



Cambridgeshire and Peterborough Combined Authority - Overview and Scrutiny Committee

DATE: 24th September 2018
TIME: 10:30 am
LOCATION: Cambridgeshire County Council, Kreis Viersen Room, Shire Hall,
Castle St, Cambridge CB3 0AJ

Membership

Council	Member	Substitute
Huntingdonshire District Council	Clr Doug Dew Clr Tom Sanderson	Clr Jon Neish Clr Barry Chapman
East Cambridgeshire District Council	Clr Mike Bradley Clr Alan Sharp	Clr Julia Huffer Clr Chris Morris
South Cambridgeshire District Council	Clr Philip Allen Clr Grenville Chamberlain	Clr Pippa Heylings Clr Peter Topping
Fenland District Council	Clr Chris Boden Clr David Hodgson	Clr Maureen Davis Clr Sam Clark
Cambridge City Council	Clr Mike Sargeant Clr Markus Gehring	Clr Dave Baigent Clr Valerie Holt
Cambridgeshire County Council	Clr Lucy Nethsingha Clr David Connor	Clr Lina Joseph Clr David Jenkins
Peterborough City Council	Clr June Stokes Clr Ed Murphy	Clr Irene Walsh Clr Alan Dowson

AGENDA

Item no:		LEAD	PAGE
1.	Apologies To receive apologies and details of any substitute members attending.	Chair	Verbal
2.	Declaration of Interests At this point Members must declare whether they have a disclosable pecuniary interest, or other interest, in any of the items on the agenda, unless it is already entered in the register of members' interests.	Chair	Verbal
3.	Minutes of the meeting held on the 23rd July 2018 and any matters arising	Chair	Page 4
4.	Mayor for the Combined Authority in attendance Mayor James Palmer to attend to answer some questions from the committee about the staffing arrangements for the Combined Authority.	Chair	Verbal
5.	Community Land Trust – Presentation Committee to receive a presentation from Stephen Hill (CLT Network)	Chair	Verbal
6.	Recruitment Process for the Director of Strategy & Planning	Interim Chief Finance Officer	Page 29
7.	Review of Combined Authority Board Agenda Members to review the Combined Authority Board agenda which was published on the 18 th September 2018 and can be found here .	Chair	Verbal
8.	Member Update on Activity of Combined Authority Members allocated to monitor the activities of the Combined Authority to provide a verbal update to the committee on any areas of interest.	Members	Verbal
9.	Overview and Scrutiny - Call In Process	Scrutiny Officer	Page 34
10.	Combined Authority Forward Plan Members to review the items on the Forward Plan and raise any items they may wish to be added to the work programme. The CA Forward Plan is regularly updated – the most recent version can be found here .	Chair	Verbal
11.	Overview and Scrutiny Work Programme	Chair	Page 40

12.	Date of next meeting: 29th October 2018 at Peterborough City Council at 11am.	Scrutiny Officer	Verbal
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The Combined Authority is committed to open government and members of the public are welcome to attend Overview and Scrutiny 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.

For more information about this meeting, please contact Anne Gardiner at anne.gardiner@cambridgeshirepeterborough-ca.gov.uk



**CAMBRIDGESHIRE
& PETERBOROUGH**
COMBINED AUTHORITY

CAMBRIDGESHIRE & PETERBOROUGH COMBINED AUTHORITY – OVERVIEW AND SCRUTINY COMMITTEE

DRAFT MINUTES

Date: 23rd July 2018

Time: 11:00am

Location: Fenland District Council

Present:

Cllr Jon Niesh
Cllr Tom Sanderson
Cllr Alan Sharp
Cllr Pippa Heylings
Cllr Mike Sargeant
Cllr Markus Gehring
Cllr Ed Murphy
Cllr Chris Boden
Cllr David Hodgson
Cllr Lucy Nethsingha

Huntingdonshire District Council
Huntingdonshire District Council
East Cambs District Council
South Cambs District Council
Cambridge City Council
Cambridge City Council
Peterborough City Council
Fenland District Council
Fenland District Council
Cambridgeshire County Council

Officers:

Rachel Musson
Simon Wastenev
Roger Thompson
Debbie Forde
Anne Gardiner

Interim Chief Finance Officer
Interim Strategic Financial Advisor
Director for Housing and Development
Governance Advisor
Scrutiny Officer

1. Apologies

- 1.1 Apologies received from Cllr Bradley, no substitute, Cllr Chamberlain, no substitute, Cllr Connor, no substitute. Cllr Allen, Cllr Heylings substituted.

There was currently a vacancy at Peterborough City Council.

1.2 The Committee raised concerns around the quorum for the Combined Authority meetings as the attendance had come close to being inquorate and the committee agreed if it happened again then the committee would write to the Combined Authority officers and to the local MP's to highlight there may be issues with the 2/3rds attendance provision set out in the Order.

2. Declaration of Interests

2.1 No declarations of interests were made.

3. Minutes

3.1 The minutes of the meeting held on the 1st June 2018 were agreed as a correct record subject to the following amendments:-

Under point 5.2 second paragraph that the sentence be amended to state that it was 'important to take out viability issues and stop national developers controlling the housing market.'

Under point 5.2 eleventh paragraph that the word 'considered' be replaced with 'retained'.

3.2 Members requested that 'Matters Arising be added to the Minute agenda item and that an action log be attached to the minutes of each meeting going forward.

4. Community Land Trust Presentation

4.1 The Committee received a presentation from the Director for Housing and Development (Appendix A)

4.2 The following points were raised during the discussion:-

- The Director for Housing and Development advised that they were trying to get the message out that the Combined Authority was open for business; anybody could submit and applications from private organisations as well as from the constituent councils were welcome.
- In response to a question about bias in the preparation of bids and in approving them, the Director advised that it was up to the Combined Authority teams to assess if there could be any bias and the ability of a team to do this would be based on resourcing and experience.
- Another question was raised about whether the Combined Authority had the necessary resources to challenge bias from those submitting bids and was advised that at this time the resources were not well known enough for the Director to comment.
- In relation to a question on risk, the committee were advised that all developers would take a risk assessment in terms of cost and revenue; all development had risk associated with it with different developers taking different approaches to managing risk.
- Recruitment was ongoing to install the team to undertake appraisals; the appraisals that had been received to date had been dealt with by current

staff.

- Work was being done by consultants to identify areas of need for affordable housing in Cambridgeshire and Peterborough which should produce some information in the next few months.
- In response to question about whether the Combined Authority was being proactive in trying to get schemes the Director advised that they were looking to engage and encourage bids from numerous sources. Some had been received but an acceleration to the process was needed.
- The Director stated that he was confident that the team being put in place at the Combined Authority could take on the role for assessing incoming appraisals and that an independent project appraisal panel would not be necessary and could cause delays to the process which required acceleration.
- In response to a question on the Northstowe development the Housing Director advised that the Combined Authority would be looking to support the project by helping with any funding gaps but these would not be known until April/May 2019 when the financial matrix from the developers would be provided but the final decision would rest with Housing England.
- The Committee were advised that there was a top down housing strategy coming to the Board in September which would build upon and provide further information on the affordable housing strategy. The Housing Director was aware of the need for transparency around this area.
- The Committee were concerned that need and geography were not being considered and that there was little clarity on what exactly was being delivered by the Combined Authority, the Committee were also concerned around the current level of resources for the department.
- The Committee agreed to ask the Board at the meeting on Wednesday if officers could provide a briefing document that would outline the criteria that would be used for analysing the need for affordable housing across the Combined Authority area and how bids were being assessed.

