Term Deposits & Certificates of Deposit Banks Group 1	Maturities of up to 1 year	Minimum of three short term rating criteria	100	75
UK Government & Local Authority Stock Issues	Maturities of up to 1 year	Sovereign risk high security not credit rated	100	20
Term deposits & Certificates of Deposit Banks Group 2	6 months	Minimum of three short term rating criteria	50	10
Forward Term Deposits with Regulated UK Banks	Maturities of up to 1 year	Minimum of three short term rating criteria	100	15

Non-specified Investment Credit Criteria and Limits

- With the same institutions classified as “specified” investments but have maturity dates in excess of one year, or
- Are offered by organisations that are not credit rated or the credit rating does not meet the criteria set out above

Investment Type	Maximum Maturity Period	Minimum Credit Criteria	Collective Limit £m	Individual Limit £m
Term deposits with UK Government & Local Authorities	1-5 years	Sovereign risk high security not credit rated	200	20
Term deposits & Certificates of Deposit with Banks Group 1	1-5 years (tradable)	F1(Fitch - short term) AAA (long term)	10	10
UK Government & Local Authority Stock Issues	1-10 years (tradable)	Sovereign risk high security not credit rated	10	10
Term deposits & Certificates of Deposit with Banks Group 2	1-5 years (tradable)	F1 (Fitch-short term) A (long term)	20	10
Deposit accounts with regulated UK building societies	1 – 5 years	F1 (Fitch short term) A (long term)	5	5
Term deposits UK building societies no formal credit rating	Up to 1 year	Financial position assessed by Interim Corporate Director: Resources	5	5
Bonds issued by financial institution guaranteed by UK Govt	1-10 years (tradable)	UK Govt backed AAA (Fitch, S&P etc.)	5	5

Explanation of credit ratings		
Agency	Short Term	Long Term
Fitch	F1-Highest short-term credit quality. Indicates the strongest intrinsic capacity for timely payment of financial commitments; a “+” may be added to denote any exceptionally strong credit feature.	A-High credit quality. ‘A’ ratings denote expectations of low credit risk. The capacity for payment of financial commitments is considered strong. This capacity may, nevertheless, be more vulnerable to adverse business or economic conditions than is the case for higher ratings.

Moody's	P-1-superior ability to repay short-term debt obligations	Aa-high quality and are subject to very low credit risk
Standard & Poor's	A-1-The obligor's capacity to meet its financial commitment on the obligation is strong. Within this category, certain obligations are designated with a plus sign (+). This indicates that the obligor's capacity to meet its financial commitment on these obligations is extremely strong.	A-more susceptible to the adverse effects of changes in circumstances and economic conditions. However the obligor's capacity to meet its financial commitment on the obligation is still strong.