5. Medium Term Financial Plan

5.1 The Committee received the report from the Interim Finance Director.

5.2 The following points were made:

- The Committee were advised that this was a draft Medium Term Financial Plan and to note that the figures involved were constantly changing.
- Members of the committee raised concern that there was no differentiation between the capital figures and the revenue figures and were advised by officers that this would be amended.
- The Committee queried why the East Cambridgeshire Loan Trust amount was included in the Medium Term Financial Plan and were advised that when the plan was originally produced its design was an attempt to capture

all funding and cash flows. The officers advised they recognised that this was a loan and that it should be rectified in the final plan.

- The Committee advised that an extra column should be included that would highlight future years expenditure.
- The Committee requested that the costs for bus schemes especially from April 2019 onwards needed to be shown within the cash flow figures.
- Electric charging points were not detailed in the Medium Term Financial Plan; officers advised they would check with the relevant director on this item.
- Currently the Combined Authority did not know what its borrowing needs would be in the future which was why it was not included within the Medium Term Financial Plan.
- The Mayor and officers were currently meeting with potential investors and the meetings were going well; over the next few weeks officers would be working on developing the Investment Strategy to figure out where income streams could be found.
- The Committee requested that the final draft of the Medium Term Financial Plan could be sent to members as early as possible to have time to provide feedback before the Board met on the 26th September.
- The finance for the Mayoral Interim Transport Plan had not been agreed; however, the financial implications would not fall on the Combined Authority.
- To date there were no specific requests for funding for CLT– once an application for CLT had been received it would be considered on a case by case basis – there were currently no applications.

The points and comments raised by the committee on the MTF Plan would be considered and changed for the report going to the Board in September.

5.3 The Committee thanked the officers for answering their questions.

6. Review of the Combined Authority Board Agenda

6.1 The Committee reviewed the agenda due to come to the Board on Wednesday 25th July 2018.

The Committee discussed the following items:

6.2 Constitution - Committee System

Members were concerned that the structure outlined in the report included the Overview and Scrutiny Committee and the Audit and Governance Committee with the new proposed committees and requested that it was made clear that these were separate committees and carried out separate roles to those of the new committees.

The Committee were advised that once the proposed system had been agreed by the Board, the constitutional arrangements would then be put in place.

Members felt that the membership outlined within the report lacked some consistency and should be reconsidered; especially in regard to substitute members.

Some members felt that the system as a hybrid of both committees and portfolio holders was confusing and would not be practical.

The Committee were advised that the new committees for Housing, Skills and Transport would manage the strategy once it had been approved by the Board.

Some members felt that the current system at the Combined Authority was not working and therefore it was reasonable to implement an alternative and welcomed the inclusion of a review in six months' time to monitor the new systems effectiveness.

6.3 Mayoral Transport Strategy

Members raised concerns around the temporary approach for the Park Ride developments and the lack of buildings in the proposals, especially toilet facilities.

Members raised some concerns around partnership working with local authorities and the GCP and highlighted that many council's local plans relied upon the transport schemes.

The Committee welcomed the change of perspective on the use of buses & Park and Rides but were concerned that this would need to be reflected in the budget.

6.4 Cambridgeshire and Peterborough Independent Economic Review (CPIER) Progress Update

A member raised the point that while natural capital was included within the report that it needed further development in the economic modelling to take into account the degradation of the land.

The Committee agreed that the review needed to consider the impact of Brexit within the report.

6.5 The Committee agreed that they would ask the following question at the Combined Authority Board meeting:

Item 1.6 – Constitution – Committee Structure

1) The Committee requested that the O&S Committee is represented in the new structure as separate to these new committees.

2) The O&S Committee had concerns around the consistency in the terms of reference for each of the new committees proposed.

3) Would the new committees have a role in developing strategy in the areas they cover?

Item 2.1 - Delivering the Mayoral Transport Strategy

1) The Committee welcomed the positive view and change of perspective on the use of buses & P&R however they had concerns around the proposal that some P&R be temporary in their nature and that there would be no buildings and a lack of toilet provision included on these sites?

2) The Committee had some concerns around partnership working and that many council's local plans relied upon the transport schemes – could there be more clarity around the relationships between the Combined Authority and their relevant partners in these schemes?

Item 3.1 - Cambridgeshire and Peterborough Independent Economic Review (CPIER) Progress Update

1) The committee requested that soil depletion should be taken into consideration when considering the long term outlook for agricultural industries in the north of the County.

2) The Committee requested that the impact of Brexit be included within the final report.

Item 3.3 – Affordable Housing

1) Please could the Board request that officers provide a briefing document that outlines the criteria that will be used for analysing the need for affordable housing across the Combined Authority area and the how bids are being assessed.

7. Member Update on Activity of Combined Authority

7.1 Cllr Mike Sargeant provided a short update on the Task and Finish Group for Mass Rapid Transport and advised that the group were still waiting to receive a CV for the consultant for members to consider.

Officers agreed to chase this and report back to the group members.

7.2 No other member updates were received.

8. Reconsider the Amendment to Standing Orders for the Overview & Scrutiny Committee – Public Question Scheme

8.1 The Committee received the report which asked the Committee to consider whether they would like to adopt a Public Question scheme.

8.2 The Committee members felt that it was important to give the public question scheme a trial.

Some members were concerned it could be used for making political points.

The Committee were advised that any questions received would be assessed by the Monitoring Officer to ensure they were relevant to the committee.

8.3 The Committee agreed they would like to introduce a question time scheme.

The Committee agreed to recommend to the Combined Authority Board that the Constitution (Chapter 8 - Overview and Scrutiny procedure rules) be amended to include an overview and scrutiny question time scheme as set out in Appendix 1b

of the report.

9. Overview & Scrutiny Budget Proposal

- 9.1 The Committee received the report which provided the Committee with an opportunity to discuss whether they would like to recommend to the Combined Authority Board that a budget be allocated for the Overview and Scrutiny Committee to help support their work programme.
- 9.2 Members felt that an amount similar to that already proposed for the Task and Finish group would be sufficient for the committee's needs and that if over the year it was not required then it would be returned.
- 9.3 The Committee agreed there should be a budget proposal taken to the next Board meeting to request an amount of 20k for the Overview and Scrutiny Committee to be made available for their work programme over the course of the year.

10. Combined Authority Forward Plan

- 10.1 The Committee discussed the Forward Plan for the Combined Authority Board.
- 10.2 The Committee felt that the Forward Plan was only useful for looking ahead for two meetings and it would be helpful if the Committee could get a better idea of what other reports were upcoming, even if these reports changed over time.

Cllr Sargeant raised the point that the most recent Forward Plan was published after the Committee met and requested that this be looked at by officers to enable the committee to review the most up to date plan at the meeting.

Cllr Gehring felt that the committee needed to be more proactive when considering items on the Forward Plan.

The Chair advised that if members had any items from the Forward Plan they would like to add to the Committee's work programme to email her or the Scrutiny Officer and it would be considered.

- 10.3 The Committee agreed they would ask the following questions at the Board meeting on Wednesday:

Item 1.5 - Forward Plan

1) The publication date of the Forward Plan is after the date the O&S Committee meet which makes it difficult for members to consider upcoming items, could an earlier publication date be considered?

2) Currently the Forward Plan only lists reports coming to the Board for the next couple of months – could other upcoming reports be added to the Forward Plan, even if the exact date cannot be included?

11. Overview and Scrutiny Work Programme Report

- 11.1 The Committee received the report which provided the Committee with the draft work programme for the Overview & Scrutiny Committee for the 2018/19 municipal year and asked them for comments and suggestions.
- 11.2 The Committee requested that an update on the Skills Strategy be brought to the

October meeting.

- 11.3 The Committee requested that they receive a presentation on Land Value Capture at their November meeting.
- 11.4 The Committee requested that a report on how the Combined Authority was working with investors and Investment Strategy Update be brought to the November meeting.
- 11.5 The Committee requested that a representative from the Community Land Trust company be invited to the September meeting to give a presentation.

12. Date of Next Meeting

- 12.1 The next meeting would be held on the 24th September 2018 at Cambridgeshire County Council at 11am.

Meeting Closed: 13:19pm.

Overview and Scrutiny Committee Actions – 23rd July 2018

Date	Action	Completed
23 rd July 2018	The Committee requested that the final draft of the Medium Term Financial Plan could be sent to members as early as possible to have time to provide feedback before the Board met on the 26 th September.	Deferred to October meeting
	The Committee requested that an update on the Skills Strategy be brought to the October meeting.	29/10/2018
	Members requested that 'Matters Arising be added to the Minute agenda item and that an action log be attached to the minutes of each meeting going forward.	24/09/2018
	Officers to provide an update on the consultant for the Task and Finish group and update members.	31/07/2018
	Report to the CA Board to request for a public question scheme for the O&S committee to be added to the committee's terms of reference.	26/09/2018
	Report to go to the next Board meeting to request around 20k for the Overview and Scrutiny Committee to be made available for their work programme over the course of the year.	26/09/2018
	The Committee requested that they receive a presentation on Land Value Capture at their November meeting.	26/11/2018
	The Committee requested that a report on how the Combined Authority was working with investors and Investment Strategy Update be brought to the November meeting.	26/11/2018
	The Committee requested that a representative from the Community Land Trust company be invited to the September meeting to give a presentation.	31/07/2018

Development Appraisal – Basic Principles

Roger Thompson

Base Principles

What goes into a development appraisal?:

- The Skills
- The principles
- The development equation

What is a development appraisal ?

The technique that provides an overall analysis of a development and its financial status
– be it a proposed development, a concept scheme, a committed scheme or a partially completed scheme in progress

BUT it is NOT a valuation ... !

The appraiser's skills set

- **Valuation** – or the ability to understand and assimilate advice provided that affects value
- **Costs** – or the ability to understand and assimilate cost information provided
- **Development process and programme** – knowledge and understanding of how property development is delivered
- **'STEEPLE' experience** - an appreciation of myriad external factors
- **Risk** - an appreciation of risk and its analysis
- **IT & numeric skills** – some maths, some statistics, some software training
- **Breadth of thought** - a good all rounder with the ability and confidence to 'step back', does the answer make sense !

The scope of the appraisal process

“It is about ‘the numbers’ but the strengths and weaknesses of an appraisal stem from the appreciation and reflection of very many factors affecting the development process.”

Development appraisal

... the four key products of an appraisal ...

Feasibility The degree to which a proposal is practically possible

Viability The degree to which a proposal is economic

Deliverability The degree to which a project is likely to be completed

Predictability The risk profile of the development

All of the above are considered in the context of **constraints** – and the expression of those constraints as minimum and maximum parameters defining any given facet of the project

Development appraisal

... the four key products of an appraisal ...

Feasibility **The degree to which a proposal is practically possible**

“It would be possible to install a solar powered escalator to the top of Everest.”

Feasibility is principally about identifying, determining and defining the parameters which either

Occur in the wider world – ie: they are external factors

or

Are imposed on a proposal – ie: they are internal factors

Development Appraisal |

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Development appraisal

... the four key products of an appraisal ...

Viability **The degree to which a proposal is economic**

Viability is measured variously but consider the following four headings:

Returns	especially clearing a minimum ‘hurdle’
Economy	“output” for a given spend cost
Effectiveness	“operational objectives”
Efficiency	“bangs for your buck” or other ...

Development Appraisal |

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Development appraisal

... the four key products of an appraisal ...

Deliverability The degree to which a project is likely to be completed. This area of thought combines feasibility and viability with a range of associated and external and internal factors ...

Societal Objectors to ECOHomes, sustainability and lots more
Political from local politics to geo-politics
Cultural the client's practices & values
wider prevailing practices and cultural values
Partners being able to work together
... especially, the public & private sectors, degree of alignment of objectives

Development Appraisal |

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Development appraisal

... the four key products of an appraisal ...

Predictability - The risk profile of the development, including ...

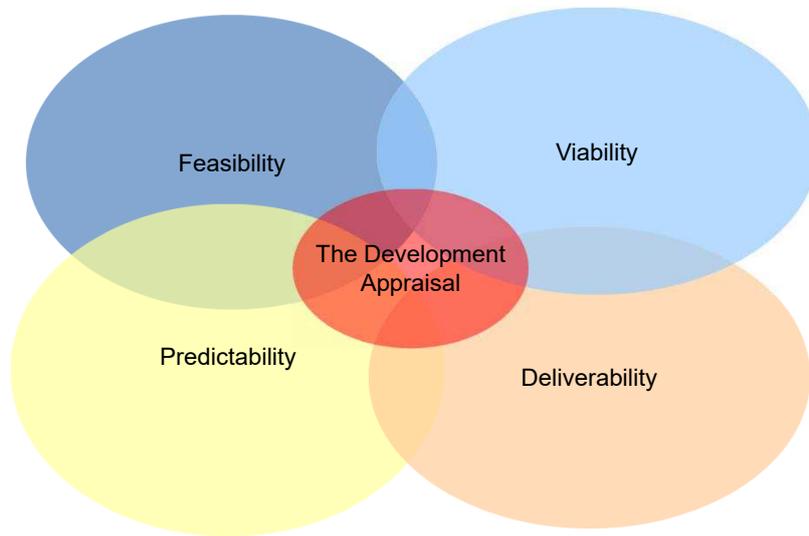
- Corporate or organisational risk
- Land assembly risk
- Town planning risk
- Contract risk
- Construction risk
- Environmental risk
- Finance risk
- Market risk
- Statute risk

Development Appraisal |

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Development appraisal

... the four key products of an appraisal ...



Development Appraisal |

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The traditional residual

Either...

... or ...

GDV of the scheme

GDV of the scheme

Less Land acquisition costs

Less The cost of the development

Less The cost of the development

Less Developer's profit

Output = Developer's profit

Output = the residual value of the land

Development Appraisal |

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The traditional residual

The pro's

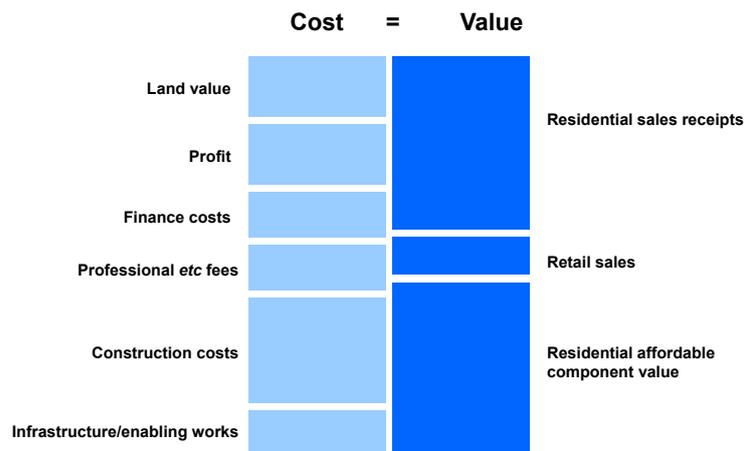
- Straightforward
- Quick and easy to read
- Widely known
- Clear and normally easy to apply basic sensitivity to inputs to understand risk impacts.

The Con's

- Needs to be adapted with regard to multiple sources and costs of finance
- Can be confused for being a valuation, which it is not
- Risk of Poor originating source of information and knowledge

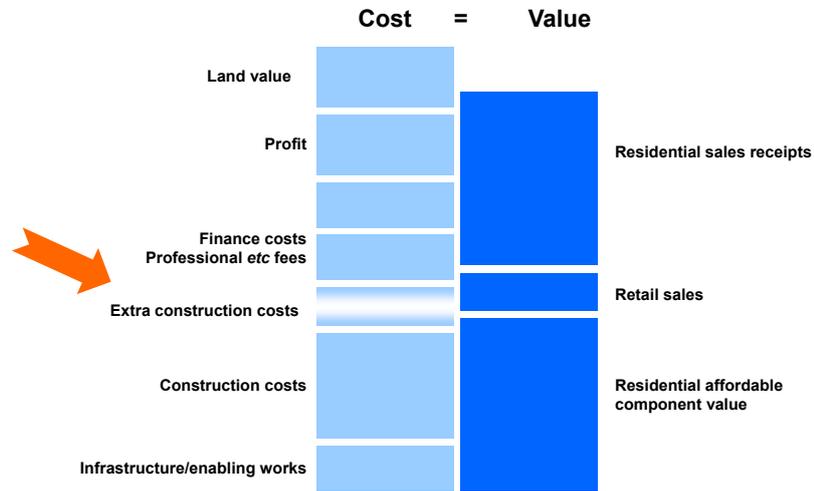
The development equation

... consider the hypothetical position below ...



The development equation

... if, say, construction costs rise substantially ...

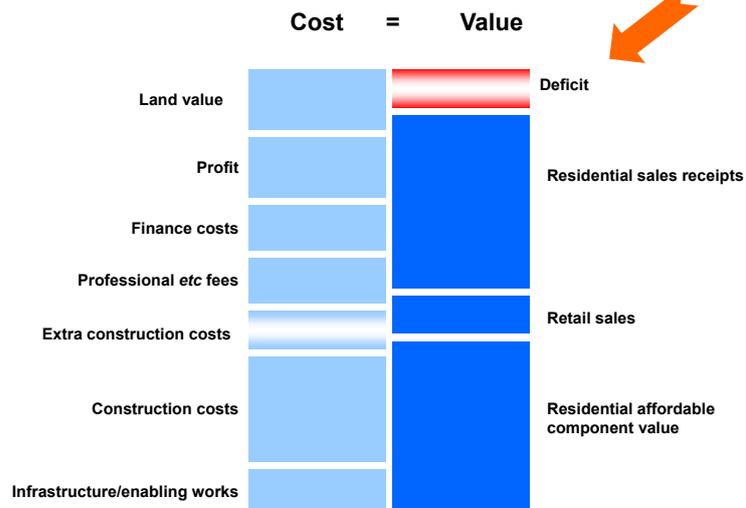


Development Appraisal |

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The development equation

... if, say, construction costs rise substantially ... there's a deficit

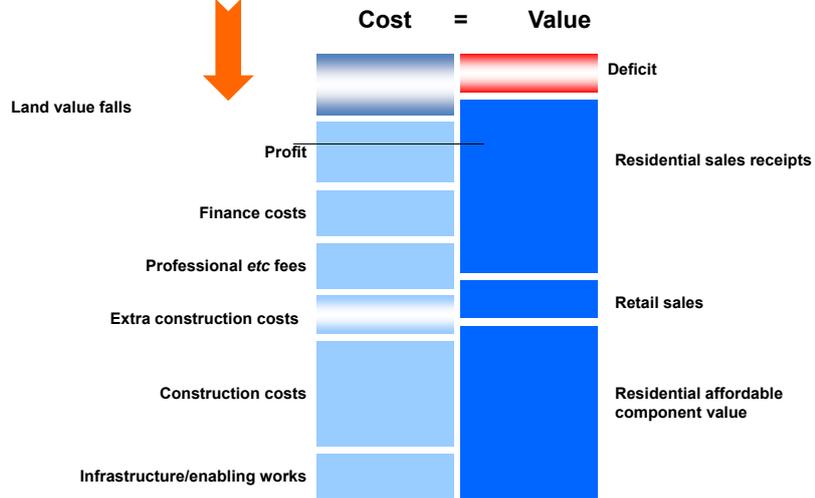


Development Appraisal |

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The development equation

... and to overcome that deficit, land value falls or another expenditure is curtailed ...

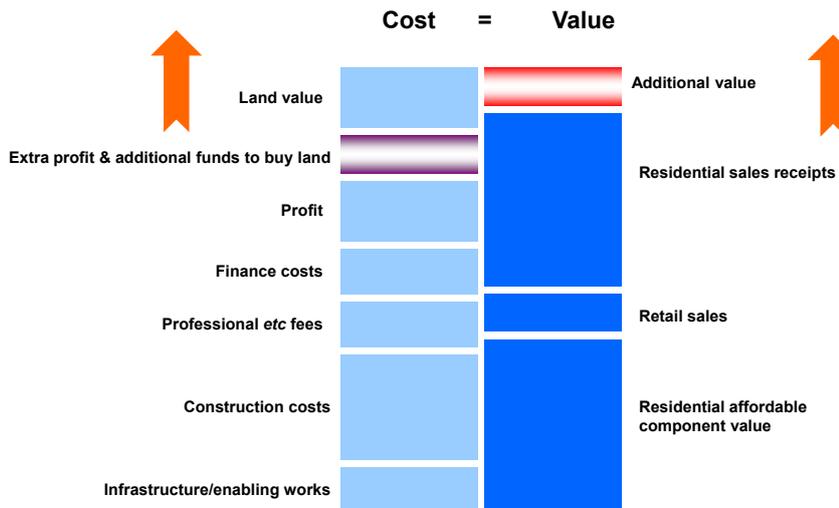


Development Appraisal |

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The development equation

... or, alternatively, if values rise ... there's more money for land, profit or 'other' expenditure



Development Appraisal |

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Undertaking the appraisal

- Collection of Data, information and knowledge
- Relevance
- Selecting
- Assembling

Undertaking appraisals

The techniques and methodologies

Sources of development funding

Information requirements

Supply of and demand for the end products

Values

- Rents and yields
- Capital values
- Growth

Costs

- Land assembly
- Infrastructure
- Construction
- Post construction
- Fees
- Special items
- Inflation

Development Factors

- Planning
- Land assembly
- Design
- Procurement
- Construction
- Leasing
- Sales
- Delays and extensions

Information sources

Publications & journals, internet, lands registry

It would be peculiar were this not the researchers starting point

Agents active in the market

The major agents and large consultancies have terrific research departments; many of the second tier do to and there are regional specialists which should be an immediate targets source of information

EGi

The public sector agencies and published data

Contacts

Undertaking research

- Consistency
- Preparation
- Briefing and debriefing
- Managing the collection
- Monitoring progress

Understanding the development

- **Scale and scope of the job**
- **Quality and positioning**
- **Special site factors**
- **Special market factors**
- **Other considerations**

In summary

- Take a strategic approach
- Plan your research
- Understand what you need to know
- Understand what you already know
- Be professional and diligent
- Collect as much information and validate data wherever possible
- Store the data and record assumptions



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3

Housing Heat Maps

Affordability & Viability

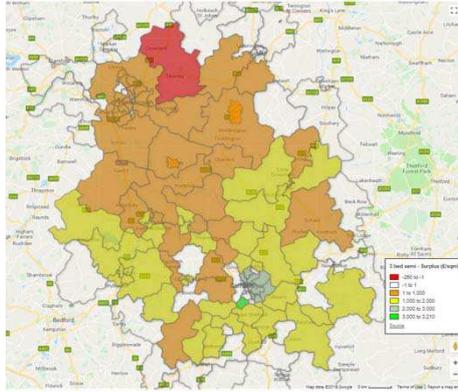
Complexity of CPCA Region







Viability of Development



Surplus / Deficit from building 3 bed semi detached house

Surplus (Or Deficit as negative) in £ / Sqm for 3 bed Semi-Detached houses

Average advertised home prices and average annual gross income



Average annual advertised House/flat Prices (£ / Month):

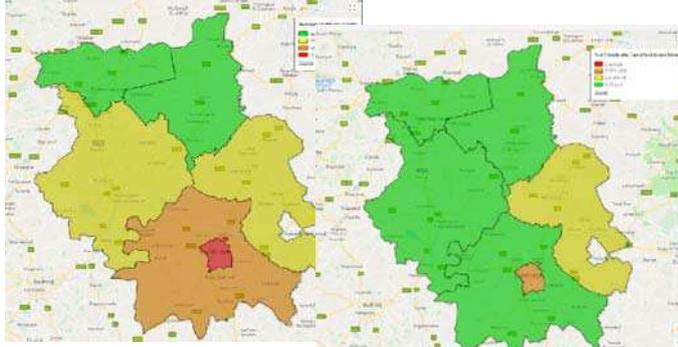
High price is red Low price is green



Average annual gross income for individuals

High income is green Low income is red

Average Salary and Percentage of People who can afford to rent homes at market level

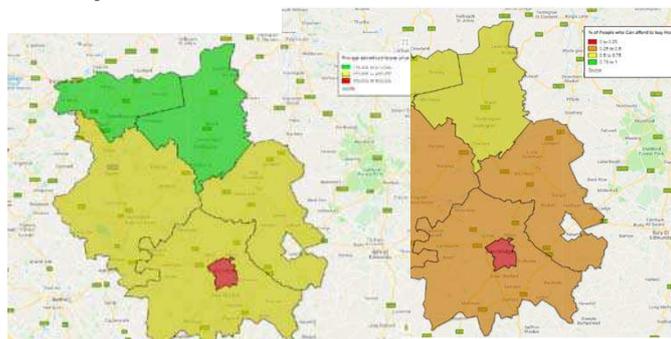


Average Home Rental (£ / Month):
Average market rent per unit per month
Red is high Green is low

Home Renting Affordability:
% of People who can afford to rent homes at market levels.
Assumes:
1. A number of people per household ranging from 1.52 to 1.67 depending on the specific area.
2. Rental at 30% of monthly gross income of household

31
ten

Average Salary and Percentage of People who can afford to buy homes at market level



Average annual advertised House/flat Prices (£ / Month):
High price is red Low price is green

Affordability:
% of People who can afford to buy homes at market levels. Assumes:
1. A number of people per household ranging from 1.52 to 1.67 depending on the specific area.
2. A 4.5 multiplier on gross annual income
3. A 20% deposit

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The Strategic Investment Toolkit





OVERVIEW AND SCRUTINY COMMITTEE	AGENDA ITEM No: 6
24th SEPTEMBER 2018	PUBLIC REPORT

RECRUITMENT PROCESS FOR THE DIRECTOR OF STRATEGY & PLANNING

1.0 PURPOSE

- 1.1. For the Overview and Scrutiny Committee to be informed of the recent director recruitment process for the Director of Strategy and Planning and to provide assurance that the process was robust and carried out appropriately.
- 1.2. To note that the Combined Authority has obligations to ensure the confidentiality of the recruitment process and has obligations in this regard to its employees and prospective employees

<u>RECOMMENDATION</u>	
Lead Officer:	Karl Fenlon, Interim Chief Finance Officer
For information only	

2.0 BACKGROUND & CONTEXT

Constitutional Position

- 2.1. The Employment Committee comprises four named members, or their alternates:
 - Mayor James Palmer
 - Councillor Charles Roberts
 - Councillor John Holdich sub. Councillor Wayne Fitzgerald
 - Councillor Lewis Herbert sub. Councillor Anna Smith (previously Councillor Kevin Price)

- 2.2. Along with two other members taken in rotation, one of whom must be the relevant portfolio holder for any position being considered.
- 2.3. At the Employment Committee meeting of 28th March 2018 it was agreed that Employment Sub Committees would be formed for the appointment of Directors, comprising: the Mayor (as Chair), the Statutory Deputy Mayor (as Vice-Chair) Councillor for Cambridge City Council (to maintain political balance) and one other Board member which must include the relevant Portfolio Holder when interviewing for a particular Chief Officer post.
- 2.4. At the Annual Meeting on 30th May 2018 it was agreed (item 1.10) to amend the constitution to, inter alia, remove the requirement for political balance on employment sub-committees; thereby simplifying the process and reducing the quorum requirement for employment sub-committee to 3 members.

Timeline and Participation

- 2.5. Regulations applying to recruitment of local authority posts allows officers to be recruited without first advertising them to existing staff. Appointment must however be on merit, with the exception of political assistants who can be selected for appointment.
- 2.6. Where it is proposed to recruit externally the position must be advertised and applications invited. Again, all appointments must be on merit.
- 2.7. The Combined Authority therefore has a choice regarding the appointment of its employees. At the Employment Committee in March 2018, it was agreed that four new Director positions would be recruited externally. All roles were subsequently advertised through online publications of the Times, Guardian and Telegraph as well as LinkedIn.
- 2.8. Arrangements for the recruitment process began in April with requests for holiday plans for all members along with detailed availability requests for the relevant portfolio holders and an element of political balance. The process was however mindful of the impending elections and dates were to be confirmed following the elections. Allowing for conclusion of Council AGM's, dates were then set to June 21 & 22 for assessment and June 29 for interview.
- 2.9. The recruitment process itself was devised by the Combined Authority's Human Resources lead with assistance from Penna, a national recruitment agency with a specialism in local government. The process included a number of assessments, all held over the course of a day, concluding with an informal panel meeting to make recommendations to the relevant Employment Sub-Committee. It being the Sub-Committee which holds delegated responsibility for interviewing and appointing candidates. The assessment day therefore acted as a screening process for candidates and, in general, each assessment panel interview was conducted by a senior officer from the Authority supported by an adviser from Penna.

- 2.10. Following the advertisement of posts, applications for the four director positions closed at 09.00 on 6 June 2018. All written applications were received before this deadline.
- 2.11. Prior to each assessment day, councillors and officers were supplied with candidate details and assessment packs for the short-listed candidates for each Director role.
- 2.12. As part of the process, in addition to the assessment panel interviews, candidates were also assessed through an additional panel interview with the Mayor, Deputy Mayor and the Chief Executive with the Chief of Staff observing.
- 2.13. Further steps in the assessment process comprised:
- CV review by panel
 - Behavioural/psychometric testing
 - Leadership scenario testing
 - Stakeholder lunch with feedback; various stakeholders were invited
- 2.14. The wrap-up discussions, including the decision as to which candidates to take through to interview, were held on the same day as the assessments. These sessions were not formally minuted as this is a screening process and it is the Employment Sub-Committee which ultimately holds responsibility for making decisions on appointments.
- 2.15. Following the Assessment Centre there were two candidates for the Strategy & Planning position, one for the Chief Finance Officer role, one for Business & Skills and none for Infrastructure.
- 2.16. The Employment Sub-Committee was held on 29 June. The Employment Sub-Committee comprised 3 members in accordance with the requirements of the process agreed on 28 March 2018, as subsequently modified: the Mayor (strategy portfolio), Deputy Mayor, and the substitute Councillor for Huntingdon.
- 2.17. Notice of the Employment Sub-Committee was given five (5) clear working days in advance and agenda and reports were issued for the meeting as is required by law and the constitutional arrangements: the member for Cambridge City Council was not available.

3.0 OUTCOME & RECOMMENDATIONS

- 3.1 The Business & Skills and one of the Strategy & Planning candidates have been successfully appointed. The Chief Finance Officer candidate withdrew from the process after the assessment stage; he advised that he had secured another role. We have subsequently appointed, subject to Board approval at the September Board, a Chief Finance Officer on a fixed term contract following a panel interview of four additional candidates on July 25.
- 3.2 The Infrastructure position is being held vacant following the recent addition of Directors for both the housing and transport portfolios.

3.3 Notwithstanding the comprehensive process above, there are some points to note:

- This was an exceptional situation due to our start-up nature: we should not in future need to recruit four key positions simultaneously and certainly not during the holiday season.
- All member participants should be invited to hear the results of all panel sessions at the conclusion of the assessment day to ensure they have a rounded understanding of the candidates being proposed for interview

3.4 Following the appointment to relevant posts there was a disclosure of personal data regarding the appointment to the Director of Strategy and Planning (subsequently re-titled Strategy & Assurance) (Appendix 1). This disclosure has been reported to the Monitoring Officer for advice regarding the obligations of the Combined Authority to its employees. Should any further action be required, such as a review of the relevant constituent authority's code of conduct or our requirements under the Data Protection Act, the Monitoring Officer will deal with this, if necessary, in conjunction with the Audit and Governance Committee under its governance remit.

4.0 LEGAL IMPLICATIONS

4.1 The process to recruit and appoint to positions within the Combined Authority are governed by general employment law and a series of Regulations relating specifically to local government employment. These Regulations are captured in the 'Officer Employment Procedure Rules' and included within the Constitution. They are described earlier in this report.

4.2 The Assessment Day and the Employment Sub-Committee processes are confidential and dealt with in private. This is common practice within local government and within industry in general, as interviews involve the disclosure of personal data. Disclosure of interview performance could impact an individual's career prospects and the Combined Authority has an obligation as an employer to ensure the confidentiality of the employment process to ensure that it can attract the best candidates to vacant positions.

5.0 FINANCIAL IMPLICATIONS

5.1 None

6.0 APPENDICES

6.1. Appendix 1 - Statement Issued to the Press on the Recruitment Process

Source Documents	Location
Employment Committee meeting 28 th March 2018	Minutes from Employment Committee 28th March 2018

Appendix 1

Statement Issued to the Press on the Recruitment Process

The Combined Authority conducted an open and competitive recruitment process for a new permanent position of Director of Strategy and Planning during June and July 2018 which reviewed all candidates on merit.

As a result, Paul Raynes, was appointed to the position following a rigorous process, in accordance with the requirements of both our constitution and our Employment Committee.

All applications were made to an independent, national, recruitment advisor; no direct applications were considered. The recruitment advisor provided a list of applicants for this position to the employment panel, as approved by the Employment Committee. Candidates were then long-listed by the panel before attending a series of assessments.

Following these assessments, a number of candidates were shortlisted by the employment panel. This smaller list of candidates attended a final interview with an Employment Sub-Committee which reached a decision on the preferred candidate, in accordance with our constitution.

Councillor Price participated in part of the candidate assessments, prior to shortlist selection. The outcome of all elements of the candidate assessments were provided to the Employment Sub-Committee; including that in which Councillor Price participated.

The Director roles were advertised in the recruitment pages of the Telegraph, Times and Guardian websites, plus LinkedIn.

The Employment Sub-Committee comprised of the Mayor, Deputy Mayor Charles Roberts and Councillor Ryan Fuller with CPCA Chief Executive Martin Whitely in attendance as an observer. They were supported by the external recruitment advisor.



OVERVIEW AND SCRUTINY COMMITTEE	AGENDA ITEM No 8
24th SEPTEMBER 2018	PUBLIC REPORT

CONSTITUTION REVIEW – CALL IN PROCESS

1.0 PURPOSE

- 1.1. The Overview and Scrutiny Committee has the power to review and scrutinise key decisions made by the Combined Authority Board and the Mayor; this is the power to 'Call In' a decision set out in Local Government Act 2000 and consolidated by Schedule 5A to the Local Democracy, Economic Development and Construction Act 2009.
- 1.2. The process by which the committee can exercise this power at the Combined Authority is detailed in the flow chart at Appendix A.
- 1.3. Following the failure of a 'call in' meeting due to inquoracy in June 2018 and the concerns that were raised around the process following this meeting; the committee are asked to review the process for the call in by the Overview and Scrutiny Committee.
- 1.4. The report outlines the current process and suggests an alternative to ensure cross party agreement going forward.

<u>RECOMMENDATION</u>	
Lead Officer:	Kim Sawyer, Legal Counsel and Monitoring Officer
The Overview and Scrutiny Committee are recommended to: (a) review the 'call in' process at Appendix 1 and comment on its effectiveness. (b) consider the alternative call in process outlined in the report and agree whether to recommend to the Combined Authority Board that they adopt the new process for call in and that the constitution be amended to reflect this.	

2.0 BACKGROUND

- 2.1. The Local Government Act 2000 introduced the ability for Overview and Scrutiny Committees to 'call-in' a decision which has been made by the executive but not yet implemented.
- 2.2. In guidance released following the 2000 Act it was advised that local authorities should ensure that their executive arrangements make sure that any call-in procedures were not abused or used unduly to delay decisions or slow down the process of decision making. It provided examples of safeguards that could be put in place to ensure the process adopted was fair and effective but local authorities were left to devise their own mechanisms for their call in process.

Overview and Scrutiny Call In Process at Combined Authority

- 2.3. The current process for the Overview and Scrutiny Committee at the Combined Authority for Cambridgeshire and Peterborough to 'call in' a key decision of the Combined Authority Board or Mayor requires any five members of the committee to request a call in within 5 working days after the publication of the decision.
- 2.4. Once the request for a call in has been received by the Monitoring Officer a meeting will be arranged for the Overview and Scrutiny Committee to scrutinise the decision. In accordance with the legislation the meeting must be held within 14 days or 10 working days as this is the period of time allowed for the decision to be halted before being implemented. If the Committee 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. Our constitution complies with the legislation. The legislation gives us very limited time to arrange a meeting especially when you consider the agenda must be published 5 clear days in advance, not including the day the agenda is published and the date of meeting.
- 2.5. Once the Committee has scrutinised a decision, it may either endorse the decision (a decision which has been endorsed by the Committee may be implemented immediately) or refer the decision back to the Mayor, Combined Authority Board or the Officer for reconsideration, setting out, in writing the nature of its concerns and any recommendations that the committee would like to make.

Suggested Recommendation for Changes to the Call In Process

- 2.6. The mechanisms in place for the call-in procedure at the Combined Authority are outlined in Appendix A and are standard practices that have been adopted by many councils and adhere to the relevant legislation for Overview and Scrutiny Committees and Combined Authorities.
- 2.7. Following the call-in meeting in June which was unable to be held due to a lack of attendance by members and the concerns that were raised around the procedures for call in, officers have suggested that the call in mechanism be amended to ensure that any future call ins are a result of a cross party agreement that a key decision should be reconsidered.

2.8. To this end the call-in procedures for the Combined Authority Overview and Scrutiny Committee would be amended to state that it would:

- a) require 5 members of the committee to call in a decision
- b) require one representative from each political party that sits on the committee to call in a decision.

3.0 FINANCIAL IMPLICATIONS

3.1. There are no financial implications to this report.

4.0 LEGAL IMPLICATIONS

- 4.1. The Local Government Act 2000 laid out the original legislation for local authorities to create Overview and Scrutiny Committees and the power for these committees to place a stop on a decision being implemented.
- 4.2. Schedule 5A of the Local Democracy, Economic Development and Construction Act 2009, as inserted by the Cities and Local Government Devolution Act 2016 gave Overview and Scrutiny Committees the power to direct that a decision is not implemented while under review of the committee for a maximum of 14 days.
- 4.3. The Combined Authorities (Overview and Scrutiny Committees, Access to Information and Audit Committees) Order 2017 lays out the provision for the quoracy of meetings for the Overview and Scrutiny Committee in Part 2, Section 3, paragraph 2 stating that 'at least two-thirds of the total number of members of the overview and scrutiny committee must be present at a meeting of the overview and scrutiny committee before business may be transacted.'
- 4.4. The Combined Authorities (Overview and Scrutiny Committees, Access to Information and Audit Committees) Order 2017 also lays out the provision in Part 2, Article 7, paragraph 4:
 - (a) that where recommendations have been made by the committee the Combined Authority and the Mayor must hold a meeting to reconsider the decision within 10 days after the date of receiving the recommendations.
 - (b) the power to direct that a decision cannot be implemented for a period not exceeding 14 days from the date on which the direction is issued.

5.0 APPENDICES

5.1. Appendix 1 – Call In Process Flow Chart and Briefing Note.

Source Documents	Location
Local Government Act	http://www.legislation.gov.uk/ukpga/2000/22/section/21

2000	
Local Democracy, Economic Development and Construction Act 2009	http://www.legislation.gov.uk/ukpga/2009/20/schedule/5A
The Combined Authorities (Overview and Scrutiny Committees, Access to Information and Audit Committees) Order 2017	http://www.legislation.gov.uk/uksi/2017/68/contents/made

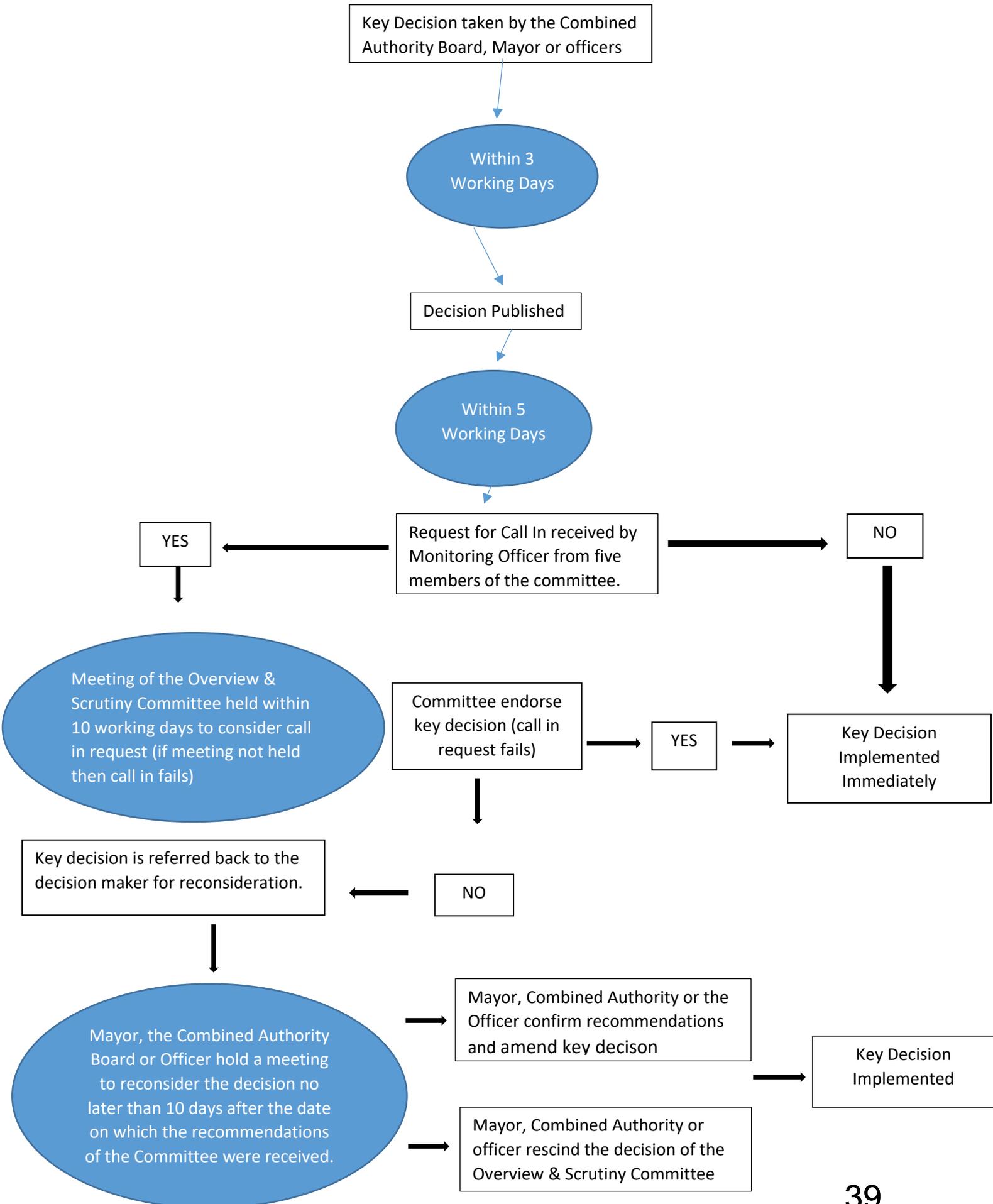
Appendix 1

Call In Process – Briefing Note

The Overview and Scrutiny Committee has the power to review and scrutinise a key decision made by the Combined Authority Board but not yet implemented – following the below process:

- 1) The key decisions taken will be published on the Combined Authority website within 3 working days of the meeting where the decision was taken.
- 2) 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 – within 5 working days after the publication of the decision.
- 3) 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.
- 4) The Committee must scrutinise the decision within 10 working days of receipt of the 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.
- 5) 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.
- 6) A decision which has been endorsed by the Committee may be implemented immediately.
- 7) 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.
- 8) The Mayor, Combined Authority or the Officer may confirm, amend or rescind the decision.
- 9) A decision which has been confirmed or amended may be implemented immediately.

How Call In Works





OVERVIEW AND SCRUTINY COMMITTEE	AGENDA ITEM No: 11
24 SEPTEMBER 2018	PUBLIC REPORT

OVERVIEW AND SCRUTINY WORK PROGRAMME

1.0 PURPOSE

- 1.1 To provide the Committee with the draft work programme for the Overview & Scrutiny Committee for the remainder of the 2018/19 municipal year and to ask the committee to comment and make suggestions.

RECOMMENDATION

Lead Officer: Kim Sawyer, Legal Counsel and Monitoring Officer

That the Committee discuss items that they would like to be added to the work programme for the Overview & Scrutiny Committee for the 2018/19 municipal year attached at Appendix 1.

2.0 BACKGROUND

- 2.1 In accordance with the Constitution, the Overview & Scrutiny Committee is responsible for setting its own work programme.
- 2.2 A draft work programme which shows the items to be considered over the forthcoming year is attached at Appendix 1.

3.0 APPENDICES

- 3.1 Appendix 1 – Work Programme.

**OVERVIEW AND SCRUTINY
WORK PROGRAMME 2018/19**

Meeting Date	Item	COMMENTS
24th Sept 2018 Cambridgeshire County Council	Minutes Committee to approve the minutes for accuracy from the last meeting and discuss any matters arising.	
	Community Land Trust – Presentation Committee to receive a presentation from Stephen Hill, Trustee of the CLT Network.	
	Review of Combined Authority Upcoming Agenda Standing item for the Committee to review the upcoming agenda for the Combined Authority Board meeting.	
	Member Update on Combined Authority Activity Members allocated to each theme covering the work of the Combined Authority to provide an update to the committee.	
	Call in Process Members to discuss possible changes to the Call-In process	
	Recruitment Process Committee to receive a report from CFO regarding recent recruitment processes.	
	Combined Authority Forward Plan	

Meeting Date	Item	COMMENTS
	<p>Standing item where the Committee can review the Combined Authority's Forward Plan and identify any relevant items for inclusion within their work programme.</p>	
	<p>Overview and Scrutiny Work Programme To consider the work programme for the year 2018/19.</p>	
<p>29th Oct 2018 Peterborough City Council</p>	<p>Minutes Committee to approve the minutes for accuracy from the last meeting and discuss any matters arising.</p>	
	<p>Skills Strategy Update</p>	
	<p>Review of Combined Authority Upcoming Agenda Standing item for the Committee to review the upcoming agenda for the Combined Authority Board meeting.</p>	
	<p>Member Update on Combined Authority Activity Members allocated to each theme covering the work of the Combined Authority to provide an update to the committee.</p>	
	<p>Combined Authority Forward Plan Standing item where the Committee can review the Combined Authority's Forward Plan and identify any relevant items for inclusion within their work programme.</p>	

Meeting Date	Item	COMMENTS
	<p>Overview and Scrutiny Work Programme To consider the work programme for the year 2018/19.</p>	
<p>26th November 2018 Fenland DC</p>	<p>Minutes Committee to approve the minutes for accuracy from the last meeting and discuss any matters arising.</p>	
	<p>Mayor of the Combined Authority Mayor James Palmer to attend to respond to questions submitted from the committee.</p>	
	<p>Land Value Capture – Presentation Committee to receive a presentation from the Mayor and Legal Counsel on Land Value Capture at the Combined Authority.</p>	
	<p>Affordable Housing Update Committee to receive a report from the Director of Housing which will provide an update on the progress in regard to the Affordable Housing programme.</p>	
	<p>Presentation from Strategy & Planning Director for the Combined Authority Project Management processes of the Combined Authority</p>	
	<p>Interim Update on Transport Plan from Transport Director Committee to receive an update form the Transport Director on the</p>	

Meeting Date	Item	COMMENTS
	progress of the new Transport Plan for the Combined Authority	
	Investment Strategy Update	
	Review of Combined Authority Upcoming Agenda Standing item for the Committee to review the upcoming agenda for the Combined Authority Board meeting.	
	Member Update on Combined Authority Activity Members allocated to each theme covering the work of the Combined Authority to provide an update to the committee.	
	Combined Authority Forward Plan Standing item where the Committee can review the Combined Authority's Forward Plan and identify any relevant items for inclusion within their work programme.	
	Overview and Scrutiny Work Programme To consider the work programme for the year 2018/19.	
17th Dec 2018 Cambridge City Council	Minutes Committee to approve the minutes for accuracy from the last meeting and discuss any matters arising.	
	Review of Combined Authority Upcoming Agenda Standing item for the Committee to review the upcoming agenda for the	

Meeting Date	Item	COMMENTS
	Combined Authority Board meeting.	
	<p>Combined Authority Forward Plan Standing item where the Committee can review the Combined Authority's Forward Plan and identify any relevant items for inclusion within their work programme.</p>	
	<p>Member Update on Combined Authority Activity Members allocated to each theme covering the work of the Combined Authority to provide an update to the committee.</p>	
	<p>Overview and Scrutiny Work Programme To consider the work programme for the year 2018/19.</p>	
<p>28th January 2019 Huntingdonshire DC</p>	<p>Minutes Committee to approve the minutes for accuracy from the last meeting and discuss any matters arising.</p>	
	<p>Mayor of the Combined Authority Mayor James Palmer to attend to respond to questions submitted from the committee.</p>	
	<p>Review of Combined Authority Upcoming Agenda Standing item for the Committee to review the upcoming agenda for the Combined Authority Board meeting.</p>	

Meeting Date	Item	COMMENTS
	<p>Combined Authority Forward Plan Standing item where the Committee can review the Combined Authority's Forward Plan and identify any relevant items for inclusion within their work programme.</p>	
	<p>Member Update on Combined Authority Activity Members allocated to each theme covering the work of the Combined Authority to provide an update to the committee.</p>	
	<p>Overview and Scrutiny Work Programme To consider the work programme for the year 2018/19.</p>	
<p>25th February 2019 South Cambs DC</p>	<p>Minutes Committee to approve the minutes for accuracy from the last meeting and discuss any matters arising.</p>	
	<p>Review of Combined Authority Upcoming Agenda Standing item for the Committee to review the upcoming agenda for the Combined Authority Board meeting.</p>	
	<p>Combined Authority Forward Plan Standing item where the Committee can review the Combined Authority's Forward Plan and identify any relevant items for inclusion within their work programme.</p>	
	<p>Member Update on Combined Authority Activity Members allocated to each theme covering the work of the Combined</p>	

Meeting Date	Item	COMMENTS
	Authority to provide an update to the committee.	
	Overview and Scrutiny Work Programme To consider the work programme for the year 2018/19.	
25th March 2019 Cambridgeshire County Council	Minutes Committee to approve the minutes for accuracy from the last meeting and discuss any matters arising.	
	Review of Combined Authority Upcoming Agenda Standing item for the Committee to review the upcoming agenda for the Combined Authority Board meeting.	
	Combined Authority Forward Plan Standing item where the Committee can review the Combined Authority's Forward Plan and identify any relevant items for inclusion within their work programme.	
	Member Update on Combined Authority Activity Members allocated to each theme covering the work of the Combined Authority to provide an update to the committee.	
	Overview and Scrutiny Work Programme To consider the work programme for the year 2018/19.	

Meeting Date	Item	COMMENTS
18 th April 2019 TBC	Minutes Committee to approve the minutes for accuracy from the last meeting and discuss any matters arising.	
	Mayor of the Combined Authority Mayor James Palmer to attend to respond to questions submitted from the committee.	
	Review of Combined Authority Upcoming Agenda Standing item for the Committee to review the upcoming agenda for the Combined Authority Board meeting.	
	Combined Authority Forward Plan Standing item where the Committee can review the Combined Authority's Forward Plan and identify any relevant items for inclusion within their work programme.	
	Member Update on Combined Authority Activity Members allocated to each theme covering the work of the Combined Authority to provide an update to the committee.	
	Overview and Scrutiny Work Programme To consider the work programme for the year 2018/19.	